

**Pershing Park**

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**Application Summary:** Pershing Park Apartments is a 160-unit apartment community in Memphis, TN. The property is currently restricted to tenants below 60% of Area Median Income through its participation in the Low-Income Housing Tax Credit program. All of the property's units provide Section 8 rental assistance, which limits the resident paid rent to 30% of their monthly income. The property was previously renovated using tax-exempt bonds, Low Income Housing Tax Credits and a PILOT issued by the Health and Educational Facilities Board of the City of Memphis. The property has been well maintained for over 40 years, but it needs a significant renovation to effectively provide quality affordable housing for years to come. Alco's plan is to acquire and renovate the property using 4% Low Income Housing Tax Credits, tax-exempt bonds, an FHA-insured first mortgage, and a proposed PILOT from the Health and Educational Facilities Board of the City of Memphis. If available, Alco will apply for additional resources from the City of Memphis. Upon renovation, the property will have 160 updated units, 100% of which will be both rent and income restricted. Our intent is for Pershing Park Apartments to serve as quality affordable housing to residents at or below 60% AMI. The affordability commitment will be for 30 years.

**1. Significant Capital Investment**

The property will receive over \$9,000,000 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 Pershing Park. We will upgrade existing community space for activities and resident services and upgrade outdoor amenities.

**2. Preservation of Deeply Affordable Housing and Rental Assistance**

Pershing Park has a HAP Contract that provides rental assistance for residents of 149 apartments. The HAP Contract will be renewed and extended for a further 20 years, allowing Pershing Park to provide rental assistance and improved affordable housing for low, very low, and extremely low-income residents for years to come.

### 3. Committed to Memphis

Alco is based in Memphis and has been active in the ownership, development, and management of affordable apartment communities in Memphis for nearly 50 years. With our partners, we have been able to renovate, improve, and preserve thousands of apartment homes over the last 20 years.

### 4. Committed to Resident Services

Alco has a long-standing partnership with the Neighborhood Christian Center to provide resident service programs at several affordable communities in Memphis. As part of this preservation, we will continue to partner with NCC to provide and improve services at Pershing Park, serving the residents of the property. Alco also has a long-standing relationship with Safeways and will continue that partnership at Pershing Park.

Total Units	BR/BA	Units	SF	Rent: Pre/Post Rehab	Rent: Pre/Post \$/SF	Estimated Utility Cost
160	1 BR HAP	40	554	\$755/895	\$1.36/1.62	\$110
	2 BR HAP	69	712	840/995	1.18/1.40	128
	3 BR HAP	40	904	950/1160	1.05/1.28	149
	2 BR 60% LIHTC	11	712	6300/785	0.84/1.10	128

\*Pershing Park has a project-based Section 8 HAP Contract covering 149 of the 160 units.

### Sources and Uses of Funds:

Sources		Uses	
First Mortgage-Dwight Capital	\$9,500,000	Acquisition	\$ 7,750,000
LIGTC Equity- Investor TBD	9,910,908	Construction Costs	8,403,000
Deferred Developer Fee	2,429,879	Contingency	820,800
-Seller Financing-Alco Pershing Partners	2,750,000	Construction Related Expenses	223,000
Construction Period Income	741,301	Developer/Consultant Fee	4,965,814
		Financing and Soft Costs	1,796,149
		Reserves and Working Capital	503,018
		Taxes, Insurance, and Interest during Construction	870,307
<b>Total All Costs</b>	<b>\$25,332,088</b>	<b>Total All Costs</b>	<b>\$25,332,088</b>

**Total Bond Issue Proposed:** \$13,500,000  
**Total Bond Cost per Unit:** \$84,375  
**Total Bond Cost per square foot:** \$117  
**Location:** 3707 Pershing Park Drive, 38127

### Project Schedule

January 2024	Application to HEB for Bond Inducement Resolution
February 2024	Application to HEB for PILOT
March 2024	Application to THDA for 4% LIHTC and TEB Volume CAP Application to HUD for HAP Contract Renewal Application to HUD for FHA Mortgage Insurance Application to City of Memphis for HOME/HTF (if available)
July 2024	Estimated Allocation of THDA Resources
July – September	Selection of Investment Limited Partner, Preparation of Loan and Financing Documents
October 2024	Target Closing of all financing and Acquisition of Property

November 2024	Start of Construction
November 2025	Construction Completion, Project Placed in Service