

Proposal Summary	2024 9% LIHTC Proposal Application
Affordable Housing Funding Application (AHFA)	Project Name: South Green - Ardendale

Basic Project Information

Project Name	South Green - Ardendale
LIHTC Type	9%
Allocation Pool	New Affordability - Seniors
Project Address	1591 South Green Road
Project City or Township	South Euclid
Project County	Cuyahoga
Construction Type	New Construction
Age Restriction	Senior 55+

OHFA Resource Request Requiring Board Approval

HDAP: HOME	N/A
Housing Development Loan	\$1,750,000
Multifamily Lending Program:	N/A

Development and Operations Team

Lead Developer	Salus Development LLC
Co-Developer #1	South Euclid Community Urban Redevelopment C
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	TBD
GP/MM #1 Parent Entity	N/A
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	TBD
Architect of Record	LDA Architects
Property Management Firm	LSC Service Corp dba Barton Communities

Project Rendering



Project Narrative

The South Green - Ardendale Project, led by Salus Development LLC, will provide 63 apartments for seniors in South Euclid, Ohio. Salus Development LLC is partnering with South Euclid Community Urban Redevelopment Corporation, also known as One South Euclid, to align this project with the city's development plans. Barton Communities will be the project's service provider and property management company. The project's collaboration with One South Euclid expands the project's impact beyond supplying affordable senior housing as it is also focused on community integration and multi-generational interaction. This ancillary project programming is made possible by One South Euclid's commitment to these goals and the presence of their offices within the building.

Site Information

Site Size (Acres)	1.5
Scattered Sites?	No
Total Number of Buildings	1
Total Parking Spaces	35
Parking Ratio (Parking Spaces per Unit)	0.6
Urban Suburban Rural (USR) Geography	Central City
Located in a Participating Jurisdiction (PJ)?	No
Located in a Qualified Census Tract (QCT)?	No
Located in a Difficult Development Area (DDA)?	No
Census Tract Opportunity Index	Very High
Census Tract Change Index	Growth

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space	2,815	4%
Unrestricted/Market-Rate Unit Area	1,824	3%
LIHTC Unit Area	41,695	67%
Manager's Unit Area	590	1%
Common Area	13,384	21%
Support and Program Space	1,810	3%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	484	1%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	62,602	100%

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	7	11%
40% AMI		
50% AMI		
60% AMI	53	84%
70% AMI		
80% AMI		
Unrestricted Manager's	3	5%
Total Units	63	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	54	86%	0	0%
2-BR	9	14%	0	0%
3-BR				
4-BR				
5-BR				
Total Units	63	100%	0	0%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$729,538	\$11,580
Potential Gross Commercial Income	\$40,000	\$635
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$51,068)	(\$811)
Effective Gross Income (EGI)	\$718,470	\$11,404
Administrative Expenses	\$104,595	\$1,660
Property Management Fee	\$33,247	\$528
Owner-Paid Utility Expenses	\$90,880	\$1,443
Maintenance Expenses	\$90,450	\$1,436
Real Estate Taxes	\$5,000	\$79
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$50,000	\$794
Other Insurance and Tax Expenses	\$24,500	\$389
Ongoing Reserve Contributions (Operating Subsidy)	\$18,600	\$295
	\$0	\$0
Total Annual Operating Expenses	\$417,272	\$6,623
Net Operating Income (EGI - OpEx)	\$301,198	\$4,781

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$18,920,633
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$18,920,633
Codified Basis Boost; or Discretionary Basis Boost			\$18,920,633
			\$24,596,823
Adjusted Eligible Basis			\$24,596,823
X Applicable Fraction			95%
Qualified Basis			\$23,426,014
70% Present Value Rate			9.00%
Annual LIHTC Generated			\$2,108,341
Total 10-Year LIHTC Requested	\$14,750,000		
LIHTC Equity Generated	\$13,514,957		
Equity Price	\$0.92		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$9,384,957	48%
Construction Loan	\$5,730,000	29%
HDAP: HOME		
Housing Development Loan	\$1,750,000	9%
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$611,345	3%
Sponsor Loan		
GP/MM Capital Contribution	\$2,241,028	11%
Post-Construction Costs		
N/A		
Total Construction Sources	\$19,717,330	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$0	\$0	\$0
Predevelopment	\$592,000	\$9,397	\$585,000
Site Development	\$700,000	\$11,111	\$700,000
Hard Construction	\$14,118,000	\$224,095	\$14,118,000
Financing	\$515,383	\$8,181	\$465,133
Professional Fees	\$225,000	\$3,571	\$52,500
Developer Fee	\$3,000,000	\$47,619	\$3,000,000
OHFA and Other Fees	\$247,700	\$3,932	\$0
Capitalized Reserves	\$319,247	\$5,067	\$0
Total Development Costs (TDC)	\$19,717,330	\$312,973	\$18,920,633
LIHTC Eligible Basis as a Percent of Total Development Costs			96%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$312,973	\$353,438	-11%
TDC per Gross Square Foot	\$315	\$372	-15%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$301,198	\$301,198
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$250,999	\$301,198
Interest Rate	5.80%	5.80%
Amortization Period (Years)	40	40
Loan Term (Years)	15	15
Maximum Perm Loan Amount	\$3,899,894	\$4,679,873
Actual Perm Loan Amount	\$3,350,000	
Variance	(\$549,894)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.21	1.22
OHFA Minimum DSCR	1.20	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$13,514,957	69%
Permanent First Mortgage	\$3,350,000	17%
Permanent Second Mortgage		
HDAP: HOME		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$611,345	3%
Sponsor Loan		
GP/MM Capital Contribution	\$2,241,028	11%
N/A		
Total Permanent Sources	\$19,717,330	100%