

# Beechwood

## RAD Conversion & Rehabilitation



*Beechwood*

### **Preliminary Project Overview**

*Updated May 4, 2022*



### Project Narrative

Beechwood is a CMHA-owned multifamily properties located in Avondale. The median household income in Avondale is \$28,434.

The Beechwood property is in need of substantial rehabilitation, which can be achieved via conversion to the Rental Assistance Demonstration, a corresponding RAD PBRA subsidy and a combination debt/equity refinancing. CMHA will convert Beechwood's 149 apartments with a mix of Efficiencies (16), One Bedrooms (132) and Two Bedroom (1) units. Post RAD, the property will be less 3 efficiencies that have been combined with one-bedroom units to create additional accessible units.

CMHA is using the following sources to facilitate the necessary upgrades: tax exempt bonds, non-competitive housing tax credits, re-invested developer fee, deferred developer fee and public housing capital dollars. The Development Department assumed \$90,000 in per-unit rehab costs for its preliminary modeling. Once operational, the properties will be subsidized by RAD Project Based Rental Assistance (PBRA).

### Current Unit Mix

Bedrooms	Unit Count
0	16
1	132
2	1
<b>Total</b>	<b>149</b>

### Proposed Unit Mix

Bedrooms	Unit Count	Subsidy	UA	2022 OCAF Rent
0	13	RAD PBRA	\$0	675
1	132	RAD PBRA	\$0	\$780
2	1	RAD PBRA	\$0	\$1,025
<b>Total</b>	<b>146</b>			

### Proposed Sources (In Progress)

Bank	6,260,000
CMHA Seller Note	6,563,000
CMHA Capital Funds	5,246,840
CMHA GP	
Contribution	4,840,000
CMHA DDF	760,000
City Capital/HOME	0
FHLB AHP	0
Equity	15,646,925
<b>Total Uses</b>	<b>39,316,765</b>

### Proposed Uses (In Progress)

Acquisition (Land)	520,000
Acquisition (Bldg)	6,490,000
Hard Costs	19,220,000
HC Contingency	1,866,800
FF&E Outside GC Contract	250,000
Professional Fees	1,148,548
Construction Finance	913,125
Perm Finance	226,980
Soft Costs	633,290
Relocation	539,256
Reserves	908,765
Dev Fee	6,600,000
<b>Total Sources</b>	<b>39,916,764</b>

### Key Assumptions & Metrics

Rehab costs per unit = \$89,500  
LIHTC credits priced at \$0.90 with 4% rate of 4%  
First mortgage DCR requirement = 1.2  
Units generate \$50 per year in misc. income  
Operating expenses = \$5,900 PUPY before \$400 PUPY R4R deposit

### Preliminary Project Milestones

TENTATIVE Timeline:

Anticipated Closing date	12/30/2022
Construction Period (months)	14 Months
Anticipated 100% Completion Date	4/1/2024
100% Qualified Occupancy	7/1/2024
Anticipated Stabilization (3 mos at 1.20 DCR)	10/1/2024

## Development Team

**Land Owner** Cincinnati Metropolitan Housing Authority (CMHA)

**Lead Developer** CMHA

**Property Manager** Touchstone Property Services

**Architect/Engineer** Berardi Partners, LLC

**General Contractor** – Graybach, LLC

**Development Counsel** Reno & Cavanaugh

**FHA Lender** Lument

**Bond Issuer** Ohio Housing Finance Agency

**Syndicator** To Be Determined

**Bond Underwriter and FHA Lender** Coats Rose

**Trustee** Huntington National Bank

## Organizational Structure

**CMHA:** Fee Owner/Ground Lessor/RAD PBRA Grantor/PBV Administrator

**Beechwood RAD, LLC:** Leasehold Owner

**Beechwood RAD Development Corp.** Managing Member 0.1% (CMHA Sole Member)

**Investor Member** TBD Passive Member 99.9%.

## Beechwood Location

