

Pecan Grove

APARTMENTS



LDG Background

- [LDG Development](#) has developed over 10,000 multifamily units in the last 24 years
- LDG was named the [#1 Affordable Housing Developer in the Country in 2017](#) by Affordable Housing Finance Magazine
- Xpert Design & Construction, the construction arm of LDG, has been the General Contractor for every multifamily community the company has developed
- LDG has a buy and hold strategy – We've never sold an apartment community that we've developed

Development Overview

Pecan Grove - Seguin, TX				
# of Br's	# of Baths	% of AMI	SQFT	Max Rent
1-Br	1-Ba	60%	861	\$752
2-Br	2-Ba	60%	1,085	\$903
3-Br	2-Ba	60%	1,257	\$1,042
4-Br	2-Ba	60%	1,557	\$1,162

- New construction of approximately 195 apartment units
- The development would be located at 1231 W. Court St.
- The property was rezoned to MF-3 on December 4, 2018

Development Overview

Area Median Income (AMI) - Seguin, TX			
# in Household	AMI	60% of AMI	Max Rent
1	\$46,800	\$28,080	\$752
2	\$53,500	\$32,100	\$903
3	\$60,200	\$36,120	\$1,042
4	\$66,800	\$40,080	\$1,162

- All units would be restricted to tenants that earn 60% of the Area Median Income (AMI) or less
- 60% of the Area Median Income (AMI) for a family of four in Seguin is \$40,080
- These rents and income limits are by set by HUD, not the developer

Section 8 vs. Section 42

Section 8

- Provides tenants with governmental assistance
- Rents are based vouchers that state the tenant only pays 30% of their income towards rent
- Program is administered by a housing authority
- Section 8 was established by the Housing Act of 1937
- Tenants are incentivized to maintain their unit or they could lose their voucher

Section 42

- Does NOT provide tenants with governmental assistance
- Rents are set by HUD based on the Area Median Income (AMI)
- Program is NOT administered by a housing authority
- Section 42 was established by the Tax Reform Act of 1986
- Developers are incentivized to maintain their properties or they could lose their tax credits

LDG's Tenant Qualifications

LDG implements the following selection criteria at all properties:

1. Non age restricted property (must be 18 years or older)
2. Criminal background check
3. Cannot be a convicted felon
4. Must have a current job
5. Must have an income that is 2x their rent amount
6. Subject to a credit check
7. All occupants of units must be named on lease
8. 6-12 months of good rental history - If prospective tenants have no rental history we require additional deposit

Building Specifications

- 100% stone & cementitious exterior composition
- 35 year dimensional roof shingles
- 15 SHEER air conditioning units
- R-15/R-30 building insulation
- All units equipped with fire sprinklers
- Vinyl flooring w/ carpet in the bedrooms
- Formica countertops
- All appliances Energy Star rated
- Covered patios and balcony
- Laundry and dryer hook-ups
- Built to LEED certified standards

Building Rendering



One Bedroom
Rendering



Two Bedroom
Rendering



Three Bedroom
Rendering



Accessibility & Amenities

○ **Accessibility**

- All amenities, including outdoor patios and walking areas are fully accessible
- Site location central to town and schools
- Full Perimeter Fence
- Controlled gate access

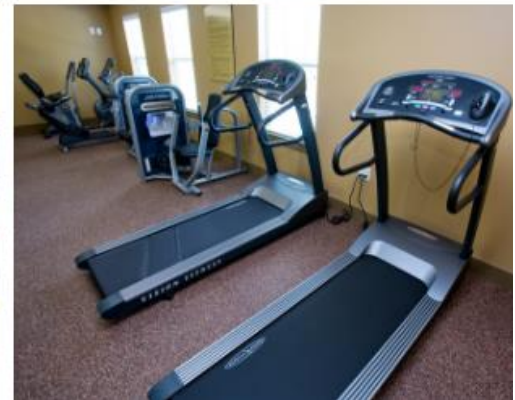
○ **Amenities**

- Clubhouse w/ Community Area & Kitchenette
- Theatre Room
- Exercise Room
- Business/Computer Center
- Patio/Balcony
- Sitting Areas & Gazebos
- Children's Playground
- Swimming Pool
- Gazebo/Grill Community Gathering Area

Site Security Features

○ **Safety & Security**

- Gated community with secured access and perimeter fencing
- Security cameras
- Police sub-station
- Ample lighting on through streets, sidewalks, & parking area
- Close to local schools







Property Management

- LDG contracts [Capstone Real Estate Services, Inc.](#) as our property manager
- Capstone manages nearly all of LDG's apartment communities in Texas
- Founded in 1969, Capstone currently manages over 38,000 multifamily units

Financing Structure

1. Development to be financed with 4% tax credits
 - Private investors will purchase the 4% tax credits
 - Credits worth approximately \$12,000,000
2. Private Loan of approximately \$20,000,000