

## Willow Lake Apartment Homes - Phase II

Proposal Application Summary

SFY2024 4% LIHTC with Ohio LIHTC Round

### Basic Project Information

Project Name	Willow Lake Apartment Homes - Phase II
LIHTC Type	4% LIHTC
Funding Pool	New Affordability - Central City and Metro/Subu
Lead Developer	Pedcor Development Associates, LLC
Project Address	2260 Lake Circle Drive
Project City or Township	Lima
Project County	Allen
Construction Type	New Construction
Population Served	Families
Total Units	108
10-Year LIHTC Request	\$17,134,133
10-Year OLIHTC Request	\$10,000,000
Total Development Cost	\$36,020,882

### Project Rendering



### Development and Operations Team

Lead Developer	Pedcor Development Associates, LLC
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	US Bank
OLIHTC Syndicator/Investor	US Bank
GP/MM #1 Parent Entity	Pedcor Investments, A Limited Liability Compai
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	Pedcor Construction Management
Architect of Record	RDL Architects
Property Management Firm	Pedcor Management Corporation

### Project Narrative

Willow Lake Apartments - Phase 2 is a new construction 4% LIHTC project located in suburban Lima, Ohio. This project will bring an additional 108 new apartment units to the existing Willow Lake Apartment Homes community which was built in conjunction with OHFA allocated resources in the late 1990's. Pedcor has worked in conjunction with the City of Lima, the Allen County Port Authority, and the Allen County Economic Development Group to help bring this project to fruition. These additional housing units will be crucial to the support of economic job growth in, and around, the City of Lima indicated by employment expansions from Proctor & Gamble, Ford Motor Company, St. Rita's Medical Center, and many others. The project will also benefit from an 75% property tax abatement for 15 years.

### Site Information

Site Size (Acres)	7.98
Scattered Sites?	No
Total Number of Buildings	5
Total Parking Spaces	177
Parking Ratio (Parking Spaces per Unit)	1.6
Urban Suburban Rural (USR) Geography	Metro/Suburban
Located in a Qualified Census Tract (QCT)?	Yes
Located in a Difficult Development Area?	No
Census Tract Opportunity Index	Very Low
Census Tract Change Index	Decline
Discount to Market Rent	-1.2%

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space	6,018	4%
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	109,647	78%
Manager's Unit Area		
Common Area	25,296	18%
Support and Program Space	135	0%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)		
Structured Parking/Garage		
Basement		
<b>Total Square Footage of all Buildings</b>	<b>141,096</b>	<b>100%</b>

### 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	108	100%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
<b>Total Units</b>	<b>108</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	36	33%	0	0%
2-BR	60	56%	0	0%
3-BR	12	11%	0	0%
4-BR				
5-BR				
<b>Total Units</b>	<b>108</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

### Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income	\$1,211,328	\$11,216
Potential Gross Commercial Income	\$0	\$0
Vacancy Allowance 7%	(\$87,338)	(\$809)
Interest Income and Other Financial Income	\$0	\$0
Laundry, Tenant Charges, and Service Income	\$0	\$0
Effective Gross Income (EGI)	\$1,123,990	\$10,407
Administrative Expenses	\$187,677	\$1,738
Owner-Paid Utilities	\$90,472	\$838
Maintenance Costs	\$100,884	\$934
Taxes and Insurance	\$162,373	\$1,503
Tax Abatement and/or Operating Subsidy Reserves and Other Expenses	(\$124,097)	(\$1,149)
Reserves and Other Expenses	\$43,200	\$400
Total Operating Expenses	\$460,509	\$4,264
Net Operating Income (EGI - OpEx)	\$663,481	\$6,143

### LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$32,950,256
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$32,950,256
Basis Boost for QCT/DDA			\$9,885,077
Adjusted Eligible Basis			\$42,835,333
X Applicable Fraction			100%
Qualified Basis			\$42,835,333
30% Present Value Rate			4.00%
Annual LIHTC Generated			\$1,713,413
Total 10-Year LIHTC	\$17,134,133		
LIHTC Equity Generated	\$14,597,830		
Equity Price	\$0.85		

### Construction Sources of Funds

Construction Sources	Amount	Percent of Total
LIHTC Equity	\$14,597,830	41%
OLIHTC Equity	\$6,500,000	18%
Historic Tax Credit Equity		
Construction Loan	\$9,984,980	28%
OHFA HDAP Request		
Deferred Developer Fee	\$1,647,847	5%
Pedcor Investments, A Limited	\$1,750,000	5%
Gross Rents Collected	\$1,536,446	4%
Additional Interest	\$3,679	0%
GP Equity	\$100	0%
N/A		
Total Construction Sources	\$36,020,882	100%

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

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$10	\$0	\$0
Predevelopment	\$904,500	\$8,375	\$904,500
Site Development	\$3,240,000	\$30,000	\$3,240,000
Hard Construction	\$21,190,121	\$196,205	\$20,950,121
Financing	\$4,181,265	\$38,715	\$2,320,635
Professional Fees	\$545,547	\$5,051	\$520,000
Developer Fee	\$5,015,000	\$46,435	\$5,015,000
OHFA and Other Fees	\$365,505	\$3,384	\$0
Capitalized Reserves	\$578,934	\$5,361	\$0
Total Development Costs (TDC)	\$36,020,882	\$333,527	\$32,950,256
LIHTC Eligible Basis as a Percent of Total Development Costs			91%

### Cost Containment Standards

	Project	Maximum	Variance
TDC per Unit	\$333,527	\$403,000	-17%
TDC per Gross Square Foot	\$255	\$410	-38%

### Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$663,481	\$699,841
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$552,901	\$699,841
Interest Rate	4.50%	4.50%
Amortization Period (Years)	40	40
Loan Term (Years)	40	40
Maximum Perm Loan Amount	\$10,248,863	\$12,972,623
Actual Perm Loan Amount	\$9,984,980	
Variance	(\$263,883)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.30	1.47
OHFA Minimum DSCR	1.20	1.00

### Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
LIHTC Equity	\$14,597,830	41%
OLIHTC Equity	\$6,500,000	18%
Historic Tax Credit Equity		
Permanent First Mortgage	\$9,984,980	28%
Permanent Second Mortgage		
OHFA HDAP Request		
Deferred Developer Fee	\$1,647,847	5%
Pedcor Investments, A Limited Liab	\$1,750,000	5%
Gross Rents Collected	\$1,536,446	4%
Additional Interest	\$3,679	0%
GP Equity	\$100	0%
N/A		
Total Permanent Sources	\$36,020,882	100%