

## Proposal Summary

**2025 4% LIHTC AHFA Final Application**

Affordable Housing Funding Application (AHFA)

Project Name: Middletown Phase Three

### Basic Project Information

Project Name:	Middletown Phase Three
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	2401 Easton Avenue
Project City or Township:	Middletown
Project County:	Butler
Construction Type:	Rehabilitation
Age Restriction:	General Occupancy
Funding Pool:	Preserved Affordability
Lead Developer:	TCG Development Advisors
Total Number of Units:	177
Total Number of Buildings:	78

### OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
Multifamily Bonds (Inducement):	\$31,000,000	
Multifamily Bonds (Final):		

### Development and Operations Team

Lead Developer	TCG Development Advisors
Co-Developer #1	Butler Metro Housing Authority
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Ohio Capital Corporation for Housing
OLIHTC Syndicator/Investor	N/A
GP/MM #1 Parent Entity	TCG Middletown Phase Three, LLC
GP/MM #2 Parent Entity	BMHA Middletown Phase Three, LLC
GP/MM #3 Parent Entity	N/A
General Contractor	Clayton Watkins Construction
Architect of Record	REB Architects
Property Management Firm	Van Rooy Properties

### Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Save A Lot	2
Medical Clinic	Primary Health Solutions	1.7
Childcare Facility	Hill Childcare and Family Center	1.3
Senior Center	William O. Taylor Community Center	2.9
Pharmacy	CVS	1.7
Public Library	MidPointe Library	1.5
Public Park	Smith Park	2.5
Public School	Mayfield Elementary	1.3
Public Recreation Center	Robert C. Smith Jr. Comm. Center	2.9

### Existing Photograph



### Project Narrative

Middletown Phase Three is one of two Rental Assistance Demonstration (RAD) conversions that comprise the final portion of the Butler Metropolitan Housing Authority's conversion of 1,138 public housing units. BMHA's intent is to utilize approximately \$31 million in tax-exempt bond financing issued by the Ohio Housing Finance Agency and accompanying 4% Low-Income Housing Tax Credits to revitalize the properties. Middletown Phase Three contains four separate sites in the city of Middletown: Midtonia village, located at 2401 Easton Avenue (56 units in 14 buildings), Middletown Estates, located at 821 Lincoln St. (30 units in 30 buildings), Reuben Doty Estates located at 909 9th St. (30 units in 30 buildings) and Freedom Court, located at 4601 Freedom Court (61 units in 27 buildings) are 100% located in Qualified Census Tracts and benefit from a 130% basis boost as a result.

### Site Information

Site Size (Acres)	20.14
Scattered Sites?	Yes
Total Number of Buildings	154
Total Number of Elevator-Serviced Buildings	0
Total Parking Spaces	286
Parking Ratio (Parking Spaces per Unit)	1.6
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	Growth

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	172,192	92%
Manager's Unit Area		
Common Area	2,386	1%
Support and Program Space		
Tenant Storage Space	6,367	3%
Major Vertical Penetrations (Elevator/Stairs, Etc.)		
Structured Parking/Garage		
Basement	6,620	4%
Total Square Footage of all Buildings	187,565	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	177	100%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	177	100%

### Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$3,171,708	\$17,919
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 5%	(\$158,585)	(\$896)
Effective Gross Income (EGI)	\$3,013,123	\$17,023
(Administrative Expenses)	(\$156,720)	(\$885)
(Property Management Fee)	(\$190,302)	(\$1,075)
(Owner-Paid Utility Expenses)	(\$200,439)	(\$1,132)
(Maintenance Expenses)	(\$224,640)	(\$1,269)
(Net Real Estate Taxes)	(\$16,417)	(\$93)
(Property and Liability Insurance)	(\$79,650)	(\$450)
(Other Insurance and Tax Expenses)	(\$138,940)	(\$785)
(Ongoing Reserve Contributions)	(\$76,963)	(\$435)
Operating Subsidy	\$0	\$0
(Total Operating Expenses)	(\$1,084,071)	(\$6,125)
Net Operating Income (EGI - Operating Expenses)	\$1,929,052	\$10,899

### LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$16,200,000	\$40,752,104	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$16,200,000	\$40,752,104	
Codified Basis Boost (DDA/QCT)		\$46,803,174	
Agency Discretionary Basis Boost		\$52,977,735	
Adjusted Eligible Basis	\$16,200,000	\$46,803,174	
X Applicable Fraction	100%	100%	
Qualified Basis	\$16,200,000	\$46,803,174	
30% Present Value Rate	4%	4%	
Annual LIHTC Generated	\$648,000	\$1,872,127	
Total 10-Year LIHTC Generated	\$25,201,270		
Total 10-Year LIHTC Requested	\$0		
LIHTC Equity Generated	\$23,845,516		
Equity Price	\$0.0000		

### 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				
2-BR	88	50%	88	100%
3-BR	55	31%	55	100%
4-BR	24	14%	24	100%
5-BR	10	6%	10	100%
Total Units	177	100%	177	100%

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

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$16,200,000	\$91,525	\$16,200,000
Predevelopment	\$1,315,875	\$7,434	\$1,315,875
Site Development	\$2,369,059	\$13,385	\$2,369,059
Hard Construction	\$24,686,091	\$139,469	\$24,686,091
Financing	\$4,701,020	\$26,559	\$2,569,033
Professional Fees	\$555,046	\$3,136	\$9,812,046
Developer Fee	\$9,500,000	\$53,672	\$0
OHFA and Other Fees	\$599,182	\$3,385	\$0
Capitalized Reserves	\$1,285,452	\$7,262	\$0
Total Development Costs (TDC)	\$61,211,725	\$345,829	\$56,952,104
LIHTC Eligible Basis as a Percent of Total Development Costs			93%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$345,829	\$375,000	-8%
TDC per Gross Square Foot	\$326	\$400	-18%

### Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$1,929,052	\$1,929,052
Debt Service Coverage Ratio	1.15	1.00
NOI Available for Debt Service	\$1,677,436	\$1,929,052
Interest Rate	5.70%	5.70%
Amortization Period (Years)	40	40
Loan Term (Years)	18	18
Maximum Perm Loan Amount	\$26,402,321	\$30,362,669
Actual Perm Loan Amount	\$25,400,000	
Amount Variance	(\$1,002,321)	
Percent Variance	-3.8%	
	Year 1	Year 15
Debt Service Coverage Ratio	1.20	1.45
OHFA Minimum DSCR	1.15	1.00

Construction Sources of Funds

Source Name	Amount	Percent of Total
Construction Loan	\$5,600,000	9%
Deferred Developer Fee	\$3,766,209	6%
Ground Lease Loan	\$7,600,000	12%
Permanent First Mortgage	\$25,400,000	41%
Federal LIHTC Equity	\$18,845,516	31%
Total Construction Sources	\$61,211,725	100%

Permanent Sources of Funds

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$23,845,516	39%
Permanent First Mortgage	\$25,400,000	41%
Deferred Developer Fee	\$4,366,209	7%
Ground Lease Loan	\$7,600,000	12%
Total Permanent Sources	\$61,211,725	100%