

Proposal Summary

2024 4% LIHTC Only Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Terri Manor

Basic Project Information

| | |
|--------------------------|-------------------|
| Project Name | Terri Manor |
| LIHTC Type | 4% |
| Project Address | Scattered Site |
| Project City or Township | Cincinnati |
| Project County | Hamilton |
| Construction Type | Rehabilitation |
| Age Restriction | General Occupancy |

OHFA Resource Request Requiring Board Approval

| | |
|------------------------------|--------------|
| Residential Rental PABs: | \$18,730,000 |
| Housing Development Loan: | \$2,000,000 |
| Multifamily Lending Program: | N/A |

Development and Operations Team

| | |
|---------------------------|--|
| Lead Developer | Preservation of Affordable Housing, LLC |
| Co-Developer #1 | Model Property Development, LLC |
| Co-Developer #2 | N/A |
| Development Consultant | N/A |
| LIHTC Syndicator/Investor | Huntington Community Impact Capital |
| GP/MM #1 Parent Entity | Preservation of Affordable Housing, Inc. |
| GP/MM #2 Parent Entity | N/A |
| GP/MM #3 Parent Entity | N/A |
| General Contractor | Model Construction, LLC |
| Architect of Record | New Republic Architecture |
| Property Management Firm | POAH Communities |

Existing Photograph



Project Narrative

Terri Manor is an 81-unit scattered site redevelopment project in the Lower Price Hill neighborhood of Cincinnati. All 19 buildings are located in a Federal Historic district. Residents include families, seniors, and individuals with disabilities. Most of the buildings were originally built between 1875 and 1900. In 2002, the buildings were renovated using Low-Income Housing Tax Credits. As the buildings age and have reached 20 years beyond their last rehab, there is significant need for updates to systems, exteriors, windows, and interior finishes. All 81 units receive rental subsidy through a HAP contract. The project has maintained 95% occupancy with demand for units remaining strong.

Site Information

| | |
|--|--------------|
| Site Size (Acres) | 2 |
| Scattered Sites? | Yes |
| Total Number of Buildings | 19 |
| Total Parking Spaces | 0 |
| Parking Ratio (Parking Spaces per Unit) | 0.0 |
| 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 |

Building Square Footage Breakdown

| | Size (SF) | Pct of Total |
|---|-----------|--------------|
| Commercial and Fee-Driven Space | | |
| Unrestricted/Market-Rate Unit Area | | |
| LIHTC Unit Area | 74,535 | 57% |
| Manager's Unit Area | | |
| Common Area | 8,958 | 7% |
| Support and Program Space | 18,858 | 14% |
| Tenant Storage Space | | |
| Major Vertical Penetrations (Elevator/Stairs, Etc.) | | |
| Structured Parking/Garage | | |
| Basement | 28,829 | 22% |
| Total Square Footage of all Buildings | 131,180 | 100% |

Units by LIHTC Income Restrictions

| LIHTC Income Restriction | Number of Units | Percent of Total Units |
|--------------------------|-----------------|------------------------|
| 20% AMI | | |
| 30% AMI | | |
| 40% AMI | | |
| 50% AMI | 10 | 12% |
| 60% AMI | 71 | 88% |
| 70% AMI | | |
| 80% AMI | | |
| Unrestricted | | |
| Manager's | | |
| Total Units | 81 | 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 | 3 | 4% | 3 | 100% |
| 1-BR | 20 | 25% | 20 | 100% |
| 2-BR | 15 | 19% | 15 | 100% |
| 3-BR | 35 | 43% | 35 | 100% |
| 4-BR | 6 | 7% | 6 | 100% |
| 5-BR | 2 | 2% | 2 | 100% |
| Total Units | 81 | 100% | 81 | 100% |

Consolidated Annual Operating Budget

| Operating Line Item | Annual Amount | Annual Per Unit Amount |
|--|---------------|------------------------|
| Potential Gross Rental Income and Fee Income | \$1,190,656 | \$14,699 |
| Potential Gross Commercial Income | \$0 | \$0 |
| Potential Gross Service Income | \$0 | \$0 |
| Vacancy Allowance (Blended) 5% | (\$59,533) | (\$735) |
| Effective Gross Income (EGI) | \$1,131,123 | \$13,964 |
| Administrative Expenses | \$208,539 | \$2,575 |
| Property Management Fee | \$56,376 | \$696 |
| Owner-Paid Utility Expenses | \$165,452 | \$2,043 |
| Maintenance Expenses | \$164,353 | \$2,029 |
| Real Estate Taxes | \$60,066 | \$742 |
| (Abated Real Estate Taxes) | \$0 | \$0 |
| Property and Liability Insurance | \$82,528 | \$1,019 |
| Other Insurance and Tax Expenses | \$39,693 | \$490 |
| Ongoing Reserve Contributions | \$34,425 | \$425 |
| (Operating Subsidy) | \$0 | \$0 |
| Total Annual Operating Expenses | \$811,432 | \$10,018 |
| Net Operating Income (EGI - OpEx) | \$319,691 | \$3,947 |

LIHTC Calculation

| | Acquisition | Rehabilitation | New Construction |
|--------------------------------|--------------|----------------|------------------|
| LIHTC Eligible Basis | \$6,190,000 | \$27,445,147 | |
| - Reductions in Eligible Basis | \$0 | \$3,711,519 | |
| = Net Eligible Basis | \$6,190,000 | \$23,733,628 | |
| Codified Basis Boost | | \$30,853,716 | |
| Adjusted Eligible Basis | \$6,190,000 | \$30,853,716 | |
| X Applicable Fraction | 100% | 100% | |
| Qualified Basis | \$6,190,000 | \$30,853,716 | |
| 30% Present Value Rate | 4.00% | 4.00% | |
| Annual LIHTC Generated | \$247,600 | \$1,234,149 | |
| Total 10-Year LIHTC Requested | \$14,817,487 | | |
| LIHTC Equity Generated | \$12,497,615 | | |
| Equity Price | \$0.84 | | |

Construction Sources of Funds

| Construction Sources | Amount | Percent of Total |
|---------------------------------|--------------|------------------|
| Federal LIHTC Equity | \$3,124,404 | 9% |
| Construction Loan | \$17,000,000 | 47% |
| Housing Development Loan | \$2,000,000 | 6% |
| Fed. Historic Tax Credit Equity | \$788,698 | 2% |
| Deferred Developer Fee | | |
| Sponsor Loan | | |
| GP/MM Capital Contribution | \$5,184,000 | 14% |
| Post-Construction Costs | \$3,727,486 | 10% |
| Construction Loan | \$3,621,295 | 10% |
| City of Cincinnati Loan | \$900,000 | 2% |
| N/A | | |
| N/A | | |
| N/A | | |
| N/A | | |
| N/A | | |
| Total Construction Sources | \$36,345,883 | 100% |

Development Budget, Eligible Basis and Cost Containment Standards

| Development Costs | Amount | Per Unit Amount | LIHTC Eligible Basis |
|--|--------------|-----------------|----------------------|
| Acquisition | \$6,580,000 | \$81,235 | \$6,190,000 |
| Predevelopment | \$1,282,896 | \$15,838 | \$1,272,786 |
| Site Development | \$875,000 | \$10,802 | \$656,250 |
| Hard Construction | \$17,905,180 | \$221,052 | \$17,115,192 |
| Financing | \$2,378,290 | \$29,362 | \$1,954,317 |
| Professional Fees | \$723,000 | \$8,926 | \$543,000 |
| Developer Fee | \$5,903,602 | \$72,884 | \$5,903,602 |
| OHFA and Other Fees | \$298,405 | \$3,684 | \$0 |
| Capitalized Reserves | \$399,510 | \$4,932 | \$0 |
| Total Development Costs (TDC) | \$36,345,883 | \$448,715 | \$33,635,147 |
| LIHTC Eligible Basis as a Percent of Total Development Costs | | | 93% |

| Cost Containment Standards | Project | Maximum | Variance |
|----------------------------|-----------|-----------|----------|
| TDC per Unit | \$448,715 | \$347,000 | 29% |
| TDC per Gross Square Foot | \$277 | \$390 | -29% |

Maximum Permanent Debt Sizing

| | Max Loan for Stabilized Y1 | Max Loan to Stabilized Y15 |
|--------------------------------|----------------------------|----------------------------|
| Net Operating Income (NOI) | \$319,691 | \$319,691 |
| Debt Service Coverage Ratio | 1.15 | 1.00 |
| NOI Available for Debt Service | \$277,992 | \$319,691 |
| Interest Rate | 6.00% | 6.00% |
| Amortization Period (Years) | 40 | 40 |
| Loan Term (Years) | 40 | 40 |
| Maximum Perm Loan Amount | \$4,210,370 | \$4,841,925 |
| Actual Perm Loan Amount | \$3,621,295 | |
| Variance | (\$589,075) | |
| | Year 1 | Year 15 |
| Debt Service Coverage Ratio | 1.34 | 1.11 |
| OHFA Minimum DSCR | 1.15 | 1.00 |

Permanent Sources of Funds

| Permanent Sources | Total | Percent of Total |
|---------------------------------|--------------|------------------|
| Federal LIHTC Equity | \$12,497,615 | 34% |
| Permanent First Mortgage | \$3,621,295 | 10% |
| Permanent Second Mortgage | | |
| Fed. Historic Tax Credit Equity | \$3,154,476 | 9% |
| Deferred Developer Fee | \$2,000,000 | 6% |
| Sponsor Loan | | |
| GP/MM Capital Contribution | \$6,480,000 | 18% |
| City of Cincinnati HOME Funds | \$1,000,000 | 3% |
| State Historic Tax Credit | \$789,013 | 2% |
| Assumed HDAP | \$1,614,445 | 4% |
| Cash Collateralized Int. Income | \$725,786 | 2% |
| Seller Note | \$3,463,253 | 10% |
| GP Equity | \$1,000,000 | 3% |
| N/A | | |
| Total Permanent Sources | \$36,345,883 | 100% |