

Proposal Summary

2024 4% LIHTC Only Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Norwich II Apartments

Basic Project Information

Project Name	Norwich II Apartments
LIHTC Type	4%
Project Address	5150 Norwich Rd
Project City or Township	Toledo
Project County	Lucas
Construction Type	Rehabilitation
Age Restriction	General Occupancy

OHFA Resource Request Requiring Board Approval

Residential Rental PABs:	\$10,000,000
Housing Development Loan:	\$2,000,000
Multifamily Lending Program:	N/A

Development and Operations Team

Lead Developer	American Community Developers, Inc.
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	The Richman Group Affordable Housing Corporation
GP/MM #1 Parent Entity	American Community Developers, Inc.
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	St. Clair Construction Company
Architect of Record	DesignWerks Architecture, LLC
Property Management Firm	Independent Management Services

Site Information

Site Size (Acres)	6.04
Scattered Sites?	No
Total Number of Buildings	7
Total Parking Spaces	118
Parking Ratio (Parking Spaces per Unit)	1.5
Urban Suburban Rural (USR) Geography	Central City
Located in a Participating Jurisdiction (PJ)?	Yes
Located in a Qualified Census Tract (QCT)?	Yes
Located in a Difficult Development Area (DDA)?	No
Census Tract Opportunity Index	Low
Census Tract Change Index	Growth

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	75	97%
40% AMI	1	1%
50% AMI		
60% AMI	1	1%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	77	100%

Existing Photograph



Project Narrative

Norwich II Apts. (the "Property") is a 77-unit affordable housing project consisting of 7 residential buildings and one community building situated on a 6-acre site. The Property was constructed in 1977. The Property has Section 8 PBRA for 99% of the units. The proposed owner has already received allocations of HUD GRRP Leading Edge funding and Low Income Communities Bonus Investment Tax Credits that will allow it to target Net Zero certification with the installation of a solar power generation system. The Property has suffered from sustained physical deterioration, operational distress and tenant turnover over the past several years. The proposed recapitalization of the Property will allow the applicant to (1) complete a substantial rehabilitation program that will replace all major building systems and components that are in need of replacement, (2) address operational and social issues and (3) restore stabilized operations.

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	74,707	76%
Manager's Unit Area		
Common Area	6,205	6%
Support and Program Space	480	0%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	285	0%
Structured Parking/Garage	16,889	17%
Basement		
Total Square Footage of all Buildings	98,566	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				
2-BR	48	62%	47	98%
3-BR	24	31%	24	100%
4-BR	5	6%	5	100%
5-BR				
Total Units	77	100%	76	99%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$1,032,820	\$13,413
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended)	5% (\$51,642)	(\$671)
Effective Gross Income (EGI)	\$981,178	\$12,743
Administrative Expenses	\$118,379	\$1,537
Property Management Fee	\$46,200	\$600
Owner-Paid Utility Expenses	\$144,982	\$1,883
Maintenance Expenses	\$124,407	\$1,616
Real Estate Taxes	\$98,563	\$1,280
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$50,050	\$650
Other Insurance and Tax Expenses	\$24,140	\$314
Ongoing Reserve Contributions (Operating Subsidy)	\$32,725	\$425
	\$0	\$0
Total Annual Operating Expenses	\$639,446	\$8,304
Net Operating Income (EGI - OpEx)	\$341,732	\$4,438

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$5,590,855	\$12,230,474	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$5,590,855	\$12,230,474	
Codified Basis Boost		\$15,899,616	
Adjusted Eligible Basis	\$5,590,855	\$15,899,616	
X Applicable Fraction	100%	100%	
Qualified Basis	\$5,590,855	\$15,899,616	
30% Present Value Rate	4.00%	4.00%	
Annual LIHTC Generated	\$223,634	\$635,985	
Total 10-Year LIHTC Requested	\$8,596,188		
LIHTC Equity Generated	\$7,375,388		
Equity Price	\$0.86		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$1,475,078	8%
Construction Loan		
Housing Development Loan	\$2,000,000	10%
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$1,258,237	6%
Sponsor Loan	\$6,000,000	31%
GP/MM Capital Contribution		
Post-Construction Costs		
HUD GRRP Surplus Cash Loan	\$4,158,000	21%
Solar Investment Tax Credits Equity	\$384,672	2%
Permanent Mortgage (Assumed)	\$4,373,234	22%
N/A		
N/A		
N/A		
N/A		
Total Construction Sources	\$19,649,221	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$6,045,100	\$78,508	\$5,315,100
Predevelopment	\$303,973	\$3,948	\$303,973
Site Development	\$77,000	\$1,000	\$77,000
Hard Construction	\$8,374,243	\$108,756	\$8,374,243
Financing	\$952,899	\$12,375	\$685,792
Professional Fees	\$105,000	\$1,364	\$95,000
Developer Fee	\$2,970,221	\$38,574	\$2,970,221
OHFA and Other Fees	\$251,478	\$3,266	\$0
Capitalized Reserves	\$569,307	\$7,394	\$0
Total Development Costs (TDC)	\$19,649,221	\$255,185	\$17,821,329
LIHTC Eligible Basis as a Percent of Total Development Costs			91%

Cost Containment Standards

	Project	Maximum	Variance
TDC per Unit	\$255,185	\$347,000	-26%
TDC per Gross Square Foot	\$199	\$390	-49%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$341,733	\$341,733
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$284,778	\$341,733
Interest Rate	2.64%	2.64%
Amortization Period (Years)	31.5	31.5
Loan Term (Years)	31.5	31.5
Maximum Perm Loan Amount	\$6,086,583	\$7,303,900
Actual Perm Loan Amount	\$4,373,234	
Variance	(\$1,713,349)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.67	1.60
OHFA Minimum DSCR	1.20	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$7,375,388	38%
Permanent First Mortgage	\$4,373,234	22%
Permanent Second Mortgage		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$1,357,237	7%
Sponsor Loan		
GP/MM Capital Contribution		
Solar Investment Tax Credits Equity	\$1,923,362	10%
Permanent Second Mortgage	\$4,620,000	24%
N/A		
N/A		
N/A		
N/A		
Total Permanent Sources	\$19,649,221	100%