

Tanglewood Apartments

Applicant: SC Bartlett Investors, LLC
22 Hilltop Road
Philadelphia, PA 19118

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Lender: Capital One, N.A.
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PILOT Application Summary: At acquisition (March 2021), the property (199 units) was 50% occupied. There were 57 “down units” – units that were uninhabitable due to their current state – including 7 units from a fire in a building during previous ownership. In addition, there were 42 units that were vacant that needed a fair amount of work to rent them again. Further, there was a significant amount of deferred maintenance present throughout the property including roof leaks, wood damage, unsecure balconies, parking lot cracks/potholes, unmaintained landscaping, plumbing leaks/breaks, non-functioning exterior lighting, non-functioning pool, broken windows/sliding balcony doors, etc. Since acquisition and with the benefits of the PILOT Program, Applicant has addressed all deferred maintenance at the Property, made all “down units” rentable again, performed interior upgrades to the remaining units (paint, flooring, plumbing/light fixture replacement as needed, appliance replacement as needed, cabinets/countertop replacement as needed, HVAC/plumbing/electrical repairs as needed, etc.), roof replacement/repairs, landscaping work, parking lot repairs, fencing repairs, and update all the amenities (clubhouse, pool, playground, tennis court/sport court, laundry rooms). The Property, as renovated, is now stabilized and near 100% occupancy.

The Applicant received a \$9,400,000 construction/bridge loan from M360 Community Development Fund, LLC to complete the renovation. The renovation is now complete and the Applicant has a commitment from Capital One to issue a FNMA loan in an approximate amount of \$13,000,000. This new debt will be used to pay off the existing indebtedness and return equity to investors based on the as-built and as-stabilized value created through the renovation of Tanglewood Apartments. The final amount of the loan may change based on rate lock and the as-built appraisal.

Business plan outlined was fully executed, and renovation is 100% complete as of November 2022. A total of 130 units were renovated including 57 “down” units that were uninhabitable. The property is currently stabilized at 95% occupancy, up from 50% occupancy at acquisition.

Total Units	BR/BA	Units	SF	Rent: Pre/Post Rehab	Rent: Pre/Post \$/SF
199	1 BR/1 BA	36	609	\$614/\$776	\$1.01/1.27
	1 BR/1 BA	38	685	607/792	0.89/1.16
	2 BR/1 BA	17	864	673/826	0.78/0.96
	2 BR/1 BA	25	883	683/983	0.77/1.11
	2 BR/ 1.5 BA	25	928	705/878	0.76/0.95
	2 BR/ 1.5 BA	25	983	711/887	0.72/0.90
	3 BR/1 BA	33	1061	786/1,073	0.74/1.01

****Rent includes all utilities and Free WiFi**

Total Development Cost: \$ 12,396,123
Development Cost per Unit: \$ 62,292.08
Appraised Value: \$4,757,600
Occupancy: 95% (12.12.2022 Rent Roll)
Location: 2171 Sycamore View Road, 38134
(aka 5770 Tangle Oaks Drive, 38134)

Sources and Uses of Funds:
Amount of Loan: \$13,000,000

Sources		Uses	
New Agency Loan	\$13,000,000	Acquisition	\$7,200,000
Equity Remaining	351,163	Rehab	4,903,108
Equity Distributed to Investors	(477,520)	Professional Fees	106,755
		Property Insurance	128,113
		Property Taxes	190,000
		Financing Fees	345,667
Total Development Costs	\$12,873,643	Total All Costs	\$12,873,643

Tenant Benefit Breakdown	Actual Cost
Fire Safety Repairs/Updates	\$14,156.60
Exterior Lighting	37,056.96
Playground/Sport Court	18,924.00
Pool Repairs/ Pool Furniture	79,385.51
Dog Park	6,678.00
Asphalt/Concrete Repairs and Replacement	232,184.00
Laundry Room Updates	11,065.56
New Entrance/Signage	107,118.92
On site Security (12 months)	60,953.00
New Appliances	165,758.82
Subtotal	\$733,281.37

Project Timetable

- Closing of Loan: New financing- January 2023
- First expenditure of funds related to the project: April 2022
- Anticipated date of commencement of construction: Construction is complete
- Anticipated completion date of project: Completed November 2022
- When the project will be placed in service: Currently in service, construction is complete

f. Anticipated closing date for the PILOT: Original PILOT was closed March 1, 2022

