

Proposal Summary	2024 9% LIHTC Proposal Application
Affordable Housing Funding Application (AHFA)	Project Name: Churchill Gateway II

Basic Project Information

Project Name	Churchill Gateway II
LIHTC Type	9%
Allocation Pool	New Affordability - General Occupancy
Project Address	10700 Churchill Ave
Project City or Township	Cleveland
Project County	Cuyahoga
Construction Type	New Construction
Age Restriction	General Occupancy

OHFA Resource Request Requiring Board Approval

HDAP: HOME	N/A
Housing Development Loan	\$1,750,000
Multifamily Lending Program:	N/A

Development and Operations Team

Lead Developer	NRP Holdings LLC
Co-Developer #1	
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Ohio Capital Corporation for Housing
GP/MM #1 Parent Entity	NRP Affordable Subsidiary II LLC
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	NRP Contractors II LLC
Architect of Record	MA Design
Property Management Firm	NRP Management LLC

Site Information

Site Size (Acres)	1.3756
Scattered Sites?	No
Total Number of Buildings	1
Total Parking Spaces	80
Parking Ratio (Parking Spaces per Unit)	1.1
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	Moderate
Census Tract Change Index	Slight Decline

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	19	27%
40% AMI		
50% AMI		
60% AMI	51	73%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	70	100%

Project Rendering



Project Narrative

Churchill Gateway II will provide quality affordable housing in the fast-growing Glenville neighborhood of Cleveland. Located at 10700 Churchill Road, the project sits adjacent to the first phase of Churchill Gateway. Churchill II will connect 70 households to the job center at University Circle (.5 mi) that includes University Hospitals, the Cleveland Clinic, Case Western Reserve University, and museums, restaurants, and cultural amenities. Residents will have access to community programming space in Phase 1 occupied by University Hospitals. The project will consist of one 4-story building, totaling 70 units. The 1-, 2-, and 3-bedroom units will be affordable to residents from 30% to 60% of the Area Median Income. NRP is thrilled to partner with The May Dugan Center, a Cleveland institution and certified refugee resettlement organization, to ensure that refugees, immigrants, and new Americans are connected to quality housing and services.

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	62,020	81%
Manager's Unit Area		
Common Area	10,412	14%
Support and Program Space	1,368	2%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	2,461	3%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	76,261	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				
1-BR	21	30%	0	0%
2-BR	26	37%	0	0%
3-BR	23	33%	0	0%
4-BR				
5-BR				
Total Units	70	100%	0	0%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$872,652	\$12,466
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$61,086)	(\$873)
Effective Gross Income (EGI)	\$811,566	\$11,594
Administrative Expenses	\$154,420	\$2,206
Property Management Fee	\$41,940	\$599
Owner-Paid Utility Expenses	\$78,750	\$1,125
Maintenance Expenses	\$120,960	\$1,728
Real Estate Taxes	\$102,699	\$1,467
(Abated Real Estate Taxes)	(\$68,449)	(\$978)
Property and Liability Insurance	\$44,915	\$642
Other Insurance and Tax Expenses	\$0	\$0
Ongoing Reserve Contributions (Operating Subsidy)	\$28,000	\$400
	\$0	\$0
Total Annual Operating Expenses	\$503,235	\$7,189
Net Operating Income (EGI - OpEx)	\$308,331	\$4,405

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$18,669,478
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$18,669,478
Codified Basis Boost; or Discretionary Basis Boost			\$24,270,321
Adjusted Eligible Basis			\$18,920,147
X Applicable Fraction			\$24,270,321
Qualified Basis			100%
70% Present Value Rate			\$24,270,321
Annual LIHTC Generated			9.00%
Total 10-Year LIHTC Requested	\$17,499,300		\$2,184,329
LIHTC Equity Generated	\$15,545,252		
Equity Price	\$0.89		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$3,149,559	15%
Construction Loan	\$11,825,000	57%
HDAP: HOME		
Housing Development Loan	\$1,750,000	8%
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$2,100,000	10%
Sponsor Loan		
GP/MM Capital Contribution	\$100	0%
Post-Construction Costs	\$468,789	2%
Soft Loan (City)	\$1,530,000	7%
N/A		
N/A		
N/A		
N/A		
N/A		
Total Construction Sources	\$20,823,448	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$72,000	\$1,029	\$0
Predevelopment	\$986,774	\$14,097	\$900,874
Site Development	\$977,877	\$13,970	\$977,877
Hard Construction	\$13,440,945	\$192,014	\$13,440,945
Financing	\$2,063,320	\$29,476	\$979,782
Professional Fees	\$510,000	\$7,286	\$270,000
Developer Fee	\$2,100,000	\$30,000	\$2,100,000
OHFA and Other Fees	\$292,596	\$4,180	\$0
Capitalized Reserves	\$379,936	\$5,428	\$0
Total Development Costs (TDC)	\$20,823,448	\$297,478	\$18,669,478
LIHTC Eligible Basis as a Percent of Total Development Costs			90%

Cost Containment Standards

	Project	Maximum	Variance
TDC per Unit	\$297,478	\$353,438	-16%
TDC per Gross Square Foot	\$273	\$372	-27%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$308,331	\$308,331
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$256,943	\$308,331
Interest Rate	6.60%	6.60%
Amortization Period (Years)	35	35
Loan Term (Years)	15	15
Maximum Perm Loan Amount	\$3,504,188	\$4,205,025
Actual Perm Loan Amount	\$3,500,000	
Variance	(\$4,188)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.20	1.21
OHFA Minimum DSCR	1.20	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$15,545,252	75%
Permanent First Mortgage	\$3,500,000	17%
Permanent Second Mortgage		
HDAP: HOME		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$28,096	0%
Sponsor Loan		
GP/MM Capital Contribution	\$100	0%
Soft Loan (City)	\$1,750,000	8%
N/A		
N/A		
N/A		
N/A		
Total Permanent Sources	\$20,823,448	100%