

MH Strategies II, LP: Borda and Venson Towers

Applicant: MH Strategies, LP
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 Ruston, LA 71270
 318-513-3313

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Management: Envolve (f/k/a LEDIC Management)
 555 Perkins Extd., Suite 200
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PILOT Application Summary: MH Strategies II, LP is comprised of two sites all located within Memphis, TN. The proposed development is a rehabilitation of 421 units. Properties are currently owned by the Memphis Housing Authority and the proposed management company for each property is LEDIC Management Company. The project will be using 4% Low Income Housing Tax Credits (LIHTC) and tax-exempt bonds. The project will have Section 3 and Minority Contractor Outreach Events. MH Strategies, LP is an existing portfolio of multifamily rental communities undergoing a transformation into HUD’s Rental Assistance Demonstration Program (RAD) and 100% of the units will serve tenants at or below 60% of the Area Median Income and is comprised of the rehabilitation of 2 sites.

Borda Towers

Total Units	BR/BA	Units	SF	Rent: Post Rehab	Rent: Post \$/SF
206	Studio/1 BA	114	407	\$763	\$1.87
	Studio/1 BA	18	407	653	1.60
	1 BR/1 BA	71	544	871	1.60
	2 BR/2 BA	3	698	1,003	1.44

Venson

Total Units	BR/BA	Units	SF	Rent: Post Rehab	Rent: Post \$/SF
215	Studio/1 BA	122	360	\$666	\$1.85
	1 BR/1 BA	92	484	761	1.57
	2 BR/1.5 BA	1	829	1,003	1.21

Total Development Cost: \$ 49,877,750
Development Cost per Unit: \$ 118,474
Location: **MH Strategies II, LP**
 21 Neely Street, 38105 (Borda Towers, 205 Units)
 439 Beale Street, 38103 (Venson, 215 Units)

Sources and Uses of Funds:

Sources		Uses	
1 st Mortgage	\$19,800,000	Building Acquisition	\$5,979,000
Seller Note	5,979,000	Hard Costs	24,110,900
Cash Flow	1,563,940	Soft Costs	8,640,850
Cash Flow During Rehab	818,497	Reserves	2,448,000
Developer Equity	3,256,157	Development Fee	8,669,000
Equity	18,460,156		
Total Development Costs	\$49,877,750	Total All Costs	\$49,877,750

<u>Tenant Benefit Breakdown</u>	<u>Actual Cost</u>
Higher Efficiency Lighting	\$165,200
Higher Efficiency Water	82,600
Higher Efficiency HVAC	991,200
Upgraded Flooring	(no cost provided)
Subtotal	\$1,239,000

Borda Towers



Venson

