

Proposal Summary

2024 4% LIHTC Only Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Allerton Apartments

Basic Project Information

Project Name	Allerton Apartments
LIHTC Type	4%
Project Address	1802 East 13th Street
Project City or Township	Cleveland
Project County	Cuyahoga
Construction Type	Rehabilitation
Age Restriction	General Occupancy

OHFA Resource Request Requiring Board Approval

Residential Rental PABs:	N/A
Housing Development Loan:	\$2,000,000
Multifamily Lending Program:	N/A

Development and Operations Team

Lead Developer	Salus Development LLC
Co-Developer #1	Camber Property Group
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	PNC Bank, National Association
GP/MM #1 Parent Entity	Camber Property Group
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	TBD
Architect of Record	LDA Architects, Inc.
Property Management Firm	RHM Real Estate, Inc.

Site Information

Site Size (Acres)	0.64
Scattered Sites?	No
Total Number of Buildings	1
Total Parking Spaces	89
Parking Ratio (Parking Spaces per Unit)	0.4
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	High
Census Tract Change Index	Growth

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	199	100%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	199	100%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$2,662,456	\$13,379
Potential Gross Commercial Income	\$8,000	\$40
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended)	5% (\$133,123)	(\$669)
Effective Gross Income (EGI)	\$2,537,333	\$12,750
Administrative Expenses	\$337,894	\$1,698
Property Management Fee	\$105,000	\$528
Owner-Paid Utility Expenses	\$244,213	\$1,227
Maintenance Expenses	\$497,000	\$2,497
Real Estate Taxes	\$158,400	\$796
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$90,000	\$452
Other Insurance and Tax Expenses	\$500	\$3
Ongoing Reserve Contributions (Operating Subsidy)	\$84,575	\$425
	\$0	\$0
Total Annual Operating Expenses	\$1,517,582	\$7,626
Net Operating Income (EGI - OpEx)	\$1,019,752	\$5,124

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$7,363,200	\$22,318,396	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$7,363,200	\$22,318,396	
Codified Basis Boost		\$29,013,915	
Adjusted Eligible Basis	\$7,363,200	\$29,013,915	
X Applicable Fraction	100%	100%	
Qualified Basis	\$7,363,200	\$29,013,915	
30% Present Value Rate	4.00%	4.00%	
Annual LIHTC Generated	\$294,528	\$1,160,557	
Total 10-Year LIHTC Requested	\$14,550,846		
LIHTC Equity Generated	\$13,571,184		
Equity Price	\$0.93		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$2,035,678	6%
Construction Loan	\$16,336,760	45%
Housing Development Loan	\$2,000,000	5%
Fed. Historic Tax Credit Equity	\$1,094,908	3%
Deferred Developer Fee	\$4,875,095	13%
Sponsor Loan		
GP/MM Capital Contribution		
Post-Construction Costs		
Deferred Reserves	\$956,449	3%
Equity Bridge Loan	\$9,076,082	25%
N/A		
N/A		
N/A		
N/A		
N/A		
Total Construction Sources	\$36,374,972	100%

Existing Photograph



Project Narrative

The Allerton Apartments, located at 1802 E 13th Street in Cleveland, Ohio, is a 16-story historic building that offers 199-units for low-income families (100% HAP) in the Downtown Business District of the City. Initially constructed as a hotel in 1926, the building was converted into affordable housing in the 1970s and later underwent renovations in 2007. Since then, The Allerton has suffered from poor management and unwise decision-making that has resulted in a lack of invested capital and an abundance of deferred maintenance. A recapitalization and renovation of the property will include updates to energy efficient building systems, a usable parking structure, and interior apartment upgrades that will improve building marketability and the quality of life for its residents and surrounding community.

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space	2,818	1%
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	106,851	49%
Manager's Unit Area		
Common Area	20,418	9%
Support and Program Space	11,481	5%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	17,219	8%
Structured Parking/Garage	41,884	19%
Basement	19,245	9%
Total Square Footage of all Buildings	219,916	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	38	19%	38	100%
1-BR	134	67%	134	100%
2-BR	27	14%	27	100%
3-BR				
4-BR				
5-BR				
Total Units	199	100%	199	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$10,516,000	\$52,844	\$6,136,000
Predevelopment	\$783,270	\$3,936	\$783,270
Site Development	\$306,635	\$1,541	\$116,648
Hard Construction	\$15,066,943	\$75,713	\$15,066,943
Financing	\$2,483,127	\$12,478	\$2,033,627
Professional Fees	\$736,950	\$3,703	\$600,950
Developer Fee	\$4,944,158	\$24,845	\$4,944,158
OHFA and Other Fees	\$580,006	\$2,915	\$0
Capitalized Reserves	\$957,883	\$4,813	\$0
Total Development Costs (TDC)	\$36,374,972	\$182,789	\$29,681,596
LIHTC Eligible Basis as a Percent of Total Development Costs			82%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$182,789	\$347,000	-47%
TDC per Gross Square Foot	\$165	\$390	-58%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$1,019,752	\$1,019,752
Debt Service Coverage Ratio	1.15	1.00
NOI Available for Debt Service	\$886,741	\$1,019,752
Interest Rate	5.60%	5.60%
Amortization Period (Years)	40	40
Loan Term (Years)	40	40
Maximum Perm Loan Amount	\$14,140,115	\$16,261,133
Actual Perm Loan Amount	\$13,500,000	
Variance	(\$640,115)	
Debt Service Coverage Ratio	Year 1 1.20	Year 15 1.23
OHFA Minimum DSCR	1.15	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$13,571,184	37%
Permanent First Mortgage	\$13,500,000	37%
Permanent Second Mortgage		
Fed. Historic Tax Credit Equity	\$4,379,631	12%
Deferred Developer Fee	\$3,922,192	11%
Sponsor Loan		
GP/MM Capital Contribution	\$1,001,965	3%
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		
Total Permanent Sources	\$36,374,972	100%