

Rental Project Summary
Knoxville Leadership Foundation (KLF), Inc.
Callahan Flats, LP
Project Address: 1511 Callahan Dr., 37912

Requested amount: \$900,000 ARD (30 multifamily units at \$30,000/each)
\$2,900,000 HOME ARP (58 PSH units at \$50,000/each)

Recommended amount: \$900,000 ARD (30 multifamily units \$30,000/each)
\$2,900,000 HOME ARP (58 PSH units at \$50,000/each)

Contacts: Chris Martin - President KLF and Mick Nelson - Nelson Community Partners

Project Description/Affordability: Callahan Flats, LP is developing eighty-eight units, thirty multifamily and fifty-eight Permanent Supportive Housing, on 7.08 acres spread over two parcels. The fifty-eight 1BR PSH (603 sq ft) units are to be located in a four-story elevator accessed building offering a laundry facility. Individuals meeting the HOME ARP guidelines will qualify for the units' Project Based Vouchers (PBV) under the 30% (twenty-six units) and 60% (thirty-two units) AMI levels. The fifty-eight formerly homeless tenants receiving PBV pay the *highest of* 30% of the family's adjusted gross income, 10% of the family's gross income, or \$50.00. Utilities will be included with the rent. Case managers and twenty-four hour/day staffing will assist these individuals to successfully live independently. The twenty-four 2BR (960 sq ft) and six 3BR (1,267 sq ft) flats are to be located in two three-story garden walk up buildings. Thirty low income families will qualify for the units at 60% and 80% AMI, and rents will be held at Fair Market as released by HUD. Water and sewer will be included with the rent and these units will be equipped with washer/dryer connections. All of the quarters' amenities include window treatments, laminated plank vinyl floors, appliances (stove with stove vent, refrigerator with ice maker, dishwasher, microwave), and ceiling fans. This new construction will be built following LEED/Energy Star standards. Site amenities include on-site management, a picnic/gazebo area, meeting room with kitchen area, and a business center. The buildings will feature masonry with brick and fiber cement siding. The affordability period of the Low HOME units is twenty years; however, since the property received Low Income Housing Tax Credits, the ARD and all the units must be held at LIHTC maximum rent for an affordability period of thirty years.

Construction Cost: Construction costs are planned at \$17,320,000 (\$196,818/unit). This entails hard costs, a \$1,200,000 contingency fund, and soft costs including general conditions, overhead, profit, permits, and contractor fee.

Contractor/Bid Process: Guaranteed Maximum Price Proposals are being publicly solicited through October 27, 2022.

Energy Efficiency/Accessibility: Todd Kennedy, Construction Management Supervisor, has reviewed the plans and determined that they meet our standards for accessibility, fair housing and energy efficiency. Since this project is utilizing HOME funds for new construction, an Environmental Assessment and Site and Neighborhood Standards was performed.

Financial: Total project costs are planned at \$25,690,697. There is a \$17,400,000 CITC construction loan which will not be carried over into the permanent phase. Sources include a 15 year permanent loan of \$7,043,546, tax credit equity of \$8,364,584, THDA grants of \$2,100,000 (\$600,000 TN Housing Trust Foundation Competitive Grant and \$1,500,000 THDA National Housing Trust Fund), and a deferred developer fee of \$4,382,567. HOME ARP funds of \$2,900,000 and Affordable Rental Development funds of \$900,000 have been requested. Total sources are \$25,690,697. The 15 year pro forma shows a positive cash flow every year, beginning with a 1.24% debt service coverage ratio in year 1. The City of Knoxville has granted a thirty year Payment In Lieu of Taxes which will hold City and County taxes at \$1,944 annually. Project Based Vouchers have been awarded by the local housing authority for 52 of the 1BR units.

Neighborhood Input: Since there is not an organized neighborhood near 1511 Callahan Dr., the Neighborhood Coordinator of the Office of Neighborhood Empowerment is working with the developer on an effort to ask for feedback from businesses and single family homes per a mail out in the immediate area. The Council member for this district has also been contacted for input. The Neighborhood Coordinator will track comments during the stated comment period. The property is zoned C-H Highway Commercial, which will allow for this proposed project.

Timeline: Anticipated completion is second quarter of 2025.

PROJECT SUMMARY - Callahan Flats

Sources and Uses			
SOURCES	Total	Per Unit	Per Sq Ft
Primary Debt	7,043,546	80,040	108
Secondary Debt	-	-	-
Sponsor Equity	8,364,584	95,052	128
LIHTC Equity	3,800,000	43,182	58
City ARDP Funds	2,100,000	23,884	32
THDA Grants	-	-	-
Other Grants	-	-	-
Deferred Developer Fee	4,382,567	49,802	67
Total	25,690,697	291,940	393
USES			
Acquisition	692,770	7,872	11
Construction	17,320,000	196,818	265
Design and Engineering	970,000	11,023	15
Legal	255,000	2,898	4
Third Party Reports	27,000	307	0
Financing	599,905	6,817	9
HFA Fees	329,585	3,745	5
Other Soft Costs	357,968	4,068	5
Closing Costs	20,000	227	0
Developer Fee	4,695,683	53,360	72
Reserves	422,787	4,804	6
Total	25,690,697	291,940	393

Operating Pro Forma			
	Total	Per Unit	Per Sq Ft
Gross Revenue	987,360	11,220	1.26
Vacancy	(57,979)	(659)	(0.07)
Other Income	5,280	60	0.01
Net Revenue	934,661	10,621	1.19
Management Fee	(56,080)	(637)	(0.86)
Blank	-	-	-
Blank	-	-	-
Unit Turns	-	-	-
Utilities	(96,800)	(1,100)	(1.48)
Marketing	-	-	-
Repair and Maintenance	(52,800)	(600)	(0.81)
Property Tax	(1,943)	(22)	(0.03)
Insurance	(30,800)	(350)	(0.47)
Payroll	(193,600)	(2,200)	(2.96)
Administrative	(35,200)	(400)	(0.54)
Miscellaneous	-	-	-
Annual Expenses	(467,223)	(5,309)	(7.14)
Reserves	(22,000)	(250)	(0.34)
NOI	445,438	5,062	6.81
Annual Debt Service	(356,350)	(4,049)	(5.45)
Asset Management Fee	(2,750)	(31)	(0.04)
Cash Flow	86,338	981	1.32

Unit Summary					
Units	#	Monthly Rent	SQFT	% AMI	
Studio	-	-	-	-	-
1 Bedroom	58	800	600	30%	80%
2 Bedroom	24	1,165	960	80%	80%
3 Bedroom	6	1,320	1,287	80%	80%
4 Bedroom	-	-	-	-	-
Other	-	-	-	-	-
Summary	88	935	744	47%	47%

Development Timeline	
Construction Start	Dec-22
Construction Complete	May-24
Lease-up Complete	Nov-24

Callahan Flats	
Sponsor/Guarantor	Knoxville Leadership Foundation
Developer	KLF/Nelson Community Partners
Lender	Citizen's National Bank



NOTES:

- SEE EXISTING SITE PLAN FOR EXISTING UTILITIES AND STRUCTURES. ALL UTILITIES SHALL BE DELETED AND RELOCATED AS SHOWN ON THIS PLAN.
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UNIT MIX

UNIT TYPE	NUMBER OF UNITS	TOTAL SQ. FT.
1-BED	120	144,000
2-BED	120	288,000
3-BED	120	432,000
TOTAL	360	864,000

PARKING SUMMARY

TYPE	NUMBER OF SPACES
STANDARD	360
ACCESSIBLE	36
TOTAL	396

LEGEND:

- PROPOSED CURB
- EXISTING CURB
- PROPOSED DRIVEWAY
- EXISTING DRIVEWAY
- PROPOSED SIDEWALK
- EXISTING SIDEWALK



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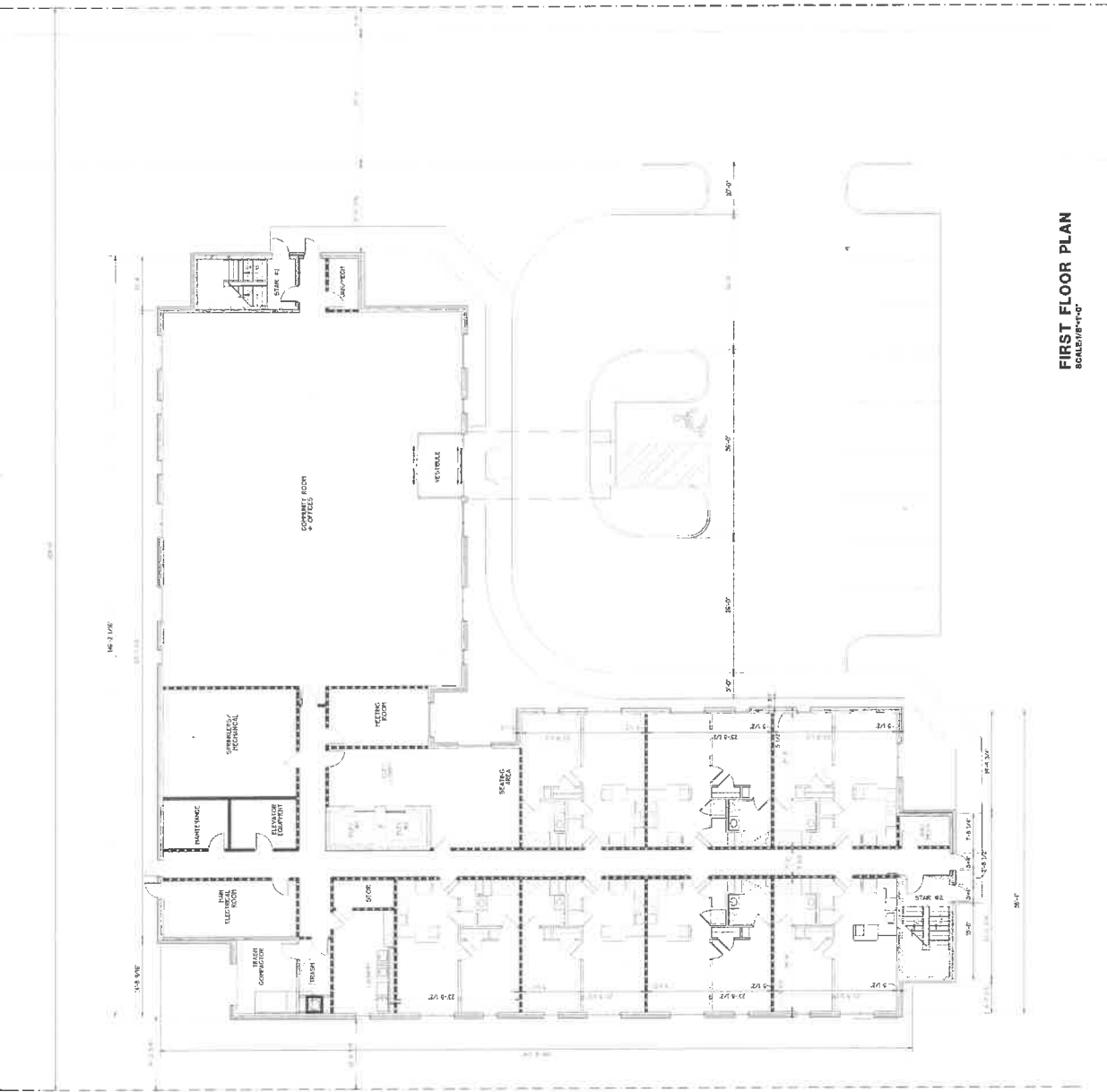
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CONSTRUCTION

SHEET NUMBER

A-1.0

658 WALLWOOD ROAD
KNOXVILLE, TENNESSEE 37912
ALLAN ASSOCIATES ARCHITECTS, PLLC

KLF CALLAHAN DRIVE
FIRST FLOOR PLAN



FIRST FLOOR PLAN
SCALE: 1/8"=1'-0"

NO.	DATE	BY	CHKD.	REVISIONS
1	12-8-21	MAA	MAA	ISSUE FOR PERMIT
2				
3				
4				
5				

1/8" = 1'-0"



PRELIM
NOT FOR
CONSTRUCTION

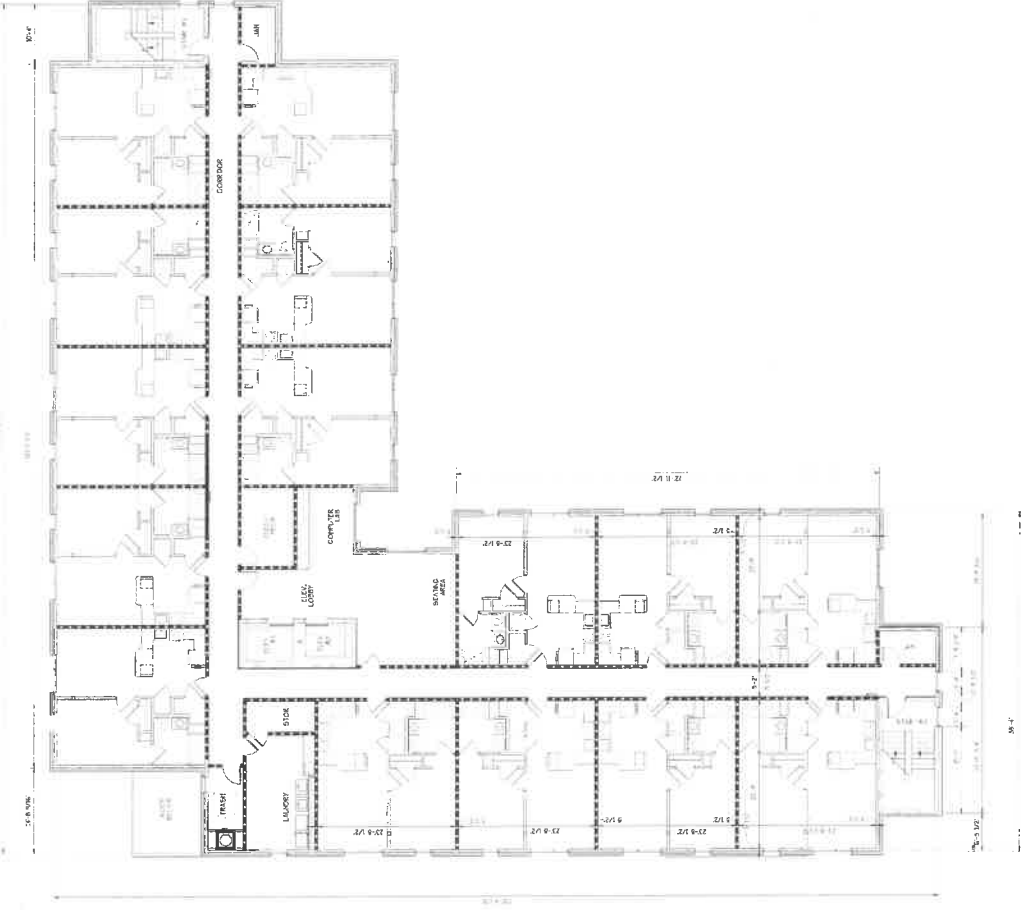
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A-1.1

6916 WALLWOOD ROAD
888 / 888-1302
KNOXVILLE, TENNESSEE 37912

ALLAN ASSOCIATES ARCHITECTS, PLLC

KLF CALLAHAN DRIVE
SECOND - FOURTH FLOOR PLAN

DATE	12-9-21
PROJECT #	
REVISIONS	
DESIGN BY	RAM
CHECK BY	MOA



SECOND - FOURTH FLOOR PLAN
SCALE: 1/8"=1'-0"

CAD FILE: CY-42.DWG

DRWN. BY: MGA
CHKD. BY:
APPD. BY: MDA
DATE: 12-8-21
REVISIONS

KNOXVILLE, TENNESSEE 37912

888 / 669-1802

LMWOOD ROAD

BUILDING PLANS

KLF CALLAHAN DRIVE

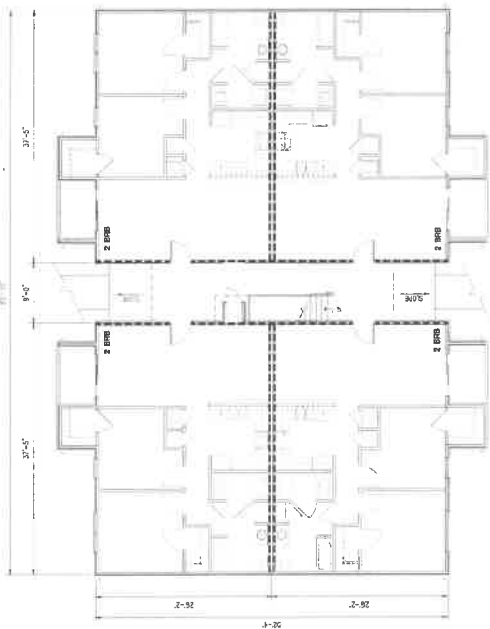
ALLAN ASSOCIATES ARCHITECTS, PLLC



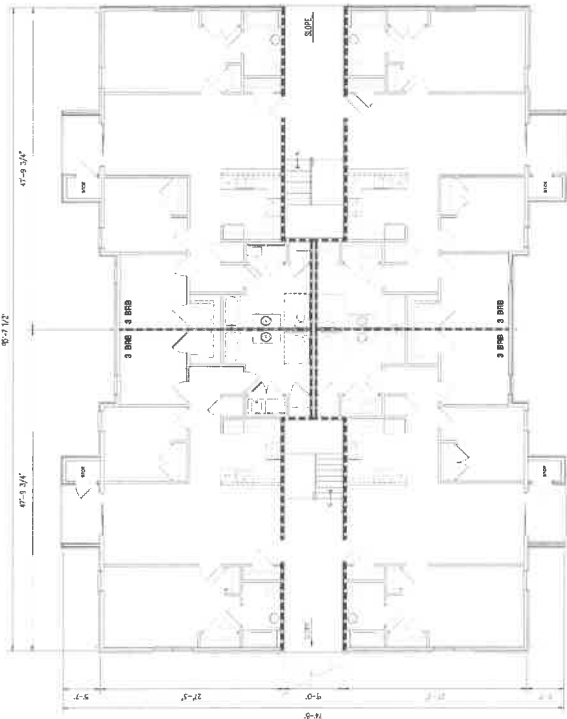
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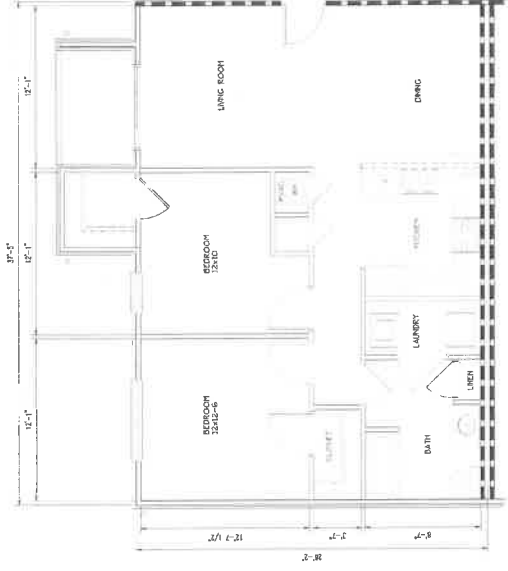


TWO BEDROOM BUILDING PLAN
2-BEDROOM 6 TOTAL UNITS
SCALE: 1/8" = 1'-0"



THREE BEDROOM BUILDING PLAN
3-BEDROOM 12 TOTAL UNITS
SCALE: 1/8" = 1'-0"

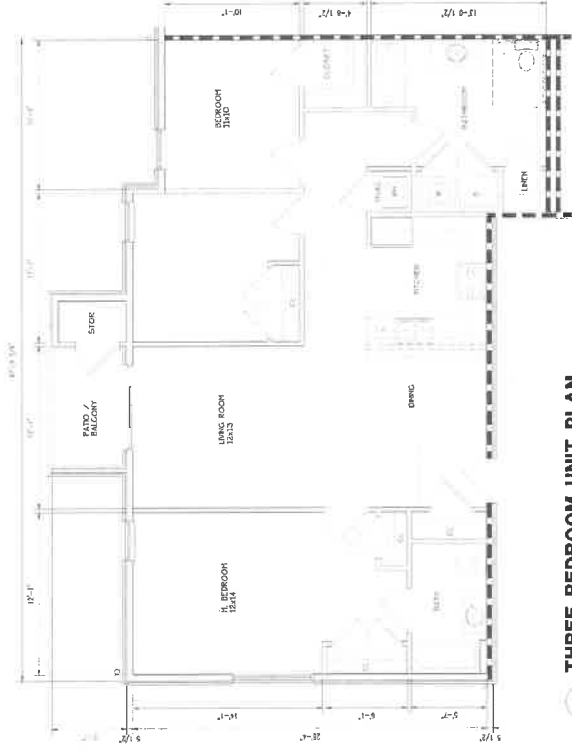
CHKD. BY: MDA
APPR. BY: MDA
DATE: 12-8-21
REVISIONS



TWO BEDROOM UNIT PLAN

SCALE: 1/4" = 1'-0"

880 SF NET



THREE BEDROOM UNIT PLAN

SCALE: 1/4" = 1'-0"

1267 SF NET

