

Proposal Summary

2025 4% LIHTC AHFA Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Western Horizon

Basic Project Information

Project Name:	Western Horizon
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	Multiple -- 2153 Lorain Drive
Project City or Township:	Lorain
Project County:	Lorain
Construction Type:	Rehabilitation
Age Restriction:	General Occupancy
Funding Pool:	Preserved Affordability
Lead Developer:	The Finch Group dba TFG Housing Resources
Total Number of Units:	353
Total Number of Buildings:	102

Existing Photograph



OHFA Resource Request Requiring Board Approval

Amount	Approval Date

Project Narrative

Western Horizon is comprised of three developments in the City of Lorain: Leavitt Homes, Westview Terrace and Westgate Apartments. The developments, all owned and operated by Lorain MHA, contain 353 affordable units in 102 buildings. The three sites are located in close proximity to one another. Lorain MHA has partnered with developer The Finch Group dba TFGHR to complete a substantial rehabilitation of all units. The scope of work is extensive and hard costs will exceed \$130,000 per unit. The projects are being converted away from Public Housing (ACC Section 9) to the Section 8 platform utilizing the RAD/Section 18 Blend program. There will be a 20 year Housing Assistance Payment (HAP) contract at closing. All units will be restricted to those earning at or below 60% of area median income. Lorain MHA will continue to manage the project post renovation.

Development and Operations Team

Lead Developer	The Finch Group dba TFG Housing Resources
Co-Developer #1	Raise Housing Development Corporation
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	National Equity Fund
OLIHTC Syndicator/Investor	N/A
GP/MM #1 Parent Entity	Raise Housing Development Corporation
GP/MM #2 Parent Entity	TFG Housing Resources
GP/MM #3 Parent Entity	N/A
General Contractor	Ruscilli Construction
Architect of Record	LDA Architects
Property Management Firm	Lorain Metropolitan Housing Authority

Site Information

Site Size (Acres)	29.577
Scattered Sites?	No
Total Number of Buildings	92
Total Number of Elevator-Serviced Buildings	0
Total Parking Spaces	381
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	Very Low
Census Tract Change Index	Decline

Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Walmart Supercenter	1.44
Medical Clinic	Hometown Urgent Care	1.57
Childcare Facility	Little Lighthouse Learning	0.9
Senior Center	Lorain Community Seniors, Inc.	3.96
Pharmacy	CVS Pharmacy	1
Public Library	Lorain Public Library System	1.45
Public Park	Campana Park	0.4
Public School	Lorain High School	0.6
Public Recreation Center	Amherst HealthPlex Lorain	2.8

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	345,861	94%
Manager's Unit Area		
Common Area	17,950	5%
Support and Program Space	5,687	2%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)		
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	369,498	100%

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI		
40% AMI		
50% AMI		
60% AMI	353	100%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	353	100%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$5,487,809	\$15,546
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 5%	(\$274,390)	(\$777)
Effective Gross Income (EGI)	\$5,213,419	\$14,769
(Administrative Expenses)	(\$675,407)	(\$1,913)
(Property Management Fee)	(\$314,170)	(\$890)
(Owner-Paid Utility Expenses)	(\$532,020)	(\$1,507)
(Maintenance Expenses)	(\$876,268)	(\$2,482)
(Net Real Estate Taxes)	\$0	\$0
(Property and Liability Insurance)	(\$192,991)	(\$547)
(Other Insurance and Tax Expenses)	(\$131,151)	(\$372)
(Ongoing Reserve Contributions)	(\$150,025)	(\$425)
Operating Subsidy	\$0	\$0
(Total Operating Expenses)	(\$2,872,032)	(\$8,136)
Net Operating Income (EGI - Operating Expenses)	\$2,341,387	\$6,633

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis	\$51,670,000	\$76,725,864	
- Reductions in Eligible Basis	\$0	\$0	
= Net Eligible Basis	\$51,670,000	\$76,725,864	
Codified Basis Boost (DDA/QCT)		\$99,743,623	
Agency Discretionary Basis Boost		\$99,743,623	
Adjusted Eligible Basis	\$51,670,000	\$99,743,623	
X Applicable Fraction	100%	100%	
Qualified Basis	\$51,670,000	\$99,743,623	
30% Present Value Rate	4%	4%	
Annual LIHTC Generated	\$2,066,800	\$3,989,745	
Total 10-Year LIHTC Generated	\$60,565,449		
Total 10-Year LIHTC Requested	\$60,540,480		
LIHTC Equity Generated	\$51,913,350		
Equity Price	\$0.8575		

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	28	8%	28	100%
2-BR	157	44%	157	100%
3-BR	138	39%	138	100%
4-BR	30	8%	30	100%
5-BR				
Total Units	353	100%	353	100%

Development Budget, Eligible Basis, and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$46,590,000	\$131,983	\$45,370,000
Predevelopment	\$1,451,700	\$4,112	\$1,451,700
Site Development	\$5,396,312	\$15,287	\$4,987,710
Hard Construction	\$46,379,283	\$131,386	\$46,379,283
Financing	\$11,863,617	\$33,608	\$8,322,171
Professional Fees	\$1,170,000	\$3,314	\$21,885,000
Developer Fee	\$21,000,000	\$59,490	\$0
OHFA and Other Fees	\$1,218,443	\$3,452	\$0
Capitalized Reserves	\$2,533,995	\$7,178	\$0
Total Development Costs (TDC)	\$137,603,350	\$389,811	\$128,395,864
LIHTC Eligible Basis as a Percent of Total Development Costs			93%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$389,811	\$375,000	4%
TDC per Gross Square Foot	\$372	\$400	-7%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$2,341,386	\$2,341,386
Debt Service Coverage Ratio	1.15	1.00
NOI Available for Debt Service	\$2,035,988	\$2,341,386
Interest Rate	6.15%	6.15%
Amortization Period (Years)	40	40
Loan Term (Years)	40	40
Maximum Perm Loan Amount	\$30,259,308	\$34,798,204
Actual Perm Loan Amount	\$28,000,000	
Amount Variance	(\$2,259,308)	
Percent Variance	-7.5%	
	Year 1	Year 15
Debt Service Coverage Ratio	1.20	1.30
OHFA Minimum DSCR	1.15	1.00

Construction Sources of Funds

Source Name	Amount	Percent of Total
Federal LIHTC Equity	\$10,370,871	8%
Construction Loan	\$30,342,475	22%
Deferred Developer Fee	\$6,600,000	5%
GP/MM Capital Contribution	\$4,500,000	3%
Post-Construction Costs	\$14,000,004	10%
Construction Loan	\$25,200,000	18%
Seller Note	\$46,590,000	34%
Total Construction Sources	\$137,603,350	100%

Permanent Sources of Funds

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$51,913,350	38%
Permanent First Mortgage	\$28,000,000	20%
Deferred Developer Fee	\$6,600,000	5%
GP/MM Capital Contribution	\$4,500,000	3%
Seller Note	\$46,590,000	34%
Total Permanent Sources	\$137,603,350	100%