

## Proposal Summary

2026 Ohio 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:                | 4%  |
| Project Address:           | Seneca 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:              | Metro - General Occupancy                     |
| Lead Developer:            | The Finch Group dba TFG Housing Resources     |
| Total Number of Units:     | 75  |
| Total Number of Buildings: | 15  |

### Project Rendering



### OHFA Resource Request Requiring Board Approval

|                                | Amount      | Approval Date |
|--------------------------------|-------------|---------------|
| Est. Total 10-Year Ohio LIHTCs | \$9,262,500 |               |
|                                |             |               |
|                                |             |               |
|                                |             |               |
|                                |             |               |
|                                |             |               |
| Housing Development Loan:      | \$2,500,000 |               |
|                                |             |               |

### 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 calls for 75 units, ranging from one to four bedrooms. These units will target households at a variety of income levels to ensure inclusivity. Families who live in Southside Gateway will benefit from amenities such as a spacious outdoor patio, a computer room, and proximity to a community center.

### 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 | Ohio Capital Corporation for Housing      |
| 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         | To-Be-Determined                          |
| 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, South | 0.39  |
| Public Park              | Oakwood Park                 | 0   |
| Public School            | Palm Elementary School       | 0.7   |
| Public Recreation Center | Sheffield Lake Community     | 4   |

### Building Square Footage Breakdown

|   | Size (SF) | Pct of Total |
|---|-----------|--------------|
| Commercial and Fee-Driven Space                     |           |              |
| Unrestricted/Market-Rate Unit Area                  |           |              |
| LIHTC Unit Area                                     | 81,815    | 83%          |
| 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                  | 27              | 36%                    |
| 40% AMI                  |                 |                        |
| 50% AMI                  |                 |                        |
| 60% AMI                  | 19              | 25%                    |
| 70% AMI                  |                 |                        |
| 80% AMI                  | 29              | 39%                    |
| Unrestricted             |                 |                        |
| 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    | \$1,059,607   | \$14,128               |
| Potential Gross Commercial Income               | \$0           | \$0                    |
| Potential Gross Service Income                  | \$0           | \$0                    |
| Vacancy Allowance (Blended) 7%                  | (\$74,173)    | (\$989)                |
| Effective Gross Income (EGI)                    | \$985,434     | \$13,139               |
| (Administrative Expenses)                       | (\$114,625)   | (\$1,528)              |
| (Property Management Fee)                       | (\$54,000)    | (\$720)                |
| (Owner-Paid Utility Expenses)                   | (\$93,650)    | (\$1,249)              |
| (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)                      | (\$471,525)   | (\$6,287)              |
| Net Operating Income (EGI - Operating Expenses) | \$513,909     | \$6,852                |

### LIHTC Calculation

|                                  | Acquisition  | Rehabilitation | New Construction |
|----------------------------------|--------------|----------------|------------------|
| LIHTC Eligible Basis             |              |                | \$23,851,599     |
| - Reductions in Eligible Basis   |              |                | \$0              |
| = Net Eligible Basis             |              |                | \$23,851,599     |
| Codified Basis Boost (DDA/QCT)   |              |                | \$31,007,079     |
| Agency Discretionary Basis Boost |              |                | \$31,007,079     |
| Adjusted Eligible Basis          |              |                | \$31,007,079     |
| X Applicable Fraction            |              |                | 100%             |
| Qualified Basis                  |              |                | \$31,007,079     |
| 30% Present Value Rate           |              |                | 4%               |
| Annual LIHTC Generated           |              |                | \$1,240,283      |
| Total 10-Year LIHTC Generated    | \$12,402,831 |                |                  |
| Total 10-Year LIHTC Requested    | \$12,396,180 |                |                  |
| LIHTC Equity Generated           | \$10,596,419 |                |                  |
| Equity Price                     | \$0.8549     |                |                  |

### 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%                    | 0                         | 0%                                |
| 2-BR         | 25              | 33%                    | 11                        | 44%                               |
| 3-BR         | 16              | 21%                    | 15                        | 94%                               |
| 4-BR         | 9               | 12%                    | 9                         | 100%                              |
| 5-BR         |                 |                        |                           |                                   |
| Total Units  | 75              | 100%                   | 35                        | 47%                               |

|                                     |    |
|-------------------------------------|----|
| 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  | \$500,000    | \$6,667         | \$0                  |
| Predevelopment   | \$814,500    | \$10,860        | \$803,250            |
| Site Development   | \$1,780,762  | \$23,743        | \$1,780,762          |
| Hard Construction  | \$16,072,508 | \$214,300       | \$16,072,508         |
| Financing  | \$1,585,642  | \$21,142        | \$1,107,579          |
| Professional Fees  | \$491,600    | \$6,555         | \$287,500            |
| Developer Fee  | \$3,800,000  | \$50,667        | \$3,800,000          |
| OHFA and Other Fees  | \$293,478    | \$3,913         | \$0                  |
| Capitalized Reserves   | \$482,760    | \$6,437         | \$0                  |
| Total Development Costs (TDC)                                | \$25,821,250 | \$344,283       | \$23,851,599         |
| LIHTC Eligible Basis as a Percent of Total Development Costs |              |                 | 92%                  |

| Cost Containment Standards | Project   | Maximum   | Variance |
|----------------------------|-----------|-----------|----------|
| TDC per Unit               | \$344,283 | \$448,000 | -23%     |
| TDC per Gross Square Foot  | \$261     | \$430     | -39%     |

|                             | Year 1 | Year 15 |
|-----------------------------|--------|---------|
| Debt Service Coverage Ratio | 1.16   | 1.36    |
| OHFA Minimum DSCR           | 1.20   | 1.00    |

**Construction Sources of Funds**

| Source Name                | Amount       | Percent of Total |
|----------------------------|--------------|------------------|
| Federal LIHTC Equity       | \$1,150,000  | 4%               |
| Ohio LIHTC Equity          | \$1,375,000  | 5%               |
| Construction Loan          | \$15,439,246 | 60%              |
| Housing Development Loan   | \$2,500,000  | 10%              |
|                            |              |                  |
| Deferred Developer Fee     | \$1,500,000  | 6%               |
| Sponsor Loan               | \$500,000    | 2%               |
|                            |              |                  |
| Post-Construction Costs    | \$1,557,004  | 6%               |
|                            |              |                  |
|                            |              |                  |
|                            |              |                  |
|                            |              |                  |
| City HOME                  | \$1,800,000  | 7%               |
|                            |              |                  |
|                            |              |                  |
|                            |              |                  |
|                            |              |                  |
|                            |              |                  |
| Total Construction Sources | \$25,821,250 | 100%             |

**Permanent Sources of Funds**

| Source Name              | Total        | Percent of Total |
|--------------------------|--------------|------------------|
| Federal LIHTC Equity     | \$10,596,419 | 41%              |
| Ohio LIHTC Equity        | \$5,094,375  | 20%              |
| Permanent First Mortgage | \$6,130,456  | 24%              |
|                          |              |                  |
|                          |              |                  |
| Deferred Developer Fee   | \$1,500,000  | 6%               |
| Sponsor Loan             | \$500,000    | 2%               |
|                          |              |                  |
|                          |              |                  |
|                          |              |                  |
|                          |              |                  |
|                          |              |                  |
| City HOME                | \$2,000,000  | 8%               |
|                          |              |                  |
|                          |              |                  |
|                          |              |                  |
|                          |              |                  |
|                          |              |                  |
| Total Permanent Sources  | \$25,821,250 | 100%             |