

# Proposal Summary

2024 4% LIHTC Only Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Franklin Commons

## Basic Project Information

Project Name	Franklin Commons
LIHTC Type	4%
Project Address	962 Franklin Common Drive
Project City or Township	Franklin
Project County	Warren
Construction Type	Rehabilitation
Age Restriction	General Occupancy

## OHFA Resource Request Requiring Board Approval

Residential Rental PABs:	\$14,500,000
Housing Development Loan:	N/A
Multifamily Lending Program:	N/A

## Development and Operations Team

Lead Developer	SP AHG Development LLC
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	PNC Bank
GP/MM #1 Parent Entity	Security Properties
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	The Model Group
Architect of Record	ATA-Beilharz Architects LLC
Property Management Firm	Evergreen Real Estate Group

## Site Information

Site Size (Acres)	8.6
Scattered Sites?	No
Total Number of Buildings	20
Total Parking Spaces	248
Parking Ratio (Parking Spaces per Unit)	2.2
Urban Suburban Rural (USR) Geography	Rural
Located in a Participating Jurisdiction (PJ)?	No
Located in a Qualified Census Tract (QCT)?	No
Located in a Difficult Development Area (DDA)?	No
Census Tract Opportunity Index	High
Census Tract Change Index	No Change

## Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI		
40% AMI		
50% AMI	114	100%
60% AMI		
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	114	100%

## Existing Photograph



## Project Narrative

Franklin Commons is a family, project-based section 8 community located in Franklin, OH. The property's 15 year compliance period will end in 2023. Franklin is a prime candidate for a 4% LIHTC resyndication and would benefit greatly from a substantial rehab. We plan to address unit interiors, energy efficiency upgrades, water heaters (as needed), roofs, HVAC, parking lots, and community amenities among other things. We will also be concurrently applying for Green and Resilient Retrofit Program (GRRP) funds that would be a major benefit to the project and would help us address other needs of the property if funded. In addition, we are also pursuing a chapter 15 mark-up-to-market with HUD and have already submitted our application to HUD at the time of this submission. The proposed as-renovated rents are below the 150% SAFMR threshold and we have a comfort letter approving the rents in hand from HUD.

## Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	96,810	99%
Manager's Unit Area		
Common Area	1,296	1%
Support and Program Space		
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)		
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	98,106	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	18	16%	18	100%
2-BR	70	61%	70	100%
3-BR	26	23%	26	100%
4-BR				
5-BR				
Total Units	114	100%	114	100%

Consolidated Annual Operating Budget

Operating Line Item		Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income		\$1,810,989	\$15,886
Potential Gross Commercial Income		\$0	\$0
Potential Gross Service Income		\$0	\$0
Vacancy Allowance (Blended)	5%	(\$90,549)	(\$794)
Effective Gross Income (EGI)		\$1,720,440	\$15,092
Administrative Expenses		\$144,813	\$1,270
Property Management Fee		\$68,841	\$604
Owner-Paid Utility Expenses		\$74,514	\$654
Maintenance Expenses		\$169,331	\$1,485
Real Estate Taxes		\$63,517	\$557
(Abated Real Estate Taxes)		\$0	\$0
Property and Liability Insurance		\$92,375	\$810
Other Insurance and Tax Expenses		\$32,687	\$287
Ongoing Reserve Contributions (Operating Subsidy)		\$48,450	\$425
		\$0	\$0
Total Annual Operating Expenses		\$694,528	\$6,092
Net Operating Income (EGI - OpEx)		\$1,025,912	\$8,999

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$9,858,040	\$12,011,641	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$9,858,040	\$12,011,641	
Codified Basis Boost		\$12,011,641	
Adjusted Eligible Basis	\$9,858,040	\$12,011,641	
X Applicable Fraction	100%	100%	
Qualified Basis	\$9,858,040	\$12,011,641	
30% Present Value Rate	4.00%	4.00%	
Annual LIHTC Generated	\$394,322	\$480,466	
Total 10-Year LIHTC Requested	\$8,747,872		
LIHTC Equity Generated	\$7,696,586		
Equity Price	\$0.88		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$1,539,317	6%
Construction Loan	\$14,055,000	56%
Housing Development Loan		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$3,617,050	14%
Sponsor Loan		
GP/MM Capital Contribution		
Post-Construction Costs		
Operating Cash Flow	\$1,282,338	5%
Equity Bridge Loan	\$4,500,000	18%
N/A		
N/A		
N/A		
N/A		
N/A		
Total Construction Sources	\$24,993,705	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$9,000,000	\$78,947	\$8,200,000
Predevelopment	\$355,790	\$3,121	\$351,323
Site Development	\$456,000	\$4,000	\$456,000
Hard Construction	\$8,222,865	\$72,130	\$8,217,865
Financing	\$2,062,668	\$18,094	\$766,119
Professional Fees	\$343,427	\$3,013	\$233,427
Developer Fee	\$3,644,947	\$31,973	\$3,644,947
OHFA and Other Fees	\$329,588	\$2,891	\$0
Capitalized Reserves	\$578,420	\$5,074	\$0
Total Development Costs (TDC)	\$24,993,705	\$219,243	\$21,869,681
LIHTC Eligible Basis as a Percent of Total Development Costs			88%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$219,243	\$229,000	-4%
TDC per Gross Square Foot	\$255	\$270	-6%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$1,025,912	\$1,025,912
Debt Service Coverage Ratio	1.15	1.00
NOI Available for Debt Service	\$892,097	\$1,025,912
Interest Rate	5.50%	5.50%
Amortization Period (Years)	480	480
Loan Term (Years)	17	17
Maximum Perm Loan Amount	\$16,219,945	\$18,652,937
Actual Perm Loan Amount	\$14,055,000	
Variance	(\$2,164,945)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.33	1.58
OHFA Minimum DSCR	1.15	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$7,696,586	31%
Permanent First Mortgage	\$14,055,000	56%
Permanent Second Mortgage		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$1,959,781	8%
Sponsor Loan		
GP/MM Capital Contribution		
Operating Cash Flow	\$1,282,338	5%
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		
Total Permanent Sources	\$24,993,705	100%