PILOT Transfer Application	To Be Considered 08/02/2023		
New Horizon Apartments			
Applicant:	Mazal in New Horizon, LLC 290 NW 165 St., Suite M200 North Miami, FL 33169		
Contact:	Mendel Fischer <u>mendy@mcfcapitalllc.com</u> 718-753-5443	Shrage Marasow <u>shrage@mcfcapitalllc.com</u> 917-974-4903	
Management:	M&CF Management LLC 3619 Kingsgate Drive Memphis, TN 38116 917-947-4903 <u>shrage@mcfcapitalllc.com</u>		
Counsel:	Frank N. Stockdale Carney and Elizabeth Friary 1715 Aaron Brenner Drive, 8 th Memphis, TN 38120 901-521-4595 (Frank); 901-521-4596 (Elizabeth) <u>fcarney@evanspetree.com</u> ; <u>efriary@evanspetree.com</u>		
Lender:	The Bancorp Bank, N.A. 409 Silverside Road, Suite 105 Wilmington, DE 19809 Amount of Loan: \$31,956,000 initial funding		

PILOT Application Summary: The Applicant, Mazal in New Horizon, LLC, is a Tennessee limited liability company whose principal member is Mendel Fischer. The Applicant seeks approval to transfer the PILOT on the property from New Horizon Apts, LLC, a Delaware limited liability company, to Applicant. A 10-year PILOT term commenced on this property on May 1, 2013, with Capital Equities, LLC as the original PILOT Lessee. On August 1, 2019, the HEHF Board approved a Extension Term to April 30, 2038. On August 13, 2020, the PILOT was assigned from Capital Equities, LLC to New Horizon Apts, LLC.

New Horizon Apartments is an apartment community with 898 residential units, 74 buildings, garden style apartments, two story buildings from studio to four-bedroom units located at 3616 Kingsgate Drive, 38116.

Mr. Fischer has rehabilitated a number of low and middle-income family properties in New Jersey, Georgia, and Tennessee. Mr. Fischer owns eight multifamily residential properties in Memphis, including Bridgeport Manor Apartments, Hightop Ridge Apartments, Grainge Hill Apartments, Gowan Pines Apartments, Watkins Manor Apartments, Willow Oaks Apartments and Eden Pointe Apartments. The Board has approved PILOTs for these properties. Additionally, Mr. Fischer owns Cane Creek Apartments, which is not operating under a PILOT.

The property is under an existing PILOT. Approximately 775 units have been renovated and 564 units are occupied, and the Applicant will continue work necessary to renovate and lease the remaining units. Applicant will continue current owner's emphasis on security by providing onsite security personnel 24/7, 365 days.

Community programs are in place to support the personal development of the tenants and their families. Applicant intends to continue these programs, which include parenting classes, tutoring, financial management, budgeting and medical screening. Specifically, Applicant intends to continue the existing partnership with Red Door and Heal 901. Applicant is committed to completing the rehabilitation of this property and taking necessary steps to ensure a safe place for tenants to live.

Total Units	BR/BA	Units	Lease d Units	Vacant Units	Down Units	SF	Rent:	Rent: \$/SF
898	Efficiency	20	18	2	0	280	\$543	\$1.94
	1 BR/1 BA	193	132	56	5	600	509	0.85
	1 BR/1 BA- Renovated	7	6	1	0	600	569	0.95
	2 BR/1.5 BA	327	209	64	54	841	597	0.71
	2 BR/1.5 BA-	21	13	7	1	841	722	0.86
	Renovated	224	129	45	50	1055	691	0.66
	3 BR/2 BA	18	11	6	1	1055	809	0.77
	3 BR/2 BA- Renovated	86	53	22	11	1240	726	0.59
	4 BR/2 BA	2	1	1	0	1240	890	0.72
	4 BR/2 BA- Renovated							

Total Development Cost: Development Cost per Unit: Location: Current Occupancy: \$ 16,514,678 (*Per original PILOT)
\$ 18,228 (*Per original PILOT)
3616 Kingsgate Drive, Memphis, TN 38116
568/898= 63% Occupied (Q1 2023 Compliance Rpt)

Sources and Uses of Funds:

Sources		Uses	
New Mortgage proceeds	\$31,956,000	Acquisition of property	\$38,000,000
Future Capital Improvement Plan loan	15,044,000		
allocation		Complete renovation of units,	15,044,000
Owner Equity	6,044,000	maintenance, continued maintenance and operation of the property over the life of the property and other costs	
Total Development Costs	\$53,044,000	Total All Costs	\$53,044,000

Tenant Benefit Breakdown	Actual Cost
24/7, 365 days/year security provided by a licensed sec contr	\$480,000
Free space, free utilities, free internet for non- profits helping	\$40,000
Residents, in 4 community centers at the New Horizon	
Total value of assistance to tenants provided by the network	\$120,000
of 18 agencies and non- profit organizations (housing, utility,	
health emergency, single mothers programs, job training, etc)	
Job Fairs benefit	\$840,000
Free meals for all children, 5 days a week, through a year	\$234,000
(average of 300 meals and 300 snacks served daily) Program	
managed by Red Door	
New Horizon Management Team acting as a liaison between	\$32,500
tenants and various agencies and non- profits	
Community events to promote health and dental care, free	\$52,000/yr
clinics for children and eligible adult residents	
Direct employment to New Horizon residents	\$190,000

Subtotal	\$1,988,500

Project Timetable

Please state the proposed timing/anticipated dates for the following:

a. Closing of the loan, bond, or related supplemental financing, if applicable: Lender anticipates closing within 60 days of approval of PILOT Transfer

- b. First expenditure of funds related to the project: Upon closing of loan
- c. Anticipated date of demolition and/or commencement of construction: ongoing
- d. Anticipated completion date of the project: within 24-30 months
- e. When the project will be placed in service: ongoing
- f. Anticipated closing date for the PILOT: PILOT Term commenced May 1, 2013

