

Bedford Place Apartments

Ringgold, Georgia

88 Units of Family Housing



Bedford Place – The Deal

88 Family Units, Ringgold, Georgia (small town located just outside the relatively large metro area of Chattanooga, TN.)



- Application Start – February 2002
- CO's – May 2004
- 50% Rented by July 2004
- 100% Rented January 2005

Bedford Place – Sources

Sources

- Section 538 (Construction Perm) \$1,200,000
- HOME Loan \$2,000,000
- LIHTC Proceeds \$4,338,630
- Deferred Developer Fee \$ 103,304
- Total \$7,641,934



Bedford Place - Uses

Uses

• Land	\$615,800
• Construction Contract	\$5,448,016
• Financing Costs (int and fees)	\$116,446
• Developer Fee	\$911,000
• Reserves	\$182,112
• Tax Credit Fees	\$40,346
• Permits & Tap Fees	\$61,200
• Architect	\$98,000
• Borrower Legal Fees	\$57,345
• Other Soft Costs	\$111,669
• Total	\$7,641,934



Bedford Place – Rent Structure

	<u>115% AMI</u>	<u>60% AMI</u>	<u>50% AMI</u>	<u>30% AMI</u>	<u>Total</u>
One Bedroom	4	6	8	2	20
Two Bedroom	10	11	24	3	48
Three Bedroom	4	8	8	0	20
Total					88

	<u>Rents</u>
One Bedroom	\$197 to \$400
Two Bedroom	\$231 to \$500
Three Bedroom	\$519 to \$550

- 2004 Average Median income for the Chattanooga, Tennessee MSA was \$50,900
- Rents are therefore affordable in the income range \$10,700 to \$58,535

Bedford Place – Loan Details



- Georgia DCA HOME loan, \$2,000,000 @ 1% interest, amortized for 30 Years (Lien Subordinated)
- Section 538 Loan, \$1,200,000 @ 7.99% (All in) Interest, with 300 BP Interest Credit, 40 year Amortization with 30 year terms.

60 Senior Units in Thomson, Georgia (a small community outside Augusta, Georgia MSA)

- Loan closed on February 8th, 2004



Monterey Pass – Sources

Sources

- Section 538 (Construction Perm) \$615,000
- LIHTC Proceeds \$4,498,229
- Total \$5,113,229



Monterey Pass - Uses

Uses

• Land	\$330,000
• Construction Contract	\$3,550,000
• Financing Costs (int and fees)	\$97,135
• Developer Fee	\$615,000
• Reserves	\$47,729
• Tax Credit Fees	\$68,340
• Permits & Tap Fees	\$44,400
• Architect	\$75,000
• Borrower Legal Fees	\$56,000
• Other Soft Costs	\$229,625
• Total	\$5,113,229



Monterey Pass – Rent Structure

	<u>60% AMI</u>	<u>50% AMI</u>	<u>30% AMI</u>	<u>Total</u>
One Bedroom	13	11	4	28
Two Bedroom	15	14	3	32
Total				60

<u>Rents</u>	<u>50-60% AMI</u>	<u>30% AMI</u>
One Bedroom	\$325	\$197
Two Bedroom	\$355	\$228



Starlight Place

Americus, Georgia

52 Single Family Houses



Starlight Place – Sources

Sources

- Section 538 (Construction Perm) \$375,000
- LIHTC Proceeds \$4,314,784
- Deferred Developer Fee \$60,216
- Total \$4,750,000



Starlight Place - Uses

Uses

• Land	\$248,710
• Construction Contract	\$3,427,300
• Financing Costs (int and fees)	\$77,938
• Developer Fee	\$586,600
• Reserves	\$7,500
• Tax Credit Fees	\$45,224
• Permits & Tap Fees	\$34,645
• Architect	\$62,400
• Borrower Legal Fees	\$60,000
• Other Soft Costs	\$199,683
• Total	\$4,750,000



Starlight Place – Rent Structure

	<u>60% AMI</u>	<u>50% AMI</u>	<u>30% AMI</u>	<u>Total</u>
Two Bedroom	10	9	3	22
Three Bedroom	13	14	3	30
Total				52

<u>Rents</u>	<u>50-60% AMI</u>	<u>30% AMI</u>
Two Bedroom	\$352	\$165
Three Bedroom	\$402	\$186











Typical 538 Loan Costs

- \$2,500 application fee to USDA
- \$1,000 to \$2,000 application fee to lender
- \$25,000 to \$30,000 Permanent-Construction Loan Fee
- \$4,500 in Construction Draw Fees
- \$10,000 to \$15,000 in Lender Legal Fees
- One Percent USDA Guaranty Fee (In Bedford Place that was \$10,800)

538 Loan Process

- Response to NOFA through Lender to USDA (One Day of our Time)
- Letter of Invitation from USDA (Usually we receive in 30 to 45 days)
- Formal Application to USDA which includes A-95 approval and Environmental (This Takes us about 60 days because of A-95 approval, entails about two full working days of our time)
- USDA Processes and usually within two weeks, the Environmental is ready for two weeks of advertisement (about ½ day of our time)
- Funds are obligated at USDA, Letter of Conditions Issued (USDA usually does this within a couple of weeks of the last environmental run in the paper)

538 Loan Process – Continued.

- Loan Closing (this can take several days of work because of the other closings taking place at the same time.)
- After the Closing, USDA issues the Loan Note Guarantee within a few days of closing or on the day of closing.