

## Proposal Summary

2024 4% LIHTC Only Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Gates Mills Villa Apartments

### Basic Project Information

Project Name	Gates Mills Villa Apartments
LIHTC Type	4%
Project Address	6755 Mayfield Rd
Project City or Township	Mayfield Heights
Project County	Cuyahoga
Construction Type	Rehabilitation
Age Restriction	Senior 62+

### OHFA Resource Request Requiring Board Approval

Residential Rental PABs:	N/A
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	Raymond James Affordable Housing Investments
GP/MM #1 Parent Entity	Related Affordable, LLC
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	Hernandez Construction
Architect of Record	LDA Architects, Inc.
Property Management Firm	PK Management

### Site Information

Site Size (Acres)	4.28
Scattered Sites?	No
Total Number of Buildings	1
Total Parking Spaces	191
Parking Ratio (Parking Spaces per Unit)	1.0
Urban Suburban Rural (USR) Geography	Metro/Suburban
Located in a Participating Jurisdiction (PJ)?	Yes
Located in a Qualified Census Tract (QCT)?	No
Located in a Difficult Development Area (DDA)?	No
Census Tract Opportunity Index	Moderate
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	191	100%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	191	100%

### Existing Photograph



### Project Narrative

Gates Mills Villa is a 191-unit elderly-designated property located in Mayfield Heights, OH (Cuyahoga County) that benefits from a project-based Section 8 HAP contract covering 167 of the 191 units. Our scope of work is comprehensive and amounts to over \$80,000 per unit (including contingency). It includes full modernization of all units, significant upgrades to the common spaces, mechanical repairs/replacements, new free WiFi, new windows, new roofs, and significant landscaping and site improvements. PK Management is the current property manager and will continue to manage the property post-closing. We expect close June 2024.

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	115,294	79%
Manager's Unit Area		
Common Area	25,346	17%
Support and Program Space	1,524	1%
Tenant Storage Space	2,468	2%
Major Vertical Penetrations (Elevator/Stairs, Etc.)	524	0%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	145,156	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	152	80%	133	88%
2-BR	39	20%	34	87%
3-BR				
4-BR				
5-BR				
Total Units	191	100%	167	87%

Consolidated Annual Operating Budget

Operating Line Item		Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income		\$3,627,538	\$18,992
Potential Gross Commercial Income		\$0	\$0
Potential Gross Service Income		\$98,600	\$516
Vacancy Allowance (Blended)	5%	(\$181,377)	(\$950)
Effective Gross Income (EGI)		\$3,544,761	\$18,559
Administrative Expenses		\$405,814	\$2,125
Property Management Fee		\$114,600	\$600
Owner-Paid Utility Expenses		\$223,650	\$1,171
Maintenance Expenses		\$224,450	\$1,175
Real Estate Taxes		\$277,833	\$1,455
(Abated Real Estate Taxes)		\$0	\$0
Property and Liability Insurance		\$132,296	\$693
Other Insurance and Tax Expenses		\$67,953	\$356
Ongoing Reserve Contributions (Operating Subsidy)		\$66,850	\$350
		\$0	\$0
Total Annual Operating Expenses		\$1,513,446	\$7,924
Net Operating Income (EGI - OpEx)		\$2,031,315	\$10,635

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$19,988,059	\$23,363,968	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$19,988,059	\$23,363,968	
Codified Basis Boost		\$23,363,968	
Adjusted Eligible Basis	\$19,988,059	\$23,363,968	
X Applicable Fraction	100%	100%	
Qualified Basis	\$19,988,059	\$23,363,968	
30% Present Value Rate	4.00%	4.00%	
Annual LIHTC Generated		\$799,522	\$934,559
Total 10-Year LIHTC Requested	\$17,340,811		
LIHTC Equity Generated	\$16,298,635		
Equity Price	\$0.94		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$8,964,250	19%
Construction Loan	\$27,810,000	58%
Housing Development Loan		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$7,225,295	15%
Sponsor Loan		
GP/MM Capital Contribution		
Post-Construction Costs	\$1,960,930	4%
Income from Operations	\$2,032,387	4%
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		
Total Construction Sources		\$47,992,862 100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$18,000,000	\$94,241	\$16,656,716
Predevelopment	\$718,000	\$3,759	\$718,000
Site Development	\$859,500	\$4,500	\$859,500
Hard Construction	\$15,490,697	\$81,103	\$15,490,697
Financing	\$2,907,974	\$15,225	\$2,134,819
Professional Fees	\$990,172	\$5,184	\$267,000
Developer Fee	\$7,225,295	\$37,829	\$7,225,295
OHFA and Other Fees	\$565,945	\$2,963	\$0
Capitalized Reserves	\$1,235,279	\$6,467	\$0
Total Development Costs (TDC)		\$47,992,862	\$251,272
LIHTC Eligible Basis as a Percent of Total Development Costs			90%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$251,272	\$347,000	-28%
TDC per Gross Square Foot	\$331	\$390	-15%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$2,031,315	\$2,031,315
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$1,692,762	\$2,031,315
Interest Rate	5.00%	5.00%
Amortization Period (Years)	35	35
Loan Term (Years)	17	17
Maximum Perm Loan Amount		\$27,950,657
Actual Perm Loan Amount		\$27,810,000
Variance		(\$140,657)
	Year 1	Year 15
Debt Service Coverage Ratio	1.21	1.42
OHFA Minimum DSCR	1.20	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$16,298,635	34%
Permanent First Mortgage	\$27,810,000	58%
Permanent Second Mortgage		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$1,851,840	4%
Sponsor Loan		
GP/MM Capital Contribution		
Income from Operations	\$2,032,387	4%
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		
Total Permanent Sources		\$47,992,862 100%