

Greenbriar Apartments

Applicant: APP Greenbriar Partners, L.L.P.
 35 Union Ave, Suite 300
 Memphis, TN 38103
 901-544-1705

Contact: Robert Hyde Chamberly Martin
 901-544-1705 901-333-1967
Rhyde1@alcomgt.com cmartin1@alcomgt.com

Management: Alco Management, Inc.
 35 Union Ave, Suite 300
 Memphis, TN 38103
 901-544-1705
Rhyde1@alcomgt.com

Counsel: Brain D Blind (Legal Counsel for Applicant)
 Gentry, Tiptop & McLemore, P.C.
 P.O. Box 1990
 Knoxville, TN 37901
 865-525-5300
bdb@tennlaw.com

Lender:

<p>(1) Pathway Lending (a/k/a Southeast Community Capital Corporation) (Pathway will finance a tax-exempt loan of \$16,000,000 during construction, the permanent loan will be \$11,000,000) Tracy Buckley 201 Venture Circle Nashville, TN 37228 615-425-7171 Tracy.buckely@pathwaylending.org</p>	<p>(2) First Horizon Community Investment Group, Inc. (Proposed Tax Credit Equity Investor) Amanda Ward 165 Madison Avenue, 6th Floor Memphis, TN 38103 901-523-4861 alward@firsthorizon.com</p>
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(3) Division of Housing and Community Development (Applicant is applying for a \$2,500,000 HOME Loan from the City of Memphis HCD)
 Twarla Guest
 170 N. Main Street
 Memphis, TN 38103
 901-636-7300
Twarla.guest@memphistn.gov

PILOT Application Summary: Greenbriar Apartments is a 208-unit affordable housing community located at 3131 Madewell St, Memphis, TN 38127, in the Frayser neighborhood. It was built in 1973, comprised of 13 residential and two non-residential buildings, with the intended use of providing affordable housing to low, very low, and extremely low households. Greenbriar Apartments occupies a 12.386-acre lot, with 165,280 square feet of rentable area. The property will receive \$13,353,600 in much needed physical improvements – upgraded kitchens and bathrooms, new HVAC and water heaters, new windows, new roofs, and new lighting. Our proposed unit upgrades will provide a nicer, more comfortable, and more energy efficient apartment home for the residents. Beyond unit upgrades, we will also improve the amenities and services available at Greenbriar. We will upgrade existing community space for activities and resident services which provide a computer lab, clothing closet, and food pantry. The HEHFB PILOT will enable the property to be preserved for the current and future residents. The proposed improvements will provide the residents

many benefits, the primary of which is the continuation of the Section 8 HAP Contract that provides rental assistance to every resident. The age of the buildings and the increasing cost of maintenance puts the property at jeopardy of losing the Section 8 Contract if no renovation occurs. In addition to the continued rental assistance, the residents will benefit from new and improved property amenities including new playground equipment and site-wide WiFi access. Additionally, the renovation will enable improvement of the existing community building which is used by the Neighborhood Christian Center (NCC) to provide supportive services to residents of the community, including after school care, tutoring, parenting classes, GED assistance, and a host of additional services. NCC will also maintain a clothing closet and food pantry for emergency assistance to residents.

***All 208 units provide Section 8 rental assistance. The rents are the projected HUD contract rents.**

All 208 units at Greenbriar Apartments are reserved for households at or below 60% of the Shelby County area median income (currently \$41,520 for a 3-person household). All 208 units at Greenbriar Apartments are further covered by a Section 8 HAP Contract, which allows residents to pay no more than thirty percent of their income toward rent and utilities. This HAP Contract will remain in place and the resident portion of rent and utilities for each unit will continue to be limited to thirty percent of a resident’s income.

Total Units	BR/BA	Units	SF	Rent: Pre/Post Rehab	Rent: Post \$/SF	Estimated Utility Cost: Pre/Post Rehab
208	1 BR/1 BA	16	530	\$635/\$860	\$1.20/\$1.62	\$71/\$71
	2 BR/1 BA	128	728	738/960	1.01/1.32	126/126
	3 BR/1 BA	64	994	854/1060	0.86/1.06	116/116

Total Development Cost: \$ 29,338,673
Development Cost per Unit: \$ 141,051.31
Location: 3131 Madewell St (1146 Dellwood) , Memphis, TN 38127
Occupancy: 96% Occupied (Q1 2023)

Sources and Uses of Funds:

Sources		Uses	
Pathway Loan	\$11,000,000	Acquisition Cost	\$7,000,000
Federal Tax Credit Equity	12,052,010	Construction/Rehab Costs	13,121,600
Deferred Developer Fee	2,737,510	Owner Direct Hard Costs	312,000
Construction Period Income	1,049,153	Developer Fee	5,787,431
City of Memphis HOME Loan	2,500,000	Real Estate (Soft Costs)	1,484,747
		Financing Costs	520,000
		Reserves	315,897
		Lease up Expense	85,618
		Construction Period Interest	711,380
Total Development Costs	\$29,338,673	Total All Costs	\$29,338,673

APP Greenbriar Partners, L.L.P. is seeking to preserve Greenbriar Apartments using Tax Exempt Bonds, Low Income Housing Tax Credits, HOME funds, a PILOT, and a new first mortgage.

- An application for the issuance of Tax-Exempt Bonds was approved by the HEHFB on November 30, 2022.
- An application to the City of Memphis for HOME funds will be submitted by the beginning of March.
- An application to the Tennessee Housing Development Agency for an allocation of Tax-Exempt Bond volume cap and Low Income Housing Tax Credits was submitted in December 2022. That application will be updated in March 2023, and reviewed by THDA.
- The first mortgage application will be submitted upon approval of the PILOT and the issuance of volume cap from THDA.

Tenant Benefit Breakdown	Actual Cost
New Playground	\$25,000
Replace HVAC Equipment + Install New Programmable Thermostats	1,495,000
Electrical/Lighting Upgrades	1,294,750
Energy Efficient Appliance Replacement	335,000
Flooring Replacement	224,400
Gut-Rehab of Community Space	100,000
Property Paid Site-wide Internet (Contract with Wi-Fi provider during full PILOT Term)	62,400 (annual); 1,248,000 (est. 20-year cost)
Social Service Program Contract with Neighborhood Christian Center to do Resident Service Program & Activities, multiple staff members, 5 days a week (9a-4p)	50,000 (annual); 1,000,000 (est. 20-year cost)
Security Patrol Contract Property will provide security cameras & on-site security est 40-60 hours per week	100,000 (annual); 2,000,000 (est. 20-year cost)
Section 8 Rental Assistance 20-year Renewal Assistance for 100% of residents up to total rent amount	1,960,704 (annual); 39,214,080 (est. 20-year cost)
Safeways Certified Community Alco has been a participant & supporter of Safeways since its inception. Safeways has worked at Greenbriar previously and will continue to do so.	6,240 (annual); 124,800 (est. 20-year cost)
Subtotal	Development Period: \$5,653,494 20-year Estimate: \$47,061,030

Project Timetable

- Closing of the loan, bond, or related supplemental financing, if applicable: November 2023
- First expenditure of funds related to the project: July 2022
- Anticipated date of demolition and/or commencement of construction: November 2023
- Anticipated completion date of the project: November 2024
- When the project will be placed in service: November 2024
- Anticipated closing date for the PILOT: November 2023

