

Adams Place Associates, LP

2450 Shenango Valley Freeway, Hermitage, PA 16148

Phone: (724) 981-1204 Fax: (724) 981-4810

October 7, 2019

Ms. Jan Feleppa, President
Crawford Central School District
11280 Mercer Pike
Meadville, PA 16335

RE: Local Revitalization Tax Assistance Act (LERTA) Request for Adams Place

Dear President Feleppa and Board of Directors,

Adams Place Associates, LP has been awarded Low Income Housing Tax Credits (LIHTC) from Pennsylvania Housing Finance Agency (PHFA) to construct a 39-unit, age 62+ affordable housing development located at 184 North Franklin Street in Cochranon, PA.

The LIHTC program which makes Adams Place possible requires developers to commit to reduced rents to serve lower income households, in exchange for capital to build high quality housing. Though Adams Place will cost approximately \$12.7 million to build, its gross rental income annually will be consistently much lower than a comparable \$12.7 million building. The rental income at Adams Place will be restricted for 35 years and will allow Adams to rent only to seniors with incomes at or below 60% of the Area Medium Income (AMI), including units set aside for households at or below 50% and 20% AMI. The LIHTC restrictions will be recorded against the property in a PHFA Indenture of Restrictive Covenants. LIHTC developments have very limited to no cash flow as a result of the low rents charged to the tenants.

In working with Crawford County, we have learned that there are two LERTA approaches that Crawford County offers. The first is a five year sliding scale with a 20% increase each year over the base rate of the existing taxes (i.e. year 0 – base rate, year 1 – 20% of the difference for the assessed value + base rate, year 2 – 40%+, year 3 – 60%+, etc.). The second is a ten-year sliding scale that increased by 10% each year instead. Both Crawford County and the Borough of Cochranon have offered broad support to the Adams Place project, including by setting aside CDBG funding to assist the development and by suggesting pursuit of a LERTA. Adams Place would benefit from either the five or ten year approach.

Because Adams Place is a senior housing facility, this project will greatly contribute to the tax base for years to come by developing an unutilized piece of land within Cochranon Borough while not placing any additional expense burden on the School District. We respectfully request that Crawford Central School District consider this request for tax relief based on the five or ten year LERTA approach mentioned above, depending on which approach the School District prefers.

Sincerely,



Tyler M. Hudson
Manager of sole general partner