
Low-Income Housing Tax Credit Application
2025 Funding Round
February 27, 2025

Attachment 29
Proposal Summary

Project Name:

HUB 27 II



Proposal Summary

2025 9% LIHTC AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: HUB 27 II

Basic Project Information

Project Name:	HUB 27 II
OHFA Project Number:	TBD
LIHTC Type:	9%
Project Address:	2500 W 27th Street
Project City or Township:	Cleveland
Project County:	Cuyahoga
Construction Type:	New Construction
Age Restriction:	General Occupancy
Funding Pool:	New Affordability - General Occupancy
Lead Developer:	Pivotal Development LLC
Total Number of Units:	69
Total Number of Buildings:	1

Project Rendering



OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
Housing Development Loan:	\$1,750,000	

Project Narrative

Hub 27 Phase II is a proposed 69-unit workforce housing development in Cleveland, Ohio. This energy-efficient development will be situated on a vacant, Brownfield site less than 1 mile from downtown. The project will showcase amenity-rich 1, 2, and 3-bedroom units within a 5-story, elevator-served building. These units will feature modern/open floor plans, a living area, full-size kitchens, spacious bedrooms, and extensive family-friendly amenities. Building amenities will include a community room, professionally trained on-site management, a playground, a fitness center, a computer center, an outdoor pavilion/gazebo, and extensive energy efficiency features

Set Asides Sought

Set Aside Type	Sought?
Community Housing Development Organization:	No
Community Impact Strategic Initiative:	Yes
Appalachian County:	No
Transformative Economic Development:	No
Refugee Resettlement Agency Partnership:	Yes
USDA Rural Development Subsidy Preservation:	Ineligible Pool
Balance of State or Small Continuum of Care:	Ineligible Pool

Competitive Scoring: New Affordability - General Occupancy Pool

Competitive Criterion	Maximum Score	Developer Self-Score
Areas of Opportunity and Revitalization	10	9
Building Amenities	10	10
Discount to Market Rent	5	5
Proximity to Amenities	17	17
811 PRA Participation	5	5
Annual LIHTC Request per LIHTC Unit	10	10
Total	57	56

Development and Operations Team

Lead Developer	Pivotal Development LLC
Co-Developer #1	Metro West Community Development
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	NDC Corporate Equity Fund 22 LP
OLIHTC Syndicator/Investor	N/A
GP/MM #1 Parent Entity	Pivotal GP Holding LLC
GP/MM #2 Parent Entity	Metro West Community Development
GP/MM #3 Parent Entity	N/A
General Contractor	Ruscilli Construction Co., LLC
Architect of Record	BDCL Architects, PC
Property Management Firm	Pivotal Management LLC

Site Information

Site Size (Acres)	5.59
Scattered Sites?	No
Total Number of Buildings	1
Total Number of Elevator-Serviced Buildings	1
Total Parking Spaces	61
Parking Ratio (Parking Spaces per Unit)	0.9
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 High
Census Tract Change Index	Growth

Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Save A Lot	0.5
Medical Clinic	Neighborhood Family Practice	0.82
Childcare Facility	Horizon Learning Center	0.1
Senior Center	N/A	
Pharmacy	Walgreens	0.67
Public Library	Cleveland Public Library -	0.57
Public Park	Roberto Clemente Park	0.59
Public School	Scranton Elementary School	0.3
Public Recreation Center	Michael Zone Recreation	1.47

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	55,069	80%
Manager's Unit Area		
Common Area	9,435	14%
Support and Program Space	1,966	3%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	2,795	4%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	69,265	100%

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	18	26%
40% AMI		
50% AMI		
60% AMI	19	28%
70% AMI	32	46%
80% AMI		
Unrestricted		
Manager's		
Total Units	69	100%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$867,576	\$12,574
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$60,730)	(\$880)
Effective Gross Income (EGI)	\$806,846	\$11,693
(Administrative Expenses)	(\$80,213)	(\$1,163)
(Property Management Fee)	(\$40,342)	(\$585)
(Owner-Paid Utility Expenses)	(\$60,388)	(\$875)
(Maintenance Expenses)	(\$123,225)	(\$1,786)
(Net Real Estate Taxes)	\$0	\$0
(Property and Liability Insurance)	(\$44,317)	(\$642)
(Other Insurance and Tax Expenses)	\$0	\$0
(Ongoing Reserve Contributions)	(\$27,600)	(\$400)
Operating Subsidy	\$0	\$0
(Total Operating Expenses)	(\$376,085)	(\$5,451)
Net Operating Income (EGI - Operating Expenses)	\$430,761	\$6,243

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$20,554,435
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$20,554,435
Codified Basis Boost (DDA/QCT)			\$26,720,766
Agency Discretionary Basis Boost			\$26,720,766
Adjusted Eligible Basis			\$26,720,766
X Applicable Fraction			100%
Qualified Basis			\$26,720,766
70% Present Value Rate			9%
Annual LIHTC Generated			\$2,404,869
Total 10-Year LIHTC Generated	\$24,048,689		
Total 10-Year LIHTC Requested	\$17,249,300		
LIHTC Equity Generated	\$15,681,166		
Equity Price	\$0.9100		

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	35	51%	0	0%
2-BR	25	36%	0	0%
3-BR	9	13%	0	0%
4-BR				
5-BR				
Total Units	69	100%	0	0%

Development Budget, Eligible Basis, and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$1,210,000	\$17,536	\$0
Predevelopment	\$1,024,930	\$14,854	\$1,014,930
Site Development	\$1,382,991	\$20,043	\$1,382,991
Hard Construction	\$14,085,840	\$204,143	\$14,085,840
Financing	\$1,184,200	\$17,162	\$838,574
Professional Fees	\$357,100	\$5,175	\$232,100
Developer Fee	\$3,000,000	\$43,478	\$3,000,000
OHFA and Other Fees	\$491,239	\$7,119	\$0
Capitalized Reserves	\$417,200	\$6,046	\$0
Total Development Costs (TDC)	\$23,153,500	\$335,558	\$20,554,435
LIHTC Eligible Basis as a Percent of Total Development Costs			89%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$335,558	\$361,268	-7%
TDC per Gross Square Foot	\$334	\$378	-12%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$430,761	\$430,761
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$358,967	\$430,761
Interest Rate	6.75%	6.75%
Amortization Period (Years)	40	40
Loan Term (Years)	17	17
Maximum Perm Loan Amount	\$4,957,918	\$5,949,501
Actual Perm Loan Amount	\$4,550,000	
Amount Variance	(\$407,918)	
Percent Variance	-8.2%	

	Year 1	Year 15
Debt Service Coverage Ratio	1.22	1.40
OHFA Minimum DSCR	1.20	1.00

Construction Sources of Funds

Source Name	Amount	Percent of Total
Federal LIHTC Equity	\$2,352,175	10%
Construction Loan	\$13,800,000	60%
Housing Development Loan	\$1,750,000	8%
Deferred Developer Fee	\$1,070,054	5%
Post-Construction Costs	\$2,328,991	10%
City of Cleveland	\$1,852,280	8%
Total Construction Sources	\$23,153,500	100%

Permanent Sources of Funds

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$15,681,166	68%
Permanent First Mortgage	\$3,850,000	17%
Permanent Second Mortgage	\$700,000	3%
Deferred Developer Fee	\$1,070,054	5%
City of Cleveland	\$1,852,280	8%
Total Permanent Sources	\$23,153,500	100%