

## Proposal Summary

2024 4% LIHTC w/ BGF AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: Salem House

### Basic Project Information

Project Name:	Salem House
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	8080 OH 48
Project City or Township:	Maineville
Project County:	Warren
Construction Type:	Rehabilitation
Age Restriction:	Senior 55+
Funding Pool:	Preserved Affordability - Non-LIHTC Rental Subsidy
Lead Developer:	National Church Residences
Total Number of Units:	50
Total Number of Buildings:	1

### Existing Photograph



### OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
HDAP: HOME	\$2,217,100	
Multifamily Bonds (Inducement):	\$5,710,000	
Multifamily Bonds (Final):		
Housing Development Loan:	\$1,500,000	

### Project Narrative

Salem House is a preservation community located in Maineville, Warren County, Ohio. Originally erected in 1984 and has operated for nearly 40 years without 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, an outdoor open space, on-site property management, and versatile multi-purpose spaces, including a library.

Situated on 4.1 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.

### Development and Operations Team

Lead Developer	National Church Residences
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	National Equity Fund
OLIHTC Syndicator/Investor	N/A
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 Number of Elevator-Serviced 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

### Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Kroger	14
Medical Clinic	Atrium Medical Center	14
Childcare Facility	The Goddard School	5
Senior Center	Warren County Community	4
Pharmacy	CVS Pharmacy	4.5
Public Library	Warren County Public Library	4
Public Park	Mason Municipal Center Park	6
Public School	Maineville Elementary School	1.5
Public Recreation Center	Mason Community Center	6

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	26,675	75%
Manager's Unit Area		
Common Area	6,712	19%
Support and Program Space	1,090	3%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	1,118	3%
Structured Parking/Garage		
Basement		
<b>Total Square Footage of all Buildings</b>	<b>35,595</b>	<b>100%</b>

### Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI		
40% AMI		
50% AMI	20	40%
60% AMI	30	60%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
<b>Total Units</b>	<b>50</b>	<b>100%</b>

### 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				
<b>Total Units</b>	<b>50</b>	<b>100%</b>	<b>50</b>	<b>100%</b>

**Consolidated Annual Operating Budget**

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$583,826	\$11,677
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 5%	(\$29,192)	(\$584)
Effective Gross Income (EGI)	\$554,634	\$11,093
Administrative Expenses	\$76,387	\$1,528
Property Management Fee	\$31,200	\$624
Owner-Paid Utility Expenses	\$27,246	\$545
Maintenance Expenses	\$77,012	\$1,540
Real Estate Taxes	\$44,576	\$892
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$32,445	\$649
Other Insurance and Tax Expenses	\$23,457	\$469
Ongoing Reserve Contributions (Operating Subsidy)	\$17,500	\$350
	\$0	\$0
Total Annual Operating Expenses	\$329,823	\$6,596
Net Operating Income (EGI - OpEx)	\$224,811	\$4,496

**LIHTC Calculation**

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$3,058,642	\$7,119,873	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$3,058,642	\$7,119,873	
Codified Basis Boost		\$7,119,873	
Adjusted Eligible Basis	\$3,058,642	\$7,119,873	
X Applicable Fraction	100%	100%	
Qualified Basis	\$3,058,642	\$7,119,873	
30% Present Value Rate	4.00%	4.00%	
Annual LIHTC Generated	\$122,346	\$284,795	
Total 10-Year LIHTC Requested	\$4,071,406		
LIHTC Equity Generated	\$3,490,701		
Equity Price	\$0.86		

**Construction Sources of Funds**

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$549,585	5%
Construction Loan	\$3,199,156	28%
Housing Development Loan	\$1,500,000	13%
Deferred Developer Fee	\$523,140	5%
GP/MM Capital Contribution	\$100	0%
Post-Construction Costs	\$1,051,960	9%
HDAP: HOME	\$2,217,100	19%
Seller Note	\$2,036,977	18%
Acquired Reserves	\$261,418	2%
Construction Period Income	\$242,660	2%
Total Construction Sources	\$11,582,096	100%

**Development Budget, Eligible Basis, and Cost Containment Standards**

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$3,471,418	\$69,428	\$2,889,000
Predevelopment	\$448,225	\$8,965	\$438,225
Site Development	\$232,500	\$4,650	\$232,500
Hard Construction	\$4,451,351	\$89,027	\$4,451,351
Financing	\$581,800	\$11,636	\$330,266
Professional Fees	\$317,354	\$6,347	\$1,837,173
Developer Fee	\$1,696,419	\$33,928	\$0
OHFA and Other Fees	\$161,029	\$3,221	\$0
Capitalized Reserves	\$222,000	\$4,440	\$0
Total Development Costs (TDC)	\$11,582,096	\$231,642	\$10,178,515
LIHTC Eligible Basis as a Percent of Total Development Costs			88%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$231,642	\$347,000	-33%
TDC per Gross Square Foot	\$325	\$390	-17%

**Maximum Permanent Debt Sizing**

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$224,812	\$224,812
Debt Service Coverage Ratio	1.15	1.00
NOI Available for Debt Service	\$195,488	\$224,812
Interest Rate	6.07%	6.07%
Amortization Period (Years)	40	40
Loan Term (Years)	17	17
Maximum Perm Loan Amount	\$2,934,727	\$3,374,936
Actual Perm Loan Amount	\$2,810,000	
Variance	(\$124,727)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.20	1.24
OHFA Minimum DSCR	1.15	1.00

**Permanent Sources of Funds**

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$3,490,701	30%
Permanent First Mortgage	\$2,810,000	24%
Deferred Developer Fee	\$523,140	5%
GP/MM Capital Contribution	\$100	0%
HDAP: HOME	\$2,217,100	19%
Seller Note	\$2,036,977	18%
Construction Period Income	\$242,660	2%
Acquired Reserves	\$261,418	2%
Total Permanent Sources	\$11,582,096	100%