

TAB 18 – FINANCING **INFORMATION**

RHS LETTER OF INTENT –
NOT APPLICABLE

DEFERRED DEVELOPER
FEE STATEMENT OF
TERMS

Kennedy Street Apartments: Deferred Developer Fee Statement of Terms

Attn: Low Income Housing Tax Credit Program

This statement hereby makes the following representations to the South Carolina State Housing Finance and Development Authority regarding the Kennedy Street Apartments Low Income Housing Tax Credit application for the development located in Spartanburg, Spartanburg County, SC, known as Kennedy Street Apartments consisting of 48 apartment units:

1. Kennedy Street Owner, LP will commit to the repayment of all deferred developer fee from 100% of cash flow generated from the property operations after payment of all required debt service.
2. The deferred developer fee will be interest free.
3. All deferred fee will be paid within the required 15 year time period.

NONPROFIT RESOLUTION
OF DEFERRED
DEVELOPER FEE – NOT
APPLICABLE

CONVENTIONAL LETTER
OF INTENT –
CONSTRUCTION



May 6, 2025

Jon Enos
Assistant Vice President
SCG Development
8245 Boone Boulevard
Tysons Corner, VA 22182


Dear Jon:

This letter serves to inform you that based on a preliminary review of information provided, United Bank would have an interest in helping to finance the construction of the 48-unit apartment project to be named Kennedy Street Apartments.

Typical terms for financing of this nature require the Bank to have a first mortgage on the subject property with all other sources of financing subordinate to the Bank as to collateral and payment rights. Construction monies could be lent on an interest only basis for up to two years. Currently the pricing for this type of LIHTC construction loan is in the 30 day SOFR+2.75% - 3.25% floating range (current indicative 7.1-7.6%).

The Bank's maximum Loan to Value for a project such as this would be 75%. The valuation would be based on current market rents.

Sincerely,



Joseph C. LeMense
Managing Director
Community Development &
Non-Profit Banking

CONVENTIONAL LETTER **OF INTENT – PERMANENT**

May 16, 2025

****REVISED****

Jon J. Enos
SCG Development
8245 Boone Boulevard
Suite 640
Tysons Corner, VA 22182

RE: 48 units – Multifamily
Kennedy Street Apartments
Spartanburg, SC

Dear Jon:

We were pleased to receive a preliminary loan application on the above referenced development. Based on the data submitted to us, this project meets our normal lending guidelines and criteria. This is assuming that the project will receive approximately \$12,430,821 in proceeds from federal low-income housing tax credits, \$3,422,040 in proceeds from state low-income housing tax credits, and \$500,000 in Community Works proceeds.

Based on the projected development costs and proposed income and expenses, and subject to a satisfactory appraisal and other reasonable underwriting information, Centrant Community Capital would have a firm interest in providing a first lien, fee simple permanent mortgage loan to support the financing needs for this development, as follows:

Loan Term: Up to 18 years, with a 30 year amortization period.

Proposed Amount: \$950,000

Projected Interest Rate: 7.78%

Our current interest rates are 7.28%-7.78%. The interest rate shall be set at time of board approval at 325bp over the Monthly Average, Ten Year Treasury Constant Maturity (subject to a rate floor) and fixed at that rate for an 18 year period.

Estimated Total Fees: \$20,000.00, comprised of the following:

- \$1,000 Application Fee
- 1% Commitment Fee (\$5,000 minimum)
- 1% Closing Fee (\$5,000 minimum)

Prepayment Penalty: A prepayment penalty equal to 5% of the outstanding principal balance will apply for the first 10 years, then 4% in year 11, 3% in year 12, 2% in year 13 and 1% in years 14 – 18.

Reserves: The Borrower will be required to establish operating and replacement reserve accounts, as outlined in the proposed development budget. These reserve accounts shall be maintained for the life of the loan. All reserve accounts may be held by the Borrower or an approved management company.

We look forward to working with you on this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Rocky Herring", with a stylized flourish at the end.

Rocky Herring
EVP – Credit & Lending

OTHER FUNDING

COMMITMENTS



May 16, 2025

Mr. Joseph Kass
Kennedy Street Owner LP
8245 Boone Blvd. Suite 640
Tyson's Corner, VA 22182

Re: Commitment Letter for Kennedy Street Owner LP

Dear Mr. Kass:

CommunityWorks (CW) is pleased to extend a commitment to provide a \$500,000 loan to assist in the development of the Kennedy Street Apartments project in Spartanburg, SC. This loan will support the development of Forty-eight (48) affordable housing units targeting individuals earning 20% - 70% of Area Median Income (AMI).

CW has reserved and will provide funds up to \$500,000 secured by a second mortgage loan. The second mortgage loan will (i) be payable monthly, (ii) bear interest at a fixed simple rate of 4.52%, and (iii) have a maturity date of 20 years based on a 30-year amortization schedule. The project is also subject to application, origination (3.0%) and closing costs/fees and CW reserves the right to require reporting and inspection requirements.

This pledge is conditioned upon standard underwriting and the property receiving an allocation of Low-Income Housing Tax Credits (LIHTC) administered through the South Carolina State Housing Finance and Development Authority (SCSHFDA). If tax credits are awarded the loan will need to be fully underwritten at that time to assure that the project still meets CommunityWorks' requirements.

CommunityWorks, a nonprofit community development financial institution (CDFI), partners with local municipalities in which it operates and lends. We are partnering with the City of Spartanburg on funding this request. We look forward to the development of this project and support your application for funding to the South Carolina State Housing Finance and Development Authority.

If you have any questions, please contact me at (864) 235-6331.

Sincerely,

Paul W. Schmitt

Paul W. Schmitt
Director of Lending



Phone: 864.598.6000
Mailing: P.O. Box 2828, Spartanburg, SC 29304
Physical: 170 Arch Street, Spartanburg, SC 29303

SPARTANBURGHOUSING.ORG

May 15, 2025

Kennedy Street Owner LP
325 Rocky Slope Road, Suite 301
Greenville, SC 29607

RE: PBV Conditional Award of Cammie Clagett Courts CAT 1A – Kennedy Street

Dear Kennedy Street Owner LP:

Thank you for submitting an application for project-based vouchers for the Kennedy Street Apartments. Your application for 10 project-based vouchers has been conditionally approved. A total of 10 vouchers are awarded.

The following rents are tentatively approved, subject to the conditions below:

Unit Size	Quantity	Rent	Utility Allowance	Total
1-bedroom	5	\$744	\$107	\$851
2-bedroom	5	\$869	\$140	\$1009

The approval is contingent upon the following occurring prior to the submission of the Subsidy Layering review:

- Proof of a firm commitment of all funding.

The approval is contingent upon the following occurring prior to the execution of the AHAP:

- Successful Completion of a Subsidy Layering Review by HUD or a HUD designated entity.
- A review of the detailed building construction plans and specifications to confirm the units will comply with HQS upon completion of construction.
- Proof of completion of the environmental review process.
- Verification no party listed on the revised HUD 2880 is debarred from participation in HUD funded programs.
- Approval by HUD the proposed units are approved as replacement units to the former Cammie Clagett Courts SC003000060 property as designated by the Converted Awaiting Transfer (CAT).

The approval is contingent upon the following occurring prior to the execution of the HAP Contract:

- A final determination that the proposed rents are reasonable, as supported by the market study, and are within 110% of the HUD published FMR.
- All units passing an HQS, or other program required inspection protocol.

If the AHAP has not been executed within two years of the date of this letter, this award will expire, unless otherwise extended by Spartanburg Housing (SH).

Any specific questions regarding the project-based voucher program can be directed to Joseph Jackson, 864-598-6052.

Sincerely,

Shaunte Evans
Chief Executive Officer
Spartanburg Housing