

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% |