

Proposal Summary

2024 4% LIHTC w/ BGF AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: Palmer Gardens

Basic Project Information

Project Name:	Palmer Gardens
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	2733 Wayman Palmer Drive
Project City or Township:	Toledo
Project County:	Lucas
Construction Type:	Rehabilitation
Age Restriction:	General Occupancy
Funding Pool:	Preserved Affordability - LIHTC Resyndications
Lead Developer:	EREG Housing Preservation LLC
Total Number of Units:	75
Total Number of Buildings:	13

Existing Photograph



OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
HDAP: HOME	\$1,778,175	
Multifamily Bonds (Inducement):	\$11,500,000	
Multifamily Bonds (Final):		

Project Narrative

Palmer Gardens is an existing 75-unit apartment complex consisting of 13 buildings located in Toledo, Lucas County, Ohio near the University of Toledo. The project is fully subsidized by a project-based Section 8 contract. EREG Housing Preservation LLC will be the lead turn-key developer for the rehabilitation of the project utilizing 4% low-income housing tax credits and tax-exempt bonds issued by OHFA. Lucas Housing Services Corporation is the co-developer and manager of the general partner. The unit mix includes 53 2-bedrooms, 14 3-bedrooms, and 8 4-bedrooms. Rehabilitation of the project will consist of major updates to the buildings systems, roof replacements, and upgrades of kitchens, baths and flooring, including ADA upgrades.

Development and Operations Team

Lead Developer	EREG Housing Preservation LLC
Co-Developer #1	Lucas Housing Services Corporation
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Affordable Housing Partners, Inc.
OLIHTC Syndicator/Investor	N/A
GP/MM #1 Parent Entity	Lucas Housing Services Corporation
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	Turner Construction Company
Architect of Record	Rosemann & Associates, P.C.
Property Management Firm	Evergreen Real Estate Services, LLC

Site Information

Site Size (Acres)	7.6
Scattered Sites?	No
Total Number of Buildings	13
Total Number of Elevator-Serviced Buildings	0
Total Parking Spaces	130
Parking Ratio (Parking Spaces per Unit)	1.7
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	High
Census Tract Change Index	Decline

Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Food Town Fresh Market	0.9
Medical Clinic	Promedia Toledo Hospital	1.2
Childcare Facility	Learnners for Life Child Development Services Senior	1.5
Senior Center	Adelle	0.01
Pharmacy	CVS Pharmacy	1.4
Public Library	Sanger Branch Library	1.3
Public Park	Ottawa Park	1.1
Public School	Robinson Elementary	2.3
Public Recreation Center	Chet Zablocki Recreation Center	4.2

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	60,450	95%
Manager's Unit Area		
Common Area	3,078	5%
Support and Program Space	315	0%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)		
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	63,843	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	75	100%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	75	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	53	71%	53	100%
3-BR	14	19%	14	100%
4-BR	8	11%	8	100%
5-BR				
Total Units	75	100%	75	100%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$986,436	\$13,152
Potential Gross Commercial Income	\$15,000	\$200
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 5%	(\$50,822)	(\$678)
Effective Gross Income (EGI)	\$950,614	\$12,675
Administrative Expenses	\$97,472	\$1,300
Property Management Fee	\$42,265	\$564
Owner-Paid Utility Expenses	\$177,076	\$2,361
Maintenance Expenses	\$155,343	\$2,071
Real Estate Taxes	\$0	\$0
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$27,887	\$372
Other Insurance and Tax Expenses	\$27,618	\$368
Ongoing Reserve Contributions (Operating Subsidy)	\$33,750	\$450
	\$0	\$0
Total Annual Operating Expenses	\$561,411	\$7,485
Net Operating Income (EGI - OpEx)	\$389,203	\$5,189

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$6,915,000	\$11,896,341	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$6,915,000	\$11,896,341	
Codified Basis Boost		\$15,465,243	
Adjusted Eligible Basis	\$6,915,000	\$15,465,243	
X Applicable Fraction	100%	100%	
Qualified Basis	\$6,915,000	\$15,465,243	
30% Present Value Rate	4.00%	4.00%	
Annual LIHTC Generated	\$276,600	\$618,610	
Total 10-Year LIHTC Requested	\$8,952,097		
LIHTC Equity Generated	\$7,505,000		
Equity Price	\$0.84		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$1,125,750	5%
Construction Loan	\$4,602,900	22%
Deferred Developer Fee	\$2,950,086	14%
Sponsor Loan	\$1,210,000	6%
GP/MM Capital Contribution	\$100	0%
HDAP: HOME	\$1,778,175	8%
Equity Bridge Loan	\$5,800,000	27%
HUD M2M Restructuring Note	\$2,799,178	13%
Existing Project Reserves	\$492,651	2%
Cash Flow From Operations	\$452,160	2%
Total Construction Sources	\$21,211,000	100%

Development Budget, Eligible Basis, and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$6,545,000	\$87,267	\$5,600,000
Predevelopment	\$420,550	\$5,607	\$420,550
Site Development	\$852,380	\$11,365	\$852,380
Hard Construction	\$7,450,802	\$99,344	\$7,450,802
Financing	\$1,198,395	\$15,979	\$846,298
Professional Fees	\$408,000	\$5,440	\$3,641,311
Developer Fee	\$3,283,311	\$43,777	\$0
OHFA and Other Fees	\$243,713	\$3,250	\$0
Capitalized Reserves	\$808,849	\$10,785	\$0
Total Development Costs (TDC)	\$21,211,000	\$282,813	\$18,811,341
LIHTC Eligible Basis as a Percent of Total Development Costs			89%

Cost Containment Standards

	Project	Maximum	Variance
TDC per Unit	\$282,813	\$347,000	-18%
TDC per Gross Square Foot	\$332	\$390	-15%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$389,203	\$389,203
Debt Service Coverage Ratio	1.15	1.00
NOI Available for Debt Service	\$338,438	\$389,203
Interest Rate	6.30%	6.30%
Amortization Period (Years)	40	40
Loan Term (Years)	40	40
Maximum Perm Loan Amount	\$4,936,935	\$5,677,475
Actual Perm Loan Amount	\$4,602,900	
Variance	(\$334,035)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.15	1.19
OHFA Minimum DSCR	1.15	1.00

Permanent Sources of Funds

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$7,505,000	35%
Permanent First Mortgage	\$4,602,900	22%
Deferred Developer Fee	\$2,321,458	11%
Sponsor Loan	\$1,210,000	6%
GP/MM Capital Contribution	\$100	0%
HDAP: HOME	\$1,778,175	8%
HUD M2M Restructuring Note	\$2,799,178	13%
Existing Project Reserves	\$542,029	3%
Cash Flow From Operations	\$452,160	2%
Total Permanent Sources	\$21,211,000	100%