

Proposal Summary

2024 4% LIHTC Only Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Fairview I & II

Basic Project Information

Project Name	Fairview I & II
LIHTC Type	4%
Project Address	964-966 Paula Drive
Project City or Township	Marion
Project County	Marion
Construction Type	Rehabilitation
Age Restriction	General Occupancy

OHFA Resource Request Requiring Board Approval

Residential Rental PABs:	\$16,000,000
Housing Development Loan:	N/A
Multifamily Lending Program:	N/A

Development and Operations Team

Lead Developer	Related Affordable, LLC
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Ohio Capital Corporation for Housing
GP/MM #1 Parent Entity	Rainbow Housing Assistance Corporation
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	Legacy Construction Services, LLC
Architect of Record	RDL Architects, Inc.
Property Management Firm	PK Management

Site Information

Site Size (Acres)	8.17
Scattered Sites?	No
Total Number of Buildings	1
Total Parking Spaces	178
Parking Ratio (Parking Spaces per Unit)	1.4
Urban Suburban Rural (USR) Geography	Rural
Located in a Participating Jurisdiction (PJ)?	No
Located in a Qualified Census Tract (QCT)?	Yes
Located in a Difficult Development Area (DDA)?	No
Census Tract Opportunity Index	Very Low
Census Tract Change Index	Slight Decline

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI		
40% AMI		
50% AMI		
60% AMI	124	100%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	124	100%

Existing Photograph



Project Narrative

Fairview Apartments is comprised of Fairview I (80 units built in 1970) and Fairview II (44 units built in 1973), both of which are project-based Section 8 family affordable properties located in Marion, OH. Both sites are currently managed by PK Management. Today, Related Affordable (via Fairview Housing Preservation, L.P.) is seeking to acquire and rehabilitate the assets through the use of tax-exempt bonds and Low Income Housing Tax Credits ("LIHTC") to ensure their preservation as a safe and reliable community for low-income residents of Marion.

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	97,454	95%
Manager's Unit Area		
Common Area	1,813	2%
Support and Program Space	1,665	2%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	2,000	2%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	102,932	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	24	19%	24	100%
2-BR	72	58%	72	100%
3-BR	28	23%	28	100%
4-BR				
5-BR				
Total Units	124	100%	124	100%

Consolidated Annual Operating Budget

Operating Line Item		Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income		\$1,978,251	\$15,954
Potential Gross Commercial Income		\$0	\$0
Potential Gross Service Income		\$0	\$0
Vacancy Allowance (Blended)	5%	(\$98,912)	(\$798)
Effective Gross Income (EGI)		\$1,879,339	\$15,156
Administrative Expenses		\$222,688	\$1,796
Property Management Fee		\$59,520	\$480
Owner-Paid Utility Expenses		\$165,802	\$1,337
Maintenance Expenses		\$150,023	\$1,210
Real Estate Taxes		\$93,587	\$755
(Abated Real Estate Taxes)		\$0	\$0
Property and Liability Insurance		\$72,847	\$587
Other Insurance and Tax Expenses		\$60,812	\$490
Ongoing Reserve Contributions (Operating Subsidy)		\$52,700	\$425
		\$0	\$0
Total Annual Operating Expenses		\$877,979	\$7,080
Net Operating Income (EGI - OpEx)		\$1,001,360	\$8,075

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$10,992,000	\$14,717,651	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$10,992,000	\$14,717,651	
Codified Basis Boost		\$19,132,946	
Adjusted Eligible Basis	\$10,992,000	\$19,132,946	
X Applicable Fraction	100%	100%	
Qualified Basis	\$10,992,000	\$19,132,946	
30% Present Value Rate	4.00%	4.00%	
Annual LIHTC Generated	\$439,680	\$765,318	
Total 10-Year LIHTC Requested	\$12,049,979		
LIHTC Equity Generated	\$10,243,000		
Equity Price	\$0.85		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$9,218,700	33%
Construction Loan		
Housing Development Loan		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$3,306,801	12%
Sponsor Loan		
GP/MM Capital Contribution		
Post-Construction Costs		
Permanent First Mortgage	\$14,100,000	51%
Income from Operations	\$941,926	3%
N/A		
N/A		
N/A		
N/A		
N/A		
Total Construction Sources	\$27,567,427	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$9,300,000	\$75,000	\$9,160,000
Predevelopment	\$512,864	\$4,136	\$471,464
Site Development	\$804,160	\$6,485	\$804,160
Hard Construction	\$9,823,108	\$79,219	\$9,823,108
Financing	\$1,458,159	\$11,759	\$1,054,859
Professional Fees	\$335,886	\$2,709	\$111,118
Developer Fee	\$4,284,942	\$34,556	\$4,284,942
OHFA and Other Fees	\$373,400	\$3,011	\$0
Capitalized Reserves	\$674,908	\$5,443	\$0
Total Development Costs (TDC)	\$27,567,427	\$222,318	\$25,709,651
LIHTC Eligible Basis as a Percent of Total Development Costs			93%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$222,318	\$229,000	-3%
TDC per Gross Square Foot	\$268	\$270	-1%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$1,001,360	\$1,001,360
Debt Service Coverage Ratio	1.15	1.00
NOI Available for Debt Service	\$870,747	\$1,001,360
Interest Rate	5.50%	5.50%
Amortization Period (Years)	40	40
Loan Term (Years)	17	17
Maximum Perm Loan Amount	\$14,068,722	\$16,179,031
Actual Perm Loan Amount	\$14,100,000	
Variance	\$31,278	
	Year 1	Year 15
Debt Service Coverage Ratio	1.15	1.32
OHFA Minimum DSCR	1.15	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$10,243,000	37%
Permanent First Mortgage	\$14,100,000	51%
Permanent Second Mortgage		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$2,282,501	8%
Sponsor Loan		
GP/MM Capital Contribution		
Income from Operations	\$941,926	3%
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		
Total Permanent Sources	\$27,567,427	100%