

Proposal Summary

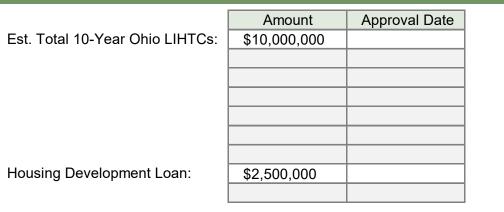
Affordable Housing Funding Application (AHFA)

Basic Project Information

| Project Name: |
|----------------------------|
| OHFA Project Number: |
| LIHTC Type: |
| Project Address: |
| Project City or Township: |
| Project County: |
| Construction Type: |
| Age Restriction: |
| Funding Pool: |
| Lead Developer: |
| Total Number of Units: |
| Total Number of Buildings: |

| Midtown Lofts |
|-------------------|
| TBD |
| 4% |
| 3300 Payne Ave |
| Cleveland |
| Cuyahoga |
| New Construction |
| General Occupancy |
| Metropolitan |
| NRP Holdings LLC |
| 120 |
| 2 |

OHFA Resource Request Requiring Board Approval



Development and Operations Team

| Lead Developer | NRP Holdings LLC |
|----------------------------|--------------------------------------|
| Co-Developer #1 | Midtown Cleveland, Inc. |
| Co-Developer #2 | N/A |
| Development Consultant | N/A |
| LIHTC Syndicator/Investor | Ohio Capital Corporation for Housing |
| OLIHTC Syndicator/Investor | Ohio Capital Corporation for Housing |
| GP/MM #1 Parent Entity | NRP Affordable Subdiary II LLC |
| GP/MM #2 Parent Entity | N/A |
| GP/MM #3 Parent Entity | N/A |
| General Contractor | NRP Contractors II LLC |
| Architect of Record | MA Design |
| Property Management Firm | NRP Management LLC |
| | |

SFY2025 4% LIHTC w/ OLIHTC AHFA Proposal Application

Project Name: Midtown Lofts

Project Rendering



Project Narrative

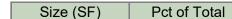
Midtown Lofts represents a partnership between The NRP Group, one of the nation's leading affordable housing providers, and MidTown Inc., an important community development corporation serving the Midtown neighborhood of Cleveland. This development sits on a critical transit corridor surrounded by amenities and just minutes away from downtown Cleveland. Midtown has seen significant growth and rental price escalation over the last few years and Midtown Lofts will provide 120 desperately needed affordable homes for the neighborhood. This project will also transform a long vacant building and a surface parking lot into a dynamic mixed-use development directly adjacent to a pop-up park space that provides programs and events for the neighborhood and is a critical priority site for the City of Cleveland. NRP and Midtown Inc are incredibly enthusiastic about the opportunity for financing to develop this site

Site Information

| Site Size (Acres) | |
|--|--|
| Scattered Sites? | |
| Total Number of Buildings | |
| Total Number of Elevator-Serviced Buildings | |
| Total Parking Spaces | |
| Parking Ratio (Parking Spaces per Unit) | |
| Urban Suburban Rural (USR) Geography | |
| Located in a Participating Jurisdiction (PJ)? | |
| Located in a Qualfied Census Tract (QCT)? | |
| Located in a Difficult Development Area (DDA)? | |
| Census Tract Opportunity Index | |
| Census Tract Change Index | |

2.13 No 2 2 135 1.1 **Central City** Yes Yes No High Slight Decline

Building Square Footage Breakdown



Nearby Amenities



| Amenity Type | Name of Amenity | from Proposed Project (miles) |
|--------------------------|-------------------------------|----------------------------------|
| Grocery Store | Park to Shop Supermarket | 0.29 |
| Medical Clinic | The International Community | 0.23 |
| Childcare Facility | Learning to Grow CEC | 0.7 |
| Senior Center | Rose Center for Aging Well | 1.5 |
| Pharmacy | Asia Plaza Pharmacy | 0.2 |
| Public Library | Hough Branch | 1.05 |
| Public Park | Sterling Park | 0.4 |
| Public School | Marion-Sterling School | 0.8 |
| Public Recreation Center | Cleveland Sterling Recreation | 0.4 |

Units by LIHTC Income Restrictions

| LIHTC Income Restriction | Number of Units | Percent of Total Units |
|-----------------------------|-----------------|---------------------------|
| 20% AMI | | |
| 30% AMI | 8 | 7% |
| 40% AMI | | |
| 50% AMI | | |
| 60% AMI | 101 | 84% |
| 70% AMI | | |
| 80% AMI | 11 | 9% |
| Unrestricted | | |
| Manager's | | |
| Total Units | 120 | 100% |

| Commercial and Fee-Driven Space | 3,500 | 2% |
|---|---------|------|
| Unrestricted/Market-Rate Unit Area | | |
| LIHTC Unit Area | 99,600 | 71% |
| Manager's Unit Area | | |
| Common Area | 31,412 | 22% |
| Support and Program Space | 1,800 | 1% |
| Tenant Storage Space | | |
| Major Vertical Penetrations (Elevator/Stairs, Etc.) | 4,000 | 3% |
| Structured Parking/Garage | | |
| Basement | | |
| Total Square Footage of all Buildings | 140,312 | 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 | 36 | 30% | 0 | 0% |
| 2-BR | 45 | 38% | 0 | 0% |
| 3-BR | 39 | 33% | 0 | 0% |
| 4-BR | | | | |
| 5-BR | | | | |
| Total Units | 120 | 100% | 0 | 0% |

Consolidated Annual Operating Budget

| Operating Line Item | Annual Amount | Annual Per Unit Amount |
|--|---------------|---------------------------|
| Potential Gross Rental Income and Fee Income | \$1,728,396 | \$14,403 |
| Potential Gross Commercial Income | \$0 | \$0 |
| Potential Gross Service Income | \$0 | \$0 |
| Vacancy Allowance (Blended) 7% | (\$120,988) | (\$1,008) |
| Effective Gross Income (EGI) | \$1,607,408 | \$13,395 |
| | | |
| Administrative Expenses | \$156,997 | \$1,308 |
| Property Management Fee | \$96,422 | \$804 |
| Owner-Paid Utility Expenses | \$48,000 | \$400 |
| Maintenance Expenses | \$186,003 | \$1,550 |
| Real Estate Taxes | \$304,142 | \$2,535 |
| (Abated Real Estate Taxes) | (\$239,067) | (\$1,992) |
| Property and Liability Insurance | \$77,400 | \$645 |
| Other Insurance and Tax Expenses | \$0 | \$0 |
| Ongoing Reserve Contributions | \$42,000 | \$350 |
| (Operating Subsidy) | \$0 | \$0 |
| Total Annual Operating Expenses | \$671,897 | \$5,599 |
| | | |
| Net Operating Income (EGI - OpEx) | \$935,511 | \$7,796 |
| | | |

Development Budget, Eligible Basis, and Cost Containment Standards

| Development Costs | Amount | Per Unit Amount | LIHTC Eligible Basis |
|--|--------------|-----------------|-------------------------|
| Acquisition | \$1,900,000 | \$15,833 | \$0 |
| Predevelopment | \$1,792,300 | \$14,936 | \$1,234,650 |
| Site Development | \$2,000,000 | \$16,667 | \$2,000,000 |
| Hard Construction | \$27,283,813 | \$227,365 | \$27,283,813 |
| Financing | \$4,060,135 | \$33,834 | \$2,319,836 |
| Professional Fees | \$725,000 | \$6,042 | \$295,000 |
| Developer Fee | \$3,600,000 | \$30,000 | \$3,600,000 |
| OHFA and Other Fees | \$419,208 | \$3,493 | \$0 |
| Capitalized Reserves | \$483,708 | \$4,031 | \$0 |
| Total Development Costs (TDC) | \$42,264,164 | \$352,201 | \$36,733,299 |
| LIHTC Eligible Basis as a Percent of Total Development Costs | | | 87% |

| Cost Containment Standards | Project | Maximum | Variance |
|-----------------------------------|-----------|-----------|----------|
| TDC per Unit | \$352,201 | \$400,000 | -12% |
| TDC per Gross Square Foot | \$301 | \$420 | -28% |

LIHTC Calculation

| | Acquisition | Rehabilitation | New Construction |
|--------------------------------|--------------|----------------|---------------------|
| LIHTC Eligible Basis | | | \$36,733,299 |
| - Reductions in Eligible Basis | | | \$0 |
| = Net Eligible Basis | | | \$36,733,299 |
| Codified Basis Boost | | | \$47,753,289 |
| Adjusted Eligible Basis | | | \$47,753,289 |
| X Applicable Fraction | | | 100% |
| Qualified Basis | | | \$47,753,289 |
| 30% Present Value Rate | | | 4.00% |
| Annual LIHTC Generated | | | \$1,910,132 |
| Total 10-Year LIHTC Requested | \$19,101,315 | | |
| LIHTC Equity Generated | \$17,282,106 | | |
| Equity Price | \$0.90 | | |

Maximum Permanent Debt Sizing

| Max Loan for | Max Loan to |
|---------------|--|
| Stabilized Y1 | Stabilized Y15 |
| \$935,511 | \$935,511 |
| 1.20 | 1.00 |
| \$779,593 | \$935,511 |
| 5.50% | 5.50% |
| 40 | 40 |
| 15 | 15 |
| \$12,595,930 | \$15,115,115 |
| \$12,590,000 | |
| (\$5,930) | |
| | - |
| Year 1 | Year 15 |
| 1.20 | 1.42 |
| 1.20 | 1.00 |
| | Stabilized Y1 \$935,511 1.20 \$779,593 5.50% 40 15 \$12,595,930 \$12,590,000 (\$5,930) |

Permanent Sources of Funds

| Construction Sources | Amount | Percent of Total | Souce Name | Total | Percent of Total |
|----------------------------|--------------|------------------|----------------------------|--------------|------------------|
| Federal LIHTC Equity | \$7,907,154 | 19% | Federal LIHTC Equity | \$17,282,106 | 41% |
| Ohio LIHTC Equity | \$2,474,753 | 6% | Ohio LIHTC Equity | \$5,499,450 | 13% |
| Construction Loan | \$21,650,000 | 51% | Permanent First Mortgage | \$12,590,000 | 30% |
| Housing Development Loan | \$2,500,000 | 6% | | | |
| Deferred Developer Fee | \$3,600,000 | 9% | Deferred Developer Fee | \$3,080,698 | 7% |
| GP/MM Capital Contribution | \$100 | 0% | GP/MM Capital Contribution | \$100 | 0% |
| Post-Construction Costs | \$1,072,157 | 3% | | | |
| | | | | | |
| | | | HTF Loan | \$3,400,000 | 8% |
| HTF Loan | \$3,060,000 | 7% | Cashflow from Operations | \$411,810 | 1% |
| | | | | | |
| | | | | | |
| | | | | | |
| T () () () | | | | | |
| Total Construction Sources | \$42,264,164 | 100% | Total Permanent Sources | \$42,264,164 | 100% |

Construction Sources of Funds

| Construction Sources | Amount | Percent of Total | Souce Name | Total |
|----------------------------|--------------|------------------|----------------------------|--------------|
| Federal LIHTC Equity | \$7,907,154 | 19% | Federal LIHTC Equity | \$17,282,100 |
| Ohio LIHTC Equity | \$2,474,753 | 6% | Ohio LIHTC Equity | \$5,499,450 |
| Construction Loan | \$21,650,000 | 51% | Permanent First Mortgage | \$12,590,00 |
| Housing Development Loan | \$2,500,000 | 6% | | |
| Deferred Developer Fee | \$3,600,000 | 9% | Deferred Developer Fee | \$3,080,698 |
| GP/MM Capital Contribution | \$100 | 0% | GP/MM Capital Contribution | \$100 |
| Post-Construction Costs | \$1,072,157 | 3% | | |
| | | | | |
| | | | HTF Loan | \$3,400,000 |
| HTF Loan | \$3,060,000 | 7% | Cashflow from Operations | \$411,810 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total Construction Sources | \$42,264,164 | 100% | Total Permanent Sources | \$42,264,16 |