

# 29 | Proposal Summary (.PDF)

## Proposal Summary

2025 9% LIHTC AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: Southland Commons

### Basic Project Information

Project Name:	Southland Commons
OHFA Project Number:	TBD
LIHTC Type:	9%
Project Address:	6929 W 130th Street
Project City or Township:	Parma Heights
Project County:	Cuyahoga
Construction Type:	Adaptive Reuse
Age Restriction:	Senior 55+
Funding Pool:	New Affordability - Senior
Lead Developer:	Salus Development LLC
Total Number of Units:	58
Total Number of Buildings:	1

### Existing Photograph



### OHFA Resource Request Requiring Board Approval

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

### Project Narrative

Southland Commons is a vacant office building in Parma Heights, Ohio to be adaptively reused for senior affordable housing. Southland Commons is a six-story building constructed in 1973. The adaptive reuse will result in 58 affordable apartments for seniors with indoor and outdoor amenities (patio, exercise room, community room, ample parking and areas for green space, a common area outdoor space above the main entrance) and a some commercial/retail space on the first floor. Southland Commons is surrounded by walkable grocery, pharmacy, public parks, the Parma Heights Senior Center, and a public library.

### Set Asides Sought

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

### Competitive Scoring: New Affordability - Senior Pool

Competitive Criterion	Maximum Score	Developer Self-Score
Areas of Opportunity and Revitalization	10	7
Building Amenities	15	15
Discount to Market Rent	5	3
Proximity to Amenities	16	16
Experienced Service Coordinator	4	4
Annual LIHTC Request per LIHTC Unit	10	10
<b>Total</b>	<b>60</b>	<b>55</b>

### Development and Operations Team

Lead Developer	Salus Development LLC
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Key Community Development Corporation
OLIHTC Syndicator/Investor	N/A
GP/MM #1 Parent Entity	The Beantown Companies, Inc.
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	
Architect of Record	LDA Architects, Inc.
Property Management Firm	The Beantown Companies, Inc.

### Site Information

Site Size (Acres)	1.59
Scattered Sites?	No
Total Number of Buildings	1
Total Number of Elevator-Serviced Buildings	1
Total Parking Spaces	102
Parking Ratio (Parking Spaces per Unit)	1.8
Urban Suburban Rural (USR) Geography	Metro/Suburban
Located in a Participating Jurisdiction (PJ)?	Yes
Located in a Qualified Census Tract (QCT)?	No
Located in a Difficult Development Area (DDA)?	No
Census Tract Opportunity Index	High
Census Tract Change Index	Decline

### Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Giant Eagle Supermarket	0.18
Medical Clinic	Health Express Urgent Care	0.31
Childcare Facility	KidsFirst Learning Center	0.24
Senior Center	Parma Heights Senior Center	1.79
Pharmacy	Marc's Supermarket & Pharmacy	0.1
Public Library	CCPL - Parma Heights Branch	1.68
Public Park	Nike Site Park	0.93
Public School	Pleasant Valley Elementary	1.7
Public Recreation Center	Greenbrier Commons	1.7

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space	1,572	3%
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	38,212	69%
Manager's Unit Area		
Common Area	8,195	15%
Support and Program Space	1,924	3%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	4,883	9%
Structured Parking/Garage		
Basement	228	0%
<b>Total Square Footage of all Buildings</b>	<b>55,014</b>	<b>100%</b>

### Units by LIHTC Income Restrictions

### Units by Bedroom Type and Rental Subsidy

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI		
40% AMI		
50% AMI		
60% AMI	58	100%
70% AMI		
80% AMI		
Unrestricted Managers		
Total Units	58	100%

Bedroom Type	Number of Units	Percent of Total Units	Units with Rental Subsidy	Percent of Total Units Subsidized
Studio	10	17%	0	0%
1-BR	43	74%	0	0%
2-BR	5	9%	0	0%
3-BR				
4-BR				
5-BR				
Total Units	58	100%	0	0%

**Consolidated Annual Operating Budget**

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$696,900	\$12,016
Potential Gross Commercial Income	\$31,653	\$546
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$51,948)	(\$896)
Effective Gross Income (EGI)	\$676,605	\$11,666
(Administrative Expenses)	(\$83,150)	(\$1,434)
(Property Management Fee)	(\$32,000)	(\$552)
(Owner-Paid Utility Expenses)	(\$59,500)	(\$1,026)
(Maintenance Expenses)	(\$76,300)	(\$1,316)
(Net Real Estate Taxes)	(\$50,000)	(\$862)
(Property and Liability Insurance)	(\$60,500)	(\$1,043)
(Other Insurance and Tax Expenses)	(\$20,700)	(\$357)
(Ongoing Reserve Contributions)	(\$21,125)	(\$364)
Operating Subsidy	\$0	\$0
(Total Operating Expenses)	(\$403,275)	(\$6,953)
Net Operating Income (EGI - Operating Expenses)	\$273,330	\$4,713

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

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$3,400,000	\$58,621	\$3,060,000
Predevelopment	\$533,000	\$9,190	\$467,000
Site Development	\$422,106	\$7,278	\$422,106
Hard Construction	\$11,329,094	\$195,329	\$11,329,094
Financing	\$1,127,500	\$19,440	\$995,000
Professional Fees	\$316,000	\$5,448	\$3,140,000
Developer Fee	\$3,000,000	\$51,724	\$0
OHFA and Other Fees	\$234,800	\$4,048	\$0
Capitalized Reserves	\$305,000	\$5,259	\$0
Total Development Costs (TDC)	\$20,667,500	\$356,336	\$19,413,200
LIHTC Eligible Basis as a Percent of Total Development Costs			94%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$356,336	\$494,683	-28%
TDC per Gross Square Foot	\$376	\$436	-14%

**LIHTC Calculation**

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$3,060,000	\$16,353,200	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$3,060,000	\$16,353,200	
Codified Basis Boost (DDA/QCT)		\$16,353,200	
Agency Discretionary Basis Boost		\$21,259,160	
Adjusted Eligible Basis	\$3,060,000	\$21,259,160	
X Applicable Fraction	100%	100%	
Qualified Basis	\$3,060,000	\$21,259,160	
70% Present Value Rate	4%	9%	
Annual LIHTC Generated	\$122,400	\$1,913,324	
Total 10-Year LIHTC Generated	\$20,357,244		
Total 10-Year LIHTC Requested	\$14,500,000		
LIHTC Equity Generated	\$12,800,472		
Equity Price	\$0.8829		

**Maximum Permanent Debt Sizing**

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$273,330	\$273,330
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$227,775	\$273,330
Interest Rate	6.75%	6.75%
Amortization Period (Years)	35	35
Loan Term (Years)	35	35
Maximum Perm Loan Amount	\$3,054,512	\$3,665,414
Actual Perm Loan Amount	\$2,725,000	
Amount Variance	(\$329,512)	
Percent Variance	-10.8%	

  

	Year 1	Year 15
Debt Service Coverage Ratio	1.20	1.21
OHFA Minimum DSCR	1.20	1.00

**Construction Sources of Funds**

Source Name	Amount	Percent of Total
Federal LIHTC Equity	\$3,931,024	19%
Construction Loan	\$11,585,000	56%
Housing Development Loan	\$1,750,000	8%
Deferred Developer Fee	\$1,001,476	5%
Seller Note	\$2,400,000	12%
45L Energy Tax Credit	\$292,500	1%
Total Construction Sources	\$20,667,500	100%

**Permanent Sources of Funds**

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$12,800,472	62%
Permanent First Mortgage	\$2,725,000	13%
Deferred Developer Fee	\$2,449,528	12%
Seller Note	\$2,400,000	12%
45L Energy Tax Credit	\$292,500	1%
Total Permanent Sources	\$20,667,500	100%