

Proposal Summary

2025 4% LIHTC AHFA Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Lima Towers Acquisition, L.P.

Basic Project Information

| | |
|----------------------------|-------------------------------|
| Project Name: | Lima Towers Acquisition, L.P. |
| OHFA Project Number: | TBD |
| LIHTC Type: | 4% |
| Project Address: | 790 South Main Street |
| Project City or Township: | Lima |
| Project County: | Allen |
| Construction Type: | Rehabilitation |
| Age Restriction: | Senior 62+ |
| Funding Pool: | Preserved Affordability |
| Lead Developer: | Essence, LLC |
| Total Number of Units: | 200 |
| Total Number of Buildings: | 1 |

Existing Photograph



OHFA Resource Request Requiring Board Approval

| Amount | Approval Date |
|--------|---------------|
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Project Narrative

Lima Towers is a 200-unit Project-Based Section 8 property located in the heart of Lima, Ohio – the seat of Allen County. The building is a 7 story senior residential high-rise structure containing one-bedroom units, all of which are covered by a Section 8 HAP Contract. The total acreage of the site is approximately 2.6 acres and the property was built in 1977.

The scope of renovations include common area upgrades, interior unit finish upgrades, LED lighting, low flow appliances, roof replacement, and bringing the property to ADA compliance.

Development and Operations Team

| | |
|----------------------------|---|
| Lead Developer | Essence, LLC |
| Co-Developer #1 | N/A |
| Co-Developer #2 | N/A |
| Development Consultant | N/A |
| LIHTC Syndicator/Investor | Alliant Credit Facility IV, LLC |
| OLIHTC Syndicator/Investor | N/A |
| GP/MM #1 Parent Entity | Essence, LLC |
| GP/MM #2 Parent Entity | N/A |
| GP/MM #3 Parent Entity | N/A |
| General Contractor | Legacy Construction Services, LLC |
| Architect of Record | The Architecture Team Inc. |
| Property Management Firm | Edgewood Management Coporation d/b/a Pratum C |

Site Information

| | |
|--|----------------|
| Site Size (Acres) | 2.58 |
| Scattered Sites? | No |
| Total Number of Buildings | 1 |
| Total Number of Elevator-Serviced Buildings | 1 |
| Total Parking Spaces | 70 |
| Parking Ratio (Parking Spaces per Unit) | 0.4 |
| 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 | Slight Decline |

Nearby Amenities

| Amenity Type | Name of Amenity | Linear Distance from Proposed Project (miles) |
|--------------------------|-------------------------------|---|
| Grocery Store | Ruler Foods | 1 |
| Medical Clinic | Premier Healthcare | 1.9 |
| Childcare Facility | West Ohio Action Partnership | 0.4 |
| Senior Center | Allen County Council on Aging | 1.4 |
| Pharmacy | Genoa Healthcare | 0.057 |
| Public Library | Lima Public Library | 1.4 |
| Public Park | Hoover Park | 1 |
| Public School | Liberty Elementary School | 0.5 |
| Public Recreation Center | YUMC of Lima Ohio | 0.7 |

Building Square Footage Breakdown

| | Size (SF) | Pct of Total |
|---|-----------|--------------|
| Commercial and Fee-Driven Space | | |
| Unrestricted/Market-Rate Unit Area | | |
| LIHTC Unit Area | 120,864 | 80% |
| Manager's Unit Area | 550 | 0% |
| Common Area | 22,743 | 15% |
| Support and Program Space | 2,780 | 2% |
| Tenant Storage Space | | |
| Major Vertical Penetrations (Elevator/Stairs, Etc.) | 4,142 | 3% |
| Structured Parking/Garage | | |
| Basement | | |
| Total Square Footage of all Buildings | 151,079 | 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 | 199 | 100% |
| 70% AMI | | |
| 80% AMI | | |
| Unrestricted | | |
| Manager's | 1 | 1% |
| Total Units | 199 | 100% |

Consolidated Annual Operating Budget

| Operating Line Item | Annual Amount | Annual Per Unit Amount |
|---|---------------|------------------------|
| Potential Gross Rental Income and Fee Income | \$2,683,285 | \$13,484 |
| Potential Gross Commercial Income | \$0 | \$0 |
| Potential Gross Service Income | \$0 | \$0 |
| Vacancy Allowance (Blended) 5% | (\$134,164) | (\$674) |
| Effective Gross Income (EGI) | \$2,549,121 | \$12,810 |
| (Administrative Expenses) | (\$208,547) | (\$1,043) |
| (Property Management Fee) | (\$120,000) | (\$600) |
| (Owner-Paid Utility Expenses) | (\$252,573) | (\$1,263) |
| (Maintenance Expenses) | (\$187,974) | (\$940) |
| (Net Real Estate Taxes) | (\$50,675) | (\$253) |
| (Property and Liability Insurance) | (\$173,000) | (\$865) |
| (Other Insurance and Tax Expenses) | (\$77,456) | (\$387) |
| (Ongoing Reserve Contributions) | (\$70,000) | (\$350) |
| Operating Subsidy | \$0 | \$0 |
| (Total Operating Expenses) | (\$1,140,225) | (\$5,701) |
| Net Operating Income (EGI - Operating Expenses) | \$1,408,897 | \$7,080 |

LIHTC Calculation

| | Acquisition | Rehabilitation | New Construction |
|----------------------------------|--------------|----------------|------------------|
| LIHTC Eligible Basis | \$15,853,281 | \$17,669,485 | |
| - Reductions in Eligible Basis | \$0 | \$0 | |
| = Net Eligible Basis | \$15,853,281 | \$17,669,485 | |
| Codified Basis Boost (DDA/QCT) | | \$22,970,331 | |
| Agency Discretionary Basis Boost | | \$22,970,331 | |
| Adjusted Eligible Basis | \$15,853,281 | \$22,970,331 | |
| X Applicable Fraction | 100% | 100% | |
| Qualified Basis | \$15,853,281 | \$22,970,331 | |
| 30% Present Value Rate | 4% | 4% | |
| Annual LIHTC Generated | \$634,131 | \$918,813 | |
| Total 10-Year LIHTC Generated | \$15,529,445 | | |
| Total 10-Year LIHTC Requested | \$15,529,150 | | |
| LIHTC Equity Generated | \$13,276,095 | | |
| Equity Price | \$0.8550 | | |

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 | 199 | 100% | 199 | 100% |
| 2-BR | | | | |
| 3-BR | | | | |
| 4-BR | | | | |
| 5-BR | | | | |
| Total Units | 199 | 100% | 199 | 100% |

Development Budget, Eligible Basis, and Cost Containment Standards

| Development Costs | Amount | Per Unit Amount | LIHTC Eligible Basis |
|--|--------------|-----------------|----------------------|
| Acquisition | \$13,146,962 | \$66,065 | \$13,026,962 |
| Predevelopment | \$738,713 | \$3,712 | \$738,273 |
| Site Development | \$1,009,800 | \$5,074 | \$1,009,800 |
| Hard Construction | \$11,355,322 | \$57,062 | \$11,355,322 |
| Financing | \$1,816,214 | \$9,127 | \$1,358,366 |
| Professional Fees | \$744,350 | \$3,740 | \$6,034,044 |
| Developer Fee | \$5,587,033 | \$28,076 | \$0 |
| OHFA and Other Fees | \$581,175 | \$2,920 | \$0 |
| Capitalized Reserves | \$1,521,448 | \$7,645 | \$0 |
| Total Development Costs (TDC) | \$36,501,017 | \$183,422 | \$33,522,767 |
| LIHTC Eligible Basis as a Percent of Total Development Costs | | | 92% |

| Cost Containment Standards | Project | Maximum | Variance |
|----------------------------|-----------|-----------|----------|
| TDC per Unit | \$183,422 | \$375,000 | -51% |
| TDC per Gross Square Foot | \$242 | \$400 | -40% |

Maximum Permanent Debt Sizing

| | Max Loan to Stabilized Y1 | Max Loan to Stabilized Y15 |
|--------------------------------|---------------------------|----------------------------|
| Net Operating Income (NOI) | \$1,408,896 | \$1,408,896 |
| Debt Service Coverage Ratio | 1.15 | 1.00 |
| NOI Available for Debt Service | \$1,225,127 | \$1,408,896 |
| Interest Rate | 5.82% | 5.82% |
| Amortization Period (Years) | 40 | 40 |
| Loan Term (Years) | 15 | 15 |
| Maximum Perm Loan Amount | \$18,986,510 | \$21,834,487 |
| Actual Perm Loan Amount | \$19,003,000 | |
| Amount Variance | \$16,490 | |
| Percent Variance | 0.1% | |
| Debt Service Coverage Ratio | Year 1 1.15 | Year 15 1.34 |
| OHFA Minimum DSCR | 1.15 | 1.00 |

Construction Sources of Funds

| Source Name | Amount | Percent of Total |
|----------------------------|--------------|------------------|
| Federal LIHTC Equity | \$1,991,414 | 5% |
| Construction Loan | \$19,003,000 | 52% |
| Deferred Developer Fee | \$2,678,339 | 7% |
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| Income from Operations | \$1,062,532 | 3% |
| Seller Reserves/Escrows | \$481,051 | 1% |
| Bridge Construction Loan | \$11,284,681 | 31% |
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| | | |
| Total Construction Sources | \$36,501,017 | 100% |

Permanent Sources of Funds

| Source Name | Total | Percent of Total |
|--------------------------|--------------|------------------|
| Federal LIHTC Equity | \$13,276,095 | 36% |
| Permanent First Mortgage | \$19,003,000 | 52% |
| Deferred Developer Fee | \$2,678,339 | 7% |
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| Income from Operations | \$1,062,532 | 3% |
| Seller Reserves/Escrows | \$481,051 | 1% |
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| Total Permanent Sources | \$36,501,017 | 100% |