

Northside Square Apartments

Applicant: Northside Square, Inc.
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 Memphis, TN 38106
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Management: To be determined

Counsel: Richard Spore
 100 Peabody Place, Suite 1300
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Lender: First Horizon Bank
 165 Madison Avenue
 Memphis, TN 38103
 901-681-2622
SFHare@firsthorizon.com
 Amount of loan: \$3,000,000

PILOT Application Summary: Northside Square Apartments is the proposed renovation and adaptive reuse of the third floor of Northside High School, a vacant school building in the Klondike-Smokey City neighborhood, an economically distressed area of Memphis. Once a thriving high school in a thriving community, Northside was closed by Shelby County Schools in 2016, due to low enrollment. As part of a comprehensive community revitalization effort, Northside Square will draw on the principles of Memphis 3.0 and serve as a strategic anchor for the revitalization effort. In addition to providing a new affordable rental housing options for the neighborhood the overall redevelopment will transform a vacant and blighted 270,000 SF school building into a community hub that will house a wide range of organizations providing technical skills training, comprehensive health care services, work force development, literacy advocacy, athletic and fitness opportunities, along with performing and visual arts programming. The project sponsor is The Works, Incorporated, which is an experienced and successful community development corporation. The Works will own and operate the project. The development team is led by ComCap Partners and includes a team of experienced real estate design and construction professionals. The team also has a significant amount of meaningful minority business participation in all aspects of the project. (See Project Professionals for the complete listing of current team members.) This project aims to remediate the blight caused by Northside’s vacancy, redevelop the property, and jumpstart the economic revitalization of the Klondike and Smokey City neighborhoods. A 20-year PILOT will help support the financial feasibility of the project by lowering the operating costs of the project, enabling Northside Square to be a successful, sustainable, and self-supporting community development project.

Unit	60% AMI	80% AMI	TOTAL
1BR	12	18	30
2BR	5	7	12
TOTAL	17	25	42

Total Units	BR/BA	Units	SF	Rent:	Rent: Pre/Post \$/SF
42	1 BR/1 BA	5	580	\$850	\$1.47
	1 BR/1 BA	13	829	\$1025	\$1.24
	1 BR/1 BA	3	580	\$650	\$1.12
	1BR/1 BA	9	829	\$725	\$0.87
	2 BR/1 BA	7	1233	\$1250	\$1.01
	2 BR/1 BA	5	1233	\$875	\$0.71

Total Development Cost: \$10,975,475
Development Cost per Unit: \$261,320.83
Location: 1212 Vollintine Avenue, 38107

Sources and Uses of Funds:

Sources		Uses	
Senior Debt (First Horizon Loan)	\$2,977,961	Residential Improvements	\$8,448,885
Memphis Affordable Housing Trust Fund	2,000,000	Site Work	850,000
Other Sponsor's Equity	5,997,514	Additional Hard Cost Contingency	278,967
		Architectural/Engineering	385,267
		Construction Loan Interest	67,004
		Financing Transaction Costs	72,780
		Real Estate Transaction Costs	322,216
		Reserves	58,800
		Soft Cost Contingency	86,557
		Project Management/Development Fee	315,000
		Other Project Costs	90,000
Total Development Costs	\$10,975,475	Total All Costs	\$10,975,475

Tenant Benefit Breakdown	Actual Cost
Estimated Tenant Rent Savings: Estimated savings against comparable market rate units over a 20-year period	\$1,884,960
Multiple Educational Opportunities: Available from various tenants	-
Energy Star Appliances: Estimated costs for appliances for 42 units	265,000
Public Plaza: Estimated construction costs per contractor	700,000
Community and Supportive Services: To be provided by The Works, Inc.	25,000
On-Site Parking: Estimated construction costs per contractor	460,000
On-Site Health Clinic: Estimated tenant improvement costs for facility buildout	1,000,000
Courtyard: Estimated construction costs per contractor	500,000
Fitness Facility: Estimated costs for fitness equipment per contractor	150,000
Additional Energy Savings: Estimated utility savings over 20 years allocated to the residential units	748,000
Subtotal	\$5,732,960

Proposed tenant benefits – New heating, ventilation and air conditioning in each rental unit with programmable thermostats, New Energy Star appliances including – washer and dryer, oven refrigerator, dishwasher and microwave – on each unit; High-definition surveillance cameras, sky cops and on-site security, upgraded exterior

areas with LED lighting and landscaping, and installation of broadband infrastructure to allow for affordable Wifi access

Tenant Benefits – The Works Inc. Supportive Services

The Works, Inc. will maintain a space for case management and supportive services for residents including:

- Cooking classes - Since 2013, TWI has offered evidence-based nutrition education cooking course (six weeks) that teaches participants healthy food preparation and food budgeting skills.
- Financial literacy - Our staff certified credit counselor offers free seminars and household budgeting workshops free to participants. The credit counseling curriculum is tailored to each participants needs to help improve scores.
- Mobile Grocer - The Mobile Grocer serves residents throughout North Memphis neighborhoods. The mobile currently has a scheduled stop at the Northside Square building. Families are able to shop for groceries on-site or fulfill orders made in advance. Residents who are SNAP (Supplemental Nutrition Assistant Program) recipients can receive up to a \$20 match each visit that is added to a reloadable card and can be used for future purchases. Older adults without the food stamp benefit can receive a \$10 match for the purchase of produce. The incentive helps to boost the food budgets up to \$1,000 annually.
- Health and Wellness classes - To address critical health challenges faced by senior populations, TWI developed an ambitious health and wellness education and action campaign. Activities include a senior walking group, TaiChi, line dancing. All other program offerings will be determined after conducting surveys of tenants. The work is often informed by the end beneficiaries and tailored to meet the stated needs of the most impacted.
- Aging Mastery Program - In concert with the National Council on Aging, TWI offers the Aging Mastery Program, a ten-week curriculum for seniors that encourages taking actions to enhance health, financial well-being, social connectedness and overall quality of life.
- Digital Literacy - TWI offers 8 hours of digital literacy training over 4 weeks. Participants gain knowledge about basic computer operations and applications. Our team provides one-on-one educational support as needed. Upon successful completion participants receive laptops/tablets and one-on-one educational support as needed.

Overview of Northside Square Condominium Units

Commercial Condo Unit

- First Floor, Second Floor and Auditorium
- Tenants:
 - Northside High School Hall of Fame
 - LifeDoc Health
 - Literacy Mid-South
 - Memphis Symphony Orchestra
 - Goodwill Excel Center
 - Dream Sports (Gym Operator)
 - A.R. Williams Hospitality (Food Hall Operator)
- Approved for EDGE Community Builder PILOT

Basement Unit

- Basement Level

- Tenant: Moore Tech
- Eligible for tax exemption

Auditorium Unit

- First Floor
- Use: Community Performing Arts Center
- Eligible for tax exemption

Multi-family Unit

- Third Floor
- Use: Affordable Housing
- HEHFB Application under review

Proposed timing/anticipated dates for the following:

- Closing of the loan, bond, or related supplemental financing: December 2023**
- First expenditure of funds related to the project: Completed 2022**
- Anticipated date of demolition and/or commencement of construction: November 2023**
- Anticipated completion date of the project: Q4 2025**
- When the project will be placed into service (Lease-up): Q2 2026**
- Anticipated closing date for the PILOT: January 2024**

