

Terrace Gardens

Proposal Application Summary

4% LIHTC with BGF Round

Basic Project Information

Project Name	Terrace Gardens
LIHTC Type	4% LIHTC
BGF Pool/Subpool	Preserved Affordability Outside a PJ
Lead Developer	The Finch Group dba TFG Housing Resources
Project Address	85 W Church Street
Project City or Township	Newark
Project County	Licking
Construction Type	Rehabilitation
Population Served	Seniors
Total Units	99
HDAP Request	\$2,475,000
Total 10-Year LIHTC Request	\$15,171,544
Total Development Cost	\$33,573,210

Existing Photograph



Development and Operations Team

Lead Developer	The Finch Group dba TFG Housing Resources
Co-Developer #1	Licking County Action for Housing
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	National Equity Fund
GP/MM #1 Parent Entity	Licking Metropolitan Housing Authority
GP/MM #2 Parent Entity	TFG Housing Resources, LLC
GP/MM #3 Parent Entity	N/A
General Contractor	Ruscilli Construction
Architect of Record	Moody Nolan
Property Management Firm	Licking Metropolitan Housing Authority

Project Narrative

Terrace Gardens is a 99-unit public-housing project for seniors located in Newark, Licking County, Ohio. The project is a single, seven-story building with one-bedroom apartments. Since its inception in 1976, the project has been owned and operated by Licking Metropolitan Housing Authority (LMHA). LMHA has partnered with an experienced affordable housing developer, The Finch Group dba TFG Housing resources to rehabilitate the project. The project is utilizing the Small PHA RAD/Section 18 blend made available to convert projects away from public housing and onto the Section 8 platform. The renovation will ensure that Terrace Gardens remains safe and affordable well into the future.

Site Information

Site Size (Acres)	0.9
Scattered Sites?	No
Total Number of Buildings	1
Total Parking Spaces	49
Parking Ratio (Parking Spaces per Unit)	0.5
Urban Suburban Rural (USR) Geography	Urban
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	Low
Census Tract Change Index	Slight Decline

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	51,988	70%
Manager's Unit Area	1,047	1%
Common Area	12,100	16%
Support and Program Space	2,695	4%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	2,356	3%
Structured Parking/Garage	4,000	5%
Basement		
Total Square Footage of all Buildings	74,186	100%

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	35	35%
40% AMI		
50% AMI		
60% AMI	64	65%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	99	100%

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	99	100%	99	100%
2-BR				
3-BR				
4-BR				
5-BR				
Total Units	99	100%	99	100%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income	\$1,140,540	\$11,521
Potential Gross Commercial Income	\$0	\$0
Vacancy Allowance 5%	(\$57,027)	(\$576)
Interest Income and Other Financial Income	\$0	\$0
Laundry, Tenant Charges, and Service Income	\$0	\$0
Effective Gross Income (EGI)	\$1,083,513	\$10,945
Administrative Expenses	\$285,502	\$2,884
Owner-Paid Utilities	\$112,014	\$1,131
Maintenance Costs	\$156,919	\$1,585
Taxes and Insurance	\$54,489	\$550
Tax Abatement and/or Operating Subsidy	\$0	\$0
Reserves and Other Expenses	\$34,650	\$350
Total Operating Expenses	\$643,574	\$6,501
Net Operating Income (EGI - OpEx)	\$439,939	\$4,444

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$9,086,500	\$22,186,431	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$9,086,500	\$22,186,431	
Basis Boost for QCT/DDA	(\$9,086,500)	\$6,655,929	
Adjusted Eligible Basis	\$0	\$28,842,360	
X Applicable Fraction	100%	100%	
Qualified Basis	\$0	\$28,842,360	
30% Present Value Rate	4.00%	4.00%	
Annual LIHTC Generated	\$0	\$1,153,694	
Total 10-Year LIHTC	\$11,536,944		
LIHTC Equity Generated	\$13,198,210		
Equity Price	\$0.87		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
LIHTC Equity	\$2,420,710	7%
Historic Tax Credit Equity		
Construction Loan	\$10,750,000	32%
OHFA HDAP Request	\$2,227,500	7%
Deferred Developer Fee	\$1,420,000	4%
Housing Development Loan	\$2,500,000	7%
Seller's Note	\$9,730,000	29%
Newark City Funds	\$125,000	0%
Licking County Funds	\$125,000	0%
Lument, HUD 221D4	\$4,275,000	13%
Total Construction Sources	\$33,573,210	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$9,730,000	\$98,283	\$9,086,500
Predevelopment	\$765,061	\$7,728	\$751,142
Site Development	\$855,334	\$8,640	\$807,214
Hard Construction	\$14,340,542	\$144,854	\$14,340,542
Financing	\$1,640,554	\$16,571	\$1,039,033
Professional Fees	\$250,000	\$2,525	\$98,500
Developer Fee	\$5,150,000	\$52,020	\$5,150,000
OHFA and Other Fees	\$333,630	\$3,370	\$0
Capitalized Reserves	\$508,089	\$5,132	\$0
Total Development Costs (TDC)	\$33,573,210	\$339,123	\$31,272,931
LIHTC Eligible Basis as a Percent of Total Development Costs			93%

Cost Containment Standards

	Project	Maximum	Variance
TDC per Unit	\$339,123	\$250,000	36%
TDC per Gross Square Foot	\$453	\$280	62%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$439,939	\$439,939
Debt Service Coverage Ratio	1.15	1.00
NOI Available for Debt Service	\$382,556	\$439,939
Interest Rate	6.75%	6.75%
Amortization Period (Years)	40	40
Loan Term (Years)	40	40
Maximum Perm Loan Amount	\$5,283,712	\$6,076,269
Actual Perm Loan Amount	\$4,750,000	
Variance	(\$533,712)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.28	1.33
OHFA Minimum DSCR	1.15	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
LIHTC Equity	\$13,198,210	39%
Historic Tax Credit Equity		
Permanent First Mortgage	\$4,750,000	14%
Permanent Second Mortgage		
OHFA HDAP Request	\$2,475,000	7%
Deferred Developer Fee	\$1,420,000	4%
Seller's Note	\$9,730,000	29%
Licking County Funds	\$125,000	0%
City of Newark Funds	\$125,000	0%
GP Capital (Recontributed Fee)	\$1,750,000	5%
N/A		
Total Permanent Sources	\$33,573,210	100%