

## Proposal Summary

SFY2025 4% LIHTC w/ OLIHTC AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: The Heights

### Basic Project Information

Project Name:	The Heights
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	40 N. Martha Ave
Project City or Township:	Akron, OH MSA
Project County:	Summit
Construction Type:	New Construction
Age Restriction:	General Occupancy
Funding Pool:	Metropolitan
Lead Developer:	DFP Development, LLC
Total Number of Units:	160
Total Number of Buildings:	1

### Project Rendering



### OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
Est. Total 10-Year Ohio LIHTCs:	\$10,000,000	

### Project Narrative

The Heights sits walking distance to a Starbucks, East End Cafe, Marques, Brewery 33 restaurants, a park, barbershop theater, school, Hilton Garden Inn, and less than a mile from several grocers

The Heights will be comprised of 1, 2, and 3 bedroom units designed to target working families in Akron. There will be an onsite community room, manager and maintenance offices, fitness center, and on site playground area and picnic area. In addition, the residents will receive the benefit of solar energy from the installation of approximately 250,000 kWhs of solar PV energy generation, of which 80% will be passed directly to the residents to reduce their ongoing utility cost.

### Development and Operations Team

Lead Developer	DFP Development, LLC
Co-Developer #1	IRGRA Development, LLC
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	The Huntington National Bank
OLIHTC Syndicator/Investor	The Huntington National Bank
GP/MM #1 Parent Entity	IRGRA Development, LLC
GP/MM #2 Parent Entity	IRGRA Development, LLC
GP/MM #3 Parent Entity	DFP Development, LLC
General Contractor	Pride One
Architect of Record	Dimit Architects
Property Management Firm	Abel Bishop & Clark Realty DBA ABC Managemen

### Site Information

Site Size (Acres)	5.4626
Scattered Sites?	No
Total Number of Buildings	1
Total Number of Elevator-Serviced Buildings	1
Total Parking Spaces	162
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	Moderate
Census Tract Change Index	Slight Decline

### Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Rocky's Meats & Grocery	0.4 Miles
Medical Clinic	Summa Health System - Akron	1.4 Miles
Childcare Facility	Middlebury Kids Early Learning	0.5 Miles
Senior Center	Kenmore Senior Community	4.3 Miles
Pharmacy	CVS Pharmacy	1.3 Miles
Public Library	Goodyear Branch Library	0.1 Miles
Public Park	Riverside Park	0.5 Miles
Public School	Robinson Community Learning	0.5 Miles
Public Recreation Center	Kohl Family YMCA	1.5 Miles

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	132,831	82%
Manager's Unit Area		
Common Area	21,359	13%
Support and Program Space	4,231	3%
Tenant Storage Space	1,524	1%
Major Vertical Penetrations (Elevator/Stairs, Etc.)		
Structured Parking/Garage	2,924	2%
Basement		
<b>Total Square Footage of all Buildings</b>	<b>162,869</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	5	3%
50% AMI	30	19%
60% AMI	109	68%
70% AMI	16	10%
80% AMI		
Unrestricted		
Manager's		
<b>Total Units</b>	<b>160</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	56	35%	0	0%
2-BR	85	53%	0	0%
3-BR	19	12%	0	0%
4-BR				
5-BR				
<b>Total Units</b>	<b>160</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 and Fee Income	\$2,095,570	\$13,097
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$146,690)	(\$917)
Effective Gross Income (EGI)	\$1,948,880	\$12,181
Administrative Expenses	\$240,320	\$1,502
Property Management Fee	\$97,444	\$609
Owner-Paid Utility Expenses	\$141,220	\$883
Maintenance Expenses	\$238,180	\$1,489
Real Estate Taxes	\$26,100	\$163
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$100,000	\$625
Other Insurance and Tax Expenses	\$0	\$0
Ongoing Reserve Contributions (Operating Subsidy)	\$64,000	\$400
	\$0	\$0
Total Annual Operating Expenses	\$907,264	\$5,670
Net Operating Income (EGI - OpEx)	\$1,041,616	\$6,510

**LIHTC Calculation**

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$43,095,207
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$43,095,207
Codified Basis Boost			\$56,023,770
Adjusted Eligible Basis			\$56,023,770
X Applicable Fraction			100%
Qualified Basis			\$56,023,770
30% Present Value Rate			4.00%
Annual LIHTC Generated			\$2,240,951
Total 10-Year LIHTC Requested	\$22,409,508		
LIHTC Equity Generated	\$18,823,987		
Equity Price	\$0.84		

**Construction Sources of Funds**

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$12,235,591	27%
Ohio LIHTC Equity	\$4,387,061	10%
Construction Loan	\$22,500,000	49%
Deferred Developer Fee	\$5,386,901	12%
Other Costs	\$1,393,957	3%
Total Construction Sources	\$45,903,510	100%

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

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$265,000	\$1,656	\$0
Predevelopment	\$1,033,962	\$6,462	\$1,018,962
Site Development	\$2,590,720	\$16,192	\$2,590,720
Hard Construction	\$27,884,062	\$174,275	\$27,884,062
Financing	\$5,409,639	\$33,810	\$4,123,129
Professional Fees	\$415,800	\$2,599	\$295,800
Developer Fee	\$7,182,534	\$44,891	\$7,182,534
OHFA and Other Fees	\$523,458	\$3,272	\$0
Capitalized Reserves	\$598,335	\$3,740	\$0
Total Development Costs (TDC)	\$45,903,510	\$286,897	\$43,095,207
LIHTC Eligible Basis as a Percent of Total Development Costs			94%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$286,897	\$400,000	-28%
TDC per Gross Square Foot	\$282	\$420	-33%

**Maximum Permanent Debt Sizing**

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$1,041,616	\$1,041,616
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$868,013	\$1,041,616
Interest Rate	6.00%	6.00%
Amortization Period (Years)	40	40
Loan Term (Years)	17	17
Maximum Perm Loan Amount	\$13,146,612	\$15,775,934
Actual Perm Loan Amount	\$13,720,000	
Variance	\$573,388	
	Year 1	Year 15
Debt Service Coverage Ratio	1.15	1.32
OHFA Minimum DSCR	1.20	1.00

**Permanent Sources of Funds**

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$18,823,987	41%
Ohio LIHTC Equity	\$6,749,325	15%
Permanent First Mortgage	\$13,720,000	30%
Deferred Developer Fee	\$3,202,975	7%
GP/MM Capital Contribution	\$845,000	2%
Solar equity	\$555,223	1%
Bond Interest GIC	\$2,007,000	4%
Total Permanent Sources	\$45,903,510	100%