

Proposal Summary

SFY2025 4% LIHTC w/ OLIHTC AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: Midtown Lofts

Basic Project Information

Project Name:	Midtown Lofts
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	3300 Payne Ave
Project City or Township:	Cleveland
Project County:	Cuyahoga
Construction Type:	New Construction
Age Restriction:	General Occupancy
Funding Pool:	Metropolitan
Lead Developer:	NRP Holdings LLC
Total Number of Units:	120
Total Number of Buildings:	2

Project Rendering



OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
Est. Total 10-Year Ohio LIHTCs:	\$10,000,000	
Housing Development Loan:	\$2,500,000	

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.

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 Subsidiary 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

Site Information

Site Size (Acres)	2.13
Scattered Sites?	No
Total Number of Buildings	2
Total Number of Elevator-Serviced Buildings	2
Total Parking Spaces	135
Parking Ratio (Parking Spaces per Unit)	1.1
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	High
Census Tract Change Index	Slight Decline

Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance 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

Building Square Footage Breakdown

	Size (SF)	Pct of Total
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 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%

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 (Operating Subsidy)	\$42,000	\$350
\$0	\$0	\$0
Total Annual Operating Expenses	\$671,897	\$5,599
Net Operating Income (EGI - OpEx)	\$935,511	\$7,796

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		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$7,907,154	19%
Ohio LIHTC Equity	\$2,474,753	6%
Construction Loan	\$21,650,000	51%
Housing Development Loan	\$2,500,000	6%
Deferred Developer Fee	\$3,600,000	9%
GP/MM Capital Contribution	\$100	0%
Post-Construction Costs	\$1,072,157	3%
HTF Loan	\$3,060,000	7%
Total Construction Sources	\$42,264,164	100%

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%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$935,511	\$935,511
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$779,593	\$935,511
Interest Rate	5.50%	5.50%
Amortization Period (Years)	40	40
Loan Term (Years)	15	15
Maximum Perm Loan Amount	\$12,595,930	\$15,115,115
Actual Perm Loan Amount	\$12,590,000	
Variance	(\$5,930)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.20	1.42
OHFA Minimum DSCR	1.20	1.00

Permanent Sources of Funds

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$17,282,106	41%
Ohio LIHTC Equity	\$5,499,450	13%
Permanent First Mortgage	\$12,590,000	30%
Deferred Developer Fee	\$3,080,698	7%
GP/MM Capital Contribution	\$100	0%
HTF Loan	\$3,400,000	8%
Cashflow from Operations	\$411,810	1%
Total Permanent Sources	\$42,264,164	100%