

## Proposal Summary

2024 9% LIHTC Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: Madison Woods Apartments

### Basic Project Information

Project Name	Madison Woods Apartments
LIHTC Type	9%
Allocation Pool	Preserved Affordability
Project Address	300 Kim Drive
Project City or Township	Madison
Project County	Lake
Construction Type	Rehabilitation
Age Restriction	Senior 62+

### OHFA Resource Request Requiring Board Approval

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

### Development and Operations Team

Lead Developer	Neighborhood Development Services, Inc
Co-Developer #1	
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Ohio Capital Corporation for Housing
GP/MM #1 Parent Entity	Neighborhood Development Services, Inc.
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	GB Hawk
Architect of Record	Four Points Architectural Services
Property Management Firm	Neighborhood Property Management

### Site Information

Site Size (Acres)	4
Scattered Sites?	No
Total Number of Buildings	5
Total Parking Spaces	45
Parking Ratio (Parking Spaces per Unit)	1.1
Urban Suburban Rural (USR) Geography	Rural
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	Moderate
Census Tract Change Index	Growth

### Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	4	10%
40% AMI		
50% AMI	12	30%
60% AMI	24	60%
70% AMI		
80% AMI		
Unrestricted Manager's		
<b>Total Units</b>	<b>40</b>	<b>100%</b>

### Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$255,750	\$6,394
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 5%	(\$12,788)	(\$320)
<b>Effective Gross Income (EGI)</b>	<b>\$242,962</b>	<b>\$6,074</b>

### Existing Photograph



### Project Narrative

The Madison Woods Apartments project is the substantial rehab of 40 existing units in 5 separate buildings with a detached community building, situated on a sprawling 4 acre site. Madison Woods Apartments is located in the Village of Madison, Lake County, Ohio. The project will be 100% set aside for senior housing and 100% affordable. Madison Woods is currently a USDA 515 project and has 28 units of rental assistance. The project is in need of rehabilitation to replace elements which exceeded their useful life and to prevent it from becoming the housing of last resort in the Village of Madison. In 2003, Neighborhood Development Services, Inc. acquired the property in order to preserve the property as affordable subsidized housing. The project was originally developed in 1989. When NDS purchased the property in 2003, the project was fourteen years old and had been well managed. The property is a RD 515 project, which relied on the replacement reserves to do the necessary capital improvements needed since its

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	24,815	94%
Manager's Unit Area		
Common Area	1,473	6%
Support and Program Space	180	1%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)		
Structured Parking/Garage		
Basement		
<b>Total Square Footage of all Buildings</b>	<b>26,468</b>	<b>100%</b>

### 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	39	98%	28	72%
2-BR	1	3%	0	0%
3-BR				
4-BR				
5-BR				
<b>Total Units</b>	<b>40</b>	<b>100%</b>	<b>28</b>	<b>70%</b>

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

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$938,948	\$23,474	\$500,000
Predevelopment	\$341,000	\$8,525	\$341,000
Site Development	\$302,000	\$7,550	\$302,000
Hard Construction	\$4,594,772	\$114,869	\$4,594,772
Financing	\$203,500	\$5,088	\$200,000

Administrative Expenses	\$35,165	\$879
Property Management Fee	\$20,500	\$513
Owner-Paid Utility Expenses	\$26,610	\$665
Maintenance Expenses	\$58,191	\$1,455
Real Estate Taxes	\$29,000	\$725
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$7,290	\$182
Other Insurance and Tax Expenses	\$5,355	\$134
Ongoing Reserve Contributions (Operating Subsidy)	\$14,000	\$350
Total Annual Operating Expenses	\$196,111	\$4,903
Net Operating Income (EGI - OpEx)	\$46,851	\$1,171

Professional Fees	\$180,081	\$4,502	\$100,081
Developer Fee	\$1,030,000	\$25,750	\$1,030,000
OHFA and Other Fees	\$156,264	\$3,907	\$0
Capitalized Reserves	\$112,000	\$2,800	\$0
Total Development Costs (TDC)	\$7,858,565	\$196,464	\$7,067,853
LIHTC Eligible Basis as a Percent of Total Development Costs			90%

<b>Cost Containment Standards</b>	<b>Project</b>	<b>Maximum</b>	<b>Variance</b>
TDC per Unit	\$196,464	\$233,638	-16%
TDC per Gross Square Foot	\$297	\$257	16%

### LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$500,000	\$6,567,853	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$500,000	\$6,567,853	
Codified Basis Boost; or		\$6,567,853	
Discretionary Basis Boost		\$7,364,923	
Adjusted Eligible Basis	\$500,000	\$7,364,923	
X Applicable Fraction	100%	100%	
Qualified Basis	\$500,000	\$7,364,923	
70% Present Value Rate	9.00%	9.00%	
Annual LIHTC Generated	\$45,000	\$662,843	
Total 10-Year LIHTC Requested	\$6,777,330		
LIHTC Equity Generated	\$5,794,617		
Equity Price	\$0.86		

### Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$226,250	3%
Construction Loan	\$3,000,000	38%
HDAP: HOME	\$1,000,000	13%
Housing Development Loan	\$1,750,000	22%
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$125,000	2%
Sponsor Loan		
GP/MM Capital Contribution		
Post-Construction Costs	\$818,367	10%
USDA RD Debt Assumption	\$938,948	12%
N/A		
N/A		
N/A		
N/A		
Total Construction Sources	\$7,858,565	100%

### Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$46,852	\$46,852
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$39,043	\$46,852
Interest Rate	1.00%	1.00%
Amortization Period (Years)	50	50
Loan Term (Years)	30	30
Maximum Perm Loan Amount	\$1,535,726	\$1,842,871
Actual Perm Loan Amount	\$938,948	
Variance	(\$596,778)	

	Year 1	Year 15
Debt Service Coverage Ratio	1.96	1.00
OHFA Minimum DSCR	1.20	1.00

### Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$5,794,617	74%
Permanent First Mortgage	\$938,948	12%
Permanent Second Mortgage		
HDAP: HOME	\$1,000,000	13%
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$125,000	2%
Sponsor Loan		
GP/MM Capital Contribution		
N/A		
N/A		
N/A		
N/A		
N/A		
Total Permanent Sources	\$7,858,565	100%