

Proposal Summary

SFY2025 4% LIHTC w/ OLIHTC AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: HUB 27

Basic Project Information

Project Name:	HUB 27
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	2500 W 27th St
Project City or Township:	Cleveland
Project County:	Cuyahoga
Construction Type:	New Construction
Age Restriction:	General Occupancy
Funding Pool:	Metropolitan
Lead Developer:	Pivotal Development LLC
Total Number of Units:	53
Total Number of Buildings:	1

Project Rendering



OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
Est. Total 10-Year Ohio LIHTCs:	\$9,596,285	
Multifamily Bonds (Inducement):	\$12,800,000	
Multifamily Bonds (Final):		
Housing Development Loan:	\$2,500,000	

Project Narrative

HUB 27 is a proposed workforce housing development located 1.5 to 2 miles from downtown Cleveland and Sherwin-Williams' new \$600-700+ million high-rise headquarters. The project will provide housing for individuals earning 50% to 70% of Cuyahoga County's median income, including teachers, firefighters, police officers, young professionals, seniors on fixed incomes, and many others who work in downtown Cleveland. This joint venture between Cincinnati-based Pivotal Housing Partners and Cleveland-based Metro West Community Development will offer 24 one-bedroom units, 24 two-bedroom units, and 5 three-bedroom units. Each unit will feature modern, open floor plans and extensive amenities. The approximately \$20 million project aims to deliver high-quality, affordable housing to downtown Cleveland.

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	Key CDC
OLIHTC Syndicator/Investor	Key CDC
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)	1.2
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)	1.2
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	<0.50 Miles
Medical Clinic	Ohio City Health Center	<1.00 Miles
Childcare Facility	Horizon Learning Center	<0.30 Miles
Senior Center	Golden Age Center	<0.70 Miles
Pharmacy	Walgreens	<0.70 Miles
Public Library	Cleveland Public	<0.65 Miles
Public Park	Lincoln Park	<0.60 Miles
Public School	Paul L Dunbar Elementary	<0.30 Miles
Public Recreation Center	Roberto Clemente Park	<0.60 Miles

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	45,561	76%
Manager's Unit Area		
Common Area	7,708	13%
Support and Program Space	3,091	5%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	3,685	6%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	60,045	100%

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI		
40% AMI		
50% AMI	11	21%
60% AMI	35	66%
70% AMI	7	13%
80% AMI		
Unrestricted		
Manager's		
Total Units	53	100%

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	24	45%	0	0%
2-BR	24	45%	0	0%
3-BR	5	9%	0	0%
4-BR				
5-BR				
Total Units	53	100%	0	0%

Consolidated Annual Operating Budget

Operating Line Item		Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income		\$670,968	\$12,660
Potential Gross Commercial Income		\$0	\$0
Potential Gross Service Income		\$0	\$0
Vacancy Allowance (Blended)	7%	(\$46,968)	(\$886)
Effective Gross Income (EGI)		\$624,000	\$11,774
Administrative Expenses		\$60,000	\$1,132
Property Management Fee		\$31,200	\$589
Owner-Paid Utility Expenses		\$51,500	\$972
Maintenance Expenses		\$95,000	\$1,792
Real Estate Taxes		\$66,000	\$1,245
(Abated Real Estate Taxes)		(\$66,000)	(\$1,245)
Property and Liability Insurance		\$41,075	\$775
Other Insurance and Tax Expenses		\$0	\$0
Ongoing Reserve Contributions (Operating Subsidy)		\$21,200	\$400
		\$0	\$0
Total Annual Operating Expenses		\$299,975	\$5,660
Net Operating Income (EGI - OpEx)		\$324,025	\$6,114

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$18,454,394
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$18,454,394
Codified Basis Boost			\$23,990,712
Adjusted Eligible Basis			\$23,990,712
X Applicable Fraction			100%
Qualified Basis			\$23,990,712
30% Present Value Rate			4.00%
Annual LIHTC Generated			\$959,628
Total 10-Year LIHTC Requested	\$9,596,285		
LIHTC Equity Generated	\$9,115,559		
Equity Price	\$0.95		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$1,367,334	7%
Ohio LIHTC Equity	\$964,330	5%
Construction Loan	\$12,800,000	61%
Housing Development Loan	\$2,500,000	12%
Deferred Developer Fee	\$1,476,851	7%
GP/MM Capital Contribution	\$86,054	0%
Post-Construction Costs	\$1,662,763	8%
Total Construction Sources	\$20,857,332	100%

Development Budget, Eligible Basis, and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$1,100,000	\$20,755	\$0
Predevelopment	\$835,488	\$15,764	\$835,488
Site Development	\$1,114,971	\$21,037	\$1,114,971
Hard Construction	\$12,187,276	\$229,949	\$12,187,276
Financing	\$1,391,313	\$26,251	\$1,051,659
Professional Fees	\$357,650	\$6,748	\$190,000
Developer Fee	\$3,075,000	\$58,019	\$3,075,000
OHFA and Other Fees	\$490,725	\$9,259	\$0
Capitalized Reserves	\$304,909	\$5,753	\$0
Total Development Costs (TDC)	\$20,857,332	\$393,535	\$18,454,394
LIHTC Eligible Basis as a Percent of Total Development Costs			88%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$393,535	\$400,000	-2%
TDC per Gross Square Foot	\$347	\$420	-17%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$324,025	\$324,025
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$270,021	\$324,025
Interest Rate	5.94%	5.94%
Amortization Period (Years)	40	40
Loan Term (Years)	17	17
Maximum Perm Loan Amount	\$4,120,922	\$4,945,107
Actual Perm Loan Amount	\$3,750,000	
Variance	(\$370,922)	
	Year 1	Year 15
Debt Service Coverage Ratio	1.32	1.50
OHFA Minimum DSCR	1.20	1.00

Permanent Sources of Funds

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$9,115,559	44%
Ohio LIHTC Equity	\$6,428,868	31%
Permanent First Mortgage	\$3,750,000	18%
Deferred Developer Fee	\$1,476,851	7%
GP/MM Capital Contribution	\$86,054	0%
Total Permanent Sources	\$20,857,332	100%