

28. Proposal Summary

Proposal Summary

2025 4% LIHTC w/ BGF Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: Erie Square Preservation

Basic Project Information

Project Name:	Erie Square Preservation
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	7621-7711 Euclid Ave.
Project City or Township:	Cleveland
Project County:	Cuyahoga
Construction Type:	Rehabilitation
Age Restriction:	General Occupancy
Funding Pool:	Non-LIHTC Rental Subsidy
Lead Developer:	CHN Housing Partners
Total Number of Units:	89
Total Number of Buildings:	2

Existing Photograph



OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
HDAP: OHTF	\$2,550,000	
Multifamily Bonds (Inducement):	\$4,400,000	
Multifamily Bonds (Final):		
Housing Development Loan:	\$2,500,000	

Project Narrative

Erie Square Preservation involves the substantial rehabilitation and preservation of an existing 89-unit, 100% Project-Based Section 8 apartment community, comprising two (2) interconnected multifamily buildings and the surrounding site. Located in Cleveland, Ohio, this project will preserve Section 8 rental affordability for families and general occupancy, providing renovated one-, two-, and three-bedroom units. The Scope of Work anticipates updating the existing boiler heat system, plumbing improvements, and electrical systems upgrades. Residential units are expected to receive updated kitchens and bathrooms. Residential and common spaces will be refreshed with new flooring and paint.

Development and Operations Team

Lead Developer	CHN Housing Partners
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	TBD
OLIHTC Syndicator/Investor	N/A
GP/MM #1 Parent Entity	CHN Housing Partners
GP/MM #2 Parent Entity	N/A

Site Information

Site Size (Acres)	2.58
Scattered Sites?	No
Total Number of Buildings	2
Total Number of Elevator-Serviced Buildings	2
Total Parking Spaces	76
Parking Ratio (Parking Spaces per Unit)	0.9
Urban Suburban Rural (USR) Geography	Central City
Located in a Participating Jurisdiction (PJ)?	Yes

GP/MM #3 Parent Entity	N/A
General Contractor	CHN Housing Partners
Architect of Record	TBD
Property Management Firm	CHN Housing Partners

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	Decline

Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Simon Supermarket	0.108
Medical Clinic	Cleveland Urgent Care	0.052
Childcare Facility	Loving Handz	0.17
Senior Center	Fatima Family Center	0.614
Pharmacy	Church Square Pharmacy	0.1
Public Library	Cleveland Public Library - Hough	0.644
Public Park	League Park/Fannie Lewis	0.58
Public School	John W. Raper Elementary	0.622
Public Recreation Center	Thurgood Marshall	0.529

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	63,023	76%
Manager's Unit Area		
Common Area	11,492	14%
Support and Program Space	1,189	1%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	4,699	6%
Structured Parking/Garage		
Basement	2,683	3%
Total Square Footage of all Buildings	83,086	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	89	100%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	89	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	53	60%	53	100%
2-BR	19	21%	0	0%
3-BR	17	19%	0	0%
4-BR				
5-BR				
Total Units	89	100%	53	60%

Consolidated Annual Operating Budget

Operating Line Item		Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income		\$1,358,688	\$15,266
Potential Gross Commercial Income		\$0	\$0
Potential Gross Service Income		\$0	\$0
Vacancy Allowance (Blended)	7%	(\$95,108)	(\$1,069)
Effective Gross Income (EGI)		\$1,263,580	\$14,198

Development Budget, Eligible Basis, and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$3,700,000	\$41,573	\$3,500,000
Predevelopment	\$416,001	\$4,674	\$382,307
Site Development	\$256,320	\$2,880	\$256,320
Hard Construction	\$7,309,058	\$82,124	\$7,309,058
Financing	\$542,797	\$6,099	\$373,181
Professional Fees	\$496,840	\$5,582	\$2,704,000

(Administrative Expenses)	(\$168,293)	(\$1,891)
(Property Management Fee)	(\$53,400)	(\$600)
(Owner-Paid Utility Expenses)	(\$285,590)	(\$3,209)
(Maintenance Expenses)	(\$300,150)	(\$3,372)
(Net Real Estate Taxes)	(\$60,000)	(\$674)
(Property and Liability Insurance)	(\$62,300)	(\$700)
(Other Insurance and Tax Expenses)	(\$69,164)	(\$777)
(Ongoing Reserve Contributions)	(\$37,825)	(\$425)
Operating Subsidy	\$0	\$0
(Total Operating Expenses)	(\$1,036,722)	(\$11,649)
Net Operating Income (EGI - Operating Expenses)	\$226,858	\$2,549

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$4,025,282	\$10,499,584	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$4,025,282	\$10,499,584	
Codified Basis Boost (DDA/QCT)		\$13,649,459	
Agency Discretionary Basis Boost		\$13,649,459	
Adjusted Eligible Basis	\$4,025,282	\$13,649,459	
X Applicable Fraction	100%	100%	
Qualified Basis	\$4,025,282	\$13,649,459	
30% Present Value Rate	4%	4%	
Annual LIHTC Generated	\$161,011	\$545,978	
Total 10-Year LIHTC Generated	\$7,069,896		
Total 10-Year LIHTC Requested	\$7,069,896		
LIHTC Equity Generated	\$6,291,573		
Equity Price	\$0.8900		

Construction Sources of Funds

Source Name	Amount	Percent of Total
Federal LIHTC Equity	\$1,572,893	10%
Construction Loan	\$2,300,000	14%
Housing Development Loan	\$2,500,000	15%
Post-Construction Costs	\$2,127,893	13%
HDAP: OHTF	\$2,550,000	16%

Developer Fee	\$2,420,000	\$27,191	\$0
OHFA and Other Fees	\$592,895	\$6,662	\$0
Capitalized Reserves	\$576,000	\$6,472	\$0
Total Development Costs (TDC)	\$16,309,911	\$183,257	\$14,524,866
LIHTC Eligible Basis as a Percent of Total Development Costs			89%

Cost Containment Standards

	Project	Maximum	Variance
TDC per Unit	\$183,257	\$375,000	-51%
TDC per Gross Square Foot	\$196	\$400	-51%

Debt Service Coverage Ratio
OHFA Minimum DSCR

Year 1	Year 15
2.47	1.29
1.20	1.00

Permanent Sources of Funds

Souce Name	Total	Percent of Total
Federal LIHTC Equity	\$6,291,573	39%
Permanent First Mortgage	\$1,345,654	8%
Deferred Developer Fee	\$774,654	5%
HDAP: OHTF	\$2,550,000	16%

Assumed Subordinate Debt	\$3,231,147	20%
City of Cleveland Home Funds	\$1,170,000	7%
Assumed Reserves	\$857,978	5%
Total Construction Sources	\$16,309,911	100%

Assumed Subordinate Debt	\$3,231,147	20%
City of Cleveland Home	\$1,170,000	7%
Current Reserves	\$857,978	5%
Assumed RE Tax Escrow	\$88,905	1%
Total Permanent Sources	\$16,221,006	100%