

<b>Proposal Summary</b>	<b>2026 9% LIHTC AHFA Proposal Application</b>
Affordable Housing Funding Application (AHFA)	Project Name: Lorain Avenue Redevelopment Family

**Basic Project Information**

Project Name:	Lorain Avenue Redevelopment Family
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:	General Occupancy
Funding Pool:	New Affordability - General Occupancy
State Region:	Northeast
Lead Developer:	Pennrose LLC
Total Number of Units:	62
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 Family proposal is a 62-unit affordable general occupancy housing being developed on the former Thomas F. McCafferty Health Center site in Ohio City. The project is a partnership between Pennrose LLC and Ohio City Incorporated and will provide housing for families earning between 30% and 70% of the Area Median Income (AMI). The building will offer one-bedroom, two-bedroom, and three-bedroom units, with on-site amenities including a fitness center, community room, laundry facilities, and professional property management. The project will also include ground-floor nonprofit space, which will serve as the new permanent office for Ohio City Inc., strengthening community engagement and resident support services.

**Set Asides Sought**

Set Aside Type	Potentially Eligible?	Sought by Applicant?
Community Housing Development Organization:	No	No
QCT with Concerted Community Revitalization Plan:	No	No
Community Impact Strategic Initiative:	Yes	Yes
Continuum of Care Referral Partnership:	Ineligible Pool	Ineligible Pool
Non-Continuum of Care Referral Partnership:	Ineligible Pool	Ineligible Pool
Balance of State or Small Continuum of Care:	Ineligible Pool	Ineligible Pool

**Competitive Scoring: New Affordability - General Occupancy Pool**

Competitive Criterion	Maximum Score	Auto-Calculated Score	Applicant Self-Score
Opportunity General Occ. Index	40	32.3	32.4
Housing Needs Index:	35	21.0	21.0
LIHTC Request per LIHTC Unit:	25	25.0	25.0
<b>Total:</b>	<b>100</b>	<b>78.4</b>	<b>78.4</b>

Tiebreaker #1: LIHTC Awards in Census Tract over Past Three Years:

**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	OCCH
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
Supportive Services Provider	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)	0.7
Metropolitan or Rural?	Metropolitan
Located in a Participating Jurisdiction (PJ)?	Yes
Located in a Qualified Census Tract (QCT)?	No
Located in a Difficult Development Area (DDA)?	No
Neighborhood Opportunity General Occupancy Index	80.87
Housing Needs Index	60.10
Neighborhood Change Index	65.94

**Residential Units by Income Restrictions**

Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	8	13%
40% AMI		
50% AMI	23	37%
60% AMI	16	26%
70% AMI	15	24%
80% AMI		
Unrestricted		
Manager's		
<b>Total Units</b>	<b>62</b>	<b>100%</b>

**Residential 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	31	50%	31	100%
2-BR	21	34%	11	52%
3-BR	10	16%	0	0%
4-BR				
5-BR				
<b>Total Units</b>	<b>62</b>	<b>100%</b>	<b>42</b>	<b>68%</b>

**Consolidated Annual Operating Budget**

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$1,120,110	\$18,066
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$78,407)	(\$1,265)
<b>Effective Gross Income (EGI)</b>	<b>\$1,041,703</b>	<b>\$16,802</b>
(Administrative Expenses)	(\$138,895)	(\$2,240)
(Property Management Fee)	(\$78,242)	(\$1,262)
(Owner-Paid Utility Expenses)	(\$80,040)	(\$1,291)
(Maintenance Expenses)	(\$135,582)	(\$2,187)
(Net Real Estate Taxes)	(\$18,512)	(\$299)
(Property and Liability Insurance)	(\$88,741)	(\$1,431)
(Other Insurance and Tax Expenses)	(\$38,242)	(\$617)
(Ongoing Reserve Contributions)	(\$66,226)	(\$1,068)
Operating Subsidy	\$0	\$0
(Total Operating Expenses)	(\$644,480)	(\$10,395)
<b>Net Operating Income (EGI - Operating Expenses)</b>	<b>\$397,223</b>	<b>\$6,407</b>

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

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$10	\$0	\$0
Predevelopment	\$1,329,732	\$21,447	\$1,329,732
Site Development	\$1,019,268	\$16,440	\$535,417
Hard Construction	\$18,619,552	\$300,315	\$17,805,495
Financing	\$1,799,416	\$29,023	\$966,553
Professional Fees	\$534,535	\$8,622	\$166,624
Developer Fee	\$3,000,000	\$48,387	\$3,000,000
OHFA and Other Fees	\$286,619	\$4,623	\$0
Capitalized Reserves	\$598,679	\$9,656	\$0
<b>Total Development Costs (TDC)</b>	<b>\$27,187,811</b>	<b>\$438,513</b>	<b>\$23,803,821</b>
LIHTC Eligible Basis as a Percent of Total Development Costs			88%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$438,513	\$382,909	15%
TDC per Gross Square Foot	\$367	\$388	-5%

**LIHTC Calculation**

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$23,803,821
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$23,803,821
QCT/DDA Codified Basis Boost			\$0
OHFA Discretionary Basis Boost			\$1
Adjusted Eligible Basis			\$30,944,967
X Applicable Fraction			100%
Qualified Basis			\$30,944,967
70% Present Value Rate			9%
<b>Annual LIHTC Generated</b>			<b>\$2,785,047</b>
Total 10-Year LIHTC Generated	\$27,850,471		
Total 10-Year LIHTC Requested	\$17,319,700		
LIHTC Equity Generated	\$14,517,728		
LIHTC Net Equity Price	\$0.8383		

**Maximum Permanent Debt Sizing**

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$397,222	\$399,670
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$331,019	\$399,670
Interest Rate	8.85%	8.85%
Amortization Period	40	40
Loan Term (Years)	15	15
<b>Maximum Perm Loan Amount</b>	<b>\$3,630,000</b>	<b>\$4,380,000</b>
Actual Perm Loan Amount	\$4,107,426	
Amount Variance	\$477,426	
Percent Variance	13.2%	

  

	Year 1	Year 15
Debt Service Coverage Ratio	1.62	1.41
OHFA Minimum DSCR	1.20	1.00

**Construction Sources of Funds**

Source Name	Amount	Percent of Total
Federal LIHTC Equity	\$5,779,842	21%
Construction Loan	\$11,683,739	43%
Housing Development Loan	\$1,750,000	6%
Deferred Developer Fee	\$1,218,283	4%
Sponsor Loan	\$2,131,627	8%
Post-Construction Costs	\$2,867,473	11%
Construction to Perm	\$1,756,847	6%
<b>Total Construction Sources</b>	<b>\$27,187,811</b>	<b>100%</b>

**Permanent Sources of Funds**

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$14,517,728	53%
Permanent First Mortgage	\$2,350,579	9%
Permanent Second Mortgage	\$1,756,847	6%
Deferred Developer Fee	\$1,218,283	4%
Sponsor Loan	\$7,344,374	27%
<b>Total Permanent Sources</b>	<b>\$27,187,811</b>	<b>100%</b>