

South City Phase VI

Applicant:	South City VI, LP 100 N. Broadway, Suite 100 St. Louis, MO 63102	
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Management:	McCormack Baron Salazar, Inc. Hillary B. Zimmerman, Esq. 100 N. Broadway, Suite 100 St. Louis, MO 63102 314-621-3400 Lashona.mcgregor@mccormackbaron.com	
Counsel:	Rosenblum Goldenhersh David Lang 7733 Forsyth Blvd., 4 th Floor St. Louis, MO 63105 314-272-6686 dsl@rgsz.com	Hagler Law Group Monice Moore Hagler, Esq. 2650 Thousand Oaks Blvd., Suite 2140 Memphis, TN 38118 901-290-6615 Monice@haglerlawgroup.com
Lender:	Lument Real Estate Capital, LLC (Freddie Mac) 230 Park Ave, 20 th floor New York City, New York 10169 Amount: \$3,911,000	

PILOT Application Summary: South City VI is the proposed new construction of 80 units in Memphis, Tennessee on the former site of Foote Homes, originally constructed in the early 1940s. Foote Homes, then a 420-unit conventional public housing site, was constructed on 45 acres of blighted land known as “Turkey Bottoms.” Prior to demolition, Foote Homes was one of the last of the traditional family public housing sites standing in the City of Memphis. The Memphis Housing Authority (MHA) along with its development and management partner plans to operate, manage, and market the complex as one affordable housing property called Foote Park at South City. South City VI will be the sixth and final phase under the Choice Neighborhoods Initiative (CNI). The design of the development includes exteriors that align with certain historic neighborhood characteristics while the interiors will have new mechanical, electrical and plumbing, contemporary finishes, open floor plans, EnergyStar appliances, ample storage space and off-street parking. Additionally, the Foote Park at South City development includes a linear park, public art and sidewalks with accessible routes throughout the entire development. The development team is leveraging Low-Income Housing Tax Credit Equity, Conventional Debt and Public funds to create a financially sustainable community. Furthermore, the team is committed to implementing the housing plan and will work with a team of consultants and other professionals to ensure the project meets the goals established by the housing vision by employing six key strategies:

1. Energy Efficient / Sustainable / LEED-ND Certification;
2. Accessible and Free from Discrimination;
3. Mixed-Income & Mixed-Use / Live Work Units;
4. Well-managed with ongoing resident engagement;
5. Financial Viability / Affordable to a diverse group

Total Units	BR/BA	Units	SF	Rent:	Rent:
80	1 BR/1 BA	38 (60% AMI)	629	\$795	\$1.26
		4 (PBV 60% AMI)	629	923	1.47
		8 (PBV 50% AMI)	629	823	1.31
		10 (Market)	629	925	1.47
	2 BR/2 BA	2 (60% AMI)	843	1,050	1.25
		5 (PBV 60% AMI)	843	950	1.13
		8 (PBV 50% AMI)	843	1,048	1.24
		1 (PBV 80% AMI)	843	1,048	1.24
		4 (Market)	843	923	1.09

Total Development Cost:

\$ 21,206,126

Development Cost per Unit:

\$ 265,076.58

Location:

430 S Danny Thomas, 38126 (500 Brightside Street)

Sources and Uses of Funds:

Sources		Uses	
First Mortgage: Lument	\$3,283,000	Capitalized Lease Payment	\$380,900
Second Mortgage: MHA Choice	780,000	Construction Costs:	
Third Mortgage: MHA Loan	2,284,437	On-Site Improvements	500,000
Fourth Mortgage: Earmark Funds	750,000	New Building Hard Costs	12,452,000
Limited Partner: Tax Credit Equity	14,108,589	Management Office/Community Building	
GP/SLP Capital Contribution	100	General Requirements	709,344
		Contractor Overhead	180,000
		Contractor Profit	380,000
		Permits/Taxes/Fees/Misc.	78,656
		Rehabilitation Hard Costs/Contingency	715,000
		Architect Fees- Design/Supervision	793,000
		Engineering/Survey	99,000
		Environmental Fees	50,000
		Financing Fees- First Mortgage Interest	274,147
		Financing Fees- Other Fees	186,868
		Furniture, Fixtures and Equipment	25,000
		Bridge Loan Interest/Fees	
		Property Insurance	374,000
		Professional Fees/Reports	418,000
		Marketing	
		Lease-Up Interest and Expenses	85,000
		Title and Recording	175,000
		Tax Credit Fees	158,685
		Property Taxes During Construction	211,060
		Developer Fee (MBS)	2,162,000
		Developer Fee (MHA)	267,700
		Project Reserve	159,766
		Operating Reserve	371,000
Total Development Costs	\$21,206,126	Total All Costs	\$21,206,126

Tenant Benefit Breakdown	Actual Cost
Estimated Tenant Rent Savings (20 Year PILOT)	\$2,034,400
Additional Energy Saving Measures	72,000
Broadband Access	44,000
Community Meeting Space/Fitness Center	750,000
In-Ground Pool	135,000
Energy Star Washer/Dryer	80,000
Public Art	200,000
On-Site Management	-
Fenced Parking	-
Community and Supportive Services Program	-
Subtotal	\$3,315,400

Summary of Tenant Benefits

Throughout the development of Foote Park at South City, the team has been committed to leveraging project resources to provide a quality, energy-efficient, and affordable housing option for the community. The development includes a variety of amenities for residents and each phase of housing includes energy efficiencies within the units and property enhancements. Additionally, the property is managed by an experienced property management firm that offers onsite social services for families.

Energy Efficiencies and Property Enhancements

All units and buildings include:

- New heating, ventilation, and air conditioning in each rental unit with programmable thermostats to reduce monthly utility costs
- New Energy Star appliances including – washer and dryer, oven, refrigerator, dishwasher, and microwave – in each unit
- High-definition surveillance cameras, sky cop, and on-site security to allow for a more stable and safe living environment
- Ornamental exterior fencing around parking areas to provide a more secure and sophisticated experience
- Upgraded exterior areas with LED lighting and landscaping
- All units are pre-wired for broadband access from all major providers, in addition to wireless infrastructure at the Management Office/Community Building.

The development also includes multipurpose and recreational facilities (constructed in previous phases):

- Swimming pool
- Fitness/wellness center
- Community building
- Computer lab
- Children’s playground areas

Social Services and Special Services (provided to residents of all phases)

McCormack Baron Management maintains a partnership with a non-profit agency, Urban Strategies Initiative, to create and maintain a space for case management and supportive services for residents including:

- Job training
- Financial literacy
- Educational enhancement
- Health and wellness education

Project Timetable

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

- Closing of the loan, bond, or related supplemental financing: July 2023
- First expenditure of funds related to the project: 2016
- Anticipated date of demolition and/or commencement of construction: August 2023
- Anticipated completion date of the project: October 2024
- When the project will be placed in service: December 2024
- Anticipated closing date for the PILOT: July 2023

