

Proposal Summary

2024 4% LIHTC Only Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Mad River Manor

Basic Project Information

Project Name	Mad River Manor
LIHTC Type	4%
Project Address	5580 Burkhardt Road
Project City or Township	Dayton
Project County	Montgomery
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	Merchants Capital Investments, LLC
GP/MM #1 Parent Entity	The Related Companies, L.P.
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	Hernandez Construction Services, Inc.
Architect of Record	DNA Workshop
Property Management Firm	PK Management, LLC

Site Information

Site Size (Acres)	0.86
Scattered Sites?	No
Total Number of Buildings	1
Total Parking Spaces	50
Parking Ratio (Parking Spaces per Unit)	0.7
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 Growth

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	74	100%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	74	100%

Existing Photograph



Project Narrative

Mad River Manor is a 74-unit, project-based Section 8 senior affordable property located in Dayton, OH. The property, originally built in 1979, is currently managed by PK Management. Today, Related Affordable (via Mad River Manor Preservation, L.P.) is seeking to acquire and rehabilitate the asset through the use of tax-exempt bonds and Low Income Housing Tax Credits ("LIHTC") to ensure its preservation as a safe and reliable community for low-income residents of the greater Dayton area.

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	42,514	72%
Manager's Unit Area		
Common Area	11,895	20%
Support and Program Space	4,032	7%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	250	0%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	58,691	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	74	100%	74	100%
2-BR				
3-BR				
4-BR				
5-BR				
Total Units	74	100%	74	100%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$1,363,105	\$18,420
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$103,234	\$1,395
Vacancy Allowance (Blended) 5%	(\$68,155)	(\$921)
Effective Gross Income (EGI)	\$1,398,184	\$18,894
Administrative Expenses	\$231,160	\$3,124
Property Management Fee	\$35,520	\$480
Owner-Paid Utility Expenses	\$88,439	\$1,195
Maintenance Expenses	\$122,551	\$1,656
Real Estate Taxes	\$0	\$0
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$31,030	\$419
Other Insurance and Tax Expenses	\$53,908	\$728
Ongoing Reserve Contributions (Operating Subsidy)	\$25,900	\$350
	\$0	\$0
Total Annual Operating Expenses	\$588,508	\$7,953
Net Operating Income (EGI - OpEx)	\$809,676	\$10,942

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$9,504,000	\$8,827,051	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$9,504,000	\$8,827,051	
Codified Basis Boost		\$8,827,051	
Adjusted Eligible Basis	\$9,504,000	\$8,827,051	
X Applicable Fraction	100%	100%	
Qualified Basis	\$9,504,000	\$8,827,051	
30% Present Value Rate	4.00%	4.00%	
Annual LIHTC Generated	\$380,160	\$353,082	
Total 10-Year LIHTC Requested	\$7,332,420		
LIHTC Equity Generated	\$6,082,000		
Equity Price	\$0.83		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$5,473,800	28%
Construction Loan	\$11,400,000	58%
Housing Development Loan		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$2,249,299	11%
Sponsor Loan		
GP/MM Capital Contribution		
Post-Construction Costs		
Income from Operations	\$658,000	3%
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		
Total Construction Sources	\$19,781,099	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$8,100,000	\$109,459	\$7,920,000
Predevelopment	\$400,500	\$5,412	\$398,700
Site Development	\$259,200	\$3,503	\$259,200
Hard Construction	\$5,951,980	\$80,432	\$5,951,980
Financing	\$1,191,465	\$16,101	\$689,276
Professional Fees	\$214,970	\$2,905	\$139,970
Developer Fee	\$2,971,925	\$40,161	\$2,971,925
OHFA and Other Fees	\$225,095	\$3,042	\$0
Capitalized Reserves	\$465,964	\$6,297	\$0
Total Development Costs (TDC)	\$19,781,099	\$267,312	\$18,331,051
LIHTC Eligible Basis as a Percent of Total Development Costs			93%

Cost Containment Standards

	Project	Maximum	Variance
TDC per Unit	\$267,312	\$347,000	-23%
TDC per Gross Square Foot	\$337	\$390	-14%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$809,676	\$809,676
Debt Service Coverage Ratio	1.15	1.00
NOI Available for Debt Service	\$704,066	\$809,676
Interest Rate	5.50%	5.50%
Amortization Period (Years)	40	40
Loan Term (Years)	17	17
Maximum Perm Loan Amount	\$11,375,637	\$13,081,983
Actual Perm Loan Amount	\$11,400,000	
Variance	\$24,363	
	Year 1	Year 15
Debt Service Coverage Ratio	1.15	1.35
OHFA Minimum DSCR	1.15	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$6,082,000	31%
Permanent First Mortgage	\$11,400,000	58%
Permanent Second Mortgage		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$1,641,099	8%
Sponsor Loan		
GP/MM Capital Contribution		
Income from Operations	\$658,000	3%
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		
Total Permanent Sources	\$19,781,099	100%