

DOCUMENT 29

PROPOSAL SUMMARY

MLK Plaza - Phase 1A



Proposal Summary

2025 9% LIHTC AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: MLK Plaza Phase 1A

Basic Project Information

Project Name:	MLK Plaza Phase 1A
OHFA Project Number:	TBD
LIHTC Type:	9%
Project Address:	9300 Wade Park Avenue
Project City or Township:	Cleveland
Project County:	Cuyahoga
Construction Type:	New Construction
Age Restriction:	General Occupancy
Funding Pool:	New Affordability - General Occupancy
Lead Developer:	Northern Real Estate Urban Ventures, LLC
Total Number of Units:	53
Total Number of Buildings:	1

Project Rendering



OHFA Resource Request Requiring Board Approval

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

Project Narrative

Phase 1A begins the redevelopment of Martin Luther King Plaza, constructed in 1972. Cleveland residents' suburban flight and the erosion of neighborhood retail has left this once-bustling shopping center all but abandoned. Phase 1A includes 53 affordable apartments including 1-, 2-, and 3-BR units. The project will include robust amenity spaces including a community room, fitness center, library/computer room, playground, and supportive services offices. The completed project will involve 120 multifamily units, 25 townhomes, and a 7,000 SF market/food hall operated by local entrepreneurs, transforming a distressed, underutilized parcel into a vibrant community asset. Northern Real Estate Urban Ventures ("NREUV"), a black woman-owned firm specializing in affordable housing and community development projects, will serve as developer.

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	6
Building Amenities	10	10
Discount to Market Rent	5	4
Proximity to Amenities	17	17
811 PRA Participation	5	5
Annual LIHTC Request per LIHTC Unit	10	8
Total	57	50

Development and Operations Team

Lead Developer	Northern Real Estate Urban Ventures, LLC
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	Lowenstein Development, LLC
LIHTC Syndicator/Investor	Enterprise Housing Credit Investments, LLC
OLIHTC Syndicator/Investor	N/A
GP/MM #1 Parent Entity	N/A
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	Mistick Construction
Architect of Record	RDL Architects
Property Management Firm	PK Management

Site Information

Site Size (Acres)	.938 acres
Scattered Sites?	No
Total Number of Buildings	1
Total Number of Elevator-Serviced Buildings	1
Total Parking Spaces	30
Parking Ratio (Parking Spaces per Unit)	0.6
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 Decline

Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Save-a-Lot	0.808712121
Medical Clinic	Cleveland Clinic Walk-In Clinic	0.946969697
Childcare Facility	Cleveland Music School	0.745833333
Senior Center		
Pharmacy	Walgreens	0.663257576
Public Library	Langston Hughes Branch	0.458712121
Public Park	Rockefeller Park	0.140151515
Public School	Daniel Morgan K-8 School	0.166856061
Public Recreation Center	Cleveland Thurgood Marshall	0.417613636

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	47,257	76%
Manager's Unit Area		
Common Area	9,933	16%
Support and Program Space	1,809	3%
Tenant Storage Space	945	2%
Major Vertical Penetrations (Elevator/Stairs, Etc.)	2,392	4%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	62,336	100%

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	17	32%
40% AMI		
50% AMI	9	17%
60% AMI	27	51%
70% AMI		
80% AMI		
Unrestricted Manager's		
Total Units	53	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	25	47%	11	44%
2-BR	22	42%	0	0%
3-BR	6	11%	0	0%
4-BR				
5-BR				
Total Units	53	100%	11	21%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$662,730	\$12,504
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$46,391)	(\$875)
Effective Gross Income (EGI)	\$616,339	\$11,629
(Administrative Expenses)	(\$92,500)	(\$1,745)
(Property Management Fee)	(\$34,000)	(\$642)
(Owner-Paid Utility Expenses)	(\$60,000)	(\$1,132)
(Maintenance Expenses)	(\$77,000)	(\$1,453)
(Net Real Estate Taxes)	(\$5,000)	(\$94)
(Property and Liability Insurance)	(\$30,000)	(\$566)
(Other Insurance and Tax Expenses)	(\$27,500)	(\$519)
(Ongoing Reserve Contributions)	(\$21,200)	(\$400)
Operating Subsidy	\$0	\$0
(Total Operating Expenses)	(\$347,200)	(\$6,551)
Net Operating Income (EGI - Operating Expenses)	\$269,139	\$5,078

Development Budget, Eligible Basis, and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$580,899	\$10,960	\$0
Predevelopment	\$830,767	\$15,675	\$830,767
Site Development	\$900,000	\$16,981	\$670,000
Hard Construction	\$12,487,389	\$235,611	\$12,487,389
Financing	\$1,447,146	\$27,305	\$945,120
Professional Fees	\$323,696	\$6,107	\$212,359
Developer Fee	\$2,060,000	\$38,868	\$2,060,000
OHFA and Other Fees	\$242,197	\$4,570	\$0
Capitalized Reserves	\$275,110	\$5,191	\$0
Total Development Costs (TDC)	\$19,147,204	\$361,268	\$17,205,635
LIHTC Eligible Basis as a Percent of Total Development Costs			90%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$361,268	\$361,268	0%
TDC per Gross Square Foot	\$307	\$378	-19%

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$17,205,635
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$17,205,635
Codified Basis Boost (DDA/QCT)			\$22,367,326
Agency Discretionary Basis Boost			\$21,608,173
Adjusted Eligible Basis			\$22,367,326
X Applicable Fraction			100%
Qualified Basis			\$22,367,326
70% Present Value Rate			9%
Annual LIHTC Generated			\$2,013,059
Total 10-Year LIHTC Generated	\$20,130,593		
Total 10-Year LIHTC Requested	\$15,899,470		
LIHTC Equity Generated	\$13,918,904		
Equity Price	\$0.8755		

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$269,139	\$269,139
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$224,282	\$269,139
Interest Rate	6.00%	6.00%
Amortization Period (Years)	40	40
Loan Term (Years)	18	18
Maximum Perm Loan Amount	\$3,396,899	\$4,076,279
Actual Perm Loan Amount	\$3,201,192	
Amount Variance	(\$195,707)	
Percent Variance	-5.8%	

	Year 1	Year 15
Debt Service Coverage Ratio	1.27	1.36
OHFA Minimum DSCR	1.20	1.00

