

## Proposal Summary

**2025 9% LIHTC AHFA Proposal Application**

Affordable Housing Funding Application (AHFA)

Project Name: HUB 27 Phase III

### Basic Project Information

Project Name:	HUB 27 Phase III
OHFA Project Number:	TBD
LIHTC Type:	9%
Project Address:	2500 W 27th St
Project City or Township:	Cleveland
Project County:	Cuyahoga
Construction Type:	New Construction
Age Restriction:	General Occupancy
Funding Pool:	New Affordability - General Occupancy
Lead Developer:	St. Mary Development Corporation
Total Number of Units:	67
Total Number of Buildings:	1

### Project Rendering



### OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
Housing Development Loan:	\$1,750,000	

### Project Narrative

HUB 27 Phase III is a 5-story affordable housing project with 67 units for families (general occupancy). The development will offer one-, two-, and three-bedroom apartments. These apartments will be available to households earning up to 30%, 50%, 60% and 70% of the Area Medial Income. Each unit will feature in-unit Energy-Star rated washer/dryer, an electric range, an Energy-Star rated refrigerator, an Energy-Star rated dishwasher, and central air conditioning. The community will provide a community room with kitchenette, a fitness center, a business/computer center, and an outdoor pavilion with covered and uncovered seating. Additional features include on-site management, social services coordination, and controlled building access.

### Set Asides Sought

Set Aside Type	Sought?
Community Housing Development Organization:	No
Community Impact Strategic Initiative:	Yes
Appalachian County:	No
Transformative Economic Development:	No
Refugee Resettlement Agency Partnership:	No
USDA Rural Development Subsidy Preservation:	Ineligible Pool
Balance of State or Small Continuum of Care:	Ineligible Pool

### Competitive Scoring: New Affordability - General Occupancy Pool

Competitive Criterion	Maximum Score	Developer Self-Score
Areas of Opportunity and Revitalization	10	9
Building Amenities	10	10
Discount to Market Rent	5	5
Proximity to Amenities	17	17
811 PRA Participation	5	5
Annual LIHTC Request per LIHTC Unit	10	10
<b>Total</b>	<b>57</b>	<b>56</b>

### Development and Operations Team

Lead Developer	St. Mary Development Corporation
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Key Community Development Corp.
OLIHTC Syndicator/Investor	N/A
GP/MM #1 Parent Entity	St. Mary Development Corporation
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	Ruscilli Construction Co. LLC
Architect of Record	BDCL Architects, PC
Property Management Firm	Pivotal Management LLC

### Site Information

Site Size (Acres)	0.9
Scattered Sites?	No
Total Number of Buildings	1
Total Number of Elevator-Serviced Buildings	1
Total Parking Spaces	24
Parking Ratio (Parking Spaces per Unit)	0.4
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

### Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Save A Lot	<0.5
Medical Clinic	Ohio City Health Center	<1
Childcare Facility	Horizon Learning Center	<0.3
Senior Center		
Pharmacy	Walgreens	<0.7
Public Library	Cleveland Public Library	<0.8
Public Park	Lincoln Park	<0.3
Public School	Paul L Dunbar Elementary	<0.3
Public Recreation Center	Roberto Clemente Park	<0.6

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	51,887	80%
Manager's Unit Area		
Common Area	8,758	14%
Support and Program Space	1,275	2%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	2,675	4%
Structured Parking/Garage		
Basement		
<b>Total Square Footage of all Buildings</b>	<b>64,595</b>	<b>100%</b>

**Units by LIHTC Income Restrictions**

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	18	27%
40% AMI		
50% AMI		
60% AMI	20	30%
70% AMI	29	43%
80% AMI		
Unrestricted		
Manager's		
<b>Total Units</b>	<b>67</b>	<b>100%</b>

**Consolidated Annual Operating Budget**

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$825,744	\$12,325
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$57,802)	(\$863)
<b>Effective Gross Income (EGI)</b>	<b>\$767,942</b>	<b>\$11,462</b>
(Administrative Expenses)	(\$78,500)	(\$1,172)
(Property Management Fee)	(\$38,397)	(\$573)
(Owner-Paid Utility Expenses)	(\$53,760)	(\$802)
(Maintenance Expenses)	(\$117,500)	(\$1,754)
(Net Real Estate Taxes)	(\$5,040)	(\$75)
(Property and Liability Insurance)	(\$41,500)	(\$619)
(Other Insurance and Tax Expenses)	\$0	\$0
(Ongoing Reserve Contributions)	(\$26,800)	(\$400)
Operating Subsidy	\$0	\$0
<b>(Total Operating Expenses)</b>	<b>(\$361,497)</b>	<b>(\$5,395)</b>
<b>Net Operating Income (EGI - Operating Expenses)</b>	<b>\$406,445</b>	<b>\$6,066</b>

**LIHTC Calculation**

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$19,337,473
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$19,337,473
Codified Basis Boost (DDA/QCT)			\$25,138,715
Agency Discretionary Basis Boost			\$25,138,715
Adjusted Eligible Basis			\$25,138,715
X Applicable Fraction			100%
Qualified Basis			\$25,138,715
70% Present Value Rate			9%
<b>Annual LIHTC Generated</b>			<b>\$2,262,484</b>
Total 10-Year LIHTC Generated	\$22,624,843		
Total 10-Year LIHTC Requested	\$16,749,330		
LIHTC Equity Generated	\$14,905,417		
Equity Price	\$0.8900		

**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	42	63%	0	0%
2-BR	15	22%	0	0%
3-BR	10	15%	0	0%
4-BR				
5-BR				
<b>Total Units</b>	<b>67</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

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

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$1,210,000	\$18,060	\$0
Predevelopment	\$867,567	\$12,949	\$793,352
Site Development	\$1,247,693	\$18,622	\$1,247,693
Hard Construction	\$12,927,370	\$192,946	\$12,927,370
Financing	\$1,755,226	\$26,197	\$1,214,058
Professional Fees	\$275,000	\$4,104	\$155,000
Developer Fee	\$3,000,000	\$44,776	\$3,000,000
OHFA and Other Fees	\$280,896	\$4,192	\$0
Capitalized Reserves	\$360,000	\$5,373	\$0
<b>Total Development Costs (TDC)</b>	<b>\$21,923,752</b>	<b>\$327,220</b>	<b>\$19,337,473</b>
LIHTC Eligible Basis as a Percent of Total Development Costs			88%
<b>Cost Containment Standards</b>	<b>Project</b>	<b>Maximum</b>	<b>Variance</b>
TDC per Unit	\$327,220	\$361,268	-9%
TDC per Gross Square Foot	\$339	\$378	-10%

**Maximum Permanent Debt Sizing**

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$406,445	\$406,445
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$338,704	\$406,445
Interest Rate	7.00%	7.00%
Amortization Period (Years)	40	40
Loan Term (Years)	17	17
<b>Maximum Perm Loan Amount</b>	<b>\$4,541,989</b>	<b>\$5,450,387</b>
Actual Perm Loan Amount	\$4,200,000	
Amount Variance	(\$341,989)	
Percent Variance	-7.5%	
	<b>Year 1</b>	<b>Year 15</b>
Debt Service Coverage Ratio	1.20	1.35
OHFA Minimum DSCR	1.20	1.00

**Construction Sources of Funds**

Source Name	Amount	Percent of Total
Federal LIHTC Equity	\$4,155,417	19%
Construction Loan	\$13,200,000	60%
Housing Development Loan	\$1,750,000	8%
Deferred Developer Fee	\$1,070,143	5%
	\$1,748,192	8%
<b>Total Construction Sources</b>	<b>\$21,923,752</b>	<b>100%</b>

**Permanent Sources of Funds**

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$14,905,417	68%
Permanent First Mortgage	\$3,450,000	16%
Permanent Second Mortgage	\$750,000	3%
Deferred Developer Fee	\$1,070,143	5%
Local funding	\$1,748,192	8%
<b>Total Permanent Sources</b>	<b>\$21,923,752</b>	<b>100%</b>