

## Empire Senior Housing

Proposal Application Summary

4% LIHTC with BGF Round

### Basic Project Information

Project Name	Empire Senior Housing
LIHTC Type	4% LIHTC
BGF Pool/Subpool	New Affordability in a PJ
Lead Developer	Beacon Communities Services LLC
Project Address	9113 Parmelee Avenue
Project City or Township	Cleveland
Project County	Cuyahoga
Construction Type	Adaptive Reuse
Population Served	Seniors
Total Units	65
HDAP Request	\$1,945,000
Total 10-Year LIHTC Request	\$13,942,544
Total Development Cost	\$29,089,682

### Existing Photograph



### Development and Operations Team

Lead Developer	Beacon Communities Services LLC
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	RBC Capital Markets
GP/MM #1 Parent Entity	N/A
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	Marous Brothers Construction
Architect of Record	Moody Nolan
Property Management Firm	Beacon Residential Management Limited Partnersh

### Project Narrative

Empire Senior Housing will be an adaptive reuse of the historic Empire Junior High School into 65 affordable homes for seniors. The site is located in Cleveland's Glenville neighborhood, near University Circle. The neighborhood has a high percentage of senior residents, but an aging housing stock that, for the most part, does not meet the needs of seniors. Empire Senior Housing will allow Cleveland residents to age-in-place in their neighborhood, but in high-quality homes, in a building with two elevators, on-site services and amenities. All apartments will be subsidized with Project-Based Vouchers so residents pay no more than 30% of their income towards rent. The project will utilize both state and local remediation funds to address lead and asbestos hazards, as well as historic tax credits to fund the preservation.

### Site Information

Site Size (Acres)	2.1
Scattered Sites?	No
Total Number of Buildings	1
Total Parking Spaces	29
Parking Ratio (Parking Spaces per Unit)	0.4
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	Low
Census Tract Change Index	Decline

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	49,694	58%
Manager's Unit Area		
Common Area	20,319	24%
Support and Program Space	3,809	4%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	11,294	13%
Structured Parking/Garage		
Basement		
<b>Total Square Footage of all Buildings</b>	<b>85,116</b>	<b>100%</b>

### Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	16	25%
40% AMI		
50% AMI	49	75%
60% AMI		
70% AMI		
80% AMI		
Unrestricted		
Manager's		
<b>Total Units</b>	<b>65</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	2%	1	100%
1-BR	64	98%	64	100%
2-BR				
3-BR				
4-BR				
5-BR				
<b>Total Units</b>	<b>65</b>	<b>100%</b>	<b>65</b>	<b>100%</b>

### Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income	\$707,688	\$10,888
Potential Gross Commercial Income	\$0	\$0
Vacancy Allowance 7%	(\$49,538)	(\$762)
Interest Income and Other Financial Income	\$0	\$0
Laundry, Tenant Charges, and Service Income	\$0	\$0
<b>Effective Gross Income (EGI)</b>	<b>\$658,150</b>	<b>\$10,125</b>
Administrative Expenses	\$166,507	\$2,562
Owner-Paid Utilities	\$87,329	\$1,344
Maintenance Costs	\$154,286	\$2,374
Taxes and Insurance	\$154,248	\$2,373
Tax Abatement and/or Operating Subsidy	(\$57,565)	(\$886)
Reserves and Other Expenses	\$22,750	\$350
<b>Total Operating Expenses</b>	<b>\$527,555</b>	<b>\$8,116</b>
<b>Net Operating Income (EGI - OpEx)</b>	<b>\$130,594</b>	<b>\$2,009</b>

### LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$98,525		\$26,736,796
- Reductions in Eligible Basis	\$0		\$0
= Net Eligible Basis	\$98,525		\$26,736,796
Basis Boost for QCT/DDA	(\$98,525)		\$8,021,039
Adjusted Eligible Basis	\$0		\$34,757,835
X Applicable Fraction	100%		100%
Qualified Basis	\$0		\$34,757,835
30% Present Value Rate	4.00%		4.00%
Annual LIHTC Generated	\$0		\$1,390,313
<b>Total 10-Year LIHTC</b>	<b>\$13,903,134</b>		
<b>LIHTC Equity Generated</b>	<b>\$12,756,147</b>		
<b>Equity Price</b>	<b>\$0.91</b>		

### Construction Sources of Funds

Construction Sources	Amount	Percent of Total
LIHTC Equity	\$1,275,615	5%
Historic Tax Credit Equity	\$414,985	2%
Construction Loan	\$18,553,739	70%
OHFA HDAP Request	\$1,750,500	7%
Deferred Developer Fee		
Cleveland General Fund	\$1,800,000	7%
Cleveland HTF	\$810,000	3%
FHLB AHP	\$200,000	1%
State + County Brownfields	\$1,237,569	5%
Ohio tax credit equity	\$374,963	1%
<b>Total Construction Sources</b>	<b>\$26,417,370</b>	<b>100%</b>

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

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$5,000	\$77	\$4,250
Predevelopment	\$1,257,200	\$19,342	\$1,172,656
Site Development	\$1,410,265	\$21,696	\$1,282,622
Hard Construction	\$22,187,202	\$341,342	\$22,021,584
Financing	\$1,641,848	\$25,259	\$647,108
Professional Fees	\$686,685	\$10,564	\$287,826
Developer Fee	\$1,430,000	\$22,000	\$1,419,275
OHFA and Other Fees	\$244,656	\$3,764	\$0
Capitalized Reserves	\$226,826	\$3,490	\$0
<b>Total Development Costs (TDC)</b>	<b>\$29,089,682</b>	<b>\$447,534</b>	<b>\$26,835,321</b>
<b>LIHTC Eligible Basis as a Percent of Total Development Costs</b>			<b>92%</b>

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$447,534	\$388,000	15%
TDC per Gross Square Foot	\$342	\$390	-12%

### Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$130,594	\$74,428
Debt Service Coverage Ratio	1.15	1.00
NOI Available for Debt Service	\$113,560	\$74,428
Interest Rate	6.00%	6.00%
Amortization Period (Years)	40	40
Loan Term (Years)	30	30
<b>Maximum Perm Loan Amount</b>	<b>\$1,719,944</b>	<b>\$1,127,259</b>
Actual Perm Loan Amount	\$1,023,822	
Variance	(\$103,437)	
	<b>Year 1</b>	<b>Year 15</b>
Debt Service Coverage Ratio	1.98	1.10
OHFA Minimum DSCR	1.15	1.00

### Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
LIHTC Equity	\$12,756,147	44%
Historic Tax Credit Equity	\$4,149,853	14%
Permanent First Mortgage	\$1,023,822	4%
Permanent Second Mortgage		
OHFA HDAP Request	\$1,945,000	7%
Deferred Developer Fee	\$527,666	2%
Cleveland General Fund	\$2,000,000	7%
Cleveland HTF	\$900,000	3%
FHLB AHP	\$800,000	3%
State + County Brownfields	\$1,237,569	4%
Ohio tax credit equity	\$3,749,625	13%
<b>Total Permanent Sources</b>	<b>\$29,089,682</b>	<b>100%</b>