

<b>Proposal Summary</b>	<b>SFY2025 4% LIHTC w/ OLIHTC AHFA Proposal Application</b>
Affordable Housing Funding Application (AHFA)	Project Name: Empire Senior Housing

**Basic Project Information**

Project Name:	Empire Senior Housing
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	9113 Parmelee Ave
Project City or Township:	Cleveland
Project County:	Cuyahoga
Construction Type:	Adaptive Reuse
Age Restriction:	Senior 62+
Funding Pool:	Metropolitan
Lead Developer:	Beacon Communities Services LLC
Total Number of Units:	63
Total Number of Buildings:	1

**Existing Photograph**

**OHFA Resource Request Requiring Board Approval**

	Amount	Approval Date
Est. Total 10-Year Ohio LIHTCs	\$9,950,000	
Multifamily Bonds (Inducement):	\$19,494,220	
Multifamily Bonds (Final):		

**Project Narrative**

Empire Senior Housing will be an adaptive reuse of the historic Empire Junior High School into 63 affordable homes for seniors. The site is located in Cleveland's Glenville neighborhood, near University Circle. The neighborhood has a high percentage of senior residents, but an aging housing stock that, for the most part, does not meet the needs of seniors. Empire Senior Housing will allow Cleveland residents to age-in-place in their neighborhoods, but in high-quality homes, in a building with two elevators, and with on-site services and amenities. All apartments will be subsidized with Project-Based Vouchers so residents pay no more than 30% of their income towards rent.

**Development and Operations Team**

Lead Developer	Beacon Communities Services LLC
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	RBC Community Investments
OLIHTC Syndicator/Investor	RBC Community Investments
GP/MM #1 Parent Entity	Beacon Communities Corp. LLC
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	Marous Brothers Construction
Architect of Record	Moody Nolan Inc.
Property Management Firm	Beacon Residential Management LLC

**Site Information**

Site Size (Acres)	2.1
Scattered Sites?	No
Total Number of Buildings	1
Total Number of Elevator-Serviced Buildings	1
Total Parking Spaces	29
Parking Ratio (Parking Spaces per Unit)	0.5
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	Growth

**Nearby Amenities**

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Town Foods Supermarket	0.5
Medical Clinic	Oak Street Health Glenville	0.74
Childcare Facility	Apples of Gold 2 Child Care	0.42
Senior Center	Alta Senior Center	2.1
Pharmacy	MAC Pharmacy	0.39
Public Library	Cleveland Public Library	0.78
Public Park	Sam Miller Park	0.31
Public School	Stonebrook-White Montessori	0.56
Public Recreation Center	Cleveland Cory Recreation	0.54

**Building Square Footage Breakdown**

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	48,116	57%
Manager's Unit Area		
Common Area	21,377	25%
Support and Program Space	3,808	4%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	11,812	14%
Structured Parking/Garage		
Basement		
<b>Total Square Footage of all Buildings</b>	<b>85,113</b>	<b>100%</b>

**Units by LIHTC Income Restrictions**

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	15	24%
40% AMI		
50% AMI	48	76%
60% AMI		
70% AMI		
80% AMI		
Unrestricted		
Manager's		
<b>Total Units</b>	<b>63</b>	<b>100%</b>

**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	2%	1	100%
1-BR	62	98%	62	100%
2-BR				
3-BR				
4-BR				
5-BR				
<b>Total Units</b>	<b>63</b>	<b>100%</b>	<b>63</b>	<b>100%</b>

**Consolidated Annual Operating Budget**

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$777,450	\$12,340
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 5%	(\$38,873)	(\$617)
Effective Gross Income (EGI)	\$738,577	\$11,723
Administrative Expenses	\$148,405	\$2,356
Property Management Fee	\$38,873	\$617
Owner-Paid Utility Expenses	\$67,329	\$1,069
Maintenance Expenses	\$154,286	\$2,449
Real Estate Taxes	\$68,977	\$1,095
(Abated Real Estate Taxes)	(\$53,267)	(\$846)
Property and Liability Insurance	\$0	\$0
Other Insurance and Tax Expenses	\$91,550	\$1,453
Ongoing Reserve Contributions (Operating Subsidy)	\$22,050	\$350
	\$0	\$0
Total Annual Operating Expenses	\$538,203	\$8,543
Net Operating Income (EGI - OpEx)	\$200,374	\$3,181

**LIHTC Calculation**

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$27,542,833
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$27,542,833
Codified Basis Boost			\$35,805,683
Adjusted Eligible Basis			\$35,805,683
X Applicable Fraction			100%
Qualified Basis			\$35,805,683
30% Present Value Rate			4.00%
Annual LIHTC Generated			\$1,432,227
Total 10-Year LIHTC Requested	\$14,322,273		
LIHTC Equity Generated	\$13,175,174		
Equity Price	\$0.92		

**Construction Sources of Funds**

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$1,719,360	6%
Ohio LIHTC Equity	\$756,096	3%
Construction Loan	\$19,494,220	65%
Fed. Historic Tax Credit Equity	\$1,120,535	4%
Post-Construction Costs	\$3,170,145	11%
Local Funds	\$2,000,000	7%
Brownfields grant	\$1,050,000	3%
Affordable Housing Program	\$800,000	3%
Total Construction Sources	\$30,110,356	100%

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

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$5,000	\$79	\$0
Predevelopment	\$1,260,200	\$20,003	\$1,074,124
Site Development	\$1,210,265	\$19,211	\$1,082,622
Hard Construction	\$22,117,202	\$351,067	\$21,951,584
Financing	\$1,924,900	\$30,554	\$788,503
Professional Fees	\$590,000	\$9,365	\$246,000
Developer Fee	\$2,500,000	\$39,683	\$2,400,000
OHFA and Other Fees	\$247,134	\$3,923	\$0
Capitalized Reserves	\$255,655	\$4,058	\$0
Total Development Costs (TDC)	\$30,110,356	\$477,942	\$27,542,833
LIHTC Eligible Basis as a Percent of Total Development Costs			91%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$477,942	\$494,000	-3%
TDC per Gross Square Foot	\$354	\$440	-20%

**Maximum Permanent Debt Sizing**

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$200,375	\$200,375
Debt Service Coverage Ratio	1.15	1.00
NOI Available for Debt Service	\$174,239	\$200,375
Interest Rate	6.00%	6.00%
Amortization Period (Years)	25	25
Loan Term (Years)	15	15
Maximum Perm Loan Amount	\$2,253,588	\$2,591,626
Actual Perm Loan Amount	\$1,800,000	
Variance	(\$453,588)	
Debt Service Coverage Ratio	Year 1: 1.44	Year 15: 1.15
OHFA Minimum DSCR	1.15	1.00

**Permanent Sources of Funds**

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$13,175,174	44%
Ohio LIHTC Equity	\$5,793,841	19%
Permanent First Mortgage	\$1,800,000	6%
Fed. Historic Tax Credit Equity	\$4,482,138	15%
Deferred Developer Fee	\$1,009,203	3%
Local Funds	\$2,000,000	7%
Brownfields grant	\$1,050,000	3%
Affordable Housing Program	\$800,000	3%
Total Permanent Sources	\$30,110,356	100%