

## Blue Heron Brookside Preservation

Proposal Application Summary

4% LIHTC with BGF Round

### Basic Project Information

Project Name	Blue Heron Brookside Preservation
LIHTC Type	4% LIHTC
BGF Pool/Subpool	Preserved Affordability Outside a PJ
Lead Developer	LEADS
Project Address	1 Cardinal Way & 69 S. Township Road
Project City or Township	Buckeye Lake & Pataskala
Project County	Licking
Construction Type	Rehabilitation
Population Served	Seniors
Total Units	72
HDAP Request	\$2,967,765
Total 10-Year LIHTC Request	\$3,862,415
Total Development Cost	\$11,194,441

### Existing Photograph



### Development and Operations Team

Lead Developer	LEADS
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	Stock Development Company, LLC
LIHTC Syndicator/Investor	OCCH
GP/MM #1 Parent Entity	N/A
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	TBD
Architect of Record	Berardi + Partners
Property Management Firm	RLJ Management Co., Inc.

### Project Narrative

LEADS developed Blue Heron for seniors in 1991. It was funded with 9% tax credits and a USDA 515. It fulfilled its compliance period in 2007 and was released from OHFA's Restrictive Covenant in February 2008. It has continued to function as senior housing and the rent structure is within tax credit limits. This is the only affordable senior complex in Buckeye Lake which has seen tremendous growth in values with the recent completed dam and Licking County/New Albany growth. Brookside Place located in Pataskala, is in its extended use period. It began operations in 1994 and has solid occupancy, the Pataskala market has seen well above average growth due to Amazon and New Albany growth. Due to the age of both properties extensive rehabs are in order.

### Site Information

Site Size (Acres)	4.23 & 2.88
Scattered Sites?	No
Total Number of Buildings	2
Total Parking Spaces	0
Parking Ratio (Parking Spaces per Unit)	0.0
Urban Suburban Rural (USR) Geography	Suburban
Located in a Participating Jurisdiction (PJ)?	No
Located in a Qualified Census Tract (QCT)?	No
Located in a Difficult Development Area?	No
Census Tract Opportunity Index	Very Low
Census Tract Change Index	Growth

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	64,625	97%
Manager's Unit Area		
Common Area		
Support and Program Space	586	1%
Tenant Storage Space	1,400	2%
Major Vertical Penetrations (Elevator/Stairs, Etc.)		
Structured Parking/Garage		
Basement		
<b>Total Square Footage of all Buildings</b>	<b>66,611</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	26	36%
60% AMI	41	57%
70% AMI		
80% AMI	5	7%
Unrestricted		
Manager's		
<b>Total Units</b>	<b>72</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	40	56%	0	0%
2-BR	32	44%	0	0%
3-BR				
4-BR				
5-BR				
<b>Total Units</b>	<b>72</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	\$615,264	\$8,545
Potential Gross Commercial Income	\$0	\$0
Vacancy Allowance 7%	(\$43,068)	(\$598)
Interest Income and Other Financial Income	\$0	\$0
Laundry, Tenant Charges, and Service Income	\$0	\$0
Effective Gross Income (EGI)	\$572,196	\$7,947
Administrative Expenses	\$98,129	\$1,363
Owner-Paid Utilities	\$83,612	\$1,161
Maintenance Costs	\$73,820	\$1,025
Taxes and Insurance	\$121,084	\$1,682
Tax Abatement and/or Operating Subsidy	\$0	\$0
Reserves and Other Expenses	\$27,600	\$383
Total Operating Expenses	\$404,245	\$5,615
Net Operating Income (EGI - OpEx)	\$167,951	\$2,333

### LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$2,081,100	\$7,574,938	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$2,081,100	\$7,574,938	
Basis Boost for QCT/DDA	(\$2,081,100)	\$0	
Adjusted Eligible Basis	\$0	\$7,574,938	
X Applicable Fraction	100%	100%	
Qualified Basis	\$0	\$7,574,938	
30% Present Value Rate	4.00%	4.00%	
Annual LIHTC Generated	\$0	\$302,998	
Total 10-Year LIHTC	\$3,029,975		
LIHTC Equity Generated	\$3,275,000		
Equity Price	\$0.85		

### Construction Sources of Funds

Construction Sources	Amount	Percent of Total
LIHTC Equity		
Historic Tax Credit Equity		
Construction Loan	\$4,853,958	43%
OHFA HDAP Request	\$2,967,765	27%
Deferred Developer Fee	\$268,464	2%
OHFA HDL	\$2,500,000	22%
Post-construction costs	\$604,254	5%
N/A		
N/A		
N/A		
Total Construction Sources	\$11,194,441	100%

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

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$2,560,700	\$35,565	\$2,081,100
Predevelopment	\$420,000	\$5,833	\$405,000
Site Development	\$450,000	\$6,250	\$300,000
Hard Construction	\$5,002,650	\$69,481	\$5,002,650
Financing	\$350,934	\$4,874	\$191,967
Professional Fees	\$201,500	\$2,799	\$66,000
Developer Fee	\$1,609,321	\$22,352	\$1,609,321
OHFA and Other Fees	\$200,975	\$2,791	\$0
Capitalized Reserves	\$398,361	\$5,533	\$0
Total Development Costs (TDC)	\$11,194,441	\$155,478	\$9,656,038
LIHTC Eligible Basis as a Percent of Total Development Costs			86%

  

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$155,478	\$250,000	-38%
TDC per Gross Square Foot	\$168	\$280	-40%

### Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$167,951	\$143,186
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$139,959	\$143,186
Interest Rate	6.30%	6.30%
Amortization Period (Years)	40	40
Loan Term (Years)	17	17
Maximum Perm Loan Amount	\$2,041,639	\$2,088,723
Actual Perm Loan Amount	\$2,000,000	
Variance	(\$41,639)	

  

	Year 1	Year 15
Debt Service Coverage Ratio	1.22	1.04
OHFA Minimum DSCR	1.20	1.00

### Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
LIHTC Equity	\$3,275,000	29%
Historic Tax Credit Equity		
Permanent First Mortgage	\$2,000,000	18%
Permanent Second Mortgage		
OHFA HDAP Request	\$2,967,765	27%
Deferred Developer Fee	\$268,464	2%
Seller Note	\$2,170,000	19%
GP Equity	\$380,147	3%
Existing Reserves	\$133,065	1%
N/A		
N/A		
Total Permanent Sources	\$11,194,441	100%