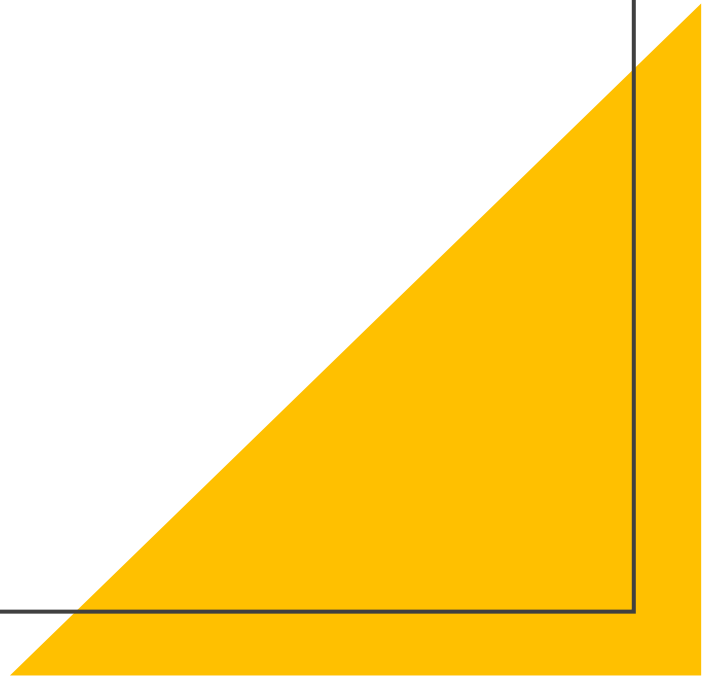




Cottage City Towers Repositioning

June 13, 2023

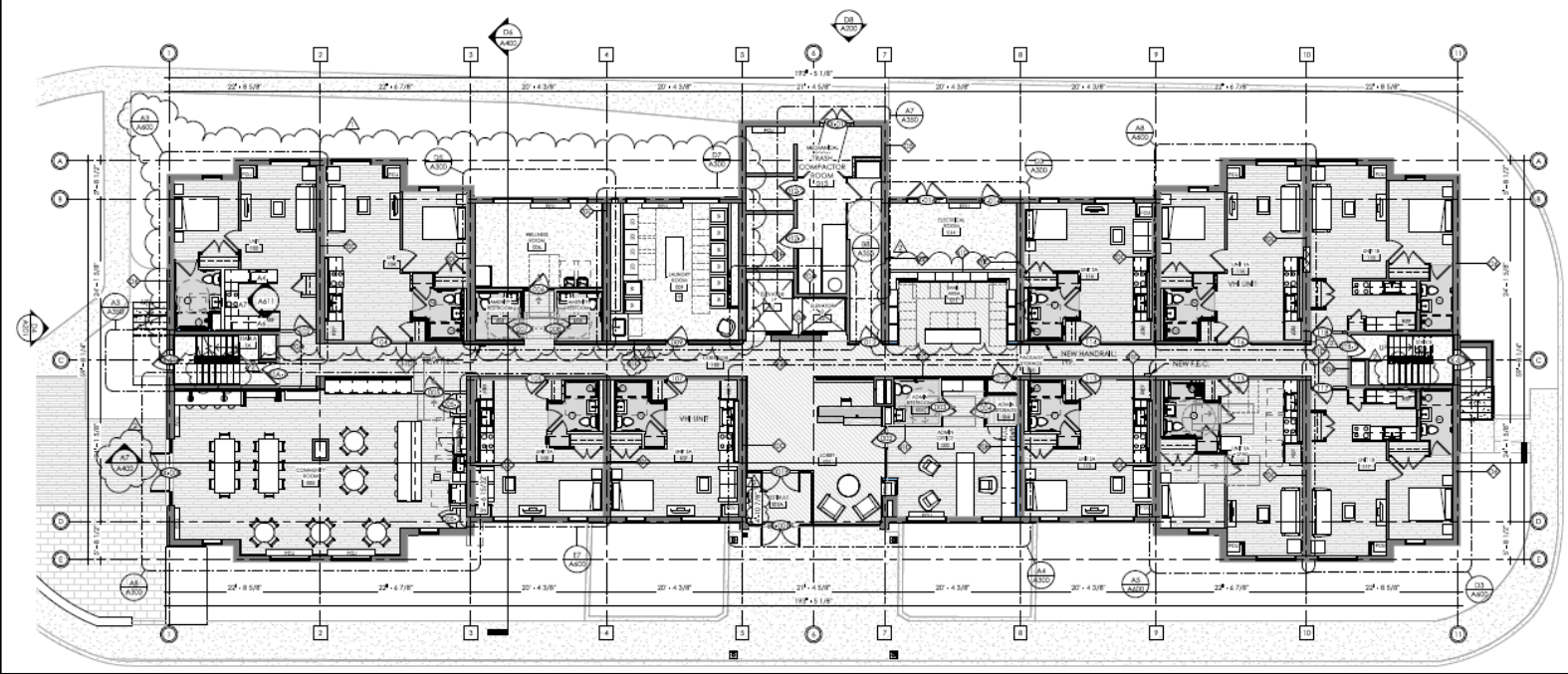


Cottage City Towers Improvements

Cottage City Current Profile

- 100-unit mid-rise public housing building
- Located in Cottage City, MD
- Constructed in 1971
- 6-story high-rise on 3.17 acres
- 54 efficiency units, 45 one-bedroom units, and one two-bedroom unit
- 100% affordable at 50% Area Median Income
- Comprised of families, seniors and people with disabilities

- Substantial rehab including all major building systems
- Remain 100% Affordable at 50% Area Median Income
- Improved amenities - community center, computer area, gym, laundry lounge, library, patio, office suite
- Seeking Bronze National Green Building Standard Certification (bronze)
- Replace windows and upgrade façade
- Funded by \$12M LIHTC, \$3.5M Partnership Rental Housing, \$2.5M Housing Investment Trust Fund (HITF) and \$25M bonds.



Hurley Company
Tremendo Used Tires
Used tire shop

Proposed Unit Configuration



| Unit Description | No. of Units | Avg. S.F. | Income Type | Rental Income |
|-------------------|--------------|-----------|-----------------------|---------------|
| Efficiency (o-BR) | 40 | 479 | Rental Assistant Demo | \$969 |
| Efficiency (o-BR) | 14 | 479 | Project-Based Voucher | \$1573 |
| One Bedroom | 46 | 575 | Project-Based Voucher | \$1595 |
| | 100 | | | |

Cottage City Towers Redevelopment Sources & Uses of Funds

| Source of Funds | Amounts | % of Sources |
|---|---------------------|--------------|
| Tax Credits (LIHTC) | \$11,798,212 | 37% |
| Bank Debt | \$8,208,670 | 26% |
| HITF Funds | \$2,500,000 | 8% |
| Partnership Rental Housing Funds | \$3,500,000 | 11% |
| Capitalized Ground Lease | \$4,420,000 | 14% |
| Deferred Development Fee | \$860,061 | 3% |
| Construction Period Income | \$294,601 | 1% |
| General Partner Equity | \$100 | < 1% |
| Total Development Sources of Funds | \$31,581,644 | 100% |

| Use of Funds | Amounts | % of Sources |
|-----------------------------------|---------------------|--------------|
| Acquisition | \$4,420,000 | 14% |
| Construction/Rehabilitation | \$17,782,970 | 56% |
| Developer Fee | \$2,955,353 | 9% |
| Professional Fees/Other Soft Cost | \$1,778,060 | 6% |
| Financing Cost | \$2,549,174 | 8% |
| Tax Credit & Syndication Cost | \$309,087 | 1% |
| Start-up Cost, Reserves, Escrows | \$1,787,000 | 6% |
| Total Use of Funds | \$31,581,644 | 100% |

Cottage City Redevelopment Team

Organization

Hamel Builders

CSG Advisors

National Affordable Housing Trust

Soto, PLLC.

Quantum Real Estate Management LLC

Recap Real Estate Advisors

Kutak Rock, LLP

Project Development Specialty & Principal

General Contractor

John Hamel, President Hamel Commercial

Financial Advisory for Affordable Housing, Urban Development

Nicole Graham, Affordable Housing Financing

Low Income Housing Tax Credit Syndicator and Financial Advisor

Brian Robinson, Originations & Capital Markets

Architecture and Urban Design

Fernando Verdesoto, Founder – Architect

Property Management

Margaret “Pat” Bessett, President

RAD Conversion Advisors

Nicole Wickliffe, VP – Affordable Housing Consultant

Bond Counsel

Sisera Daniel, Partner - Public Finance

CB-051-2022 Compliance

In order to support equity and diversity, HAPGC required the following from CCT RFP Respondents:

- A completed Profile Form for each subcontractor including address, W/MBE status, Diversity Statement and ownership breakdown
- W/MBE Participation Form requiring best effort to achieve targeted 20% W/MBE participation goal
- Provide a list of proposed W/MBE participants in order to achieve the targeted participation goal
- Adherence to Section 3, Maryland and Davis Bacon wage requirements

Additionally, HAPGC has contracted with local, diverse consultants including MBE and women-led organizations.