



Housing Sustainability and Social Capital Summerdale Apartments: A Case Study



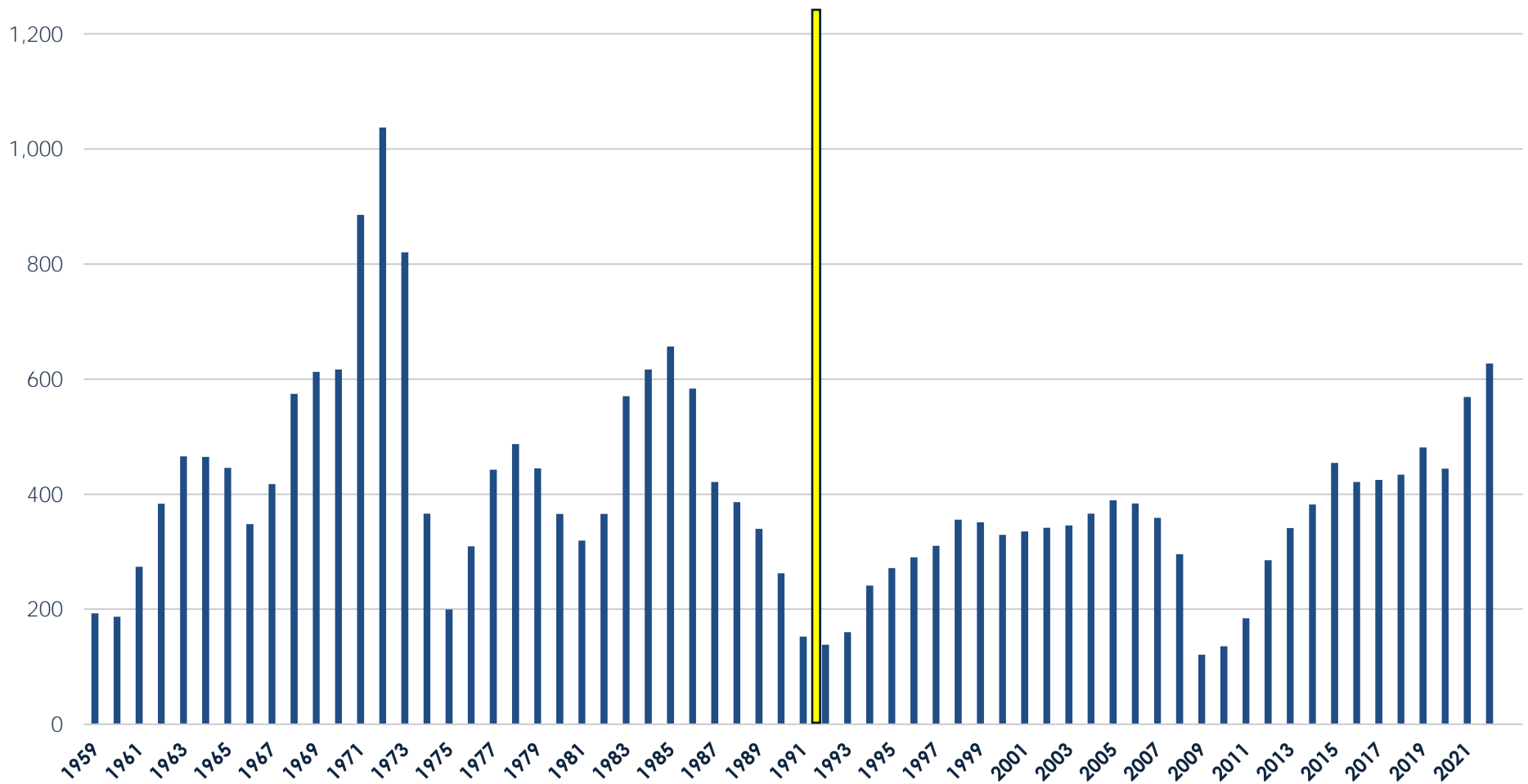
TriStar is a mission-based apartment landlords that operate an “Edu-Housing” model with goal to reduce student mobility through stable affordable housing.



New Housing Units by Building Permits – Projects over 5 Units

FOR THE YEARS 1959-2022

APARTMENTS OVER 30 YEARS OLD = 15,314,000 UNITS OF 25,584,000 UNITS OR **59.9%**



Atlanta Housing Stock – Class C & D Properties



Summerdale Apartments

ATLANTA, GEORGIA JUNE 2018



so·cial cap·i·tal

The networks of relationships among people who live and work in a particular society, enabling that society to function effectively

Social capital broadly refers to those factors of effectively functioning **social** groups that include such things as interpersonal relationships, a shared sense of identity, a shared understanding, shared norms, shared values, trust, cooperation, and reciprocity.

Cleveland Avenue Demographics

U.S. Census – 2015 Estimates & 2020 Projections

0-1 Mile Radius	
Population	
2020 Projection	11,580
2000 Census	12,383
Growth 2000-2015	(12.00%)
Households by Marital Status	
Married	814
Female HH: No Husband	1,535
Female HH: Children	692
2015 Population by Education	
Some High School, No Diploma	1,583 (21.88%)
High School Grad (Incl Equivalency)	2,380 (32.89%)
Some College, No Degree	1,903 (26.30%)
Associate Degree	696 (9.62%)
Bachelor's Degree	527 (7.28%)
Advanced Degree	147 (2.03%)
2015 Avg Household Income	
2015 Med Household Income	\$26,942
2015 Occupied Housing	
Owner Occupied	1,458 (37.28%)
Renter Occupied	2,453 (62.72%)

Cleveland Avenue Elementary

Student Mobility Rate

43.1%

School Climate Star Rating

- Cleveland Avenue Elementary School's overall performance is higher than 29% of schools in the state and is lower than its district
- 27.5% of its third-grade students are reading at or above the grade level target
- Highest **“Active Shooter Lockdown”** school in Atlanta Public School district – and probably the state

SCHOOL WIDE

Year	Grade	Grade Conversion	
2018	D	90-100	A
2017	C	80-89.9	B
2016	B	70-70.9	C
2015	C	60-69.9	D
2014	D	0-59.9	F



Crime: Summerdale 911 Call History

	Foreclosure 2009	2010	2011	2012	2013	2014	2015	2016	2017
VIOLENT CRIMES									
Armed Robbery/Burglary	7	7	5	11	24	19	6	8	73
Shots Fired	1	0	1	1	6	13	3	28	48
Fights/Stabbing	19	18	36	38	46	50	46	103	107
Sex Assault	0	0	1	0	1	1	0	5	2
Armed Person	1	0	0	0	1	1	1	9	7
Stolen Autos/Goods	4	0	1	2	1	5	0	16	37
Suicide	0	0	1	0	1	3	1	1	1
VIOLENT CRIMES TOTAL	32	25	45	52	80	92	57	170	275
NON-VIOLENT CRIMES									
Disorderly Per/Simple Assault	5	7	10	19	21	22	13	28	58
Drugs	1	1	0	0	5	0	1	12	48
Person Injured	0	3	0	2	5	5	4	5	2
Theft/Vandalism	9	9	4	18	15	9	13	16	19
Miss/Dead Person	2	1	1	4	4	4	2	5	4
Loud Music	0	1	2	5	4	1	1	6	27
Domestic/Child Abandonment	1	1	0	0	2	6	4	4	0
Criminal Tresspass	1	0	0	0	2	0	7	1	7
Fire	0	0	0	0	0	1	0	1	0
NON-VIOLENT CRIMES TOTAL	19	23	17	48	58	48	45	78	165
TOTAL CRIMES	51	48	62	100	138	140	102	248	440
OTHER 911-CLERICAL SERVICE CALLS									
Officer Information	14	6	10	17	21	17	28	28	34
Other Miscellaneous	1	0	4	1	6	2	2	2	16
Total	15	6	14	18	27	19	30	30	50
TOTAL ALL 911 SERVICE CALLS	66	54	76	118	165	159	132	278	490

Summerdale Discretionary Income/Purchasing Power

JUNE 2018 (TRISTAR ACQUISITION)

	JULY 2018		
	SPRINGVIEW	SUMMERDALE	TOTAL
Total Units	144	100	244
Occupied Units	32	93	125
Units that had Income Verifications	24	77	101
Reported Income	\$690,315	\$2,225,466	\$2,915,781
Average Income/Reported (34% AMI)	\$28,763	\$28,902	\$28,869
Estimated Purchasing Power x Occupied Units	\$920,420	\$2,687,900	\$3,608,640



Summerdale/Springview Cost of Municipal Services

	City Of Atlanta 2017 Final <u>Mileage (*)</u>	City Of Atlanta 2017 Approved <u>Budget</u>	City Of Atlanta # Served <u>Per 2017 Budget</u>	2017 Budgeted <u>Cost/Per Person</u>	Spring/Summer <u>#Served</u>	Spring/Summer <u>Cost of Services</u>	Property Taxes Paid by <u>Spring/Summer</u>
Police (911 Calls)	2.62	\$180,210,202	11,770,765	\$15	440	\$6,736	\$1,879
Fire/EMS	1.16	79,839,317	76,040	1,050	24	25,199	833
Court/Other=10% 911 Calls	0.20	14,061,478	18,766	749	44	32,969	147
Total Excluding Schools	3.99	\$274,110,997				\$64,905	\$2,859
School	21.74	777,000,000	52,000	14,942	63	941,365	15,577
Total	25.73	\$1,051,110,997				\$1,006,270	\$18,436

(*) Note: The 2017 Mileage was 8.84 for "General Fund". The 2017 Budget for the General Fund was \$607,388,585 broken down as follows:

	COA 2017 Budget <u>Page 57</u>	<u>Mileage</u>
Police	\$180,210,202	2.62
Fire/EMS	79,839,317	1.16
Other (Court)	14,061,478	0.20
	274,110,997	3.99
Remainder	333,277,588	4.85
Total	\$607,388,585	8.84

Summary of the Summerdale Neighborhood



1. Demographics Indicative of High Poverty



2. Low Performing School (Cleveland Avenue Elementary) 43.1% Mobility Rate



3. High Entrenched Crime in Area/Property



4. Limited Community Amenities



5. Low Rents for Market



6. Mixture of Legal and Illegal Tenants



7. Limited Commercial Business Activity and Discretionary Income/Purchasing Power



8. Municipal Service Cost Exceed Property Taxes



Perkerson
Elementary School

Lakewood Stadium

Future Leaders
Christian Academy

South
Bend Park

Kingdom Hall of
Jehovah's Witnesses

Cleveland Avenue
Elementary School

Profile Institute
of Barber Styling

NEXT STEPS

Kreative Mindz
Learning Academy

New Mt Olive
Missionary Baptist

The Forrest Hill Academy

GATES Children &
Adolescents Academy

Faith Baptist Church

The Terraces at
Highbury Court

Mission

Google

Community Goals

How We Know We are Successful?

- Economic Stability - Affordable rents scaled for community demographics to reduce transiency
- Neighborhood and physical environment promotes health (safe, playgrounds, safe housing). Crime stabilized and neighborhood safety improved
- Strong community partnerships to address education, healthcare and food access
- Tenants are empowered with social capital (shared identity, trust, cooperation, reciprocity)
- Cleveland Elementary Successful - milestone improvements

Social capital broadly refers to those factors of effectively functioning **social** groups that include such things as interpersonal relationships, a shared sense of identity, a shared understanding, shared norms, shared values, trust, cooperation, and reciprocity.

The TriStar Turn Around Plan

1. Right-Size Cost of Capital To Purchase and Renovate

2. Strong Experienced Management

3. Safety/Security Plan

4. Tenant Screening

5. Renovation/Structural Viability

6. Partnerships/Amenities to Build Social Capital

1) Right Size Cost of Capital

The Capital Stack

	<u>Amount</u>	<u>Per Unit</u>	<u>Interest Rate</u>	<u>Annual Interest Cost</u>
<u>Sources of Capital:</u>				
Loan Renasant Bank	\$4,904,740	\$20,101	4.11%	\$201,585
Loan from Family Foundation	1,300,000	5,328	0.00%	0
Loan Housing Opportunity Bond	1,500,000	6,148	1.00%	15,000
TriStar Social Impact Fund	1,894,662	7,765	3.70%	70,102
Total Sources of Funding (Avg Cost of Capital)	\$9,599,402	\$39,342	2.99%	\$286,687

<u>Uses of Capital:</u>				
Purchase Price to Seller	\$5,200,000	\$21,311		
Renovation Cost (Est)	3,685,519	15,105		
Closing Costs (Purchase)	185,552	760		
Carrying Cost During Renovation	528,331	2,165		
Total Funding Needed	\$9,599,402	\$39,342		

<u>Deal Underwriting Terms:</u>	<u>Rents</u>	<u>Affordability Annual Salary</u>	<u>Hourly Salary</u>
Targeted Rents 1bedroom/1 Bath Unit	\$595	\$23,800	\$11.44
Targeted Rents 2 bedroom/1.5 Bath Unit	\$695	\$27,800	\$13.37
Targeted Rents 2 Bedroom/2 Bath Unit	\$729	\$29,160	\$14.02
Targeted Rents 3 Bedroom/2 Bath	\$826	\$33,040	\$15.88
Targeted Avg Rental Rates (After Renovation)	\$730	\$29,190	\$14.03

Estimated Operating Expenses Per Unit Per Year	\$5,649
Estimated Capital Reserves Per Unit Per Year	\$500
Total Estimated Expenses Per Unit Per Year	\$6,149

2) Strong Experienced Management

SAMPLE CHALLENGES FOR BLIGHT

- Entrenched Criminal Culture (*Tenant*)
- Pest Infestations (*Tenant*)
- Significant Deferred Maintenance and Mismanagement (*Tenant*)
- Recordkeeping (*Capital*)
- Fair Housing Laws (*Regulatory*)
- Municipal/Federal Regulatory Rules
- Trauma Certified



Summerdale Management Challenges



3) Safety and Security Plan

1. Secure the Area

2. Repair Fencing

3. Hire 24/7 Security

4. Partnership APD

5. Partnership APF

Security and the Built Environment



Safety/Security Plan

PARTNERSHIP APD/APF INSTALLED 24/7 SECURITY CAMERAS (\$45,000)

Around 11,000 cameras watch over Atlanta

Many residents, business owners value sense of security, but privacy experts raise concerns about loss of civil rights.



Atlanta police Officer Charles Schiffbauer monitors surveillance cameras recently at Loudermilk Video Integration Center in Atlanta, a city with about 15 security cameras for every 1,000 residents, making us the only U.S. city to crack the top 10 in a study of the world's most surveilled places.

HYOSUB SHIN / HYOSUB.SHIN@AJC.COM



4) Tenant Screening

Strong screening software that screens all states, not just Georgia

We had a lot of vacancy, be prepared to sit on it unless you get qualified/quality tenants

Have security get to know tenants

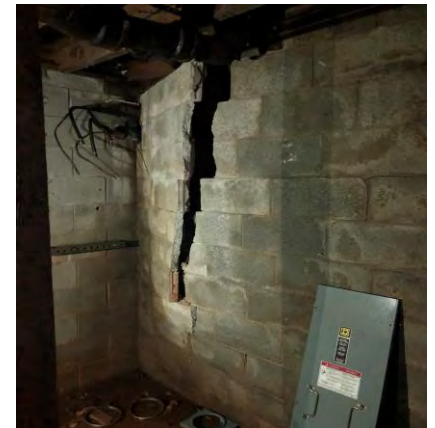
Enforce the rules (guests are biggest issue)

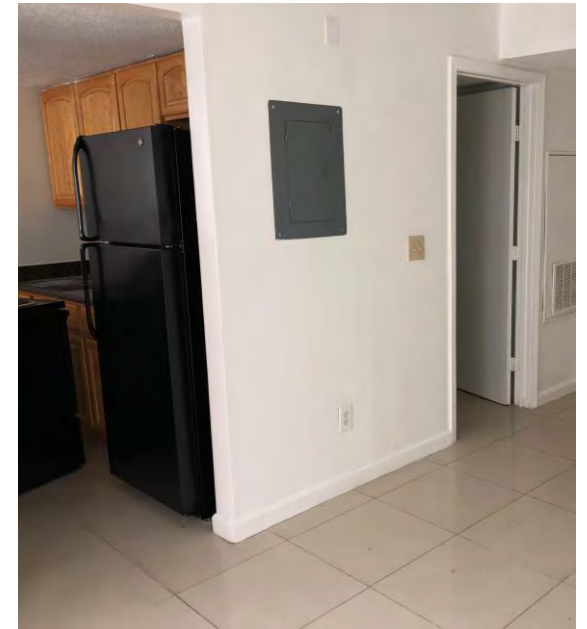
5) Structural Renovation Budget

\$6,143,082



New Roofs	\$350,000
Down Units	\$5,000,000
Landscaping	\$50,000
Paving	\$100,000
Community Center	\$300,000
Contingency	\$343,082
<i>Total</i>	<i>\$6,143,082</i>





6) Partnerships to Rebuild Social Capital

- Star-C
 - Free Afterschool Programs
 - Free Summer Camps
 - HealthCare
- Atlanta Public Schools
- Morehouse Medical
- Georgia Power
- Atlanta Police Foundation
- Georgia Tech
- Kaboom Playground
- Interfaith



Partnerships to Build Social Capital

CUB SCOUTS



EVICTION RELIEF-STAR C



FQHC-MEDCURA



DENTAL HEALTH



BACK TO SCHOOL WELLNESS



MENTAL HEALTH-SOCIAL EMOTIONAL



LITERACY



Strong Community Partnerships

MASTERS IN CONSTRUCTION – ETHICS IN RESIDENTIAL DESIGN



Community Goals

How We Know We are Successful?

- Affordable rents scaled for community demographics to reduce transiency
- Crime Stabilized
- Strong community partnerships to address education, healthcare and food access
- Tenants are empowered with social capital (shared identity, trust, cooperation, reciprocity)
- Cleveland Elementary Successful - milestone improvements

Social capital broadly refers to those factors of effectively functioning **social** groups that include such things as interpersonal relationships, a shared sense of identity, a shared understanding, shared norms, shared values, trust, cooperation, and reciprocity.

Conclusion:

Affordable Rents Scaled for Demographics

The Final Capital Stack

	JUN-18 CAPITAL COST	DEC-21 CAPITAL COST	COMPARISON
USES OF CAPITAL			
Purchase Price to Seller	\$5,200,000	\$5,200,000	\$0
Renovation Cost (Est)	3,685,519	6,591,318	2,905,799
Closing Costs (Purchase)	185,552	185,552	0
Carrying Cost During Renovation	528,331	656,898	128,567
Total Funding Needed	\$9,599,402	\$12,633,768	\$3,034,366
Cost per Unit	\$39,342	\$51,778	\$12,436
Average Interest Rate	2.99%	3.26%	0.27%
Annual Interest Cost	\$286,687	\$411,400	\$124,713

UNIT TYPES	2018 RENTS (GOAL)		2021 RENTS (ACTUAL)	
	Rents	Affordability Annual Salary	Rents	Affordability Annual Salary
Targeted Rents 1bedroom/1 Bath Unit	\$595	\$23,800	\$761	\$30,440
Targeted Rents 2 bedroom/1.5 Bath Unit	\$695	\$27,800	\$861	\$34,440
Targeted Rents 2 Bedroom/2 Bath Unit	\$729	\$29,160	\$895	\$35,800
Targeted Rents 3 Bedroom/2 Bath	\$826	\$33,040	\$992	\$39,680
Avg Rental Rates (Before & After Renovation)	\$730	\$29,190	\$896	\$33,545

Crime Stabilized: Summerdale 911 Call History

	Foreclosure									Ownership - June 2018			
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Violent Crimes													
Armed Robbery/Burg.	7	7	5	11	24	19	6	8	73	12	6	4	1
Shots Fired	1	0	1	1	6	13	3	28	48	12	3	0	0
Fights/Stabbing	19	18	36	38	46	50	46	103	107	73	52	24	0
Sex Assault	0	0	1	0	1	1	0	5	2	1	0	0	0
Armed Person	1	0	0	0	1	1	1	9	7	2	3	0	0
Stolen Autos/Goods	4	0	1	2	1	5	0	16	37	4	4	0	0
Suicide	0	0	1	0	1	3	1	1	1	3	3	4	0
Violent Crimes Total	32	25	45	52	80	92	57	170	275	107	71	32	1
Non-Violent Crimes													
Disorderly/Simple Ass.	5	7	10	19	21	22	13	28	58	14	22	4	6
Drugs	1	1	0	0	5	0	1	12	48	4	1	4	0
Person Injured	0	3	0	2	5	5	4	5	2	5	12	8	0
Theft/Vandalism	9	9	4	18	15	9	13	16	19	15	6	0	11
Miss/Dead Person	2	1	1	4	4	4	2	5	4	2	1	4	0
Loud Music	0	1	2	5	4	1	1	6	27	5	4	4	0
Domestic/Child Aband.	1	1	0	0	2	6	4	4	0	1	2	0	0
Criminal Trespass	1	0	0	0	2	0	7	1	7	1	8	0	0
Fire	0	0	0	0	0	1	0	1	0	3	1	0	0
Non Violent Crimes To	19	23	17	48	58	48	45	78	165	50	57	24	17
Total Crimes	51	48	62	100	138	140	102	248	440	157	128	56	18
% Crime Reduction										-64%	-71%	-87%	-96%
Other 911-Clerical Service Calls													
Officer Information	14	6	10	17	21	17	28	28	34	33	29	20	0
Other Miscellaneous	1	0	4	1	6	2	2	2	16	19	41	8	0
Total	15	6	14	18	27	19	30	30	50	52	70	28	0
Total All 911 Service C	66	54	76	118	165	159	132	278	490	209	198	84	18



Strong Community Partnerships

SUMMERDALE PARTNERED WITH STAR-C A 501C3 BASED IN ATLANTA. STAR-C OFFERS WRAPAROUND SERVICES CREATING AFFORDABLE APARTMENT COMMUNITIES OF CHOICE

- Partners with landlords committed to affordable housing
- Works to reduce transiency and stabilize affordable housing communities
- In 2021, Star-C had 317 landlords representing 63,000 apartment units registered in their programs



After School Program & Summer Camp



Healthcare & Wellness Programs



Food Security & Community Gardens



Eviction Relief Fund-\$12.4 Million Distributed – COVID-19

Tenants are Empowered with Social Capital (shared identity, trust, cooperation, reciprocity)



Cleveland Elementary Successful – Milestone Improvements

Student Name	Reading Score	Avg. School Score	Avg. System Score	Avg. State Score	Math Score	Avg School Score	Avg System Score	Avg State Score
CMJ	521	468	500	511	522	498	518	525
DAL	464	482	502	514	525	487	516	525
IM	447	482	502	514	478	487	516	525
KNW	535	482	502	514	496	487	516	525
APZ	524	482	502	514	561	487	516	525
LT	461	468	500	511				
ST	443	468	500	511	506	498	518	525
AW	483	482	502	514	492	487	516	525
Average	485	477	501	513	511	490	517	525
Cleveland Above Average	<u>8</u>				<u>21</u>			
% Above Average	<u>1.68%</u>				<u>4.34%</u>			

Summerdale Discretionary Income/ Purchasing Power

JUNE 2018 (TRISTAR ACQUISITION)

	SPRINGVIEW	SUMMERDALE	TOTAL
Total Units	144	100	244
Occupied Units	32	93	125
Units that had Income Verifications	24	77	101
Reported Income	\$690,315	\$2,225,466	\$2,915,781
Average Income/Reported (34% AMI)	\$28,763	\$28,902	\$28,869
Estimated Purchasing Power x Occupied Units	\$920,420	\$2,687,900	\$3,608,640

DECEMBER 2022

	SPRINGVIEW	SUMMERDALE	TOTAL
Total Units	144	100	244
Occupied Units	141	91	232
Units that had Income Verifications	91	49	140
Reported Income	\$3,281,429	\$1,379,016	\$4,660,445
Average Income/Reported (35% AMI)	\$36,060	\$28,143	\$33,289
Estimated Purchasing Power x Occupied Units	\$5,084,412	\$2,561,030	\$7,723,023
Increase Purchasing Power	\$4,163,991	(\$126,870)	\$4,114,384

Summerdale Today



Social Impact Performance Metrics

		2022	Measure	Value	Notes:
Education	ASP-Volunteer Hours	462	\$29.95	\$13,837	2022 Hr Rate = \$29.95 (independentsector.org)
	ASP-Students Enrolled	22			Actual per facility
	ASP-Curriculum Hours	9,438	\$7.25	\$68,426	Fed Min Wage - Based on actual attendance
Value of After School Program		9,922		\$82,262	
Wellness	Wellness-Individuals Registered	0	0	0	Per Christina Ottis
	Wellness-Volunteer Hours	25	\$29.95	\$749	2022 Hr Rate = \$29.95 (independentsector.org)
	Wellness-Doctor Volunteer Hours	84	\$85.00	\$7,140	2022 Hr Rate = \$85.00
	Wellness-Doctor Visit	0	\$189.00	\$0	Medicare \$189/visit.
	Wellness-Screening/Vaccination	48	\$130.00	\$6,240	Per Medcura
	Wellness-Medical Home	0	\$1,900.00	\$0	Per Medcura
	Wellness-Curriculum Hours	0	\$7.25	\$0	Fed Min Wage - Based on 3 hrs dayx4 days/wk x 40 wks.
	Wellness-One/One Navigation	0	\$189.00	\$0	Based on estimate of medical provider
Value of Wellness		157		\$14,129	
Food Security	ASP-Snacks	3,744	\$1.00	\$3,744	Per USDA Childcare Average Food Program Rates
	ASP-Meals	936	\$3.51	\$3,285	Per USDA Childcare Average Food Program Rates
	Gardens Planted (#)	0	\$677.00	\$0	Per Oregon State University Study
Value of Food Security		4,680		\$7,029	
Economic Security	Rental Assistance	40	\$7,755.00	\$310,200	40 Families through Ga DCA averaging \$7,755
	Rent below Market (Per Co-Star)	2,786	\$315.33	\$878,509	\$1,259=Avg Rent per Co-Star vs \$944 charged
Value of Economic Security		2,826		\$1,188,709	
Total Value of After-School Program				\$82,262	
Total Value of Wellness				\$14,129	
Total Value of Food Security				\$7,029	
Total Value of Economic Security				\$1,188,709	
Annualized Total Social Impact FTE 2021-2022				\$1,292,130	

Note: This excludes the partnership with Ga Power EASP program to reduce the energy burden for low-income families.

Addressing the Social Determinants of Health (through Housing)

Economic Stability	Neighborhood and Physical Environment	Education	Food	Community, Safety, & Social Context	Health Care System
Employment Income Expenses Debt Medical Bills Support	Housing Transportation Parks Playgrounds Walkability Zip Code/ Geography	Literacy Language Early Childhood Education Vocational Training Higher Education	Food Security Access to Healthy Options	Social Integration Support Systems Community Engagement Stress Exposure to Violence/Trauma Policing/Justice Policy	Health Coverage Provider & Pharmacy Availability Access to Linguistically And Culturally Appropriate & Respectful Care Quality of Care





BLIGHTED

Biography of a Summerdale Apartments

A *“Dangerous Dwelling”* in Southeast Atlanta, Georgia

How to Engage:

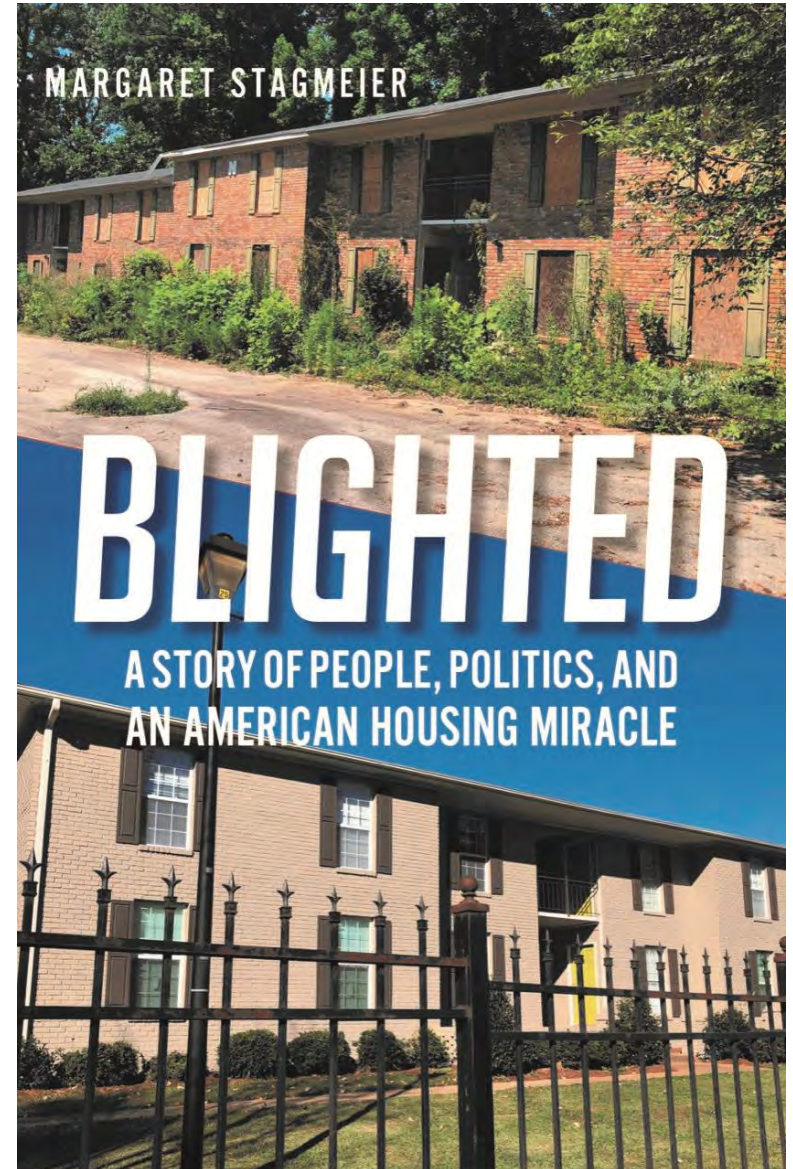
Star-C monthly breakfast - www.star-c.org/events - Zoom breakfast 4/28
@ 8:30

TriStar University – email mas@tristarinvest.com-put on list

Blighted Book Club June 6, 13, 20, 28th Facebook

Join HouseAtl – www.houseatl.org

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Dekalb County has 151 Elementary Schools
 Ranked 142 of 198 Districts in Georgia

51 Dekalb Elementary Schools are in the Bottom 1/3 in Georgia
www.schooldigger.com

1	Kittredge Magnet School	4-6	DeKalb County	479		\$19,720	99.9	1	
2	Wadsworth Magnet School for High Achievers	4-6	DeKalb County	129		\$24,223	99.8	15	13

Best School Districts in Georgia - GA District Rankings

Rank (of 198)	District	Grades	# Elementary Schools	# Middle Schools	# High Schools	# Alt. Schools	City	County	Rank score (2022)	Rank (2021)	Rank change from 2021	SchoolDigger Rating (2022)
96 th	Dalton Public Schools	PK, KG-12	6	1	2	1	Dalton	Whitfield County	0.514	127	31	★★★★☆
36 th	Dawson County	PK, KG-12	4	1	1	1	Dawsonville	Dawson County	0.711	36		★★★★★
	Decatur County	PK, KG-12	3	1	2	0	Bainbridge	Decatur County			(n/a)	
142 nd	DeKalb County	PK, KG-12	82	22	24	3	Decatur	DeKalb County	0.373	145	3	★★★★★



Dekalb County has 435 Affordable Apartment Communities Representing 89,323 Units (2019 Survey)





Overview of DeKalb County, GA

[See COVID-19 Data for DeKalb County, GA »](#)

46/100



Overall Score

OVERALL SCORE



State Median



Peer Group Median
Urban, High-Performing



U.S. Median

CATEGORY

SCORE

Population Health	64
Equity	22
Education	58
Economy	77
Housing	36
Food & Nutrition	60
Environment	51
Public Safety	36
Community Vitality	45
Infrastructure	74

Read our [methodology](#) to see how the scores and rankings were calculated.

[See the top communities overall »](#)