

Proposal Summary

2026 9% LIHTC AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: Annunciation Terrace

Basic Project Information

Project Name:	Annunciation Terrace
OHFA Project Number:	TBD
LIHTC Type:	9%
Project Address:	25 Broad St.
Project City or Township:	Akron
Project County:	Summit
Construction Type:	Rehabilitation
Age Restriction:	Senior 55+
Funding Pool:	Preserved Affordability
State Region:	Northeast
Lead Developer:	Testa Enterprises, Inc.
Total Number of Units:	50
Total Number of Buildings:	1

Existing Photograph



OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
Housing Development Loan:	\$1,750,000	

Project Narrative

Testa Enterprises is proposing the rehabilitation and renovation of the existing Annunciation Terrace Apartments, a 50-unit senior housing community located in Akron, Summit County, Ohio. The property consists of one residential building containing 40 one-bedroom units and 10 two-bedroom units. The proposed scope of work includes significant upgrades to unit interiors, building exteriors, and overall site improvements. These improvements will reposition the asset for long-term operational and physical success while enhancing the quality of life for residents. The renovations are also intended to support seniors in aging in place by promoting safety, accessibility, and independent living for as long as possible.

Set Asides Sought

Set Aside Type

	Potentially Eligible?	Sought by Applicant?
Community Housing Development Organization:	No	No
QCT with Concerted Community Revitalization Plan:	No	No
Community Impact Strategic Initiative:	Ineligible Pool	Ineligible Pool
Continuum of Care Referral Partnership:	Ineligible Pool	Ineligible Pool
Non-Continuum of Care Referral Partnership:	Ineligible Pool	Ineligible Pool
Balance of State or Small Continuum of Care:	Ineligible Pool	Ineligible Pool

Competitive Scoring: Preserved Affordability Pool

Competitive Criterion	Maximum Score	Auto-Calculated Score	Applicant Self-Score
Opportunity Senior Index	40	19.5	19.5
Housing Needs Index:	35	21.4	21.4
LIHTC Request per LIHTC Unit:	25	25.0	25.0
Total:	100	65.9	65.9

 Tiebreaker #1: LIHTC Awards in Census Tract over Past Three Years:

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	OCCH
OLIHTC Syndicator/Investor	N/A
GP/MM #1 Parent Entity	N/A
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
Supportive Services Provider	N/A

Site Information

Site Size (Acres)	1.2
Scattered Sites?	No
Total Number of Buildings	1
Total Number of Elevator-Serviced Buildings	1
Total Parking Spaces	57
Parking Ratio (Parking Spaces per Unit)	1.1
Metropolitan or Rural?	Metropolitan
Located in a Participating Jurisdiction (PJ)?	Yes
Located in a Qualified Census Tract (QCT)?	Yes
Located in a Difficult Development Area (DDA)?	No
Neighborhood Opportunity Senior Index	48.76
Housing Needs Index	61.00
Neighborhood Change Index	40.68

Residential Units by Income Restrictions

Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI		
40% AMI		
50% AMI		
60% AMI	50	100%
70% AMI		
80% AMI		
Unrestricted Manager's		
Total Units	50	100%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$449,264	\$8,985
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$31,448)	(\$629)
Effective Gross Income (EGI)	\$417,816	\$8,356
(Administrative Expenses)	(\$56,185)	(\$1,124)
(Property Management Fee)	(\$33,263)	(\$665)
(Owner-Paid Utility Expenses)	(\$49,125)	(\$983)
(Maintenance Expenses)	(\$121,325)	(\$2,427)
(Net Real Estate Taxes)	(\$25,200)	(\$504)
(Property and Liability Insurance)	(\$19,200)	(\$384)
(Other Insurance and Tax Expenses)	\$0	\$0
(Ongoing Reserve Contributions)	(\$22,500)	(\$450)
Operating Subsidy	\$0	\$0
(Total Operating Expenses)	(\$326,798)	(\$6,536)
Net Operating Income (EGI - Operating Expenses)	\$91,018	\$1,820

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis		\$7,241,852	
- Reductions in Eligible Basis		\$0	
= Net Eligible Basis		\$7,241,852	
QCT/DDA Codified Basis Boost		\$1	
OHFA Discretionary Basis Boost		\$1	
Adjusted Eligible Basis		\$9,414,408	
X Applicable Fraction		100%	
Qualified Basis		\$9,414,408	
70% Present Value Rate		9%	
Annual LIHTC Generated		\$847,297	
Total 10-Year LIHTC Generated	\$8,472,967		
Total 10-Year LIHTC Requested	\$8,473,360		
LIHTC Equity Generated	\$6,919,810		
LIHTC Net Equity Price	\$0.8167		

Residential 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	80%	0	0%
2-BR	10	20%	0	0%
3-BR				
4-BR				
5-BR				
Total Units	50	100%	0	0%

Development Budget, Eligible Basis, and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$2,275,433	\$45,509	\$0
Predevelopment	\$460,505	\$9,210	\$460,505
Site Development	\$181,000	\$3,620	\$181,000
Hard Construction	\$4,865,514	\$97,310	\$4,865,514
Financing	\$473,833	\$9,477	\$437,833
Professional Fees	\$262,000	\$5,240	\$1,297,000
Developer Fee	\$1,150,000	\$23,000	\$0
OHFA and Other Fees	\$197,941	\$3,959	\$0
Capitalized Reserves	\$179,017	\$3,580	\$0
Total Development Costs (TDC)	\$10,045,243	\$200,905	\$7,241,852
LIHTC Eligible Basis as a Percent of Total Development Costs			72%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$200,905	\$270,896	-26%
TDC per Gross Square Foot	\$247	\$314	-21%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$91,018	\$56,987
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$75,848	\$56,987
Interest Rate	4.28%	4.28%
Amortization Period	35	35
Loan Term (Years)	35	35
Maximum Perm Loan Amount	\$1,370,000	\$1,030,000
Actual Perm Loan Amount	\$900,000	
Amount Variance	(\$130,000)	
Percent Variance	-34.3%	

	Year 1	Year 15
Debt Service Coverage Ratio	1.28	1.12
OHFA Minimum DSCR	1.20	1.00

Construction Sources of Funds

Source Name	Amount	Percent of Total
Federal LIHTC Equity	\$1,383,962	14%
Construction Loan	\$3,785,848	38%
Housing Development Loan	\$1,750,000	17%
Deferred Developer Fee	\$350,000	3%
Sponsor Loan	\$500,000	5%
Assumed 1st Mortgage Loan	\$900,000	9%
Assumed Sponsor Loan (Existing)	\$1,375,433	14%
Total Construction Sources	\$10,045,243	100%

Permanent Sources of Funds

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$6,919,810	69%
Permanent First Mortgage	\$900,000	9%
Deferred Developer Fee	\$350,000	3%
Sponsor Loan	\$500,000	5%
Assumed Sponsor Loan (Existing)	\$1,375,433	14%
Total Permanent Sources	\$10,045,243	100%