

Proposal Summary 2024 9% LIHTC Proposal Application
 Affordable Housing Funding Application (AHFA) Project Name: Hough Senior Independent Living

Basic Project Information

Project Name	Hough Senior Independent Living
LIHTC Type	9%
Allocation Pool	New Affordability - Seniors
Project Address	8910 Hough Avenue
Project City or Township	Cleveland
Project County	Cuyahoga
Construction Type	New Construction
Age Restriction	Senior 55+

OHFA Resource Request Requiring Board Approval

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

Development and Operations Team

Lead Developer	CHN Housing Partners
Co-Developer #1	
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Enterprise Housing Credit Investments, LLC
GP/MM #1 Parent Entity	CHN Housing Partners
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	TBD
Architect of Record	Hiti, DiFrancesco and Siebold, Inc.
Property Management Firm	CHN Housing Partners

Site Information

Site Size (Acres)	1.11
Scattered Sites?	No
Total Number of Buildings	1
Total Parking Spaces	29
Parking Ratio (Parking Spaces per Unit)	0.5
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	Very 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	6	11%
40% AMI		
50% AMI	16	29%
60% AMI	17	31%
70% AMI		
80% AMI	16	29%
Unrestricted Manager's		
Total Units	55	100%

Project Rendering



Project Narrative

Hough Senior Independent Living is a new construction senior housing development consisting of a single, approximately 47,000 square foot, multi-family 3-story apartment building with fifty-five (55) one-bedroom units, located in the Hough neighborhood on Cleveland's east side. Hough Senior Independent Living will provide a welcoming environment that is close in proximity to transportation, amenities, and medical services, including the Cleveland Clinic and University Hospitals, in the City of Cleveland. Common areas for the development will include a community room, pantry/kitchen, laundry rooms, lobby/lounge, outdoor patio, elevator, management office, and mailbox area, along with back-of-house support spaces. CHN Housing Partners will be the developer, owner, property manager, and supportive service provider for Hough Senior Independent Living.

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	33,976	67%
Manager's Unit Area	3,129	6%
Common Area	9,090	18%
Support and Program Space	1,776	4%
Tenant Storage Space	508	1%
Major Vertical Penetrations (Elevator/Stairs, Etc.)	1,951	4%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	50,430	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	55	100%	0	0%
2-BR				
3-BR				
4-BR				
5-BR				
Total Units	55	100%	0	0%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$631,708	\$11,486
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$44,220)	(\$804)
Effective Gross Income (EGI)	\$587,488	\$10,682
Administrative Expenses	\$93,245	\$1,695
Property Management Fee	\$41,124	\$748
Owner-Paid Utility Expenses	\$116,875	\$2,125
Maintenance Expenses	\$111,170	\$2,021
Real Estate Taxes	\$15,500	\$282
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$24,750	\$450
Other Insurance and Tax Expenses	\$42,522	\$773
Ongoing Reserve Contributions (Operating Subsidy)	\$16,500	\$300
	\$0	\$0
Total Annual Operating Expenses	\$461,686	\$8,394
Net Operating Income (EGI - OpEx)	\$125,802	\$2,287

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$16,759,674
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$16,759,674
Codified Basis Boost; or Discretionary Basis Boost			\$21,787,576
Adjusted Eligible Basis			\$21,787,576
X Applicable Fraction			100%
Qualified Basis			\$21,787,576
70% Present Value Rate			9.00%
Annual LIHTC Generated			\$1,960,882
Total 10-Year LIHTC Requested	\$13,749,000		
LIHTC Equity Generated	\$12,698,984		
Equity Price	\$0.92		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$2,907,623	17%
Construction Loan	\$8,900,000	51%
HDAP: HOME	\$1,000,000	6%
Housing Development Loan		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee		
Sponsor Loan		
GP/MM Capital Contribution	\$1,442,929	8%
Post-Construction Costs	\$2,344,867	13%
City of Cleveland HOME	\$945,000	5%
N/A		
N/A		
N/A		
N/A		
Total Construction Sources	\$17,540,419	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$360,800	\$6,560	\$0
Predevelopment	\$719,100	\$13,075	\$719,100
Site Development	\$531,321	\$9,660	\$531,321
Hard Construction	\$11,671,294	\$212,205	\$11,671,294
Financing	\$688,643	\$12,521	\$679,459
Professional Fees	\$158,500	\$2,882	\$158,500
Developer Fee	\$3,000,000	\$54,545	\$3,000,000
OHFA and Other Fees	\$234,594	\$4,265	\$0
Capitalized Reserves	\$176,167	\$3,203	\$0
Total Development Costs (TDC)	\$17,540,419	\$318,917	\$16,759,674
LIHTC Eligible Basis as a Percent of Total Development Costs			96%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$318,917	\$353,438	-10%
TDC per Gross Square Foot	\$371	\$372	0%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$125,802	\$125,802
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$104,835	\$125,802
Interest Rate	7.00%	7.00%
Amortization Period (Years)	30	30
Loan Term (Years)	17	17
Maximum Perm Loan Amount	\$1,313,129	\$1,575,755
Actual Perm Loan Amount	\$836,892	
Variance	(\$476,237)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.88	1.15
OHFA Minimum DSCR	1.20	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$12,698,984	72%
Permanent First Mortgage	\$836,892	5%
Permanent Second Mortgage		
HDAP: HOME	\$1,000,000	6%
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$511,614	3%
Sponsor Loan		
GP/MM Capital Contribution	\$1,442,929	8%
City of Cleveland HOME	\$1,050,000	6%
N/A		
N/A		
N/A		
N/A		
Total Permanent Sources	\$17,540,419	100%