

Proposal Summary

2024 4% LIHTC Only Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Shevchenko Manor

Basic Project Information

Project Name	Shevchenko Manor
LIHTC Type	4%
Project Address	5620 West 24th Street
Project City or Township	Parma
Project County	Cuyahoga
Construction Type	Rehabilitation
Age Restriction	Senior 62+

OHFA Resource Request Requiring Board Approval

Residential Rental PABs:	\$5,800,000
Housing Development Loan:	N/A
Multifamily Lending Program:	N/A

Development and Operations Team

Lead Developer	Salus-Joyce Development LLC
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Marble Cliff Capital, LLC
GP/MM #1 Parent Entity	N/A
GP/MM #2 Parent Entity	Salus-Joyce Development LLC
GP/MM #3 Parent Entity	N/A
General Contractor	Mistick Construction Company
Architect of Record	LDA Architects, Inc.
Property Management Firm	Retiree Housing Management, Inc.

Site Information

Site Size (Acres)	4.831
Scattered Sites?	No
Total Number of Buildings	1
Total Parking Spaces	69
Parking Ratio (Parking Spaces per Unit)	1.1
Urban Suburban Rural (USR) Geography	Metro/Suburban
Located in a Participating Jurisdiction (PJ)?	Yes
Located in a Qualified Census Tract (QCT)?	No
Located in a Difficult Development Area (DDA)?	No
Census Tract Opportunity Index	Low
Census Tract Change Index	Slight 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	63	100%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	63	100%

Existing Photograph



Project Narrative

Shevchenko Manor in Parma, OH consists of 63-apartments that are mix of efficiency and one-bedrooms. The plan is to recapitalize the property with a new first mortgage and an allocation of 4% Low Income Housing Tax Credits ("LIHTC"). The property has existing Project Rental Assistance Contract through HUD that will be converted to a Housing Assistance Payments contract through HUD's Rental Assistance Demonstration program.

The property consists of one three-story building with surface parking accessed via West 24th Street. The renovation will focus on updating mechanical systems, repairing the building envelope, improving energy efficiency, and refreshing the interior of the apartments.

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	34,265	76%
Manager's Unit Area		
Common Area	7,877	18%
Support and Program Space	1,191	3%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	1,524	3%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	44,857	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	18	29%	18	100%
1-BR	44	70%	44	100%
2-BR	1	2%	0	0%
3-BR				
4-BR				
5-BR				
Total Units	63	100%	62	98%

Consolidated Annual Operating Budget

Operating Line Item		Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income		\$785,654	\$12,471
Potential Gross Commercial Income		\$0	\$0
Potential Gross Service Income		\$0	\$0
Vacancy Allowance (Blended)	5%	(\$39,283)	(\$624)
Effective Gross Income (EGI)		\$746,371	\$11,847
Administrative Expenses		\$116,769	\$1,853
Property Management Fee		\$37,800	\$600
Owner-Paid Utility Expenses		\$69,978	\$1,111
Maintenance Expenses		\$94,132	\$1,494
Real Estate Taxes		\$61,407	\$975
(Abated Real Estate Taxes)		\$0	\$0
Property and Liability Insurance		\$39,000	\$619
Other Insurance and Tax Expenses		\$19,129	\$304
Ongoing Reserve Contributions (Operating Subsidy)		\$22,050	\$350
		\$0	\$0
Total Annual Operating Expenses		\$460,265	\$7,306
Net Operating Income (EGI - OpEx)		\$286,106	\$4,541

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$3,080,000	\$7,028,860	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$3,080,000	\$7,028,860	
Codified Basis Boost		\$7,028,860	
Adjusted Eligible Basis	\$3,080,000	\$7,028,860	
X Applicable Fraction	100%	100%	
Qualified Basis	\$3,080,000	\$7,028,860	
30% Present Value Rate	4.00%	4.00%	
Annual LIHTC Generated	\$123,200	\$281,154	
Total 10-Year LIHTC Requested	\$4,043,544		
LIHTC Equity Generated	\$3,664,302		
Equity Price	\$0.91		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$1,332,860	11%
Construction Loan	\$5,480,000	45%
Housing Development Loan		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$1,534,655	13%
Sponsor Loan		
GP/MM Capital Contribution		
Post-Construction Costs		
Residual Receipts	\$168,978	1%
Reserves Transferred	\$327,463	3%
Seller Note	\$3,130,000	26%
Revenue During Construction	\$237,701	2%
N/A		
N/A		
N/A		
Total Construction Sources	\$12,211,657	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$3,530,000	\$56,032	\$3,080,000
Predevelopment	\$281,390	\$4,467	\$276,390
Site Development	\$283,886	\$4,506	\$126,000
Hard Construction	\$4,672,868	\$74,173	\$4,672,868
Financing	\$869,832	\$13,807	\$161,125
Professional Fees	\$302,500	\$4,802	\$112,500
Developer Fee	\$1,679,977	\$26,666	\$1,679,977
OHFA and Other Fees	\$178,962	\$2,841	\$0
Capitalized Reserves	\$412,628	\$6,550	\$0
Total Development Costs (TDC)	\$12,212,043	\$193,842	\$10,108,860
LIHTC Eligible Basis as a Percent of Total Development Costs			83%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$193,842	\$347,000	-44%
TDC per Gross Square Foot	\$272	\$390	-30%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$286,106	\$286,106
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$238,422	\$286,106
Interest Rate	6.00%	6.00%
Amortization Period (Years)	35	35
Loan Term (Years)	16	16
Maximum Perm Loan Amount	\$3,484,541	\$4,181,449
Actual Perm Loan Amount	\$3,400,000	
Variance	(\$84,541)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.23	1.24
OHFA Minimum DSCR	1.20	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$3,664,302	30%
Permanent First Mortgage	\$3,400,000	28%
Permanent Second Mortgage		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$707,142	6%
Sponsor Loan		
GP/MM Capital Contribution	\$576,071	5%
Residual Receipts	\$168,978	1%
Reserves Transferred	\$327,463	3%
Seller Note	\$3,130,000	26%
Revenue During Construction	\$237,701	2%
N/A		
N/A		
N/A		
Total Permanent Sources	\$12,211,657	100%