

## Proposal Summary

2024 4% LIHTC Only Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Pebble Brooke

### Basic Project Information

Project Name	Pebble Brooke
LIHTC Type	4%
Project Address	1288 Pebble Brooke Trail
Project City or Township	Miami Township
Project County	Clermont
Construction Type	Rehabilitation
Age Restriction	General Occupancy

### OHFA Resource Request Requiring Board Approval

Residential Rental PABs:	\$49,218,347
Housing Development Loan:	N/A
Multifamily Lending Program:	N/A

### Development and Operations Team

Lead Developer	April Housing LLC
Co-Developer #1	McCormack Baron Salazar, Inc.
Co-Developer #2	N/A
Development Consultant	Douglas R. Klingensmith, LLC
LIHTC Syndicator/Investor	Ohio Capital Corporation for Housing
GP/MM #1 Parent Entity	Aztec Holdco LLC
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	FTK Construction
Architect of Record	Benton Design Group
Property Management Firm	Van Rooy Properties

### Existing Photograph



### Project Narrative

Pebble Brooke is a 260-unit garden-style property located in Milford, Ohio, consisting of 14 two-story apartment buildings originally constructed in 2001 under the OHFA LIHTC program. The property is in a suburban location and the site area totals 42.43 acres. We propose to substantially renovate and modernize the project using OHFA 4% LIHTCs and Bonds. The unit interior and exterior upgrades are expected to commence in January 2025 with a construction period of 12 months. The project's affordability, which otherwise would have expired in 2031, will be extended through 2054. The project involves a related party sale from an existing April-controlled entity and a subordinate Seller Note will be used as a financing tool to plug the funding gap and ensure the project's financial feasibility.

### Site Information

Site Size (Acres)	42.43
Scattered Sites?	No
Total Number of Buildings	14
Total Parking Spaces	575
Parking Ratio (Parking Spaces per Unit)	2.2
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	No Change

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	256,462	81%
Manager's Unit Area	1,848	1%
Common Area	59,136	19%
Support and Program Space		
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)		
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	317,446	100%

### 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	258	100%
70% AMI		
80% AMI		
Unrestricted		
Manager's	2	1%
Total Units	258	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	128	50%	0	0%
3-BR	130	50%	0	0%
4-BR				
5-BR				
Total Units	258	100%	0	0%

### Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$4,146,120	\$16,070
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$290,229)	(\$1,125)
Effective Gross Income (EGI)	\$3,855,891	\$14,945
Administrative Expenses	\$190,568	\$739
Property Management Fee	\$134,956	\$523
Owner-Paid Utility Expenses	\$160,201	\$621
Maintenance Expenses	\$383,382	\$1,486
Real Estate Taxes	\$224,355	\$870
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$185,798	\$720
Other Insurance and Tax Expenses	\$54,780	\$212
Ongoing Reserve Contributions (Operating Subsidy)	\$110,500	\$428
	\$0	\$0
Total Annual Operating Expenses	\$1,444,540	\$5,599
Net Operating Income (EGI - OpEx)	\$2,411,351	\$9,346

### LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$41,705,148	\$27,366,076	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$41,705,148	\$27,366,076	
Codified Basis Boost		\$27,366,076	
Adjusted Eligible Basis	\$41,705,148	\$27,366,076	
X Applicable Fraction	100%	100%	
Qualified Basis	\$41,705,148	\$27,366,076	
30% Present Value Rate	4.00%	4.00%	
Annual LIHTC Generated	\$1,668,206	\$1,094,643	
Total 10-Year LIHTC Requested	\$27,628,490		
LIHTC Equity Generated	\$24,863,154		
Equity Price	\$0.90		

### Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$3,729,473	5%
Construction Loan	\$49,218,347	67%
Housing Development Loan		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$7,004,446	9%
Sponsor Loan		
GP/MM Capital Contribution		
Post-Construction Costs		
Seller Note	\$10,237,537	14%
Cash Flow from Operations	\$1,836,390	2%
N/A		
N/A		
N/A		
N/A		
Deferred Costs	\$1,775,334	2%
Total Construction Sources	\$73,801,527	100%

### Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$36,300,000	\$140,698	\$34,700,000
Predevelopment	\$624,500	\$2,421	\$622,957
Site Development	\$1,039,125	\$4,028	\$1,039,125
Hard Construction	\$17,999,670	\$69,766	\$17,999,670
Financing	\$4,160,924	\$16,128	\$3,111,769
Professional Fees	\$225,000	\$872	\$90,000
Developer Fee	\$11,507,703	\$44,604	\$11,507,703
OHFA and Other Fees	\$793,271	\$3,075	\$0
Capitalized Reserves	\$1,151,334	\$4,463	\$0
Total Development Costs (TDC)	\$73,801,527	\$286,052	\$69,071,224
LIHTC Eligible Basis as a Percent of Total Development Costs			94%

### Cost Containment Standards

	Project	Maximum	Variance
TDC per Unit	\$286,052	\$347,000	-18%
TDC per Gross Square Foot	\$232	\$390	-40%

### Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$2,411,352	\$2,411,352
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$2,009,460	\$2,411,352
Interest Rate	6.15%	6.15%
Amortization Period (Years)	40	40
Loan Term (Years)	18	18
Maximum Perm Loan Amount	\$29,865,035	\$35,838,042
Actual Perm Loan Amount	\$29,860,000	
Variance	(\$5,035)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.20	1.44
OHFA Minimum DSCR	1.20	1.00

### Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$24,863,154	34%
Permanent First Mortgage	\$29,860,000	40%
Permanent Second Mortgage		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$7,004,446	9%
Sponsor Loan		
GP/MM Capital Contribution		
Seller Note	\$10,237,537	14%
Cash Flow from Operations	\$1,836,390	2%
N/A		
N/A		
N/A		
N/A		
N/A		
Total Permanent Sources	\$73,801,527	100%