

LDG Development, LLC

Affordable Multifamily Housing

LDG Development, LLC

TOTAL UNITS DEVELOPED: 4,245

9% TAX CREDIT DEALS: 16 UNITS: 1,386

BOND FINANCED DEALS: 15 UNITS: 2,842

STATES DEVELOPED IN: KENTUCKY,
KANSAS, INDIANA, TEXAS, VIRGINIA, AND
LOUISIANA



EXPERTISE

- Developing affordable housing across the country
- Designing and constructing new apartment communities
- Rehab-ing existing multifamily
- Marketing and Managing of residential and commercial properties
- LEED Certified Standards
- Complying with regulations in historic preservation districts
- Collaborating with local governments and state agencies



Quality is a good investment.

While many development companies are geared toward taking short-term quick development profit.

We look at every project as a long-term real estate investment. We believe that projects built with quality materials and attention to detail will yield a far greater return with a fifteen- to thirty-year holding period.

Investing up front to build the project right is money well spent.

That's the bottom line.

Awards & Distinctions



IREM (Institute of Real Estate Management)

2006 PREMA Awards

Falcon Crest Apartments

Best Managed Affordable Housing Community – Finalist

2007 PREMA Awards

Falcon Crest Apartments

Best Managed Affordable Housing Community – Recipient

2008 PREMA Awards

Whispering Woods Apartments

Best Managed Affordable Housing Community – Recipient

2009 PREMA Awards

Overlook Terraces

Best Managed Affordable Housing Community – Recipient

2009 RICHARD T. LUESING MEMORIAL AWARD

Chris Dischinger

Recipient

2010 PREMA Awards

Whispering Woods Apartments

Best Managed Affordable Housing Community – Finalist

NOVOGRADAC Journal of Tax Credits

2010 Developments of Distinction Award Winner

The Muses Apartments

For Overcoming Significant Obstacles &
Honorable Mention for Major Community Impact

Honorable Distinction

State of Louisiana

The Muses Apartments

First LEED Certified Affordable Housing Community



Family
Housing

at

The Paddock at
Grandview



LDG Development, LLC is making
dreams come true in
Nashville, TN



Project Name: The Paddock at Grandview

Location: Nashville, Tennessee

Developer: LDG Multifamily, LLC

Principles: Chris Dischinger & Mark Lechner

Unit Mix:	24	1 bedroom/ 1 bath
	108	2 bedroom/ 2 bath
	108	3 bedroom/ 2 bath

New Construction

Construction Type: 3 story, Wood Frame
Hard: plank and brick

Annual Tax Credits: \$1,029,300



**AFFORDABLE
HOUSING
FOR EVERYONE**

Concept Narrative

THE PADDOCK AT GRANDVIEW, NASHVILLE, TN



Nestled on the corner of West Trinity Lane and Interstate 65, Nashville's newest family apartment development offers a distinctive and unmistakable ambiance of comfort, convenience and spectacular city views. The Paddock at Grandview introduces you to affordable apartment home living that will involve the new construction of 240 units. Located in the heart of the Nashville-Davidson County School District, residents of The Paddock at Grandview will benefit from proximity to schools, metro bus stops, major grocery stores, city library, central business district, health clinics and other commerce which are all within blocks of the location. Residents can live, work, shop and dine, and never leave the neighborhood.

Development and Unit Description

The site is located at 230 West Trinity Lane, Nashville, TN 37203 on 14 +/- acres and surrounded by a plethora of public and private services within the immediate area. The proposed development will include 3 three-story energy efficient residential buildings and one clubhouse / community building with a swimming pool. The proposed project will be built using 4% Tax Credit financing. Reserved for families with household earnings within 60% of the area median income, The Paddock at Grandview is an ideal choice for families or young professionals who desire quality, apartment home living at an affordable price. The unit mix will include (24) 839 s.f. one, (108) 1,060 s.f. two, and (108) 1,167 s.f. three-bedroom garden-style units rents ranging from \$595 to \$800. The developer has designed the development towards enhancing the overall well-being of its residents, the community and the natural environment.

Some Amenities In and Around the Development

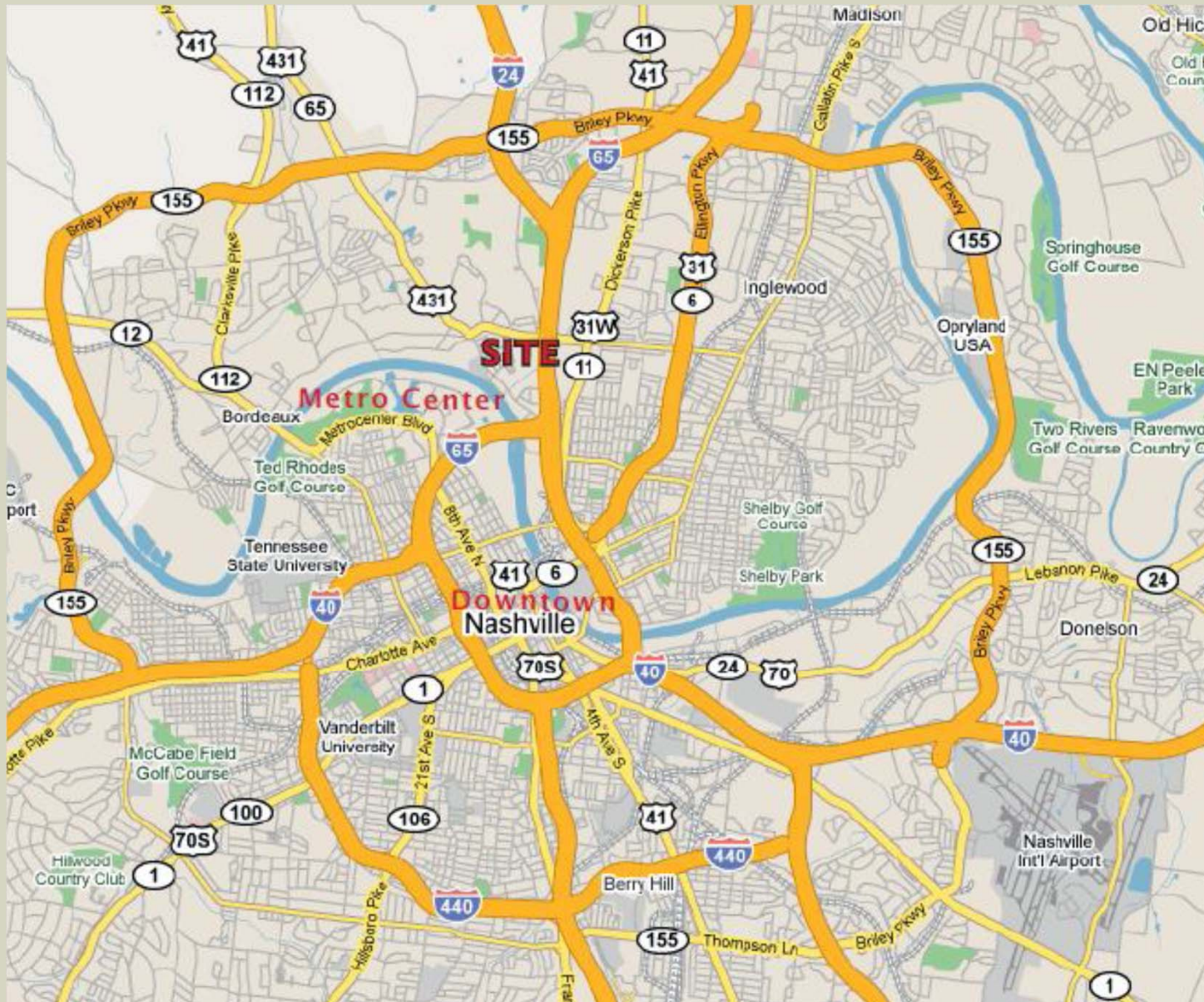
UNIT AMENITIES:

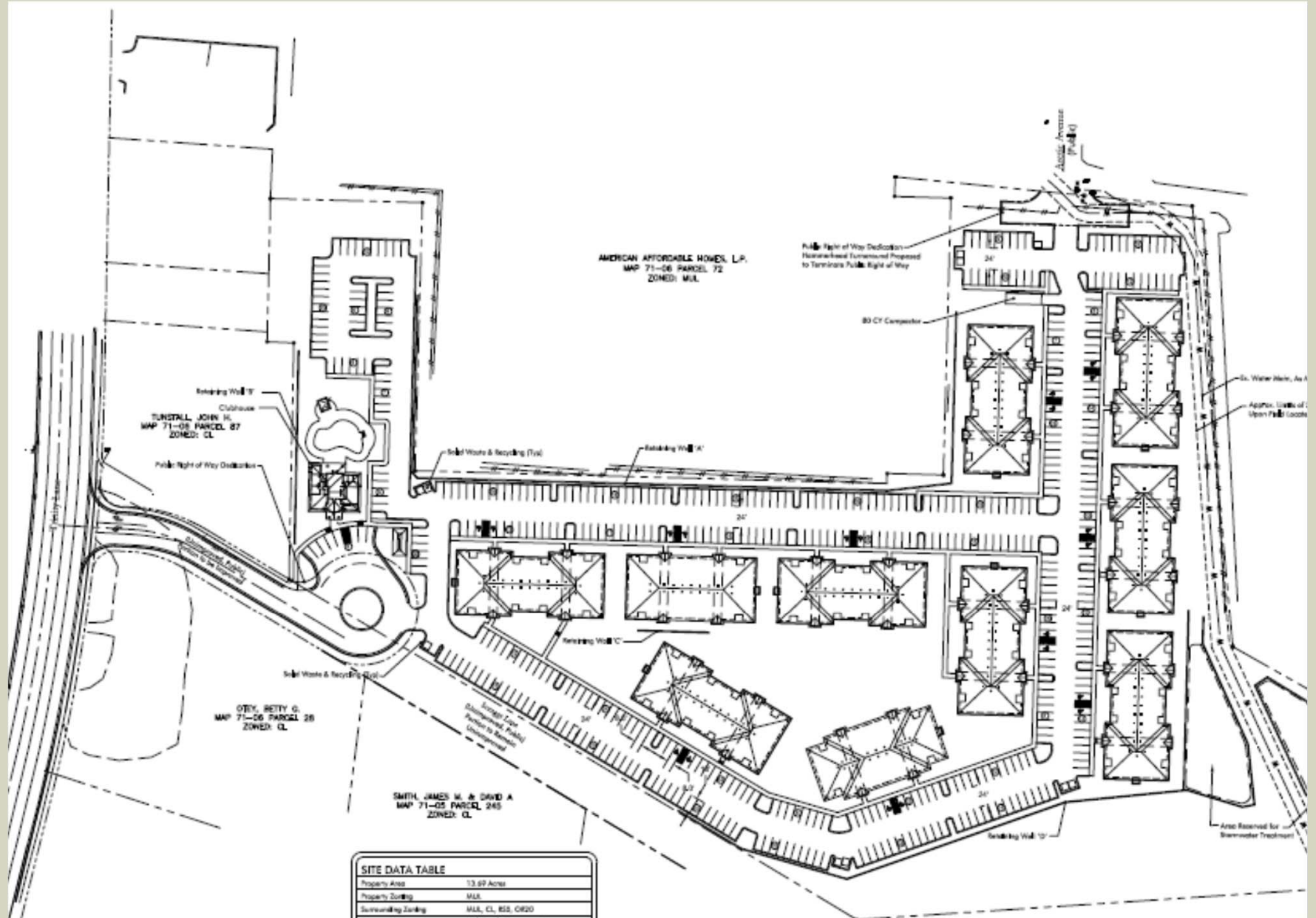
- ELECTRIC RANGE
- CENTRAL AIR CONDITIONING
- WINDOW BLINDS
- CARPET
- DISHWASHER
- WASHER/DRYER HOOKUPS
- REFRIGERATOR
- MICROWAVE OVEN
- CEILING FAN

COMMUNITY AMENITIES:

- ON-SITE MANAGEMENT
- CLUBHOUSE
- SWIMMING POOL
- COMMUNITY ROOM
- BUSINESS/COMPUTER CENTER
- FITNESS CENTER

Nashville, TN





SITE DATA TABLE	
Property Area	13.67 Acres
Property Zoning	MU
Surrounding Zoning	MU, CL, RS, O20

**The Paddock at Grandview
221(d)4 & Publicly Placed Tax Exempt Bond Transaction
Net Revenue Analysis**

Cannon County - Nashville, Davidson, Murfreesboro, Franklin, TN MSA

<u># of Br's</u>	<u># of Baths</u>	<u>% of AMGI</u>	<u># of Units</u>	<u>Square Footage</u>	<u>2013 LIHTC Max. Rent</u>	<u>Utility Allowance</u>	<u>Net Max Rent</u>	<u>Proposed Project Rents</u>	<u>Extended Projected Rents</u>
1-Br	1-Ba	60%	24	794	\$ 718	94	\$ 624	\$ 620	\$ 14,880
2-Br	2-Ba	60%	108	1,040	862	119	743	740	79,920
3-Br	2-Ba	60%	108	1,187	996	143	853	850	91,800
						-	-	-	-
						-	-	-	-
						-	-	-	-
						-	-	-	-
Totals			240	259,572				Monthly Rental Income	\$ 186,600
				Avg Sq. Ft.				Months	12
Low Home % Test				1,082				Gross Rent Potential	\$ 2,239,200
Home Units		0						Other Income PUPM	\$20.00 57,600
Low Home Units		0						Total Gross Rent & Other Revenue	2,296,800
% Low Home								Less Vacancy	7.00% (160,776)
Applicable Fraction Calculation								Plus Additional Underwriteable Revenues	
Total Units			240	Unit %				0 Garages	\$50.00 -
Market Rate Units			0	100%				0 Car Ports	\$20.00 -
Total Occupied Unit Space			259,572	Size %				60 W/D's	\$35.00 25,200
Market Rate Unit Space			0	100%				Total Net Revenue	\$ 2,161,224
Smaller % of Unit Count or Size				100%					

Utility Allowance - All Electric - Per THDA 2012 HUD Davison Co. Information

	Studio	1-Br	2-Br	3-Br	4-Br
Heating		\$20	\$25	\$30	
Cooking		7	9	11	
Other Elec.		42	50	59	
A/C		10	14	17	
Water Heat		15	21	26	
Total Electric Allowance	\$0	\$94	\$119	\$143	\$0

The Paddock at Grandview
221(d)4 & Publicly Placed Tax Exempt Bond Transaction
Proforma NOI

Total Units 240
Total Rental Square Feet 259,572

	Gross Rent Potential	\$ 2,239,200
	Other Income PUPM \$20	<u>57,600</u>
	Total Gross Rent & Other Revenue	\$ 2,296,800
	Vacancy 7.00%	(160,776)
	0 Garages	-
	0 Car Ports	-
	60 W/D's	<u>25,200</u>
	Net Revenue	\$ 2,161,224

	PSF	PUPA	Net Revs	Annual
Payroll & Benefits	\$0.96	\$ 1,042	11.6%	\$ 250,100
Administration	0.42	453	5.0%	108,720
Management Fee	0.33	360	4.00%	86,449
Repair & Maintenance	0.49	525	5.8%	126,000
Utilities (W&S, Trash, Club, Vacant)	0.53	575	6.4%	137,906
Marketing & Retention	0.06	70	0.8%	16,800
RE Taxes	0.77	828	9.2%	198,725
Insurance	0.21	230	2.6%	55,200
Audits & Accounting	0.04	40	0.4%	9,600
Misc.	0.00	0	0.0%	-
Subtotal	\$3.81	4,123	45.8%	989,500
Replacement Reserves	0.28	300	3.3%	72,000
Total Expenses	\$4.09	\$ 4,423	49.1%	<u>\$ 1,061,500</u>
Net Operating Income				<u>\$ 1,099,724</u>

The Paddock at Grandview
221(d)4 & Publicly Placed Tax Exempt Bond Transaction
Debt & Equity Sizing

Tax Credit Equity Sizing Calculations

Construction Basis	\$ 24,741,866
Basis Boost	130%
Adjusted Eligible Basis	\$ 32,164,426
Applicable Fraction	100%
Basis For Tax Credit Calculation	\$ 32,164,426
Tax Credit Percentage (Floating)	3.20%
Annual Credit	\$ 1,029,300
Years	10
Gross Total Credits	\$ 10,293,000
Investor %	99.99%
Investor Gross Tax Credits	\$ 10,292,000
Pennies Per Tax Credit Dollar	\$0.8800
Equity Investment Before Cost	\$ 9,057,000
Syndicator Costs	-
Total Equity	\$ 9,057,000

Operating Reserves Sizing Calculation

Anticipate HUD Loan Sizing	\$ 16,923,000
Annual Estimated Debt Service	\$ 956,725
Expense & Reserve Funding	1,061,500
Total Op Exp, Reserves & Debt Service	\$ 2,018,225
Months Reserves	6
Total Reserves	\$ 1,009,112

Debt Sizing Calculations

Permanent Loan Sizing

Interest Rates Assumptions

Pass Thru Rate	4.000%
Servicing	0.120%
GNMA	0.130%
Total Mortgage Note Rate	4.250%
Amortization (Years)	40
Mortgage Note Constant	5.203%
MIP	0.4500%
All In Constant	5.653%

221(d)4 Sizing Calculations

Total HUD Eligible Costs	\$ 23,201,909
Loan To Cost (Affordable)	87.00%
HUD LTC Restricted Loan Size	\$ 20,185,661

NOI	\$ 1,099,724
HUD Required DSC	1.15
Developer Desired DSC	1.149
Higher of Required or Desired	1.15
Cash Available For Debt Service	\$ 956,760
All In Constant	5.653%
DSC Ratio Restricted Debt Size	\$ 16,923,622

Tax-Exempt Bond Sizing

Total Basis	\$ 24,741,866
Land	-
Total Basis & Land	\$ 24,741,866
Percent Financed	60.63%
Bond Size Wanted	\$ 15,000,000

**The Paddock at Grandview
221(d)4 & Publicly Placed Tax Exempt Bond Transaction
Sources & Uses**

	Occupied SF 259,572	Units 240	Buildings 10	Units/Building 24
		Bonds \$ 15,000,000		
		<u>Permanent</u>		
Tax Credit Equity (Gross Annual/Pennies)	\$1,029,300	\$0.8800	\$ 9,057,000	
HUD 221(d)4 Loan			16,923,000	
THDA Fee Refund			105,000	
Bond Interest Escrow Refund			75,000	
Developer Fee - Paid =	\$1,744,043	Defrtd =	1,370,043	
Total Sources (per unit)	\$114,684		<u>\$ 27,530,043</u>	
Per Unit Construction Costs	\$84,972			
			HUD	LIHTC
			<u>Eligible</u>	<u>Eligible</u>
				<u>Acq.</u> <u>Constr.</u> <u>Ineligible</u>
Land Acquisition		\$ -	\$ -	\$ -
Vacate Road/ Curb Cut		25,000	25,000	25,000
Title Insurance & Recording (\$ + %)	\$5,000	0.20%	56,960	-
Buildings (Construction)			13,680,000	13,680,000
On Site Work			2,640,000	2,640,000
Contractor General Requirements	6.00%		979,200	979,200
Contractor Overhead	2.00%	<u>Final Installment</u>	326,400	326,400
Contractor Profit	6.00%	100.00%	979,200	979,200
Contingency	5.00%		930,240	930,240
Geotechnical/Soils Report			3,500	3,500
Permits & Fees			15,000	15,000
Tap Fees			-	-
Payment & Performance Bond/LOC			96,000	96,000
Builders Risk Insurance			60,000	60,000
Architect & Engineer	3.16%		515,151	515,151
Surveyor/Civil Eng			68,490	68,490
MEP			100,000	100,000
HUD Lender Origination Fee PRM	1.25%		211,538	5,037
FHA Exam Fee	0.30%		50,769	1,209
FHA Inspection Fee	0.50%		84,615	84,615
HUD Lender Engineering Report			18,000	18,000
UFMIP (Years/Premium)	2	0.45%	152,307	88,846
HUD Lender Counsel			35,000	833
THDA Bond App Fee			1,500	875
THDA Bond Allocation Fee (fee/refundable)	1.00%	50.00%	150,000	43,750
THDA Bond Incentive (% of fee/refundable)	20.00%	100.00%	30,000	30,000
Issuer Counsel (Adams & Reese) + Other			20,000	11,667
Bond Counsel & Fees (Squire Sanders)			45,000	26,250
TEFRA			1,000	583
				417

CUSIP & DTC			1,000	1,000	583	417	
Printing			2,500	2,500	1,458	1,042	
Underwriter (Sturges)	0.700%		105,000	105,000	61,250	43,750	
Underwriter Counsel (Sidley Austin)			27,500	27,500	16,042	11,458	
Rating Agency (Moody's)			7,600	7,600	4,433	3,167	
Tennessee Licensed CPA 50% Certification			7,500	7,500	4,375	3,125	
Trustee One Time Up Front Fee (Huntington)			7,500	7,500	4,375	3,125	
Legal - Trustee Counsel				-	-	-	
Borrower Legal (Peck Schaffer)			60,000	60,000	45,000	15,000	
Market Study (Borrower)			4,500	4,500	4,500	-	
Market Study (HUD)			5,800	5,800	5,800	-	
Appraisal			8,000	8,000	8,000	-	
Environmental Study/Phase I			3,400	3,400	3,400	-	
Environmental Study (Indiana Bats)			500	500	500	-	
Organizational Costs			15,000	15,000	-	15,000	
Legal - Syndicator Reimbursements					-	-	
Tax Credit Application Fee (per unit)	\$30		7,200		-	7,200	
Tax Credit Reservation Fee (% annual credit)	5%		51,465		-	51,465	
Monitoring Fee (per unit)	\$400		96,000		-	96,000	
Cost Certification & Accounting			22,500	22,500	12,500	10,000	
Construction Real Estate Taxes (Month/Rate)	16	1.86%	-	-	-	-	
Hazard & Liability Insurance (Years)	1		55,200	55,200		55,200	
Predevelopment Loan Interest	\$300,000	12%	24,000		24,000	-	
Construction Interest Bonds (rate/cap months)	0.600%	24	180,000		105,000	75,000	
Cap I (Construction Months) HUD 221(d)4	4.250%	14	594,758	479,485	594,758		
Cap Debt Srvs to Mo 24 (Part Hud Op Def)			637,674	350,312		637,674	
Leasing Deficit (Part of HUD Op Def)	\$107,378	\$50,000	157,378	157,378	-	157,378	
HUD Operating Deficit Not Funded Above	3.00%			-			
Investor Op Res (Mo)/HUD Work Cap (of 4%)	6	2.00%	1,009,112	338,460	-	1,009,112	
Soft Cost Contingency			50,000		-	50,000	
Builder's Sponsor's Profit & Risk Allowance	10.00%			1,999,300			
Developer Fee (QAP Limit at 95.99 Percent)	\$3,114,086	15.00%	3,114,086		3,114,086	-	
Total Uses			\$ 27,530,043	23,201,909	\$ -	\$ 24,741,866	\$ 2,788,177

**The Paddock at Grandview
LP Interests IRR Calculation - Quarterly**

Internal Rate of Return

7.682%

Quarter	Quarter End	Equity Contribution	Tax Credits	Tax Benefit From Losses	Cash Distributions	Net Cash Flow
1	Dec-13	(1,790,627)				(1,790,627)
2	Mar-14	(321,157)		10,204		(310,953)
3	Jun-14	(177,279)	13,386	39,405	-	(124,488)
4	Sep-14	(1,145,544)	13,386	39,405		(1,092,753)
5	Dec-14	(1,896,264)	13,386	39,405		(1,843,473)
6	Mar-15	(332,234)	13,386	39,405		(279,443)
7	Jun-15	-	138,859	99,982	-	238,841
8	Sep-15	-	138,859	99,982		238,841
9	Dec-15	-	138,859	99,982		238,841
10	Mar-16		138,859	99,982		238,841
11	Jun-16	(3,393,895)	257,300	65,356	-	(3,071,239)
12	Sep-16		257,300	65,356		322,656
13	Dec-16		257,300	65,356		322,656
14	Mar-17		257,300	65,356		322,656
15	Jun-17		257,300	63,414	-	320,714
16	Sep-17		257,300	63,414		320,714
17	Dec-17		257,300	63,414		320,714
18	Mar-18		257,300	63,414		320,714

19	Jun-18	257,300	62,385	-	319,685
20	Sep-18	257,300	62,385		319,685
21	Dec-18	257,300	62,385		319,685
22	Mar-19	257,300	62,385		319,685
23	Jun-19	257,300	59,452	-	316,752
24	Sep-19	257,300	59,452		316,752
25	Dec-19	257,300	59,452		316,752
26	Mar-20	257,300	59,452		316,752
27	Jun-20	257,300	50,444	-	307,744
28	Sep-20	257,300	50,444		307,744
29	Dec-20	257,300	50,444		307,744
30	Mar-21	257,300	50,444		307,744
31	Jun-21	257,300	45,587	-	302,887
32	Sep-21	257,300	45,587		302,887
33	Dec-21	257,300	45,587		302,887
34	Mar-22	257,300	45,587		302,887
35	Jun-22	257,300	39,361	-	296,661
36	Sep-22	257,300	39,361		296,661
37	Dec-22	257,300	39,361		296,661
38	Mar-23	257,300	39,361		296,661
39	Jun-23	257,300	37,573	12,227	307,101
40	Sep-23	257,300	37,573		294,873

**The Paddock at Grandview
LP Interests IRR Calculation - Quarterly**

Internal Rate of Return

7.682%

Quarter	Quarter End	Equity Contribution	Tax Credits	Tax Benefit From Losses	Cash Distributions	Net Cash Flow
41	Dec-23		257,300	37,573		294,873
42	Mar-24		257,300	37,573		294,873
43	Jun-24		243,914	35,438	16,453	295,805
44	Sep-24		243,914	35,438		279,351
45	Dec-24		243,914	35,438		279,351
46	Mar-25		243,914	35,438		279,351
47	Jun-25		118,441	33,267	17,471	169,180
48	Sep-25		118,441	33,267		151,708
49	Dec-25		118,441	33,267		151,708
50	Mar-26		118,441	33,267		151,708
51	Jun-26			31,062	18,473	49,535
52	Sep-26			31,062		31,062
53	Dec-26			31,062		31,062
54	Mar-27			31,062		31,062
55	Jun-27			28,820	54,062	82,882
56	Sep-27			28,820		28,820
57	Dec-27			28,820		28,820
58	Mar-28			28,820		28,820
59	Jun-28			26,542	20,420	46,962
60	Sep-28			26,542		26,542
61	Dec-28			26,542		26,542
62	Mar-29			26,542		26,542
63	Jun-29			8,828	21,363	30,191
64	Sep-29			8,828		8,828
65	Dec-29			8,828		8,828
66	Mar-30			8,828		8,828
67	Jun-30			6,110	22,283	28,393
68	Sep-30			6,110		6,110
69	Dec-30			6,110		6,110
70	Mar-31			6,110	23,179	29,289