

Proposal Summary	2024 9% LIHTC Proposal Application
Affordable Housing Funding Application (AHFA)	Project Name: Market Commons

Basic Project Information

Project Name	Market Commons
LIHTC Type	9%
Allocation Pool	Preserved Affordability
Project Address	Scattered Sites
Project City or Township	Cincinnati, OH-KY-IN MSA
Project County	Hamilton
Construction Type	Rehabilitation
Age Restriction	General Occupancy

OHFA Resource Request Requiring Board Approval

HDAP: HOME	N/A
Housing Development Loan	\$1,750,000
Multifamily Lending Program:	N/A

Development and Operations Team

Lead Developer	Model Project Development, LLC
Co-Developer #1	3CDC
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Ohio Capital Corporation for Housing
GP/MM #1 Parent Entity	The Model Group Inc.
GP/MM #2 Parent Entity	3CDC
GP/MM #3 Parent Entity	N/A
General Contractor	Model Construction, LLC
Architect of Record	City Studios Architecture, LLC
Property Management Firm	Model Properties TMG, LLC

Site Information

Site Size (Acres)	0.674
Scattered Sites?	Yes
Total Number of Buildings	11
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)?	No
Located in a Qualified Census Tract (QCT)?	No
Located in a Difficult Development Area (DDA)?	No
Census Tract Opportunity Index	Very High
Census Tract Change Index	Growth

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI		
40% AMI		
50% AMI	7	10%
60% AMI	54	79%
70% AMI	7	10%
80% AMI		
Unrestricted		
Manager's		
Total Units	68	100%

Existing Photograph



Project Narrative

Co-Developers, Model Group and 3CDC, propose the scattered site historic rehabilitation of 11 buildings, consisting of 68 existing units of affordable, family housing in Cincinnati's Over-the-Rhine neighborhood. The project, the redevelopment of the old Commons on Main into Market Commons, will provide a mix of studio, 1-, 2-, and 3-bedroom units to residents at 50% to 70% AMI and below. The buildings, all built in the early 1900s, are in desperate need of rehabilitation to ensure that they can provide safe, quality, affordable housing to Cincinnati families. Residents will enjoy high-efficiency appliances, free wireless internet, and access to all the amenities that OTR has to offer.

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space	17,075	16%
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	61,626	56%
Manager's Unit Area		
Common Area	2,450	2%
Support and Program Space		
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	6,353	6%
Structured Parking/Garage		
Basement	21,601	20%
Total Square Footage of all Buildings	109,105	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	5	7%	0	0%
1-BR	17	25%	0	0%
2-BR	36	53%	0	0%
3-BR	10	15%	0	0%
4-BR				
5-BR				
Total Units	68	100%	0	0%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$838,452	\$12,330
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$58,692)	(\$863)
Effective Gross Income (EGI)	\$779,760	\$11,467
Administrative Expenses	\$113,200	\$1,665
Property Management Fee	\$58,000	\$853
Owner-Paid Utility Expenses	\$95,680	\$1,407
Maintenance Expenses	\$119,000	\$1,750
Real Estate Taxes	\$70,000	\$1,029
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$54,000	\$794
Other Insurance and Tax Expenses	\$0	\$0
Ongoing Reserve Contributions (Operating Subsidy)	\$28,900	\$425
	\$0	\$0
Total Annual Operating Expenses	\$538,780	\$7,923
Net Operating Income (EGI - OpEx)	\$240,980	\$3,544

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis		\$22,315,789	
- Reductions in Eligible Basis		\$4,529,891	
= Net Eligible Basis		\$17,785,898	
Codified Basis Boost; or Discretionary Basis Boost		\$20,211,248	
		\$23,121,667	
Adjusted Eligible Basis		\$23,121,667	
X Applicable Fraction		100%	
Qualified Basis		\$23,121,667	
70% Present Value Rate		9.00%	
Annual LIHTC Generated		\$2,080,950	
Total 10-Year LIHTC Requested	\$15,000,000		
LIHTC Equity Generated	\$13,198,680		
Equity Price	\$0.88		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$588,544	2%
Construction Loan	\$17,500,000	71%
HDAP: HOME		
Housing Development Loan	\$1,750,000	7%
Fed. Historic Tax Credit Equity		
Deferred Developer Fee		
Sponsor Loan		
GP/MM Capital Contribution		
Post-Construction Costs	\$2,771,520	11%
Local Gap Funding	\$2,160,000	9%
N/A		
N/A		
N/A		
N/A		
Total Construction Sources	\$24,770,064	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$572,867	\$8,425	\$0
Predevelopment	\$902,133	\$13,267	\$902,133
Site Development	\$50,000	\$735	\$25,000
Hard Construction	\$17,993,440	\$264,609	\$17,183,656
Financing	\$1,404,375	\$20,653	\$1,036,000
Professional Fees	\$207,563	\$3,052	\$169,000
Developer Fee	\$3,000,000	\$44,118	\$3,000,000
OHFA and Other Fees	\$272,800	\$4,012	\$0
Capitalized Reserves	\$366,886	\$5,395	\$0
Total Development Costs (TDC)	\$24,770,064	\$364,266	\$22,315,789
LIHTC Eligible Basis as a Percent of Total Development Costs			90%

Cost Containment Standards

	Project	Maximum	Variance
TDC per Unit	\$364,266	\$272,476	34%
TDC per Gross Square Foot	\$227	\$298	-24%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$240,980	\$240,980
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$200,817	\$240,980
Interest Rate	6.85%	6.85%
Amortization Period (Years)	35	35
Loan Term (Years)	16	16
Maximum Perm Loan Amount	\$2,663,193	\$3,195,832
Actual Perm Loan Amount	\$2,500,000	
Variance	(\$163,193)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.28	1.13
OHFA Minimum DSCR	1.20	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$13,198,680	53%
Permanent First Mortgage	\$2,500,000	10%
Permanent Second Mortgage		
HDAP: HOME		
Fed. Historic Tax Credit Equity	\$3,850,022	16%
Deferred Developer Fee	\$596,362	2%
Sponsor Loan		
GP/MM Capital Contribution	\$1,900,000	8%
Ohio State Historic Tax Credit	\$325,000	1%
Local Gap Funding	\$2,400,000	10%
N/A		
N/A		
N/A		
Total Permanent Sources	\$24,770,064	100%