

Proposal Summary

SFY2025 4% LIHTC w/ OLIHTC AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: Residences at Ascend

Basic Project Information

| | |
|----------------------------|-------------------------|
| Project Name: | Residences at Ascend |
| OHFA Project Number: | TBD |
| LIHTC Type: | 4% |
| Project Address: | 20 W. Mill St. |
| Project City or Township: | Akron |
| Project County: | Summit |
| Construction Type: | Adaptive Reuse |
| Age Restriction: | General Occupancy |
| Funding Pool: | Metropolitan |
| Lead Developer: | Testa Enterprises, Inc. |
| Total Number of Units: | 71 |
| Total Number of Buildings: | 1 |

Existing Photograph



OHFA Resource Request Requiring Board Approval

| | Amount | Approval Date |
|---------------------------------|--------------|---------------|
| Est. Total 10-Year Ohio LIHTCs: | \$9,342,180 | |
| | | |
| | | |
| | | |
| Multifamily Bonds (Inducement): | \$10,900,000 | |
| Multifamily Bonds (Final): | | |
| Housing Development Loan: | \$2,500,000 | |
| | | |

Project Narrative

Testa Enterprises, Inc. is proposing the development of the Residences at Ascend, a 71 modern apartment community in downtown Akron. The development will be part of the Ascend Akron redevelopment of the former Akron City Centre Hotel, originally constructed as a Holiday Inn in 1971. Residences of Ascend will provide 71 one-, two-, & three bedroom apartments on floors 4-11 of the 19-story building. The remaining portions of the building will be developed for market rate apartments and community amenities. Residences of Ascend Akron will have free access to all amenities of the Ascend Akron residential community, including a 19th floor pool with panoramic views of Akron, an underground parking deck with 225 dedicated spaces, a 2000 ft² fitness center, recreation room, and a plaza level restaurant.

Development and Operations Team

| | |
|----------------------------|---------------------------------------|
| Lead Developer | Testa Enterprises, Inc. |
| Co-Developer #1 | N/A |
| Co-Developer #2 | N/A |
| Development Consultant | N/A |
| LIHTC Syndicator/Investor | Key Community Development Corporation |
| OLIHTC Syndicator/Investor | Key Community Development Corporation |
| GP/MM #1 Parent Entity | Testa Enterprises, Inc. |
| GP/MM #2 Parent Entity | N/A |
| GP/MM #3 Parent Entity | N/A |
| General Contractor | Testa Builders, Inc |
| Architect of Record | MOTA Design Group |
| Property Management Firm | Testa Real Estate Group |

Site Information

| | |
|--|--------------|
| Site Size (Acres) | 0.5 |
| Scattered Sites? | No |
| Total Number of Buildings | 0 |
| Total Number of Elevator-Serviced Buildings | 0 |
| Total Parking Spaces | 71 |
| Parking Ratio (Parking Spaces per Unit) | 1.0 |
| 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 | No Change |

Nearby Amenities

| Amenity Type | Name of Amenity | Linear Distance from Proposed Project (miles) |
|--------------------------|-----------------------------|---|
| Grocery Store | ALDI | 1 |
| Medical Clinic | Center for Family Medicine | 0.7 |
| Childcare Facility | YMCA Hope Child Care | 0.9 |
| Senior Center | Mason Park Community Center | 1 |
| Pharmacy | Community Pharmacy | 0.5 |
| Public Library | Akron-Summit County Public | 0.1 |
| Public Park | Grace Park | 0.5 |
| Public School | Akron STEM High School | 0.57 |
| Public Recreation Center | Mason Park Community Center | 1 |

Building Square Footage Breakdown

| | Size (SF) | Pct of Total |
|---|----------------|--------------|
| Commercial and Fee-Driven Space | 109,413 | 53% |
| Unrestricted/Market-Rate Unit Area | | |
| LIHTC Unit Area | 64,979 | 32% |
| Manager's Unit Area | | |
| Common Area | 19,733 | 10% |
| Support and Program Space | 6,367 | 3% |
| Tenant Storage Space | | |
| Major Vertical Penetrations (Elevator/Stairs, Etc.) | 5,637 | 3% |
| Structured Parking/Garage | | |
| Basement | | |
| Total Square Footage of all Buildings | 206,129 | 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 | 71 | 100% |
| 70% AMI | | |
| 80% AMI | | |
| Unrestricted | | |
| Manager's | | |
| Total Units | 71 | 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 | 47 | 66% | 0 | 0% |
| 2-BR | 16 | 23% | 0 | 0% |
| 3-BR | 8 | 11% | 0 | 0% |
| 4-BR | | | | |
| 5-BR | | | | |
| Total Units | 71 | 100% | 0 | 0% |

Consolidated Annual Operating Budget

| Operating Line Item | | Annual Amount | Annual Per Unit Amount |
|---|----|---------------|------------------------|
| Potential Gross Rental Income and Fee Income | | \$844,764 | \$11,898 |
| Potential Gross Commercial Income | | \$0 | \$0 |
| Potential Gross Service Income | | \$0 | \$0 |
| Vacancy Allowance (Blended) | 7% | (\$59,133) | (\$833) |
| Effective Gross Income (EGI) | | \$785,631 | \$11,065 |
| Administrative Expenses | | \$37,600 | \$530 |
| Property Management Fee | | \$51,127 | \$720 |
| Owner-Paid Utility Expenses | | \$112,800 | \$1,589 |
| Maintenance Expenses | | \$97,020 | \$1,366 |
| Real Estate Taxes | | \$49,918 | \$703 |
| (Abated Real Estate Taxes) | | \$0 | \$0 |
| Property and Liability Insurance | | \$31,950 | \$450 |
| Other Insurance and Tax Expenses | | \$0 | \$0 |
| Ongoing Reserve Contributions (Operating Subsidy) | | \$30,175 | \$425 |
| | | \$0 | \$0 |
| Total Annual Operating Expenses | | \$410,590 | \$5,783 |
| Net Operating Income (EGI - OpEx) | | \$375,041 | \$5,282 |

LIHTC Calculation

| | Acquisition | Rehabilitation | New Construction |
|--------------------------------|--------------|----------------|------------------|
| LIHTC Eligible Basis | | \$20,299,790 | |
| - Reductions in Eligible Basis | | \$0 | |
| = Net Eligible Basis | | \$20,299,790 | |
| Codified Basis Boost | | \$26,389,727 | |
| Adjusted Eligible Basis | | \$26,389,727 | |
| X Applicable Fraction | | 100% | |
| Qualified Basis | | \$26,389,727 | |
| 30% Present Value Rate | | 4.00% | |
| Annual LIHTC Generated | | \$1,055,589 | |
| Total 10-Year LIHTC Requested | \$10,555,891 | | |
| LIHTC Equity Generated | \$9,258,000 | | |
| Equity Price | \$0.88 | | |

Construction Sources of Funds

| Construction Sources | Amount | Percent of Total |
|----------------------------|--------------|------------------|
| Federal LIHTC Equity | \$925,800 | 4% |
| Ohio LIHTC Equity | \$550,000 | 2% |
| Construction Loan | \$15,282,200 | 69% |
| Housing Development Loan | \$2,500,000 | 11% |
| Deferred Developer Fee | \$1,000,000 | 5% |
| Sponsor Loan | \$1,750,000 | 8% |
| Total Construction Sources | \$22,008,000 | 100% |

Development Budget, Eligible Basis, and Cost Containment Standards

| Development Costs | Amount | Per Unit Amount | LIHTC Eligible Basis |
|--|--------------|-----------------|----------------------|
| Acquisition | \$844,000 | \$11,887 | \$0 |
| Predevelopment | \$1,014,244 | \$14,285 | \$1,014,244 |
| Site Development | \$507,415 | \$7,147 | \$507,415 |
| Hard Construction | \$13,403,748 | \$188,785 | \$13,403,748 |
| Financing | \$1,365,483 | \$19,232 | \$1,177,383 |
| Professional Fees | \$273,050 | \$3,846 | \$4,197,000 |
| Developer Fee | \$4,000,000 | \$56,338 | \$0 |
| OHFA and Other Fees | \$250,336 | \$3,526 | \$0 |
| Capitalized Reserves | \$349,724 | \$4,926 | \$0 |
| Total Development Costs (TDC) | \$22,008,000 | \$309,972 | \$20,299,790 |
| LIHTC Eligible Basis as a Percent of Total Development Costs | | | 92% |

| Cost Containment Standards | Project | Maximum | Variance |
|----------------------------|-----------|-----------|----------|
| TDC per Unit | \$309,972 | \$494,000 | -37% |
| TDC per Gross Square Foot | \$107 | \$440 | -76% |

Maximum Permanent Debt Sizing

| | Max Loan for Stabilized Y1 | Max Loan to Stabilized Y15 |
|--------------------------------|----------------------------|----------------------------|
| Net Operating Income (NOI) | \$375,041 | \$375,041 |
| Debt Service Coverage Ratio | 1.20 | 1.00 |
| NOI Available for Debt Service | \$312,534 | \$375,041 |
| Interest Rate | 5.90% | 5.90% |
| Amortization Period (Years) | 35 | 35 |
| Loan Term (Years) | 17 | 17 |
| Maximum Perm Loan Amount | \$4,621,995 | \$5,546,394 |
| Actual Perm Loan Amount | \$4,500,000 | |
| Variance | (\$121,995) | |
| | Year 1 | Year 15 |
| Debt Service Coverage Ratio | 1.23 | 1.37 |
| OHFA Minimum DSCR | 1.20 | 1.00 |

Permanent Sources of Funds

| Source Name | Total | Percent of Total |
|--------------------------|--------------|------------------|
| Federal LIHTC Equity | \$9,258,000 | 42% |
| Ohio LIHTC Equity | \$5,500,000 | 25% |
| Permanent First Mortgage | \$4,500,000 | 20% |
| Deferred Developer Fee | \$1,000,000 | 5% |
| Sponsor Loan | \$1,750,000 | 8% |
| Total Permanent Sources | \$22,008,000 | 100% |