

Proposal Summary	2024 9% LIHTC Proposal Application
Affordable Housing Funding Application (AHFA)	Project Name: Detroit Avenue Senior Housing

Basic Project Information

Project Name	Detroit Avenue Senior Housing
LIHTC Type	9%
Allocation Pool	New Affordability - Seniors
Project Address	14321 Detroit Avenue
Project City or Township	Lakewood
Project County	Cuyahoga
Construction Type	New Construction
Age Restriction	Senior 55+

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	Salus Development LLC
Co-Developer #1	LSC Service Corp. dba Barton Communities
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	
GP/MM #1 Parent Entity	N/A
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	
Architect of Record	Hiti, DiFrancesco and Siebold, Inc.
Property Management Firm	LSC Service Corp. dba Barton Communities

Site Information

Site Size (Acres)	1.08
Scattered Sites?	No
Total Number of Buildings	1
Total Parking Spaces	34
Parking Ratio (Parking Spaces per Unit)	0.5
Urban Suburban Rural (USR) Geography	Central City
Located in a Participating Jurisdiction (PJ)?	No
Located in a Qualified Census Tract (QCT)?	No
Located in a Difficult Development Area (DDA)?	No
Census Tract Opportunity Index	Very High
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	7	11%
40% AMI		
50% AMI		
60% AMI	59	89%
70% AMI		
80% AMI		
Unrestricted Manager's		
Total Units	66	100%

Project Rendering



Project Narrative

The Detroit Avenue Senior Housing project (the "Project") involves the new construction of a mixed-use building along the thriving Detroit Avenue corridor in Lakewood, OH. The Project is aimed at addressing the growing needs for senior, affordable housing in the Lakewood community while adding additional capacity for an existing daycare operator to expand their operations. The Project will be a purpose-built example of best-practices in urban design, sustainable building techniques, and inclusivity applied to housing in our community.

The Project proposes 66 new apartment units for seniors ages 55 and older built over a ground-floor commercial space and residential amenities. The new building will be 4-5 stories in height and feature amenities for residents consisting of a community room, fitness center, outdoor area, and other to be determined amenities. The

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space	5,965	10%
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	40,089	65%
Manager's Unit Area		
Common Area	10,318	17%
Support and Program Space	1,723	3%
Tenant Storage Space	681	1%
Major Vertical Penetrations (Elevator/Stairs, Etc.)	2,636	4%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	61,412	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	66	100%	0	0%
2-BR				
3-BR				
4-BR				
5-BR				
Total Units	66	100%	0	0%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$726,645	\$11,010
Potential Gross Commercial Income	\$39,600	\$600
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$50,866)	(\$771)
Effective Gross Income (EGI)	\$715,379	\$10,839
Administrative Expenses	\$90,223	\$1,367
Property Management Fee	\$40,431	\$613
Owner-Paid Utility Expenses	\$80,880	\$1,225
Maintenance Expenses	\$67,475	\$1,022
Real Estate Taxes	\$30,000	\$455
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$44,000	\$667
Other Insurance and Tax Expenses	\$42,416	\$643
Ongoing Reserve Contributions	\$19,800	\$300
(Operating Subsidy)	\$0	\$0
Total Annual Operating Expenses	\$415,225	\$6,291
Net Operating Income (EGI - OpEx)	\$300,154	\$4,548

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$200,000		\$18,150,222
- Reductions in Eligible Basis	\$0		\$0
= Net Eligible Basis	\$200,000		\$18,150,222
Codified Basis Boost; or Discretionary Basis Boost			\$23,595,289
Adjusted Eligible Basis	\$200,000		\$23,595,289
X Applicable Fraction	100%		100%
Qualified Basis	\$200,000		\$23,595,289
70% Present Value Rate	9.00%		9.00%
Annual LIHTC Generated	\$18,000		\$2,123,576
Total 10-Year LIHTC Requested	\$15,697,850		
LIHTC Equity Generated	\$14,442,022		
Equity Price	\$0.92		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$9,409,479	46%
Construction Loan	\$6,310,000	31%
HDAP: HOME		
Housing Development Loan	\$1,750,000	9%
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$533,745	3%
Sponsor Loan		
GP/MM Capital Contribution	\$2,277,836	11%
Post-Construction Costs		
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		
Total Construction Sources	\$20,281,060	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$200,000	\$3,030	\$200,000
Predevelopment	\$637,500	\$9,659	\$630,500
Site Development	\$1,475,000	\$22,348	\$1,050,000
Hard Construction	\$13,600,000	\$206,061	\$12,790,000
Financing	\$658,522	\$9,978	\$560,222
Professional Fees	\$221,500	\$3,356	\$119,500
Developer Fee	\$3,000,000	\$45,455	\$3,000,000
OHFA and Other Fees	\$260,588	\$3,948	\$0
Capitalized Reserves	\$227,950	\$3,454	\$0
Total Development Costs (TDC)	\$20,281,060	\$307,289	\$18,350,222
LIHTC Eligible Basis as a Percent of Total Development Costs			90%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$307,289	\$353,438	-13%
TDC per Gross Square Foot	\$330	\$372	-11%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$300,155	\$300,155
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$250,129	\$300,155
Interest Rate	5.85%	5.85%
Amortization Period (Years)	40	40
Loan Term (Years)	15	15
Maximum Perm Loan Amount	\$3,861,493	\$4,633,791
Actual Perm Loan Amount	\$3,230,000	
Variance	(\$631,493)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.25	1.26
OHFA Minimum DSCR	1.20	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$14,442,022	71%
Permanent First Mortgage	\$3,230,000	16%
Permanent Second Mortgage		
HDAP: HOME		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$533,745	3%
Sponsor Loan		
GP/MM Capital Contribution	\$2,075,293	10%
N/A		
N/A		
N/A		
N/A		
N/A		
Total Permanent Sources	\$20,281,060	100%