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5th and Main affordable housing success story

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An empty lot at the corner of Fifth and Main streets promises to help reshape a major gateway to downtown Nashville.

On Monday, Affordable Housing Resources in Nashville had a groundbreaking for a new east Nashville mixed-use development called 5th and Main. The development will feature 129 lofts, flats and townhomes along with 30,000 square feet of retail and commercial space.

With residential units priced at affordable to market rates, the development will sit on seven acres across the street from Holy Name Catholic Church and diagonally across from the Nashville Baptist Association

on Main Street and within a clear view of the downtown Nashville skyline.

Affordable Housing Resources is the seventh-largest producer of homebuyers in NeighborWorks America's national network. NeighborWorks America is a Washington, D.C.-based national nonprofit that educates consumers about home ownership and assists affordable housing efforts.

"This project is one of the largest and more complex in the groups in our network," said NeighborWorks America CEO Kenneth Wade. "It will be a signature project and a gateway into the city."

The groundbreaking was for the first of the development's



COURTESY OF EVERTON OGLESBY ARCHITECTS

An artist rendering of the 5th and Main development.

three phases. The first phase includes construction of 129 condominiums and 17,000

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COURTESY OF AFFORDABLE HOUSING RESOURCES

Mayor Bill Purcell speaks during the groundbreaking ceremony for Affordable Housing Resources' 5th and Main development.

Project: Residential space will feature variety of prices, options

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square feet of retail space.

"It will have a range of prices for the residential units for singles and couples, young people and older adults," said Andy Allen of Village Real Estate.

A few speakers at the groundbreaking said they were eager to see affordable housing increasing in the city, which they said is aided by private and public partnerships such as those behind the 5th and Main development.

"We know it takes more than houses to build a neighborhood,"

said Tony Allison, Wachovia Bank business banking director. "We partner with government and community organizations who are interested in rebuilding communities in various ways."

He said he was glad his company was part of efforts to help shape east Nashville's future.

The project is financed through multiple partnerships, including a construction loan from Wachovia Bank and LaSalle Bank. Wachovia also loaned funds toward the commercial portion of the project that was structured around New Markets Tax Credits, which are used in

distressed or emerging neighborhoods, said Steve Neighbors, president of The Home Company, Affordable Housing Resources' construction company.

"The money is available to emerging areas to try to attract businesses within the area as well as employment," he said of the program Congress authorized in 2000 to stimulate investment in low-income rural and urban areas.

"Projects in emerging neighborhoods would not be possible without the support and expertise of Metropolitan Development and Housing and other agencies."

The project complements other efforts in the city that seek to promote economic revitalization by increasing residential properties and reclaiming underused areas, Mayor Bill Purcell said.

Tax-increment financing, provided by LaSalle Bank, also is supporting the project, as well as a bridge loan from Fannie Mae's American Communities Fund. The Housing Foundation provided subordinated debt or a second mortgage to help Affordable Housing Resources to meet its equity requirement for the two loans, Neighbors said.

Home Depot also provided a grant to cover certain costs associated with the project.

The project is special to Neighbors professionally because it is an important development toward the area's revitalization.

It is also special to him personally because he and his wife bought their first home in Nashville in east Nashville, have invested elsewhere in the community and feel that it is a "charming area that has been in my blood for several years," he said. ■

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