

Proposal Summary

2025 9% LIHTC AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: Southside Gateway

Basic Project Information

Project Name:	Southside Gateway
OHFA Project Number:	TBD
LIHTC Type:	9%
Project Address:	Clinton Avenue between E 33rd St and E 32nd St
Project City or Township:	Lorain
Project County:	Lorain
Construction Type:	New Construction
Age Restriction:	General Occupancy
Funding Pool:	New Affordability - General Occupancy
Lead Developer:	The Finch Group dba TFG Housing Resources
Total Number of Units:	75
Total Number of Buildings:	3

Project Rendering



OHFA Resource Request Requiring Board Approval

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

Project Narrative

Southside Gateway marks a key milestone in Lorain MHA's plan to revitalize South Lorain. This project is the first step in implementing the Southside Gateway Transformation Plan which was completed with a FY2022 Choice Neighborhoods Planning Grant from HUD. Located next to the newly improved Oakwood Park—serving a predominantly low-income area in South Lorain and now featuring a splash pad and pool funded by a federal grant—this site offers an ideal location for new development. Southside Gateway Phase I calls for 75 units, ranging from one to four bedrooms. These units will target households at a variety of income levels to ensure inclusivity. A majority of units will be affordable to those earning below 80% of area median income and at least 20% of units will be unrestricted or set-aside for those of all income levels. Families who live in Southside Gateway will benefit from amenities such as a spacious outdoor

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:	No
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	6
Building Amenities	10	10
Discount to Market Rent	5	2
Proximity to Amenities	17	17
811 PRA Participation	5	5
Annual LIHTC Request per LIHTC Unit	10	8
Total	57	48

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	Ohio Capital Corporation for Housing
OLIHTC Syndicator/Investor	N/A
GP/MM #1 Parent Entity	The Finch Group dba TFG Housing Resources
GP/MM #2 Parent Entity	Raise Housing Development Corporation
GP/MM #3 Parent Entity	N/A
General Contractor	Ruscilli Construction
Architect of Record	LRK Architects
Property Management Firm	Lorain Metropolitan Housing Authority

Site Information

Site Size (Acres)	5.002
Scattered Sites?	No
Total Number of Buildings	15
Total Number of Elevator-Serviced Buildings	1
Total Parking Spaces	116
Parking Ratio (Parking Spaces per Unit)	1.5
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	Moderate
Census Tract Change Index	Slight Decline

Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Key Food Supermarket	0.93
Medical Clinic	Medcare Center	3.25
Childcare Facility	Discovery ChildCare	0.45
Senior Center	Lorain Senior Center	2.75
Pharmacy	Southside Pharmacy	1.17
Public Library	Lorain Public Library, Southside Branch	0.39
Public Park	Oakwood Park	0
Public School	Palm Elementary School	0.7
Public Recreation Center	Sheffield Lake Community Center	4

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area	11,275	11%
LIHTC Unit Area	70,540	71%
Manager's Unit Area		
Common Area	14,825	15%
Support and Program Space	1,915	2%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	450	0%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	99,005	100%

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	23	31%
40% AMI		
50% AMI	15	20%
60% AMI	8	11%
70% AMI		
80% AMI	14	19%
Unrestricted	15	20%
Manager's		
Total Units	75	100%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$1,059,079	\$14,121
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$74,136)	(\$988)
Effective Gross Income (EGI)	\$984,943	\$13,133
(Administrative Expenses)	(\$114,625)	(\$1,528)
(Property Management Fee)	(\$56,250)	(\$750)
(Owner-Paid Utility Expenses)	(\$92,400)	(\$1,232)
(Maintenance Expenses)	(\$111,750)	(\$1,490)
(Net Real Estate Taxes)	\$0	\$0
(Property and Liability Insurance)	(\$56,250)	(\$750)
(Other Insurance and Tax Expenses)	(\$11,250)	(\$150)
(Ongoing Reserve Contributions)	(\$30,000)	(\$400)
Operating Subsidy	\$0	\$0
(Total Operating Expenses)	(\$472,525)	(\$6,300)
Net Operating Income (EGI - Operating Expenses)	\$512,418	\$6,832

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$21,025,340
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$21,025,340
Codified Basis Boost (DDA/QCT)			\$27,332,942
Agency Discretionary Basis Boost			\$27,332,942
Adjusted Eligible Basis			\$27,332,942
X Applicable Fraction			80%
Qualified Basis			\$21,866,354
70% Present Value Rate			9%
Annual LIHTC Generated			\$1,967,972
Total 10-Year LIHTC Generated	\$19,679,718		
Total 10-Year LIHTC Requested	\$17,815,000		
LIHTC Equity Generated	\$15,409,357		
Equity Price	\$0.8651		

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	25	33%	11	44%
2-BR	25	33%	11	44%
3-BR	16	21%	15	94%
4-BR	9	12%	9	100%
5-BR				
Total Units	75	100%	46	61%

Development Budget, Eligible Basis, and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$500,000	\$6,667	\$0
Predevelopment	\$767,000	\$10,227	\$767,000
Site Development	\$1,780,762	\$23,743	\$0
Hard Construction	\$16,162,508	\$215,500	\$16,162,508
Financing	\$1,362,806	\$18,171	\$955,190
Professional Fees	\$355,642	\$4,742	\$140,642
Developer Fee	\$3,000,000	\$40,000	\$3,000,000
OHFA and Other Fees	\$306,490	\$4,087	\$0
Capitalized Reserves	\$474,149	\$6,322	\$0
Total Development Costs (TDC)	\$24,709,357	\$329,458	\$21,025,340
LIHTC Eligible Basis as a Percent of Total Development Costs			85%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$329,458	\$361,268	-9%
TDC per Gross Square Foot	\$250	\$378	-34%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$512,419	\$512,419
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$427,016	\$512,419
Interest Rate	6.60%	6.60%
Amortization Period (Years)	40	40
Loan Term (Years)	15	15
Maximum Perm Loan Amount	\$6,004,878	\$7,205,854
Actual Perm Loan Amount	\$6,000,000	
Amount Variance	(\$4,878)	
Percent Variance	-0.1%	
	Year 1	Year 15
Debt Service Coverage Ratio	1.20	1.37
OHFA Minimum DSCR	1.20	1.00

Construction Sources of Funds

Source Name	Amount	Percent of Total
Federal LIHTC Equity	\$1,625,000	7%
Construction Loan	\$16,775,000	68%
Housing Development Loan	\$1,750,000	7%
Deferred Developer Fee	\$1,300,000	5%
Post-Construction Costs	\$1,259,357	5%
City HOME	\$2,000,000	8%
Total Construction Sources	\$24,709,357	100%

Permanent Sources of Funds

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$15,409,357	62%
Permanent First Mortgage	\$6,000,000	24%
Deferred Developer Fee	\$1,300,000	5%
City HOME	\$2,000,000	8%
Total Permanent Sources	\$24,709,357	100%