

## Proposal Summary

2026 Ohio LIHTC AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: Innovation Square Phase 2

### Basic Project Information

Project Name:	Innovation Square Phase 2
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	2287 E. 103rd St.
Project City or Township:	Cleveland
Project County:	Cuyahoga
Construction Type:	New Construction
Age Restriction:	General Occupancy
Funding Pool:	Metro - General Occupancy
Lead Developer:	Fairfax Renaissance Development Corporation
Total Number of Units:	67
Total Number of Buildings:	1

### Project Rendering



### OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
Est. Total 10-Year Ohio LIHTCs:	\$10,000,000	
Multifamily Bonds (Inducement):	\$11,812,905	
Multifamily Bonds (Final):		

### Project Narrative

Fairfax Renaissance Development Corp. and McCormack Baron Salazar propose the construction of Innovation Square Phase 2, a new 67-unit affordable housing community with a mix of studio, one- and two-bedroom units. Innovation 2 is the latest phase of a comprehensive neighborhood revitalization initiative on Cleveland's East Side. It will serve as the capstone of a new walkable, mixed-use, and mixed-income community along Cleveland's recently constructed Opportunity Corridor, near to major employers including the Cleveland Clinic and University Circle. The project is anchored by two recently completed apartment communities, and a new 40,000 SF full-service grocery store opened in January 2024. The building will share community spaces and a public park with the adjacent Phase 1 – the 82-unit Aura @ Innovation Square, a market and workforce development which opened in 2024. The Aura is fully occupied, with 90% of its residents affiliated with nearby employers.

### Development and Operations Team

Lead Developer	Fairfax Renaissance Development Corporation
Co-Developer #1	McCormack Baron Salazar
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Ohio Capital Corporation for Housing
OLIHTC Syndicator/Investor	Ohio Capital Corporation for Housing
GP/MM #1 Parent Entity	McCormack Baron Salazar
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	John G. Johnson Construction
Architect of Record	City Architecture
Property Management Firm	McCormack Baron Management

### Site Information

Site Size (Acres)	1.6
Scattered Sites?	No
Total Number of Buildings	1
Total Number of Elevator-Serviced Buildings	1
Total Parking Spaces	63
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	Low
Census Tract Change Index	No Change

### Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Fairfax Market	0.3
Medical Clinic	Cleveland Clinic	0.4
Childcare Facility	Little Treasures Childcare	0.7
Senior Center	Rose Center for Aging Well	0.85
Pharmacy	Cleveland Clinic Pharmacy	0.4
Public Library	CPL Martin Luther King Branch	0.6
Public Park	Ambler Park	0.5
Public School	Bolton Elementary	0.16
Public Recreation Center	Fairfax Recreation Center	0.4

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	47,648	76%
Manager's Unit Area		
Common Area	10,791	17%
Support and Program Space	2,050	3%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	1,980	3%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	62,469	100%

### Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	12	18%
40% AMI		
50% AMI	6	9%
60% AMI	32	48%
70% AMI		
80% AMI	17	25%
Unrestricted		
Manager's		
Total Units	67	100%

### Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$920,160	\$13,734
Potential Gross Commercial Income	\$4,020	\$60
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$64,813)	(\$967)
Effective Gross Income (EGI)	\$859,367	\$12,826
(Administrative Expenses)	(\$125,290)	(\$1,870)
(Property Management Fee)	(\$55,000)	(\$821)
(Owner-Paid Utility Expenses)	(\$100,500)	(\$1,500)
(Maintenance Expenses)	(\$112,895)	(\$1,685)
(Net Real Estate Taxes)	(\$6,000)	(\$90)
(Property and Liability Insurance)	(\$111,890)	(\$1,670)
(Other Insurance and Tax Expenses)	(\$33,500)	(\$500)
(Ongoing Reserve Contributions)	(\$26,800)	(\$400)
Operating Subsidy	\$0	\$0
(Total Operating Expenses)	(\$571,875)	(\$8,535)
Net Operating Income (EGI - Operating Expenses)	\$287,492	\$4,291

### LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$21,821,500
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$21,821,500
Codified Basis Boost (DDA/QCT)			\$28,367,950
Agency Discretionary Basis Boost			\$28,366,222
Adjusted Eligible Basis			\$28,367,950
X Applicable Fraction			100%
Qualified Basis			\$28,367,950
30% Present Value Rate			4%
Annual LIHTC Generated			\$1,134,718
Total 10-Year LIHTC Generated	\$11,347,180		
Total 10-Year LIHTC Requested	\$11,272,220		
LIHTC Equity Generated	\$9,468,665		
Equity Price	\$0.8401		

### 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	15	22%	0	0%
1-BR	42	63%	11	26%
2-BR	10	15%	1	10%
3-BR				
4-BR				
5-BR				
Total Units	67	100%	12	18%

Total Number of 504-Compliant Units	10
Mobility Units	8
Sensory Units	2

### Development Budget, Eligible Basis, and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$467,000	\$6,970	\$0
Predevelopment	\$1,145,000	\$17,090	\$1,145,000
Site Development	\$858,000	\$12,806	\$858,000
Hard Construction	\$14,125,969	\$210,835	\$14,125,969
Financing	\$2,221,941	\$33,163	\$1,615,531
Professional Fees	\$339,000	\$5,060	\$288,000
Developer Fee	\$3,789,000	\$56,552	\$3,789,000
OHFA and Other Fees	\$253,534	\$3,784	\$0
Capitalized Reserves	\$286,000	\$4,269	\$0
Total Development Costs (TDC)	\$23,485,444	\$350,529	\$21,821,500
LIHTC Eligible Basis as a Percent of Total Development Costs			93%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$350,529	\$448,000	-22%
TDC per Gross Square Foot	\$376	\$430	-13%

	Year 1	Year 15
Debt Service Coverage Ratio	1.29	1.05
OHFA Minimum DSCR	1.20	1.00

**Construction Sources of Funds**

Source Name	Amount	Percent of Total
Federal LIHTC Equity	\$1,893,733	8%
Ohio LIHTC Equity	\$1,059,800	5%
Construction Loan	\$10,770,032	46%
GP/MM Capital Contribution	\$100	0%
Post-Construction Costs	\$2,492,500	11%
City General Funds	\$2,358,000	10%
HOME Funds	\$450,000	2%
Congressional Earmark	\$1,616,279	7%
FHA Perm Loan	\$2,845,000	12%
Total Construction Sources	\$23,485,444	100%

**Permanent Sources of Funds**

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$9,468,665	40%
Ohio LIHTC Equity	\$5,299,000	23%
Permanent First Mortgage	\$2,845,000	12%
Deferred Developer Fee	\$1,136,400	5%
GP/MM Capital Contribution	\$100	0%
City General Funds	\$2,620,000	11%
County HOME	\$500,000	2%
Congressional Earmark	\$1,616,279	7%
Total Permanent Sources	\$23,485,444	100%