Project Summary
January 17, 2018

Project Information

- Project Name: Parsons Village II
- OHFA Tracking Number: 17-0094
- Project Address: 1859 Parsons Avenue
- City, County: Columbus, Franklin
- Project Type: New Construction
- Scattered Site: No
- Population Served: Senior
- Building Type: Multifamily Four-Story

Parsons Village II is a housing tax credit new construction senior housing project in Columbus, Franklin County. Parsons Village II will consist of 60 units offering one- and two-bedroom units. Six units will be affordable to households at 30% AMGI, three units will be affordable to households at 50% AMGI and 51 units will be affordable to households at 60% AMGI.

The project was evaluated as part of the New Units Senior Pool. It was selected for being located in a county where 30 percent or more of households experience one or more housing problems, it is located in an area with significant real estate development planned and completed, and is part of the South Side Redevelopment Plan adopted by the City of Columbus. The project also received priority designation from the City of Columbus. This is a Workforce Housing development where all units may be affordable to households at 60% AMGI.

The project received an award for three units of Ohio Department of Medicaid (ODM) Subsidy to provide accessible housing for extremely low-income persons with disabilities who are exiting facility-based settings.

Parsons Village II is the second phase of Parsons Senior completed in 2015 which consisted of 56 units for seniors. Located on the vacant Schottenstein Shopping Center site, this redevelopment included a mixed use of residential, retail and health and wellness opportunities, including the new John Maloney Health Center. Parsons Village II will contain approximately 3,000 square feet of commercial space, required by the City of Columbus.

OHFA Funding Programs

- **Housing Tax Credits**: $1,080,000
- **Housing Development Loan**: $1,500,000
  - HDL Term: 10 years
  - HDL Rate: 2.50%
  - HDL Collateral: Qualified Cognovit Investor Notes
- **Multifamily Lending Program**: $1,600,000
  - To Be Approved

Project Rendering
### Development Team

- Major General Partner: NRP Parsons Village II LLC
- Minority General Partner: CD4AP Parsons II Corp.
- Developer: NRP Holdings LLC
- General Contractor: NRP Contractors II LLC
- Management Company: NRP Management LLC
- Housing Credit Syndicator: Navistone Partners LLC

### Owner Information

- Owner Entity/HDL Borrower: Parsons Village II LLC
- Related Party to Land / Building Seller? No
  
  *If yes, see notes on page 4.*

### Financing Sources

#### Construction Financing

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>RiverHills Bank</td>
<td>$7,400,000</td>
</tr>
<tr>
<td>Navistone Partners Equity</td>
<td>$879,012</td>
</tr>
<tr>
<td>Columbus City HOME</td>
<td>$225,000</td>
</tr>
<tr>
<td>Post Closing Costs &amp; Fees</td>
<td>$1,279,211</td>
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<tr>
<td>HDL</td>
<td>$1,500,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$11,283,223</strong></td>
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</tbody>
</table>

#### Permanent Financing

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>OHFA MLP Program</td>
<td>$1,200,000</td>
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<tr>
<td>OHFA MLP Program</td>
<td>$400,000</td>
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<tr>
<td>Navistone Partners Equity</td>
<td>$9,427,457</td>
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<tr>
<td>Deferred Developer Fee</td>
<td>$5,766</td>
</tr>
<tr>
<td>Columbus City HOME</td>
<td>$250,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$11,283,223</strong></td>
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### Rent Summary

<table>
<thead>
<tr>
<th>Units</th>
<th>Bedrooms</th>
<th>AMGI</th>
<th>AMGI</th>
<th>Net Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>1</td>
<td>30%</td>
<td>30%</td>
<td>$269</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>50%</td>
<td>30%</td>
<td>$560</td>
</tr>
<tr>
<td>24</td>
<td>1</td>
<td>60%</td>
<td>60%</td>
<td>$621</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>30%</td>
<td>30%</td>
<td>$323</td>
</tr>
<tr>
<td>27</td>
<td>2</td>
<td>60%</td>
<td>60%</td>
<td>$725</td>
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</table>

### Total Units

<table>
<thead>
<tr>
<th>Units</th>
<th>TOTAL UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>$11,283,223</td>
</tr>
</tbody>
</table>

*Three units have ODMSD subsidy*
### Development Budget

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Per Unit</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$206,100</td>
<td>$3,435</td>
<td>2%</td>
</tr>
<tr>
<td>Building Acquisition</td>
<td>$0</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Predevelopment</td>
<td>$367,500</td>
<td>$6,125</td>
<td>3%</td>
</tr>
<tr>
<td>Site Development</td>
<td>$940,000</td>
<td>$15,667</td>
<td>8%</td>
</tr>
<tr>
<td>Hard Construction</td>
<td>$6,447,191</td>
<td>$107,453</td>
<td>57%</td>
</tr>
<tr>
<td>Commercial Costs</td>
<td>$400,000</td>
<td>$6,667</td>
<td>4%</td>
</tr>
<tr>
<td>Interim Costs/Finance</td>
<td>$632,676</td>
<td>$10,547</td>
<td>6%</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>$1,855,000</td>
<td>$30,917</td>
<td>16%</td>
</tr>
<tr>
<td>Compliance Costs</td>
<td>$173,900</td>
<td>$2,898</td>
<td>2%</td>
</tr>
<tr>
<td>Reserves</td>
<td>$260,856</td>
<td>$4,348</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td><strong>$11,283,223</strong></td>
<td><strong>$188,057</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Developer Fee %:** 17.5%**  
**Maximum:** 15% or  
$1,750,000  
$1,750,000

**See note on page 4 regarding developer fee**

### Construction Information

#### Floor Space

<table>
<thead>
<tr>
<th></th>
<th>Square Feet</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income Unit Area (residential):</td>
<td>48,420</td>
<td>68%</td>
</tr>
<tr>
<td>Total Commercial Rentable Floor Area:</td>
<td>3,000</td>
<td>4%</td>
</tr>
<tr>
<td>Total Common Area:</td>
<td>3,493</td>
<td>5%</td>
</tr>
<tr>
<td>Total Circle:</td>
<td>9,361</td>
<td>13%</td>
</tr>
<tr>
<td>Support:</td>
<td>2,381</td>
<td>3%</td>
</tr>
<tr>
<td>Tenant storage, stairways and elevator:</td>
<td>4,056</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total Gross Floor Area:</strong></td>
<td><strong>70,711</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### Other Information

- **Total Number of Bedrooms:** 90
- **Section 504 Mobility Units:** 6
- **Section 504 Sensory Units:** 2
- **Energy Star Units:** 60

### Additional Project Cost / Operating Cost Information

Projects are evaluated by comparing application costs to similar developments based on construction type and region, using the Development Applications Cost Database. All projects must remain under 2 standard deviations from the pool average at proposal, at final AHFA and when the project is submitted for 8609.

- **2 Standard Deviation** Parsons Village II  
  - Per Unit: $227,196  
  - Per Sqft: $188,057  
  - TDC: $13,440,899  
  - $11,283,223

Project has a first year DCR of 1.32 and maintains an average DCR over 15 years of 1.27, which is compliant with OHFA underwriting requirements.

Rents and operating costs are within OHFA requirements as compared to the annual OHFA operating survey data.

- **Pool average operating expense:** $5,872  
- **Project:** $5,407

### Additional Construction / Amenities Information

The site will include a pocket park with seating, exterior open spaces and paths, a walkway, landscaping, a rain garden and a community garden located between Phase I and Phase II. Energy efficient outdoor lighting will be placed strategically throughout the site for safety and security purposes.

Units will feature vinyl plank flooring in living rooms, kitchens and baths and carpet in bedrooms. Toilets will be dual-flush and plumbing fixtures will be WaterSense-labeled. A grey water system will collect waste water from second floor laundry room and will be filtered for exterior landscaping irrigation at the main entry.

Upon completion, the project will receive Enterprise Green Certification.

The campus will be smoke-free and include Ohio Benefit Bank staffed monthly on-site, free dental and/or vision services.
**Reviewer Notes**

**Developer Fee**
In 2017, developer fees were capped at 15% of the total new construction eligible basis and 5% of total acquisition eligible basis with $1,750,000 maximum. Under Exceptional Development, developers could be awarded up to ten points earning an additional $50,000 in developer fee per point or a total of $500,000 additional developer fee. NRP received points under Economic Development, Education and Opportunity, Workforce Housing and Creative Design for a total of ten exceptional development points. Project was permitted to increase developer fee to the $1,750,000 maximum fee or 17.5% of eligible basis.

**Developer Experience:**
The NRP Group has a long track record of successful ownership, development, construction and property management of LIHTC and other affordable housing developments.

Community Development for All People (CD4AP) is a non-profit organization dedicated to the development of an inclusive neighborhood on the south side of Columbus. CD4AP has worked with the City of Columbus and NRP on the Southside Home Ownership Program and was involved in the development of Parsons Senior.

**Staff Recommendation:**
Analyst recommends funding Parsons Village II, as the development is eligible for HDL funding based on the current program guidelines.

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**Closing Conditions**

1. Compliance with all federal, state and local guidelines, regulations and requirements applicable to the financing and the subject project.

2. Clearance from all appropriate state taxing authorities in a form acceptable to OHFA.

3. If applicable, EPA clearance in a form acceptable to OHFA.

4. Submission of all documents and information described in the Closing Checklist, as hereafter amended or supplemented by OHFA or its legal counsel (the “Due Diligence”). All Due Diligence is subject to clarification or supplementation as required by OHFA.

5. Collateral must be unconditionally sufficient to OHFA in form, content and value.

6. Applicant must provide the email sent notifying OHFA of the pre-construction meeting and/or construction commencement in accordance with Exhibit A of the Carryer Allocation Agreement.

   Additional closing condition (at the discretion of OHFA):

   Applicant to provide email from OHFA Legal Counsel indicating review and approval of any commercial leases to ensure proper sharing of costs of common spaces between leased area and residential spaces before request for closing.

   Applicant to provide email from OHFA Legal Counsel indicating review and approval of collateral for HDL loan before request for closing.

   Additional funding conditions (at the discretion of OHFA): NONE