

# **DOCUMENT 25**

## **PROJECT SUMMARY (.PDF FORMAT)**

EMERITUS HOUSE APARTMENTS  
4450 CEDAR AVENUE  
CLEVELAND, CUYAHOGA COUNTY, OH

## Proposal Summary

2025 4% LIHTC AHFA Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Emeritus House Apartments

### Basic Project Information

Project Name:	Emeritus House Apartments
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	4450 Cedar Avenue
Project City or Township:	Cleveland
Project County:	Cuyahoga
Construction Type:	Rehabilitation
Age Restriction:	Senior 62+
Funding Pool:	Preserved Affordability
Lead Developer:	Salus-Joyce Development LLC
Total Number of Units:	56
Total Number of Buildings:	1

### Existing Photograph



### OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
Housing Development Loan:	\$2,000,000	

### Project Narrative

Emeritus House Apartments in Cleveland, OH consists of 56-apartments that are mix of efficiency and one-bedrooms. The plan is to recapitalize the property with a new first mortgage and an allocation of 4% Low Income Housing Tax Credits ("LIHTC"), as well as Federal Historic Tax Credits. The property has existing Housing Assistance Payments Contract (HAP) through HUD that will be assigned to the new ownership.

The property consists of one nine-story building with limited surface parking accessed via East 43rd Street. The renovation will focus on updating mechanical systems, repairing the building envelope, improving energy efficiency, and refreshing the interior of the apartments.

### Development and Operations Team

Lead Developer	Salus-Joyce Development LLC
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Marble Cliff Capital, LLC
OLIHTC Syndicator/Investor	N/A
GP/MM #1 Parent Entity	N/A
GP/MM #2 Parent Entity	0
GP/MM #3 Parent Entity	Salus-Joyce Development LLC
General Contractor	Mistick Construction Company
Architect of Record	LDA architects, Inc.
Property Management Firm	RHM Real Estate, Inc.

### Site Information

Site Size (Acres)	0.502
Scattered Sites?	No
Total Number of Buildings	1
Total Number of Elevator-Serviced Buildings	1
Total Parking Spaces	5
Parking Ratio (Parking Spaces per Unit)	0.1
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	Very Low
Census Tract Change Index	Slight Growth

### Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Dave's Market & Eatery Midtown	0.57
Medical Clinic	Care Alliance Health Center -	0.6
Childcare Facility	YWCA Early Learning Center	0.2
Senior Center	Rose Center for Aging Well	0.73
Pharmacy	Dave's Pharmacy	0.6
Public Library	Cleveland Public Library - Sterling	0.6
Public Park	Lonnie Burten Park	0.6
Public School	Marion-Sterling School	0.6
Public Recreation Center	Cleveland Lonnie Burten Center	0.56

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	26,600	53%
Manager's Unit Area		
Common Area	9,803	20%
Support and Program Space	276	1%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	788	2%
Structured Parking/Garage		
Basement	12,404	25%
Total Square Footage of all Buildings	49,871	100%

### Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI		
40% AMI		
50% AMI		
60% AMI	56	100%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	56	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	42	75%	0	0%
1-BR	14	25%	0	0%
2-BR				
3-BR				
4-BR				
5-BR				
Total Units	56	100%	0	0%

### Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$973,556	\$17,385
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$36,208	\$647
Vacancy Allowance (Blended) 7%	(\$68,149)	(\$1,217)
Effective Gross Income (EGI)	\$941,615	\$16,815
(Administrative Expenses)	(\$129,956)	(\$2,321)
(Property Management Fee)	(\$36,288)	(\$648)
(Owner-Paid Utility Expenses)	(\$167,784)	(\$2,996)
(Maintenance Expenses)	(\$140,800)	(\$2,514)
(Net Real Estate Taxes)	(\$23,000)	(\$411)
(Property and Liability Insurance)	(\$84,000)	(\$1,500)
(Other Insurance and Tax Expenses)	(\$21,600)	(\$386)
(Ongoing Reserve Contributions)	(\$19,600)	(\$350)
Operating Subsidy	\$0	\$0
(Total Operating Expenses)	(\$623,028)	(\$11,126)
Net Operating Income (EGI - Operating Expenses)	\$318,587	\$5,689

### LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$4,420,000	\$12,981,082	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$4,420,000	\$12,981,082	
Codified Basis Boost (DDA/QCT)		\$14,383,210	
Agency Discretionary Basis Boost		\$13,507,178	
Adjusted Eligible Basis	\$4,420,000	\$14,383,210	
X Applicable Fraction	100%	100%	
Qualified Basis	\$4,420,000	\$14,383,210	
30% Present Value Rate	4%	4%	
Annual LIHTC Generated	\$176,800	\$575,328	
Total 10-Year LIHTC Generated	\$7,521,284		
Total 10-Year LIHTC Requested	\$7,520,000		
LIHTC Equity Generated	\$6,948,480		
Equity Price	\$0.9241		

### Construction Sources of Funds

Source Name	Amount	Percent of Total
Federal LIHTC Equity	\$1,389,696	7%
Construction Loan	\$6,600,000	34%
Housing Development Loan	\$2,000,000	10%
Fed. Historic Tax Credit Equity	\$1,667,854	9%
Deferred Developer Fee	\$2,515,099	13%
Reserves Transferred	\$239,614	1%
Seller Note	\$4,682,398	24%
Income During Construction	\$173,500	1%
Seller Note Interest	\$312,160	2%
Total Construction Sources	\$19,580,321	100%

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

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$5,057,602	\$90,314	\$4,420,000
Predevelopment	\$496,323	\$8,863	\$452,323
Site Development	\$128,800	\$2,300	\$128,800
Hard Construction	\$8,421,743	\$150,388	\$8,421,743
Financing	\$1,516,116	\$27,074	\$893,386
Professional Fees	\$363,830	\$6,497	\$3,084,830
Developer Fee	\$2,900,000	\$51,786	\$0
OHFA and Other Fees	\$199,120	\$3,556	\$0
Capitalized Reserves	\$496,787	\$8,871	\$0
Total Development Costs (TDC)	\$19,580,321	\$349,649	\$17,401,082
LIHTC Eligible Basis as a Percent of Total Development Costs			89%

  

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$349,649	\$375,000	-7%
TDC per Gross Square Foot	\$393	\$400	-2%

### Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$318,587	\$318,587
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$265,489	\$318,587
Interest Rate	5.85%	5.85%
Amortization Period (Years)	40	40
Loan Term (Years)	16	16
Maximum Perm Loan Amount	\$4,098,623	\$4,918,348
Actual Perm Loan Amount	\$4,100,000	
Amount Variance	\$1,377	
Percent Variance	0.0%	

  

	Year 1	Year 15
Debt Service Coverage Ratio	1.20	1.13
OHFA Minimum DSCR	1.20	1.00

### Permanent Sources of Funds

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$6,948,480	36%
Permanent First Mortgage	\$4,100,000	21%
Fed. Historic Tax Credit Equity	\$1,667,854	9%
Deferred Developer Fee	\$640,382	3%
GP/MM Capital Contribution	\$815,933	4%
Reserves Transferred	\$239,614	1%
Seller Note	\$4,682,398	24%
Income During Construction	\$173,500	1%
Seller Note Interest	\$312,160	2%
Total Permanent Sources	\$19,268,161	100%