
The Memphian

Applicant: The Memphian TN TC, LP
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Cleveland, OH 44114

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Application Summary: The Memphian (the “Property”, f.k.a. Serenity Towers) is an existing 396-unit apartment community built in 1964 and located at 400 South Highland Street, Memphis TN 38111. The Property was acquired by the current owner in 2021 as part of the Global Ministries Foundation portfolio, which consisted of highly distressed and undercapitalized HUD Section 8 developments. The prior owner’s mismanagement of affordable housing properties garnered a federal investigation and has been widely publicized. In addition to mismanagement, over the course of five decades the Property has sustained substantial wear-and-tear, and many elements of the Property are beyond their useful life and in need of replacement. Since its acquisition by current ownership, the Property has undergone small-scale capital improvements in order to provide residents with decent, safe and sanitary housing. However, in order to address years of mismanagement, and preserve this much-needed resource of affordable housing for the City of Memphis, the Property requires a comprehensive renovation.

Specific planned improvements include fully renovated and modernized community facilities including retail spaces, signage, site furniture, facade improvements, outdoor pavilion, walkways and community gardens. Redundant community space will be converted into thirty (30) new income-restricted affordable housing units serving elderly residents, in addition to the preservation of 396 existing units. Proposed unit renovations include complete unit upgrades with HVAC and electrical replacement, new doors, vinyl flooring, cabinets and countertops, EnergyStar appliances, plumbing fixtures, lighting and finishes. These improvements will help to save on energy bills while providing better functionality and aesthetics.

Upon receiving tax exempt bonds from the Health, Educational, and Housing Facilities Board of the City of Memphis, and 4% tax credit equity funding through the Tennessee Housing Development Authority ("THDA"), we plan to commence the preservation of the Property. Based on THDA's past timing for Round 1 Noncompetitive (4%) Applications, we anticipate receiving our bond commitment and tax credit award in May 2023, and anticipate construction will commence in July 2023 and conclude by December 2025. The in-place rehabilitation will not require relocating tenants off-site and no tenants will be displaced. To lease up the new construction and vacant units, we will coordinate marketing activities with the Memphis Housing Authority and adhere to HUD's Affirmative Fair Housing Marketing Plan. We anticipate the Property to be fully leased and stabilized within twelve (12) months following construction completion.

"EHF – Serenity Towers, LLC" has been the project owner since August 2021. "GMF –Serenity Towers, LLC" was the owner prior to August 2021. The estimated acquisition cost is \$35,000,000. The estimated cost of rehabilitation not inclusive of acquisition costs is approximately \$94.8MM. The rehabilitation would not be feasible without bond financing. Given the size of the rehabilitation, we are also pursuing additional funding sources including the City of Memphis Affordable Housing Trust Fund, HOME-ARP Funding and National Housing Trust Fund; however, these sources alone would not enable project feasibility.

Total Units	BR/BA	Units	SF	Rent: Post Rehab	Rent: \$/SF	Estimated Utility Cost
426	Efficiency(S8)	126	198	\$1,026	\$5.18	\$1,145
	Efficiency (S8)	86	224	1,026	4.58	1,145
	Efficiency (S8)	4	261	1,064	4.08	1,145
	Efficiency (MHA)	26	224	904	4.04	1,145
	Efficiency (LIHTC)	5	261	755	2.89	1,145
	Efficiency (LIHTC)	14	224	755	3.37	1,145
	Efficiency (LIHTC)	2	400	805	2.01	1,145
	Efficiency (LIHTC)	9	450	805	1.79	1,145
	1 BR/ 1 BA (MHA)	54	442	1,008	2.28	1,145
	1 BR/1 BA (LIHTC)	98	442	866	1.96	1,145
	1 BR/1 BA (LIHTC)	1	642	916	1.43	1,145
	2 BR/1 BA (LIHTC)	1	710	1049	1.48	1,145

Total Bond Issue Proposed: \$70,000,000
Total Bond Cost per Unit: \$164,319
Total Bond Cost per Square Foot: \$540.90

Location: 400 S. Highland St., 38111

Bond Source by Use:

- Hard Construction Costs: \$32,441,320
- Permits: \$150,000
- Bond Premium (P&P Bond): \$491,002
- Cost Certification: \$15,000
- General Requirements: \$2,539,788
- Contractor Overhead: \$897,392
- Contractor Profit: \$2,692,175
- Relocation Fees: \$426,000
- Furnishings: \$120,000
- Owner's Contingency: \$4,845,916
- Building Acquisition: \$24,906,084
- Architecture Fees (other): \$122,750
- Survey: \$20,000
- Title Insurance Fees \$150,000
- Recording Fees: \$7,500
- Transfer Taxes: \$175,000

Total: \$70,000,000