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|---|---|
| Proposal Summary | 2024 9% LIHTC Proposal Application |
| Affordable Housing Funding Application (AHFA) | Project Name: Salem House |

Basic Project Information

| | |
|--------------------------|-------------------------|
| Project Name | Salem House |
| LIHTC Type | 9% |
| Allocation Pool | Preserved Affordability |
| Project Address | 8080 OH-48 |
| Project City or Township | Maineville |
| Project County | Warren |
| Construction Type | Rehabilitation |
| 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 | National Church Residences |
| Co-Developer #1 | |
| Co-Developer #2 | N/A |
| Development Consultant | N/A |
| LIHTC Syndicator/Investor | National Equity Fund, Inc |
| GP/MM #1 Parent Entity | National Church Residences |
| GP/MM #2 Parent Entity | N/A |
| GP/MM #3 Parent Entity | N/A |
| General Contractor | TBD |
| Architect of Record | Berardi+ Partners |
| Property Management Firm | National Church Residences |

Site Information

| | |
|--|----------------|
| Site Size (Acres) | 4.2 |
| Scattered Sites? | No |
| Total Number of Buildings | 1 |
| Total Parking Spaces | 49 |
| Parking Ratio (Parking Spaces per Unit) | 1.0 |
| Urban Suburban Rural (USR) Geography | Metro/Suburban |
| 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 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 | 5 | 10% |
| 40% AMI | | |
| 50% AMI | | |
| 60% AMI | 45 | 90% |
| 70% AMI | | |
| 80% AMI | | |
| Unrestricted | | |
| Manager's | | |
| Total Units | 50 | 100% |

Existing Photograph



Project Narrative

Salem House is a preservation community for ages 62+ located in Maineville, Warren County, Ohio. Originally erected in 1984 and has operated for nearly 40 years without a substantial rehabilitation. This community comprises 50 units, featuring 13 studios and 37 one-bedroom units. All units benefit from a project-based Section 8 HAP contract. Salem House offers an array of resident amenities, such as a community room, outdoor open spaces and on-site property management.

Situated on 4.2 acres, Salem House is conveniently positioned just minutes away from a vibrant area with essential amenities, including local groceries, medical facilities, and various other services crucial for the well-being and convenience of Salem House residents.

Building Square Footage Breakdown

| | Size (SF) | Pct of Total |
|---|---------------|--------------|
| Commercial and Fee-Driven Space | | |
| Unrestricted/Market-Rate Unit Area | | |
| LIHTC Unit Area | 26,675 | 73% |
| Manager's Unit Area | | |
| Common Area | 7,161 | 20% |
| Support and Program Space | 1,090 | 3% |
| Tenant Storage Space | | |
| Major Vertical Penetrations (Elevator/Stairs, Etc.) | 1,118 | 3% |
| Structured Parking/Garage | 320 | 1% |
| Basement | | |
| Total Square Footage of all Buildings | 36,364 | 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 | 13 | 26% | 13 | 100% |
| 1-BR | 37 | 74% | 37 | 100% |
| 2-BR | | | | |
| 3-BR | | | | |
| 4-BR | | | | |
| 5-BR | | | | |
| Total Units | 50 | 100% | 50 | 100% |

Consolidated Annual Operating Budget

| Operating Line Item | Annual Amount | Annual Per Unit Amount |
|---|---------------|------------------------|
| Potential Gross Rental Income and Fee Income | \$558,986 | \$11,180 |
| Potential Gross Commercial Income | \$0 | \$0 |
| Potential Gross Service Income | \$0 | \$0 |
| Vacancy Allowance (Blended) 5% | (\$27,950) | (\$559) |
| Effective Gross Income (EGI) | \$531,036 | \$10,621 |
| Administrative Expenses | \$70,080 | \$1,402 |
| Property Management Fee | \$30,000 | \$600 |
| Owner-Paid Utility Expenses | \$27,246 | \$545 |
| Maintenance Expenses | \$71,906 | \$1,438 |
| Real Estate Taxes | \$44,576 | \$892 |
| (Abated Real Estate Taxes) | \$0 | \$0 |
| Property and Liability Insurance | \$32,207 | \$644 |
| Other Insurance and Tax Expenses | \$22,129 | \$443 |
| Ongoing Reserve Contributions (Operating Subsidy) | \$17,500 | \$350 |
| | \$0 | \$0 |
| Total Annual Operating Expenses | \$315,644 | \$6,313 |
| Net Operating Income (EGI - OpEx) | \$215,392 | \$4,308 |

LIHTC Calculation

| | Acquisition | Rehabilitation | New Construction |
|--|-------------|----------------|------------------|
| LIHTC Eligible Basis | \$3,332,380 | \$8,810,410 | |
| - Reductions in Eligible Basis | \$0 | \$0 | |
| = Net Eligible Basis | \$3,332,380 | \$8,810,410 | |
| Codified Basis Boost; or Discretionary Basis Boost | | \$8,810,410 | |
| | | \$8,810,845 | |
| Adjusted Eligible Basis | \$3,332,380 | \$8,810,845 | |
| X Applicable Fraction | 100% | 100% | |
| Qualified Basis | \$3,332,380 | \$8,810,845 | |
| 70% Present Value Rate | 9.00% | 9.00% | |
| Annual LIHTC Generated | \$299,914 | \$792,976 | |
| Total 10-Year LIHTC Requested | \$9,262,320 | | |
| LIHTC Equity Generated | \$8,314,887 | | |
| Equity Price | \$0.90 | | |

Construction Sources of Funds

| Construction Sources | Amount | Percent of Total |
|---------------------------------|--------------|------------------|
| Federal LIHTC Equity | \$1,278,072 | 9% |
| Construction Loan | \$6,016,966 | 44% |
| HDAP: HOME | | |
| Housing Development Loan | \$1,750,000 | 13% |
| Fed. Historic Tax Credit Equity | | |
| Deferred Developer Fee | \$1,517,849 | 11% |
| Sponsor Loan | | |
| GP/MM Capital Contribution | \$100 | 0% |
| Post-Construction Costs | \$162,000 | 1% |
| Seller Note | \$2,454,006 | 18% |
| Acquired Reserves | \$351,711 | 3% |
| Construction Period Income | \$282,900 | 2% |
| N/A | | |
| N/A | | |
| Total Construction Sources | \$13,813,604 | 100% |

Development Budget, Eligible Basis and Cost Containment Standards

| Development Costs | Amount | Per Unit Amount | LIHTC Eligible Basis |
|--|--------------|-----------------|----------------------|
| Acquisition | \$3,931,711 | \$78,634 | \$3,130,000 |
| Predevelopment | \$476,380 | \$9,528 | \$476,380 |
| Site Development | \$330,382 | \$6,608 | \$330,382 |
| Hard Construction | \$5,608,750 | \$112,175 | \$5,608,750 |
| Financing | \$797,409 | \$15,948 | \$438,480 |
| Professional Fees | \$238,000 | \$4,760 | \$135,000 |
| Developer Fee | \$2,023,798 | \$40,476 | \$2,023,798 |
| OHFA and Other Fees | \$195,174 | \$3,903 | \$0 |
| Capitalized Reserves | \$212,000 | \$4,240 | \$0 |
| Total Development Costs (TDC) | \$13,813,604 | \$276,272 | \$12,142,790 |
| LIHTC Eligible Basis as a Percent of Total Development Costs | | | 88% |

| Cost Containment Standards | Project | Maximum | Variance |
|----------------------------|-----------|-----------|----------|
| TDC per Unit | \$276,272 | \$272,476 | 1% |
| TDC per Gross Square Foot | \$380 | \$298 | 27% |

Maximum Permanent Debt Sizing

| | Max Loan for Stabilized Y1 | Max Loan to Stabilized Y15 |
|--------------------------------|----------------------------|----------------------------|
| Net Operating Income (NOI) | \$215,393 | \$215,393 |
| Debt Service Coverage Ratio | 1.20 | 1.00 |
| NOI Available for Debt Service | \$179,494 | \$215,393 |
| Interest Rate | 6.50% | 6.50% |
| Amortization Period (Years) | 40 | 40 |
| Loan Term (Years) | 17 | 17 |
| Maximum Perm Loan Amount | \$2,554,898 | \$3,065,878 |
| Actual Perm Loan Amount | \$2,410,000 | |
| Variance | (\$144,898) | |
| | Year 1 | Year 15 |
| Debt Service Coverage Ratio | 1.27 | 1.32 |
| OHFA Minimum DSCR | 1.20 | 1.00 |

Permanent Sources of Funds

| Permanent Sources | Total | Percent of Total |
|---------------------------------|--------------|------------------|
| Federal LIHTC Equity | \$8,314,887 | 60% |
| Permanent First Mortgage | \$2,410,000 | 17% |
| Permanent Second Mortgage | | |
| HDAP: HOME | | |
| Fed. Historic Tax Credit Equity | | |
| Deferred Developer Fee | | |
| Sponsor Loan | | |
| GP/MM Capital Contribution | \$100 | 0% |
| Seller Note | \$2,454,006 | 18% |
| Acquired Reserves | \$351,711 | 3% |
| Construction Period Income | \$282,900 | 2% |
| N/A | | |
| N/A | | |
| Total Permanent Sources | \$13,813,604 | 100% |