

Lincoln and Gilbert Family II

Proposal Application Summary

4% LIHTC with BGF Round

Basic Project Information

Project Name	Lincoln and Gilbert Family II
LIHTC Type	4% LIHTC
BGF Pool/Subpool	New Affordability in a PJ
Lead Developer	Pennrose, LLC
Project Address	935 Foraker AV
Project City or Township	Cincinnati
Project County	Hamilton
Construction Type	New Construction
Population Served	Families
Total Units	36
HDAP Request	\$2,695,161
Total 10-Year LIHTC Request	\$5,323,677
Total Development Cost	\$11,905,894

Project Rendering



Development and Operations Team

Lead Developer	Pennrose, LLC
Co-Developer #1	Walnut Hills Redevelopment Foundation
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Ohio Capital Corporation for Housing
GP/MM #1 Parent Entity	Pennrose LLC
GP/MM #2 Parent Entity	Pennrose LLC
GP/MM #3 Parent Entity	N/A
General Contractor	The Douglas Company
Architect of Record	New Republic Architecture
Property Management Firm	Pennrose Management Company

Project Narrative

Lincoln & Gilbert Family II will be a 36-unit new construction development. The proposed project is a partnership between Pennrose LLC and the Walnut Hills Redevelopment Foundation to redevelop the property adjacent to the Harriet Beecher Stowe House museum, which was previously home to several vacant and dilapidated structures. The project will redevelop two corners of Monfort Street between Lincoln Avenue and Foraker Avenue, and provide new construction general occupancy housing in one low-rise building, and a surface parking lot. This application is for a follow-up project to the first phase of Lincoln & Gilbert Family I, which created 50 new units of housing, a Welcome Center with community and fitness facilities, and on-site management and supportive services offices. The development team has acquired building permits and has positioned the project to begin construction promptly receiving approval.

Site Information

Site Size (Acres)	0.5
Scattered Sites?	No
Total Number of Buildings	1
Total Parking Spaces	51
Parking Ratio (Parking Spaces per Unit)	1.4
Urban Suburban Rural (USR) Geography	Urban
Located in a Participating Jurisdiction (PJ)?	Yes
Located in a Qualified Census Tract (QCT)?	Yes
Located in a Difficult Development Area?	No
Census Tract Opportunity Index	Moderate
Census Tract Change Index	Slight Growth

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	27,027	89%
Manager's Unit Area		
Common Area	2,982	10%
Support and Program Space	265	1%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)		
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	30,274	100%

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	15	42%
40% AMI		
50% AMI	2	6%
60% AMI	19	53%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	36	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	15	42%	3	20%
2-BR	18	50%	1	6%
3-BR	3	8%	0	0%
4-BR				
5-BR				
Total Units	36	100%	4	11%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income	\$426,546	\$11,849
Potential Gross Commercial Income	\$0	\$0
Vacancy Allowance 7%	(\$29,858)	(\$829)
Interest Income and Other Financial Income	\$0	\$0
Laundry, Tenant Charges, and Service Income	\$0	\$0
Effective Gross Income (EGI)	\$396,688	\$11,019
Administrative Expenses	\$85,032	\$2,362
Owner-Paid Utilities	\$34,823	\$967
Maintenance Costs	\$56,331	\$1,565
Taxes and Insurance	\$104,693	\$2,908
Tax Abatement and/or Operating Subsidy	\$0	\$0
Reserves and Other Expenses	\$13,560	\$377
Total Operating Expenses	\$294,439	\$8,179
Net Operating Income (EGI - OpEx)	\$102,249	\$2,840

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$10,237,841
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$10,237,841
Basis Boost for QCT/DDA			\$3,071,352
Adjusted Eligible Basis			\$13,309,193
X Applicable Fraction			100%
Qualified Basis			\$13,309,193
30% Present Value Rate			4.00%
Annual LIHTC Generated			\$532,368
Total 10-Year LIHTC	\$5,323,677		
LIHTC Equity Generated	\$4,443,890		
Equity Price	\$0.83		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
LIHTC Equity	\$650,785	5%
Historic Tax Credit Equity		
Construction Loan	\$2,896,824	24%
OHFA HDAP Request	\$2,695,161	23%
Deferred Developer Fee	\$774,807	7%
Housing Development Loan	\$2,000,000	17%
CDF - Note A	\$155,042	1%
CDF - Note B	\$433,275	4%
City of Cincinnati HOME	\$500,000	4%
CDF Soft Loan	\$1,800,000	15%
Total Construction Sources	\$11,905,894	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$750,922	\$20,859	\$0
Predevelopment	\$552,386	\$15,344	\$517,247
Site Development	\$1,083,700	\$30,103	\$1,031,523
Hard Construction	\$6,461,456	\$179,485	\$6,461,456
Financing	\$698,497	\$19,403	\$327,703
Professional Fees	\$399,423	\$11,095	\$193,605
Developer Fee	\$1,706,307	\$47,397	\$1,706,307
OHFA and Other Fees	\$132,498	\$3,681	\$0
Capitalized Reserves	\$120,705	\$3,353	\$0
Total Development Costs (TDC)	\$11,905,894	\$330,719	\$10,237,841
LIHTC Eligible Basis as a Percent of Total Development Costs			86%

Cost Containment Standards

	Project	Maximum	Variance
TDC per Unit	\$330,719	\$388,000	-15%
TDC per Gross Square Foot	\$393	\$390	1%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$102,249	\$78,056
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$85,207	\$78,056
Interest Rate	6.25%	6.25%
Amortization Period (Years)	40	40
Loan Term (Years)	17	17
Maximum Perm Loan Amount	\$1,250,681	\$1,145,709
Actual Perm Loan Amount	\$1,047,261	
Variance	(\$98,448)	
Debt Service Coverage Ratio	1.43	1.09
OHFA Minimum DSCR	1.20	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
LIHTC Equity	\$4,443,890	37%
Historic Tax Credit Equity		
Permanent First Mortgage	\$892,219	7%
Permanent Second Mortgage	\$155,042	1%
OHFA HDAP Request	\$2,695,161	23%
Deferred Developer Fee	\$986,307	8%
CDF - Note B	\$433,275	4%
City of Cincinnati HOME	\$500,000	4%
CDF Soft Loan	\$1,800,000	15%
N/A		
N/A		
Total Permanent Sources	\$11,905,894	100%