

## Summit Gardens Apartments

Proposal Application Summary

4% LIHTC with BGF Round

### Basic Project Information

|                             |                                      |
|-----------------------------|--------------------------------------|
| Project Name                | Summit Gardens Apartments            |
| LIHTC Type                  | 4% LIHTC                             |
| BGF Pool/Subpool            | Preserved Affordability Outside a PJ |
| Lead Developer              | Bobeck Funding II, LLC               |
| Project Address             | 1101 Summit Gardens Boulevard        |
| Project City or Township    | Kent                                 |
| Project County              | Portage                              |
| Construction Type           | Rehabilitation                       |
| Population Served           | Families                             |
| Total Units                 | 80                                   |
| HDAP Request                | \$2,799,920                          |
| Total 10-Year LIHTC Request | \$6,132,824                          |
| Total Development Cost      | \$13,948,180                         |

### Existing Photograph



### Development and Operations Team

|                           |                             |
|---------------------------|-----------------------------|
| Lead Developer            | Bobeck Funding II, LLC      |
| Co-Developer #1           | N/A                         |
| Co-Developer #2           | N/A                         |
| Development Consultant    | DRK Consulting              |
| LIHTC Syndicator/Investor | WNC                         |
| GP/MM #1 Parent Entity    | Educators Housing Inc.      |
| GP/MM #2 Parent Entity    | Bobeck Funding II, LLC      |
| GP/MM #3 Parent Entity    | N/A                         |
| General Contractor        | GL Housing Construction LLC |
| Architect of Record       | LDA Architecture            |
| Property Management Firm  | J&S Management Co., Inc.    |

### Project Narrative

Great Lakes is proposing the acquisition & rehabilitation of Summit Gardens, an 80 unit existing FHA funded section 8 supported mixed tenancy project located at the east corner of Whitehall & Summit Gardens Blvd in Kent, OH (Portage County). It was constructed in 1983 at the end of the Section 8 new construction program & is unique in that it has a mixed tenancy of senior & family units under one Section 8 contract. The project has 40 senior targeted units & 40 family units located in eight 1 & 2 story buildings on an L-shaped site. The 40 1 bedroom units are targeted towards senior and the 10 two bedroom and 30 three-bedroom units have no targeting. It has not had any substantial rehabs since its original construction & is in need of significant repairs. The project will undergo an extensive rehabilitation & modernization of all major building components along with the addition of valuable present day amenities that will allow it to serve its residents for 30 more years.

### Site Information

|   |          |
|---|----------|
| Site Size (Acres)                             | 5.3      |
| Scattered Sites?                              | No       |
| Total Number of Buildings                     | 11       |
| Total Parking Spaces                          | 125      |
| Parking Ratio (Parking Spaces per Unit)       | 1.6      |
| Urban Suburban Rural (USR) Geography          | Suburban |
| Located in a Participating Jurisdiction (PJ)? | No       |
| Located in a Qualified Census Tract (QCT)?    | Yes      |
| Located in a Difficult Development Area?      | No       |
| Census Tract Opportunity Index                | Moderate |
| Census Tract Change Index                     | Decline  |

### Building Square Footage Breakdown

|   | Size (SF)     | Pct of Total |
|---|---------------|--------------|
| Commercial and Fee-Driven Space                     |               |              |
| Unrestricted/Market-Rate Unit Area                  |               |              |
| LIHTC Unit Area                                     | 57,331        | 82%          |
| Manager's Unit Area                                 |               |              |
| Common Area   | 1,288         | 2%           |
| Support and Program Space                           | 790           | 1%           |
| Tenant Storage Space                                |               |              |
| Major Vertical Penetrations (Elevator/Stairs, Etc.) |               |              |
| Structured Parking/Garage                           |               |              |
| Basement  | 10,766        | 15%          |
| <b>Total Square Footage of all Buildings</b>        | <b>70,175</b> | <b>100%</b>  |

### Units by LIHTC Income Restrictions

| LIHTC Income Restriction | Number of Units | Percent of Total Units |
|--------------------------|-----------------|------------------------|
| 20% AMI                  |                 |                        |
| 30% AMI                  | 19              | 24%                    |
| 40% AMI                  |                 |                        |
| 50% AMI                  |                 |                        |
| 60% AMI                  | 61              | 76%                    |
| 70% AMI                  |                 |                        |
| 80% AMI                  |                 |                        |
| Unrestricted             |                 |                        |
| Manager's                |                 |                        |
| <b>Total Units</b>       | <b>80</b>       | <b>100%</b>            |

### Units by Bedroom Type and Rental Subsidy

| Bedroom Type       | Number of Units | Percent of Total Units | Units with Rental Subsidy | Percent of Total Units Subsidized |
|--------------------|-----------------|------------------------|---------------------------|-----------------------------------|
| Studio             |                 |                        |                           |                                   |
| 1-BR               | 40              | 50%                    | 40                        | 100%                              |
| 2-BR               | 10              | 13%                    | 10                        | 100%                              |
| 3-BR               | 30              | 38%                    | 30                        | 100%                              |
| 4-BR               |                 |                        |                           |                                   |
| 5-BR               |                 |                        |                           |                                   |
| <b>Total Units</b> | <b>80</b>       | <b>100%</b>            | <b>80</b>                 | <b>100%</b>                       |

### Consolidated Annual Operating Budget

| Operating Line Item                         | Annual Amount    | Annual Per Unit Amount |
|---|------------------|------------------------|
| Potential Gross Rental Income               | \$936,240        | \$11,703               |
| Potential Gross Commercial Income           | \$0              | \$0                    |
| Vacancy Allowance 7%                        | (\$65,537)       | (\$819)                |
| Interest Income and Other Financial Income  | \$0              | \$0                    |
| Laundry, Tenant Charges, and Service Income | \$0              | \$0                    |
| <b>Effective Gross Income (EGI)</b>         | <b>\$870,703</b> | <b>\$10,884</b>        |
| Administrative Expenses                     | \$187,013        | \$2,338                |
| Owner-Paid Utilities                        | \$32,400         | \$405                  |
| Maintenance Costs                           | \$119,060        | \$1,488                |
| Taxes and Insurance                         | \$112,032        | \$1,400                |
| Tax Abatement and/or Operating Subsidy      | \$0              | \$0                    |
| Reserves and Other Expenses                 | \$32,000         | \$400                  |
| <b>Total Operating Expenses</b>             | <b>\$482,505</b> | <b>\$6,031</b>         |
| <b>Net Operating Income (EGI - OpEx)</b>    | <b>\$388,198</b> | <b>\$4,852</b>         |

### LIHTC Calculation

|                                | Acquisition   | Rehabilitation | New Construction |
|--------------------------------|---------------|----------------|------------------|
| LIHTC Eligible Basis           | \$2,250,000   | \$10,063,123   |                  |
| - Reductions in Eligible Basis | \$0           | \$0            |                  |
| = Net Eligible Basis           | \$2,250,000   | \$10,063,123   |                  |
| Basis Boost for QCT/DDA        | (\$2,250,000) | \$3,018,937    |                  |
| Adjusted Eligible Basis        | \$0           | \$13,082,060   |                  |
| X Applicable Fraction          | 100%          | 100%           |                  |
| Qualified Basis                | \$0           | \$13,082,060   |                  |
| 30% Present Value Rate         | 4.00%         | 4.00%          |                  |
| Annual LIHTC Generated         | \$0           | \$523,282      |                  |
| Total 10-Year LIHTC            | \$5,232,824   |                |                  |
| LIHTC Equity Generated         | \$5,448,260   |                |                  |
| Equity Price                   | \$0.89        |                |                  |

### Construction Sources of Funds

| Construction Sources              | Amount              | Percent of Total |
|-----------------------------------|---------------------|------------------|
| LIHTC Equity                      | \$2,996,543         | 21%              |
| Historic Tax Credit Equity        |                     |                  |
| Construction Loan                 | \$4,750,000         | 34%              |
| OHFA HDAP Request                 | \$2,799,920         | 20%              |
| Deferred Developer Fee            | \$625,000           | 4%               |
| Educator Housing GP Capital       | \$325,000           | 2%               |
| N/A                               |                     |                  |
| N/A                               |                     |                  |
| N/A                               |                     |                  |
| Deferred fees & costs             | \$2,451,717         | 18%              |
| <b>Total Construction Sources</b> | <b>\$13,948,180</b> | <b>100%</b>      |

### Development Budget, Eligible Basis and Cost Containment Standards

| Development Costs  | Amount              | Per Unit Amount  | LIHTC Eligible Basis |
|--|---------------------|------------------|----------------------|
| Acquisition  | \$2,500,000         | \$31,250         | \$2,250,000          |
| Predevelopment   | \$367,500           | \$4,594          | \$367,500            |
| Site Development   | \$665,000           | \$8,313          | \$665,000            |
| Hard Construction  | \$6,437,100         | \$80,464         | \$6,437,100          |
| Financing  | \$869,783           | \$10,872         | \$368,523            |
| Professional Fees  | \$2,305,000         | \$28,813         | \$2,225,000          |
| Developer Fee  | \$0                 | \$0              | \$0                  |
| OHFA and Other Fees  | \$233,797           | \$2,922          | \$0                  |
| Capitalized Reserves   | \$570,000           | \$7,125          | \$0                  |
| <b>Total Development Costs (TDC)</b>                         | <b>\$13,948,180</b> | <b>\$174,352</b> | <b>\$12,313,123</b>  |
| LIHTC Eligible Basis as a Percent of Total Development Costs |                     |                  | 88%                  |

  

| Cost Containment Standards | Project   | Maximum   | Variance |
|----------------------------|-----------|-----------|----------|
| TDC per Unit               | \$174,352 | \$250,000 | -30%     |
| TDC per Gross Square Foot  | \$199     | \$280     | -29%     |

### Maximum Permanent Debt Sizing

|                                | Max Loan for Stabilized Y1 | Max Loan to Stabilized Y15 |
|--------------------------------|----------------------------|----------------------------|
| Net Operating Income (NOI)     | \$388,198                  | \$388,198                  |
| Debt Service Coverage Ratio    | 1.15                       | 1.00                       |
| NOI Available for Debt Service | \$337,564                  | \$388,198                  |
| Interest Rate                  | 6.00%                      | 6.00%                      |
| Amortization Period (Years)    | 40                         | 40                         |
| Loan Term (Years)              | 40                         | 40                         |
| Maximum Perm Loan Amount       | \$5,112,615                | \$5,879,507                |
| Actual Perm Loan Amount        | \$4,750,000                |                            |
| Variance                       | (\$362,615)                |                            |

  

|                             | Year 1 | Year 15 |
|-----------------------------|--------|---------|
| Debt Service Coverage Ratio | 1.24   | 1.34    |
| OHFA Minimum DSCR           | 1.15   | 1.00    |

### Permanent Sources of Funds

| Permanent Sources              | Total               | Percent of Total |
|--------------------------------|---------------------|------------------|
| LIHTC Equity                   | \$5,448,260         | 39%              |
| Historic Tax Credit Equity     |                     |                  |
| Permanent First Mortgage       | \$4,750,000         | 34%              |
| Permanent Second Mortgage      |                     |                  |
| OHFA HDAP Request              | \$2,799,920         | 20%              |
| Deferred Developer Fee         | \$625,000           | 4%               |
| Educator Housing GP Capital    | \$325,000           | 2%               |
| N/A                            |                     |                  |
| N/A                            |                     |                  |
| N/A                            |                     |                  |
| N/A                            |                     |                  |
| <b>Total Permanent Sources</b> | <b>\$13,948,180</b> | <b>100%</b>      |