

Proposal Summary

2025 9% LIHTC AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: Lorain Avenue Redevelopment

Basic Project Information

Project Name:	Lorain Avenue Redevelopment
OHFA Project Number:	TBD
LIHTC Type:	9%
Project Address:	4242 Lorain Avenue
Project City or Township:	Cleveland
Project County:	Cuyahoga
Construction Type:	New Construction
Age Restriction:	Senior 55+
Funding Pool:	New Affordability - Senior
Lead Developer:	Pennrose LLC
Total Number of Units:	72
Total Number of Buildings:	1

Project Rendering



OHFA Resource Request Requiring Board Approval

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

Project Narrative

The Lorain Avenue Redevelopment is a proposed 72-unit senior housing development located in the Ohio City neighborhood of Cleveland, Ohio. This project, a partnership between Pennrose LLC and Ohio City Incorporated, will transform the former Thomas F. McCaffery Health Center site into an environmentally sustainable, transit-oriented, and affordable residential community. The development will include ground-floor non-profit space dedicated to supporting neighborhood residents. The Lorain Avenue Redevelopment will provide affordable housing for households with incomes ranging from 30% to 70% of the Area Median Income (AMI). The development team plans to utilize project based voucher subsidy from the local housing authority. The building will offer a mix of studio and one-bedroom units, along with a range of on-site amenities, including community management services, fitness center, community room, and...

Set Asides Sought

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

Competitive Scoring: New Affordability - Senior Pool

Competitive Criterion	Maximum Score	Developer Self-Score
Areas of Opportunity and Revitalization	10	10
Building Amenities	15	15
Discount to Market Rent	5	5
Proximity to Amenities	16	16
Experienced Service Coordinator	4	4
Annual LIHTC Request per LIHTC Unit	10	10
Total	60	60

Development and Operations Team

Lead Developer	Pennrose LLC
Co-Developer #1	Ohio City Incorporated
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	Pennrose
GP/MM #2 Parent Entity	Ohio City Inc.
GP/MM #3 Parent Entity	N/A
General Contractor	John G. Johnson
Architect of Record	City Architecture
Property Management Firm	Pennrose Management Company

Site Information

Site Size (Acres)	1.3 acres
Scattered Sites?	No
Total Number of Buildings	1
Total Number of Elevator-Serviced Buildings	1
Total Parking Spaces	42
Parking Ratio (Parking Spaces per Unit)	0.6
Urban Suburban Rural (USR) Geography	Central City
Located in a Participating Jurisdiction (PJ)?	Yes
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

Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
	Save A Lot	3,407.35 ft
Grocery Store	MetroHealth Ohio City Health	1,177.57 ft
Medical Clinic	ESCUELITA DE OHIO CITY	828.99 ft
Childcare Facility	Michael Zone Recreation Center	3,811.30 ft
Senior Center	MetroHealth Ohio City Health	1,177.57 ft
Pharmacy	Cleveland Public Library -	1,433.95 ft
Public Library	Greenwood Park	1,249.14 ft
Public Park	Orchard S.T.E.M. School	833.63 ft
Public School	Michael Zone Recreation Center	3,811.30 ft
Public Recreation Center		

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space	1,912	3%
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	48,089	69%
Manager's Unit Area		
Common Area	13,807	20%
Support and Program Space	2,393	3%
Tenant Storage Space	665	1%
Major Vertical Penetrations (Elevator/Stairs, Etc.)	2,400	3%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	69,266	100%

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	8	11%
40% AMI		
50% AMI	32	44%
60% AMI	19	26%
70% AMI	13	18%
80% AMI		
Unrestricted		
Manager's		
Total Units	72	100%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$1,164,894	\$16,179
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$81,543)	(\$1,133)
Effective Gross Income (EGI)	\$1,083,351	\$15,047
(Administrative Expenses)	(\$266,023)	(\$3,695)
(Property Management Fee)	(\$64,850)	(\$901)
(Owner-Paid Utility Expenses)	(\$95,056)	(\$1,320)
(Maintenance Expenses)	(\$54,999)	(\$764)
(Net Real Estate Taxes)	(\$8,082)	(\$112)
(Property and Liability Insurance)	(\$95,000)	(\$1,319)
(Other Insurance and Tax Expenses)	\$0	\$0
(Ongoing Reserve Contributions)	(\$21,600)	(\$300)
Operating Subsidy	\$0	\$0
(Total Operating Expenses)	(\$605,610)	(\$8,411)
Net Operating Income (EGI - Operating Expenses)	\$477,741	\$6,635

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$21,622,664
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$21,622,664
Codified Basis Boost (DDA/QCT)			\$21,622,664
Agency Discretionary Basis Boost			\$28,109,463
Adjusted Eligible Basis			\$28,109,463
X Applicable Fraction			100%
Qualified Basis			\$28,109,463
70% Present Value Rate			9%
Annual LIHTC Generated			\$2,529,852
Total 10-Year LIHTC Generated	\$25,298,517		
Total 10-Year LIHTC Requested	\$17,815,000		
LIHTC Equity Generated	\$15,384,023		
Equity Price	\$0.8636		

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	10	14%	3	30%
1-BR	62	86%	37	60%
2-BR				
3-BR				
4-BR				
5-BR				
Total Units	72	100%	40	56%

Development Budget, Eligible Basis, and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$0	\$0	\$0
Predevelopment	\$1,021,221	\$14,184	\$852,422
Site Development	\$589,260	\$8,184	\$294,630
Hard Construction	\$16,728,282	\$232,337	\$16,617,807
Financing	\$1,489,294	\$20,685	\$709,305
Professional Fees	\$398,690	\$5,537	\$148,500
Developer Fee	\$3,000,000	\$41,667	\$3,000,000
OHFA and Other Fees	\$305,790	\$4,247	\$0
Capitalized Reserves	\$606,736	\$8,427	\$0
Total Development Costs (TDC)	\$24,139,273	\$335,268	\$21,622,664
LIHTC Eligible Basis as a Percent of Total Development Costs			90%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$335,268	\$361,268	-7%
TDC per Gross Square Foot	\$349	\$378	-8%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$477,741	\$477,741
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$398,118	\$477,741
Interest Rate	6.70%	6.70%
Amortization Period (Years)	40	40
Loan Term (Years)	20	20
Maximum Perm Loan Amount	\$5,531,603	\$6,637,924
Actual Perm Loan Amount	\$5,498,000	
Amount Variance	(\$33,603)	
Percent Variance	-0.6%	

	Year 1	Year 15
Debt Service Coverage Ratio	1.21	1.30
OHFA Minimum DSCR	1.20	1.00

