A TRANSIT-ORIENTED DEVELOPMENT PLAN FOR W. 25TH CORRIDOR

SECTION 5: MARKET ANALYSIS

APRIL 2021

25CONNECTS.COM
25CONECTA.COM

FUNDED BY THE FEDERAL TRANSIT ADMINISTRATION
TOD PLANNING PILOT PROGRAM
GRANT NO. OH-2019-012-00

TABLE OF CONTENT

INTRODUCTION

This document is one of five parts in the Transit-Oriented Plan for the West 25th Street Corridor (W. 25th Corridor), which aims to respond to FTA grant requirements related to the creation of a new Bus Rapid Transit (BRT) line running between Detroit Avenue and Broadview Road. The plan has five sections including:

1. Urban Analysis
2. What We Heard (public engagement)
3. BRT Study
4. Zoning Review and Policy Recommendations
5. **Market Analysis**

The Market Analysis Report acts as an update to previous work and provides a snapshot of real estate fundamentals that oversees the dynamics in the neighborhoods served by the GCRTA's BRT line along the W. 25th Corridor. The report also includes proforma analyses of certain projects in different parts of the study area and a gap funding analyses that discusses sources to fill significant financing gaps. The report includes the following three chapters:

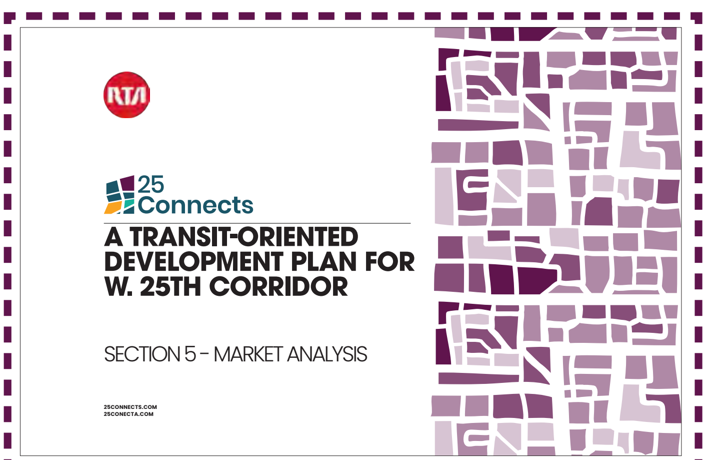
- Market Analysis
- Proforma Analysis
- Gap Funding Analysis


RTA
25 Connects
A TRANSIT-ORIENTED DEVELOPMENT PLAN FOR W. 25TH CORRIDOR
SECTION 1 - URBAN ANALYSIS
25CONNECTS.COM
25CONECTA.COM


RTA
25 Connects
A TRANSIT-ORIENTED DEVELOPMENT PLAN FOR W. 25TH CORRIDOR
SECTION 2 - WHAT WE HEARD
25CONNECTS.COM
25CONECTA.COM


RTA
25 Connects
A TRANSIT-ORIENTED DEVELOPMENT PLAN FOR W. 25TH CORRIDOR
SECTION 3 - BRT STUDY
25CONNECTS.COM
25CONECTA.COM


RTA
25 Connects
A TRANSIT-ORIENTED DEVELOPMENT PLAN FOR W. 25TH CORRIDOR
SECTION 4 - ZONING & POLICY
25CONNECTS.COM
25CONECTA.COM


RTA
25 Connects
A TRANSIT-ORIENTED DEVELOPMENT PLAN FOR W. 25TH CORRIDOR
SECTION 5 - MARKET ANALYSIS
25CONNECTS.COM
25CONECTA.COM

MANDATE

Building upon the previous market studies commissioned by the Greater Cleveland Regional Transit Authority (GCRTA), the most current of which is dated July 2018, this market analysis seeks to serve as a refresh of those more thorough documents and to provide a snapshot of real estate fundamentals in the neighborhoods to be served by a new GCRTA BRT line. This work does not account for the seismic economic shifts caused by the COVID-19 pandemic and has been tailored to focus on supply and demand dynamics that were present pre-COVID, as we believe, will likely indicate real estate opportunities in these neighborhoods in a more stabilized future post-pandemic. This market report is to confirm the types of housing and commercial development opportunities that exist along the proposed MetroHealth Bus Rapid Transit Corridor as part of the overall 25Connects Transit-oriented Development (TOD) study. This analysis will inform other aspects of the plan such as density recommendations, public realm improvements and BRT operations that might need to be considered to entice or attract development along the corridor.

OVERVIEW

The real estate market along the W. 25th corridor that is anticipated to be served by a new bus rapid transit (BRT) service cannot be spoken of as one single market. While there are macro-level factors that influence new development in all of these neighborhood, and, to a degree, all of Cleveland, we would propose that the proper way to understand what is happening and what is possible from a real estate perspective is by looking at each neighborhood individually. At the same time, we recognize that the boundary areas between neighborhoods may be influenced by market demand from an adjoining neighborhood. Our market analysis was informed by engagement with a variety of market participants including brokers, developers, lenders, community development corporations and others and we remain very grateful for their time and contributions.

The neighborhood under study are the following:

1. **Ohio City**
2. **Tremont**
3. **Clark-Fulton/Brooklyn Centre**
4. **Old Brooklyn**

Organizations and Individuals Interviewed for the Market Analysis:

1. Terry Coyne; Newmark Knight Frank
2. Nate Kelly, Bob Garber; CRESCO/Cushman & Wakefield
3. Dave Sharkey; Progressive Urban
4. Jeff Verespej, Lucas Reeve, Old Brooklyn CDC
5. Ben Trimble; Ohio City, Inc.
6. Cory Riordan, Khalid Hawthorne; Tremont West CDC
7. Ricardo Leon, Kristin Zollas; MetroWest CDC
8. Scott Skinner; NRP Group
9. Greg Zucca; MetroHealth
10. Gregory Williams: Feasibility Research Group
11. Rick Foran; Foran Development.
12. Tony Tavrell; KeyBank, Real Estate lender
13. Kelly Frank; KeyBank, Community Reinvestment Act (CRA) lender
14. Suzanne Hamilton; Erie Bank Real Estate lender, also resident of Duck Island
15. Lisa McGovern, CHN Partners, VP Development
16. Jason Taylor, MCPc, President

DETROIT
BRIDGE
LORAIN
FRANKLIN
CLARK
MONROE
PEARL
DENISON
WILDLIFE
DETROIT
BRIDGE
LORAIN
FRANKLIN
CLARK
MONROE
PEARL
DENISON
WILDLIFE

CHAPTER 1

MARKET ANALYSIS

CHAPTER 1 : MARKET ANALYSIS

1.1
OHIO CITY

OVERVIEW

- Ohio City has been one of the most active sub-markets in Cleveland for the past few years and has seen tremendous growth in new multi-family development. Ohio City Inc, the community development corporation serving the Ohio City neighborhood, cites over $1 billion invested in Ohio City over the past decade with over 600 units currently under construction.
- The vast majority of new product is luxury multi-family (MF) currently underwritten at $2.00 per squate foot rents.These developments are all defined by healthy amenity packages and have been attracting young professionals, families with young children and empty nesters looking for an urban environment and for an easier commute.
- Demand for retail space is challenged. Restaurant and bars have done better along W. 25th Corridor and near the Westside Market. Rents overall have been about $17 per square foot. While more employers are desired to help turn Ohio City into more of a 24-hour neighborhood, office demand has been very limited and rents in a recent development have been at about $20-25 per square foot net of building expenses.
- Development in Ohio City has benefited from available land, transportation connectivity to downtown, existing neighborhood amenities and a stable base of educational and corporate institutions. The following are examples of community amenities that underpin the social and institutional fabric of Ohio City.
  - West Side Market
    - Major attraction and Cleveland landmark but experiencing problems even prior to the pandemic. Many believe that it is a consequence of the market being owned and managed by the City, not a private enterprise, and, therefore, not consistently maintained well and optimized from an operating perspective.

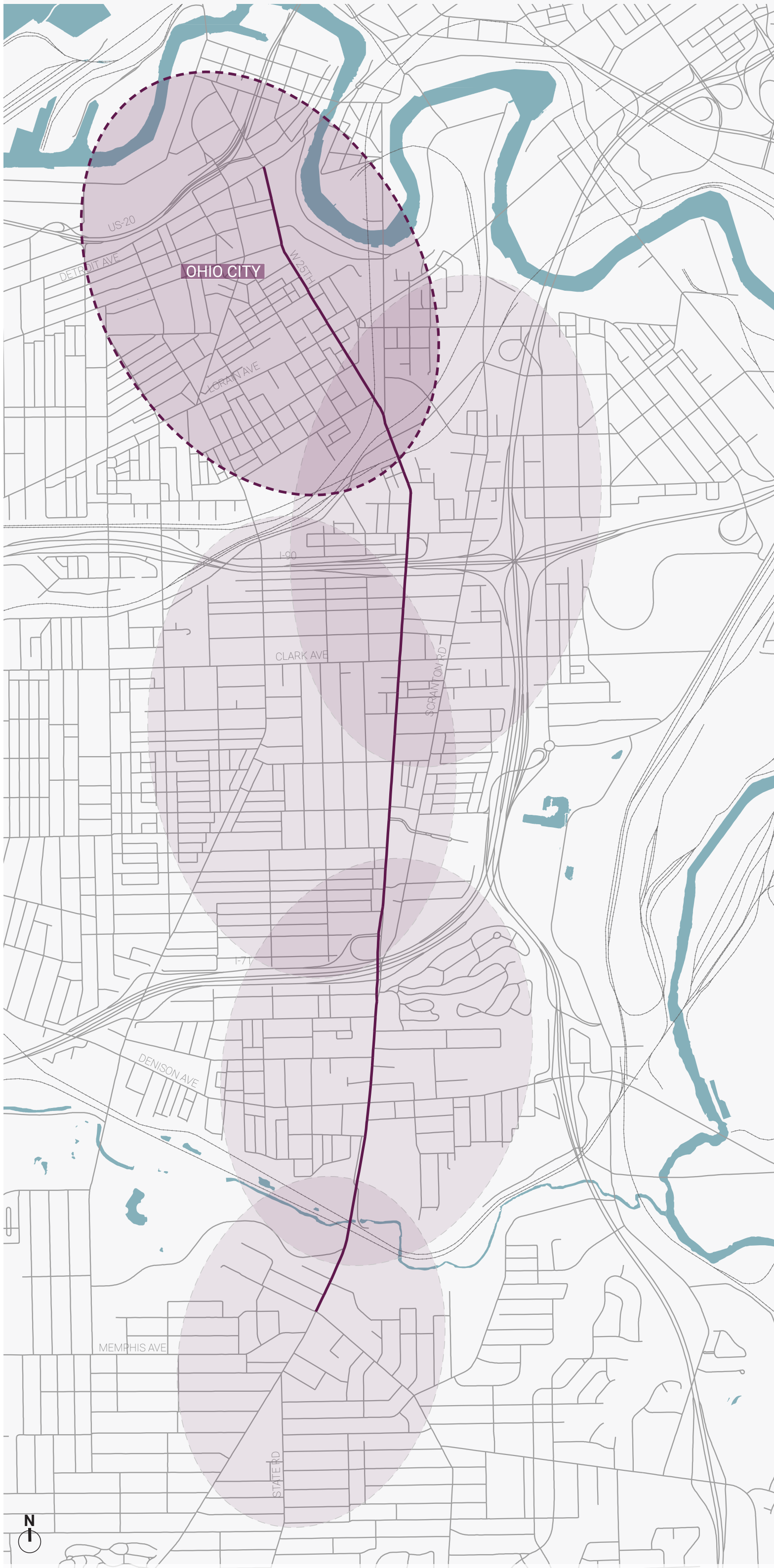


FIGURE 1
OHIO CITY SUB-MARKET

- Near West Recreation
  - Near West Recreation is a partnership that brings recreation programming to families in Ohio City and has been cited by people in our analysis as an important neighborhood amenity that is largely unmatched elsewhere in the City.
- Restaurants and pubs
  - Ohio City is well served by dining options and has a celebrated bar scene. Conversations with those active in the market reveal that retailers, paying close to $17 per square foot in rent, on average, but still struggle as Ohio City is not (yet) a 24-hour neighborhood
- Major employers
  - St. Ignatius High School
  - Lutheran Hospital (Cleveland Clinic-affiliate)
  - Proximity to W25/Ohio City Red Line station
- Home sales in Ohio City are among the highest in the urban core with properties selling for, on average, +/- $300,000 or $175-200 per square foot. Some of the home sales are for new development on infill lots, but these have been more distant from the W25th Street Corridor. There have also been condominium and townhomes sold. It is speculated that highly regarded St. Ignatius High School may have some positive impact. Home sales and new development west of St. Ignatius on Lorain have been strengthening but that development is starting to go beyond the TOD walking radius. There has also been some development south of Lorain (SO-LO) between Ohio City and Clark-Fulton, particularly individuals and home builders buying lots and building single-family homes (SFH)

Buildings	**39**
Avg. Rent/Unit	**$1,512**
Avg. Rent/SF	**$1.82**
Avg. Vacancy Rate	**20.7%**
Vacancy (5y Avg.)	10.3%
Rents (asking survey)	
Studio	$1,147
1B	$1,460
2B	$1,866
3B	$1,442

SOURCE: FEASIBILITY RESEARCH GROUP

FIGURE 2
OHIO CITY MULTIFAMILY SUB-MARKET

Stantec

CHAPTER 1 : MARKET ANALYSIS

CONCLUSIONS

The Ohio City neighborhood is well saturated and has attracted the attention of well-funded private real estate companies. There are some lenders that have concern that it is overbuilt and absorption will begin to drag, perhaps putting downward pressure on rental and for-sale prices. That said, most market participants believe there is still some runway left for development as the combination of available land, neighborhood amenities, transportation options and local landmarks/institutions should continue to appeal to a wide range of renter/buyer from young professional to empty nester.

This team's analysis did not reveal any obvious impact that a new BRT line would have on TOD development opportunities in the Ohio City neighborhood. Mostly due to transportation pattern moving resident to downtown and back—particularly the W. 25th Corridor/Ohio City Red Line station--a new north-south BRT line along W. 25th Street would not service an existing need originating in this neighborhood. The exception to this would be for medical residents and other employees of Metro Health that would like to live in Ohio City and commute to the Metro Health Campus in a safe, reliable, and efficient manner.

WEST SIDE MARKET
SOURCE: CITY OF CLEVELAND

MARKET SQUARE
SOURCE: CRBE

1.2
TREMONT

OVERVIEW

- Rents and home values have increased significantly, but there has been more modest growth than in Ohio City, though development pace has been picking up:
  - 100 units came online in the last 5 years; 200 units currently in development, 600 additional units in planning stage
  - Most of these new units are 1 Bedrooms (BR) in 50+ unit MF projects built on former parking lots or on other non-performing assets
  - $2 per square foot rents for new development / $1.50 – 1.75 per square foot for rehabs (with historic tax credits)
- The Tremont market, like Ohio City, is fueled by buyers and renters that might otherwise have considered Downtown, but prefer the housing-types, amenities and character of Ohio City and Tremont. Ohio City has a mix of multifamily and single family with multifamily particularly focused along and near W. 25th Corridor. Tremont is more a neighborhood of single-family homes with some small apartments and with restaurants, including fine dining, galleries and boutiques in parts of the neighborhood.
- Only the westernmost portion of the neighborhood is within the ¼ mile of the W25 Corridor usually considered walkable for TOD.
- The CDC sees a need for more 2BR units and a greater diversity of affordability.

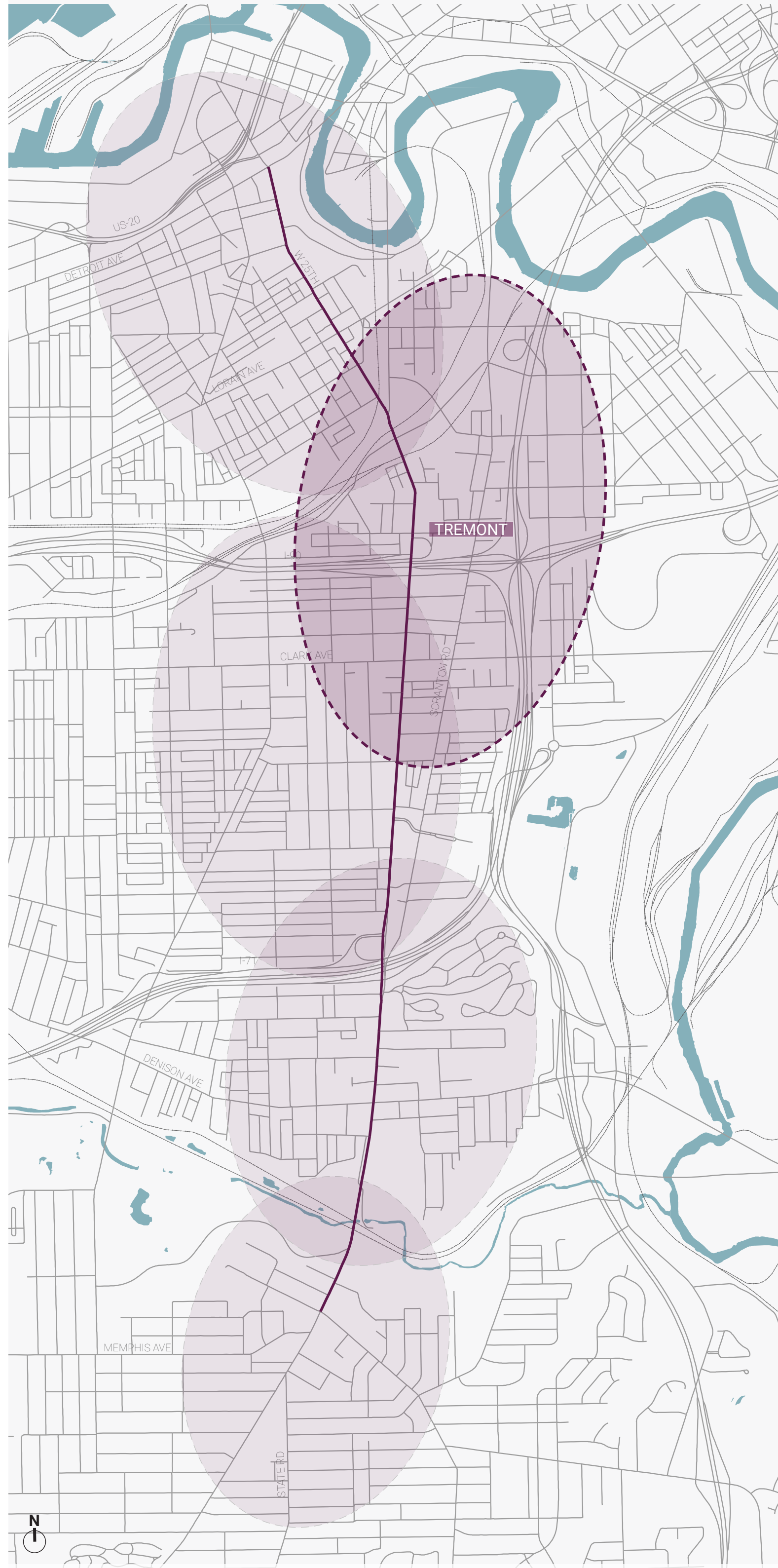


FIGURE 3
TREMONT SUB-MARKET

CHAPTER 1 : MARKET ANALYSIS

Buildings	**30**
Avg. Rent/Unit	**$1,161**
Avg. Rent/SF	**$1.22**
Avg. Vacancy Rate	**11.6%**
Vacancy (5y Avg.)	5.5%
Rents (asking survey)	
Studio	$1,130
1B	$1,181
2B	$1,087
3B	$1,363

SOURCE: FEASIBILITY RESEARCH GROUP

FIGURE 4
TREMONT MULTIFAMILY SUB-MARKET

CONCLUSIONS

Tremont and Ohio City share many of the same market fundamentals and, together, form one of the healthiest sub-markets in Cleveland. Demand from new renters and homebuyers has delivered a consistent and accelerating pace of new product and prices for developable land have significantly increased. Displacement of historic residents took place many years ago. It is not clear that continued new development and price increases have led to significant additional displacement as the new product being delivered in Tremont is mostly on parking lots and conversions of old single family homes. It has, however, resulted in an increased concentration of market rate development without a comparable level of activity in affordable housing product. This trend, if unchecked, may result in an increased homogenization of housing product and renter/buyer profile in the neighborhood which could diminish housing options for those needing more affordable options. This dynamic presents an opportunity for a Community Land Trust / Land Bank and other subsidized development of affordable housing, some of which has already begun with the Tremont West CDC. Oftentimes, these organizations do not have the financial capacity to compete with private development companies for properties listed in the market.

1.3
CLARK-FULTON BROOKLYN CENTRE

OVERVIEW

- Given the fact that the Clark-Fulton neighborhood has, in the words of their local community development corporation, been a “historically very dis-invested market”, this study confirms this notion with the existing housing inventory currently comprising of mostly old bungalows in relatively poor condition. There are signs of improvement with vacancy rates improving from 18% in 2010 to approximately 8.5% in 2020. However, with 600-700 vacant houses and a total of 1,200 vacant lots, on a nominal basis there is still a lot of slack in the market. The housing options available for an area with an Area Median Income (AMI) of $22-25,000 are limited and mostly defined by deteriorating single family structures.
- The major economic engine in the neighborhood is MetroHealth, the second largest medical center in the region after Cleveland Clinic. The medical center is controlled by Cuyahoga County. The main campus borders W. 25th Corridor to its west and is in the southeastern section of Clark-Fulton. MetroHealth also has a hospital facility in Old Brooklyn along the W. 25th Corridor. MetroHealth has commenced its most ambitious community development plans in many decades supported by Mayor Jackson’s selection of Clark-Fulton for the City’s Neighborhood Transformation initiative. This announcement coincided with MetroHealth’s commencement of $1 billion campus upgrade and expansion and the selection of MetroHealth’s mixed-income development plans on the edge of its campus for an FHACT 50 grant.
- MetroWest CDC, the community development

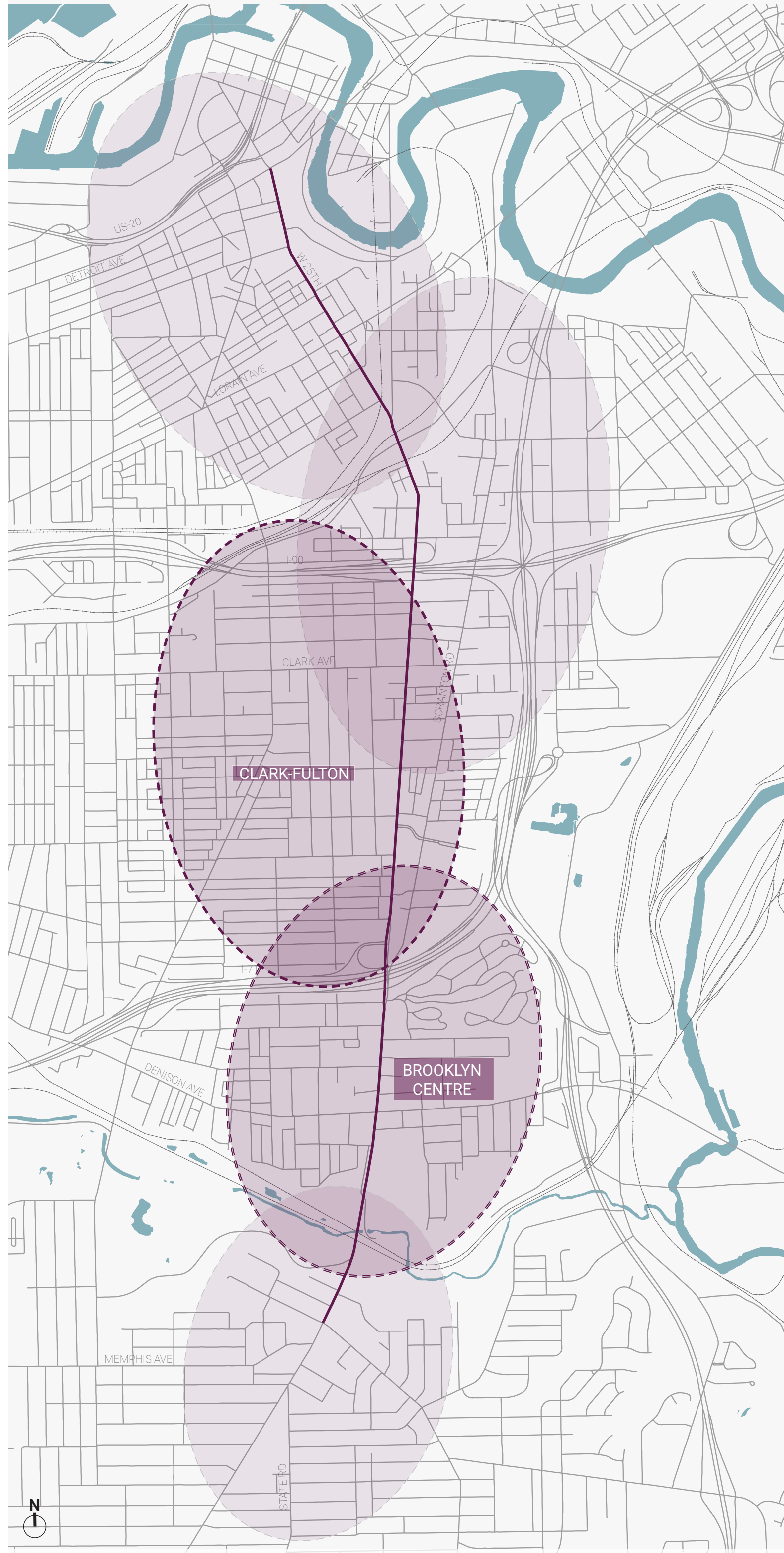


FIGURE 5
CLARK-FULTON & BROOKLYN CENTRE SUB-MARKETS

0 0,25 0,5 mile

corporation serving the Clark-Fulton neighborhood, has identified approximately $120M in development activity happening in their area (in addition to MetroHealth's campus redevelopment and is hopeful that work at MetroHealth will serve as a catalyst for other development activities

- NRP Group, a Cleveland-based leading national developer of mixed-use, multi-family and affordable housing projects, is developing two projects in partnership with MetroHealth.
  - A 75-unit Low Income Housing Tax Credit project with 5,000 square feet of community-serving commercial space on the ground floor is currently in pre-development. This project was selected for the Fair Housing Act (FHACT) 50 Building Opportunity Fund which is supported the LIHTC application and is providing additional subsidy. This project is also benefiting from grant funds from MetroHealth, the City of Cleveland and other sources.
- NRP is also building, in partnership with MetroHealth, 100 units of Medical Residents Apartments to serve the consistent population of junior medical staff that cycle through the MetroHealth system every year. These renters are generally single, transient, and working long hours so require little by way of amenities. Additionally, these renters are earning salaries well above the AMI in Clark-Fulton and can afford to pay rents that support a higher end product in a more expensive building typology. NRP is targeting rents between $1.50 -1.70 per square foot in the medical resident building, when market rents in the surrounding neighborhood are $0.85 per square foot.

Buildings	**19**
Avg. Rent/Unit	**$497**
Avg. Rent/SF	**$0.85**
Avg. Vacancy Rate	**5.6%**
Vacancy (5y Avg.)	8.3%
Rents (asking survey)	
Studio	$459
1B	$516
2B	$489
3B	$594

SOURCE: FEASIBILITY RESEARCH GROUP

FIGURE 6
CLARK-FULTON MULTIFAMILY SUB-MARKET

While there has been significant activity at the southeast end of the neighborhood because of MetroHealth's activities, the bulk of the neighborhood has been more of a challenge. Still the CDC has been working hard to support additional development shown in the graphic, above. The Clark-Fulton neighborhood is getting a lot of attention from the City of Cleveland, its most important civic institution in MetroHealth as well as from housing-focused non-profits like CHN Housing Partners. Additionally, there has been sporadic investments from developers testing the market for price seekers who cannot afford Ohio City and Tremont. The Spang Bakery is such an example, aimed at $1.40 per square foot for rental housing. Historically, the major obstacle to housing development has been the low median income of the population who cannot afford to pay rents to support conventional equity and debt on new development or rehabs. Many have pointed to the strong, upwardly mobile Hispanic population that has been growing in Clark Fulton as perhaps an engine of growth and neighborhood investment. At the same time, brokers long active in the neighborhood have pointed to a historical pattern of upwardly mobile groups leaving neighborhoods in search of space, security and the trappings of "the American dream" that may not be readily present in Clark Fulton.

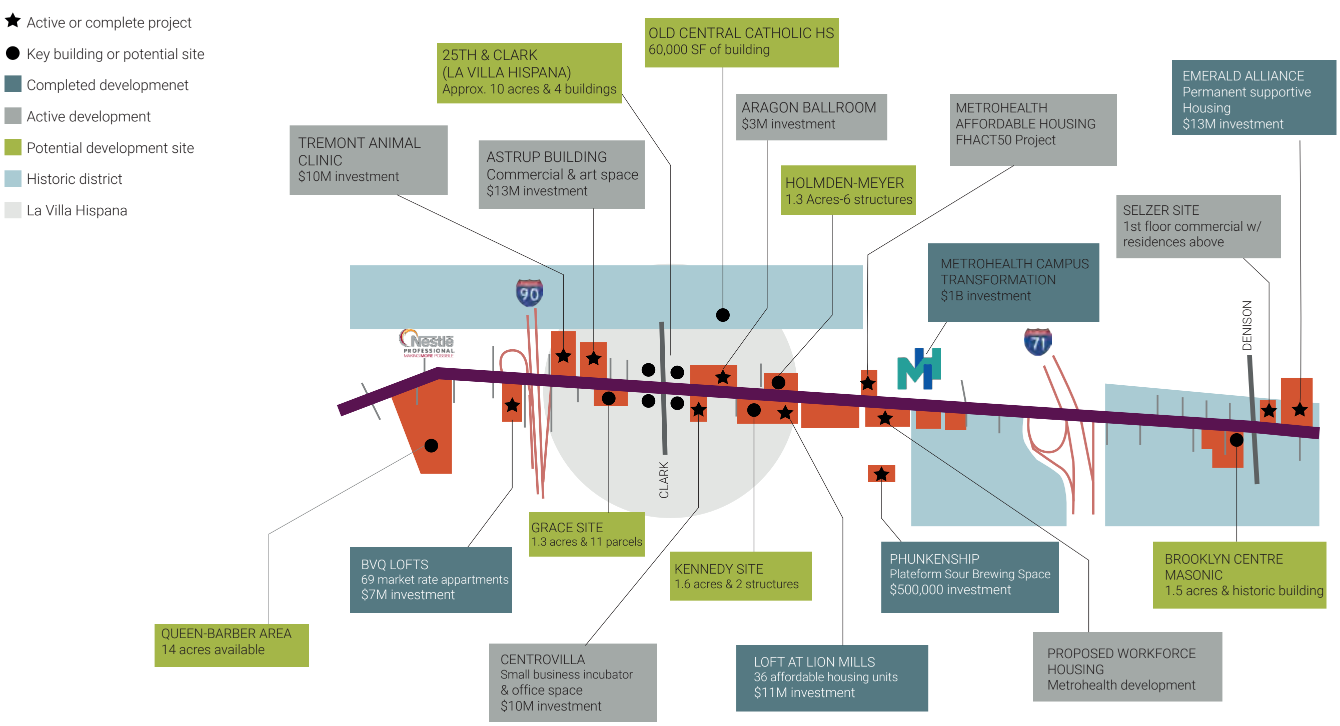


FIGURE 7
W. 25TH CORRIDOR DEVELOPMENT - METRO WEST SERVICE AREA

CHAPTER 1 : MARKET ANALYSIS

CONCLUSIONS

The authors believe any meaningful development in the area will have to be heavily reliant on subsidy and would point to the unique set of circumstances and incentives made available to NRP Group on their projects with MetroHealth as an example of what it takes to deliver new projects, at-scale, in the neighborhood.

In terms of subsidy supported housing development, Clark-Fulton offers a wide variety of (re)development sites and a population very much in need of affordable housing options. The quantity of subsidy-supported development is limited by the competitive nature of these state and federal funds plus the volume cap limit on the total amount of funds available in any given year.

Further, the CDC has indicated that the vacant Single-family homes that sold for $65-70,000 pre-recession and at about $15-25,000 ten years ago, can now be purchased for about $40,000 but that the community seeking this housing cannot obtain mortgages. Initial investigation from our interviews with lenders and CHN Partners indicates that this may be a credit and appraisal problem. CHN has a rental/purchase program that helps to address the issue, but they have limited resources in the program.

When thinking specifically about a new GCRTA BRT system, the authors believe that, all else equal, this new transportation alternative will be an attractive amenity to residents. However, given the low Area Median Income and the fact that a majority of residents are rent burdened, a BRT line is not something that people could pay a premium for. That said, those developers that are active in the neighborhood are more likely to look for opportunities closer to W. 25th and highlight its improved infrastructure and transportation options to potential buyers and renters.

METROHEALTH NEW CAMPUS DESIGN
SOURCE: CRAINS CLEVELAND

1.4
OLD BROOKLYN

OVERVIEW

- Old Brooklyn, as a neighborhood, covers a large area, with the portion traversed by W25th (Pearl) Street being a very small subset and the portion anticipated to be served by a new BRT line even smaller still.
- Our conversations with market participants reveal that there are insufficient nodes of population density to support concentrated area of retail or transit. Old Brooklyn is still defined by its long linear corridors, remnants of the old trolley car lines that originally laid out the grid.
- Most of the housing stock in Old Brooklyn is two story splits and single-family homes. Single Family Home values have improved over the past few years with some sub-markets in Old Brooklyn seeing 60-70% increases in sale value.
    - Some in the neighborhood have expressed frustration with real estate speculators purchasing newly listed SF homes and configuring the structure to house multiple dwelling units. This approach produces a quick return for the investors but, in the long run, does not deliver anything meaningful to the neighborhood as the homes continue to deteriorate and the sense of community gets diluted.
    - The CDC covering Old Brooklyn is proud to declare that the neighborhood is becoming attractive to young professionals who are priced out of Ohio City and Tremont. However, the market is still not where it needs to be to pick up empty nesters seeking less space but still in need of amenities, safety, and a sense of community.

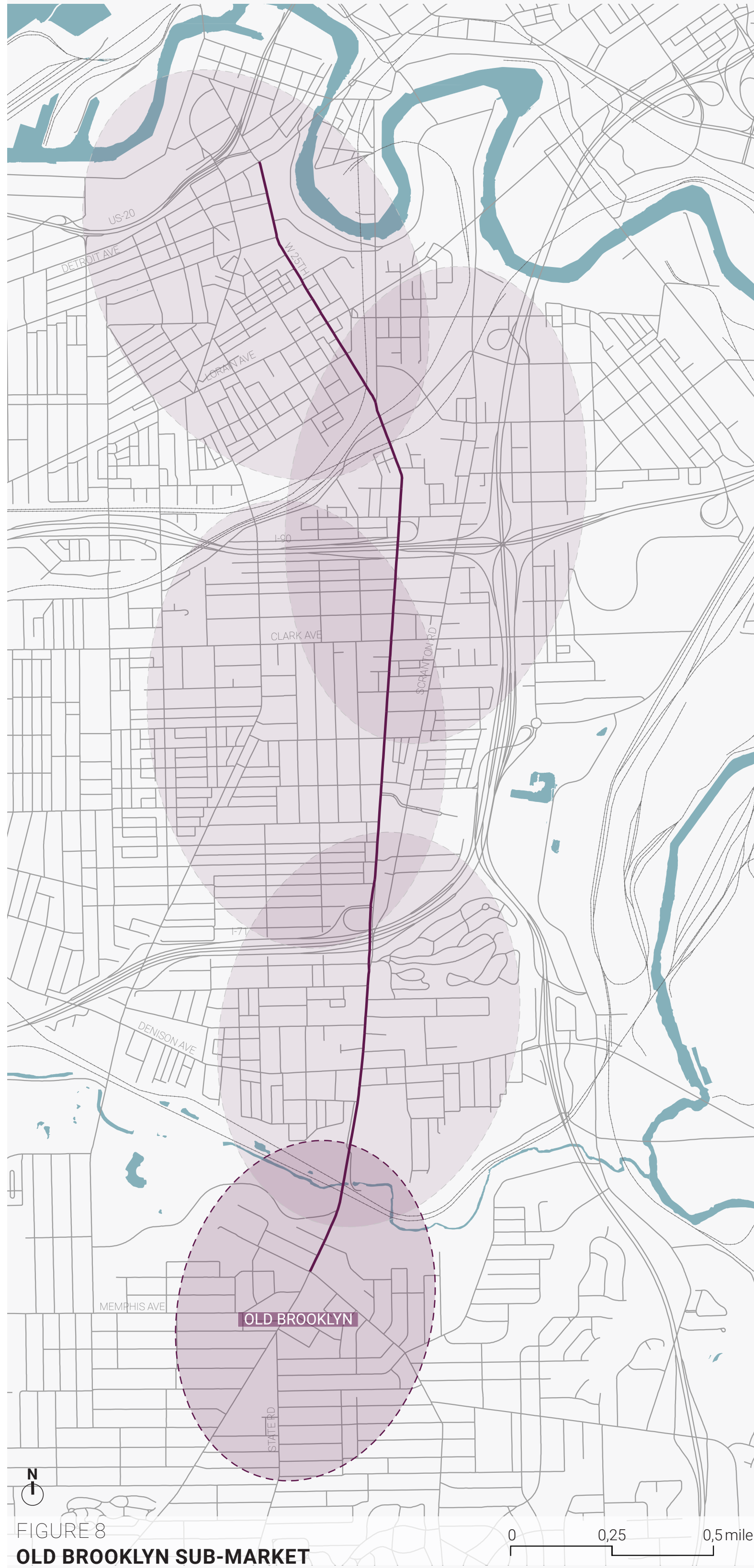


FIGURE 8
OLD BROOKLYN SUB-MARKET

CHAPTER 1 : MARKET ANALYSIS

- There is a significant demographic shift occurring as Old Brooklyn becomes the fastest growing Latinx (from 3% to 20%) and Black neighborhood (from 8% to 16%) in Cleveland, while also having the highest number of under 18-year olds in the City.
  - Members of this new neighborhood demographic are providing entrepreneurial vigor in a previously staid market. While many of the closed storefronts are not suitable for the low key businesses that these individuals desire to start, and the cost of fitting out and upgrading older spaces is cost prohibitive, many have found opportunities to open a café, restaurant or other establishment and are bringing some vitality to the neighborhood.
- Some have pointed to the newly designed and soon-to-be-delivered Brighton Park, covering 26 acres across from the Zoo, as a new public amenity that will provide a walking/biking destination to draw visitors and residents (new and existing)
- Rents for residential properties are $1.60-1.80 per square foot (Old Brooklyn CDC).
- There is very limited retail space available—2 spaces at $10.50 and $14.00 per square foot, typical for tertiary retail and 2 offices at $11.00 per square foot. These rents are too low to support new development.

Buildings	**36**
Avg. Rent/Unit	**$695**
Avg. Rent/SF	**$0.93**
Avg. Vacancy Rate	**3.5%**
Vacancy (5y Avg.)	4.3%
Rents (asking survey)	
Studio	$446
1B	$672
2B	$714
3B	$1,222

SOURCE: FEASIBILITY RESEARCH GROUP

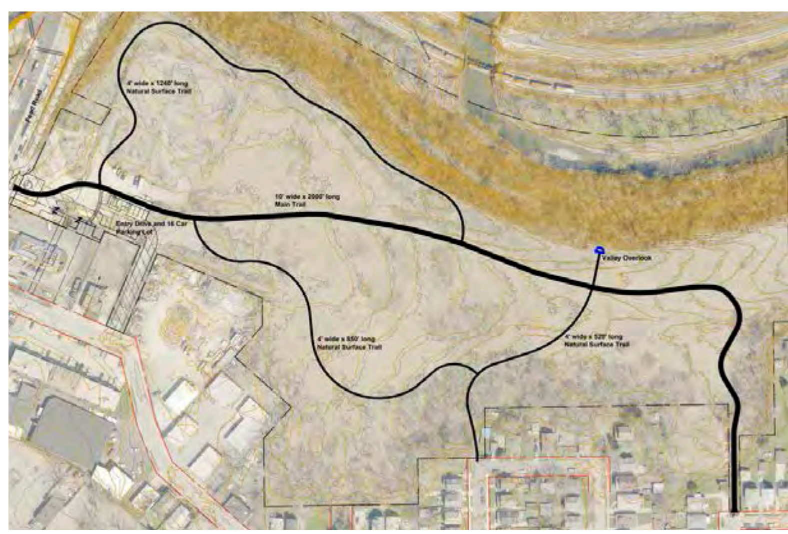
FIGURE 9
OLD BROOKLYN MULTIFAMILY SUB-MARKET

CONCLUSIONS

Old Brooklyn is a market that has a lot of assets, from its handsome historic homes to its public schools and has a baseline of community and retail assets that give it character. At the same time, it is a market that seems to be waiting for a meaningful catalytic project to spur sustained growth and healthy, community focused development.

It is notable that MCPc, a Cleveland-based technology solutions company, chose Old Brooklyn to build a 120,000 sq ft electronics repurposing facility, on the site of a former GCRTA bus depot. In speaking with MCPc, it was clear that a primary driver for them to be in the Old Brooklyn neighborhood was to provide an opportunity for people at lower income levels to have access to a career in the technology sector so they could pursue a career that they may not normally consider going into. Their approach is commendable as they seek to bring people into the workforce by meeting them at the low level of educational and technical training that defines many in the neighborhood and adjoining Brooklyn Centre and, particularly, Clark-Fulton. As these employees learn their trade, MCPc offers professional growth and career advancement opportunities. The Author also believes there is an opportunity to consider incentive/funding programs focused on workforce training in inner city populations as a way to attract future employers.

DEVONSHIRE SPINE PROJECT
SOURCE: TLCI



BRIGHTON PARK
SOURCE: CLEVELAND METROPARKS

CHAPTER 1 : MARKET ANALYSIS

DETROIT
BRIDGE
LORAIN
FRANKLIN
CLARK
MONROE
PEARL
DENISON
WILDLIFE
DETROIT
BRIDGE
LORAIN
FRANKLIN
CLARK
MONROE
PEARL
DENISON
WILDLIFE

CHAPTER 2

PROFORMA ANALYSIS

CHAPTER 2 : PROFORMA ANALYSIS

2.1
OVERVIEW

Building upon the work we performed investigating real estate fundamentals along the W25th Corridor, we tested the financial feasibility of a handful of different development programs that would be representative of projects in the market. The principal purpose of this analysis was to determine any constraints to financial feasibility and, should they exist, to identify the gap in funding that must be filled to get projects built. An additional objective of the analysis was to provide a snapshot of how new development in the neighborhoods served by the new BRT line are likely to look and be structured. Lastly, our work also sought to identify a matrix of local, state and federal financing tools that could be used to fill the funding gaps.

As more fully discussed in our market analysis, Ohio City and Tremont are sub-markets that are performing well, attracting private development capital and, for the most part, do not require a substantial amount of public subsidy to get new development built. That said, we note that almost all new developments on the westside of Cleveland take advantage of the 15-year tax abatement. While recognizing the relative strength of the Ohio City and Tremont markets, we did review a GCRTA-owned development site on Columbus Road adjacent to the Red Line W. 25th station that had specific site issues as well as two development typologies that are more emblematic of opportunities in the Clark-Fulton neighborhood.

2.2

COLUMBUS ROAD

The GCRTA-owned property on Columbus Road is between Abbey Avenue and W. 25th Corridor in between the Ohio City / Westside Market District and Duck Island neighborhoods. The 1.36-acre site is adjacent to the GCRTA Red Line West Rapid Transit Line and within easy walking distance to neighborhood amenities such as the Westside Market, Irishtown Bend park and many bars and restaurants.

The site was brought to market by the GCRTA through an RFQ/P in Q3 2018 which eventually selected the Carnegie Group as a development partner in. The Carnegie Group and GCRTA subsequently ended their negotiation of a Development Agreement, and the GCRTA has executed an LOI with another local group to develop the site.

We have analyzed a program of 200 multifamily residential units constructed in an efficient 65' deep rectangular structure running parallel to Columbus Road. There is a significant slope dropping from the grade of Columbus Road to the grade of the tracks behind. We have assumed that a likely approach would be to erect a concrete podium to both, support a stick-built residential building with first floor at Columbus Road grade, as well as provide parking for the building.

The fundamental assumptions in our model are listed here and more fully explained below.

- Hard Cost Construction per Unit = $165,000
- Soft Costs (Permits, Fees, Architecture, Engineering) = 20% of Hard Costs
- Average Unite Size = 850 gross square feet
- Rent = $1.85 / square foot
- Operating Expenses = $9,500 per unit per annum
- Loan to Value = 75%
- Cap Rate on Stabilized Project = 4%

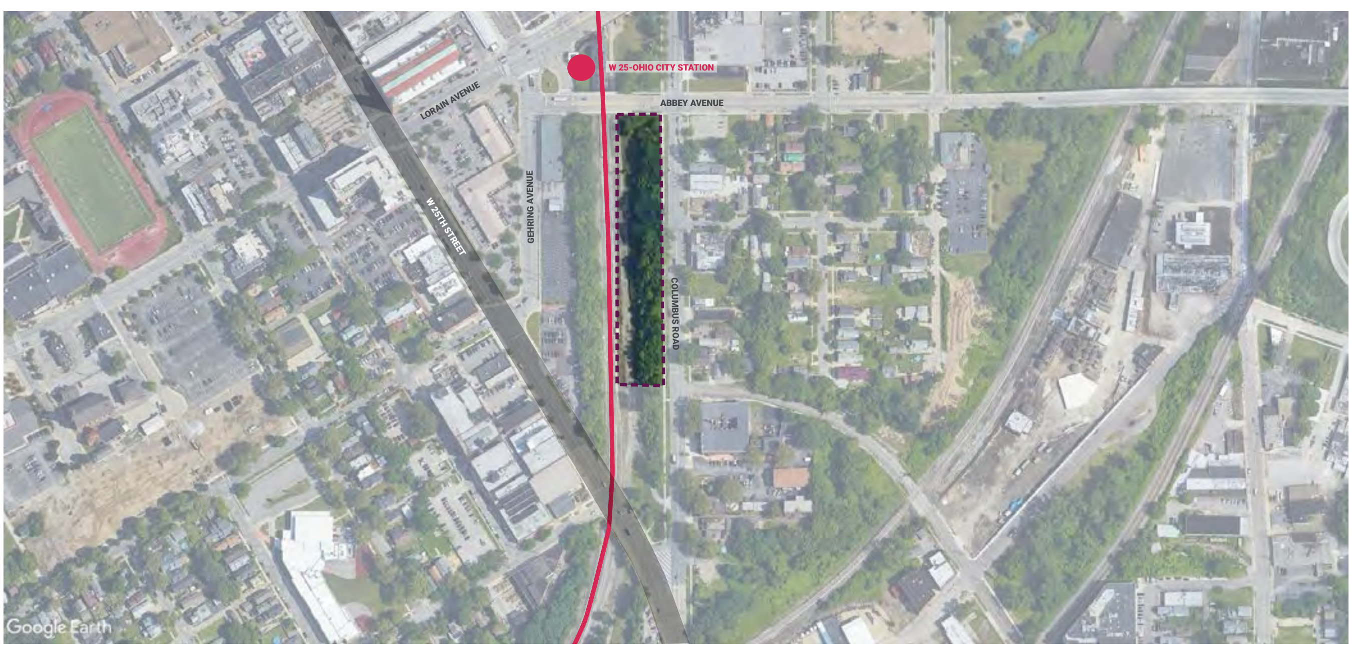


FIGURE 10

COLUMBUS ROAD PROJECT LOCATION

Stantec

CHAPTER 2 : PROFORMA ANALYSIS

The drivers of our model were generated through multiple conversations with market participants including developers and lenders and we have made some adjustments to generally accepted numbers to account for site-specific characteristics.

The hard cost construction number for our site of $165,000 per door is lower than the cost of high-end multifamily construction that one can see examples of along Detroit Ave in Ohio City that are closer to $175-180,000 per door. To account for soft costs, we applied an industry standard 20% additional cost to cover architecture, engineering, permits and fees – all the costs that go into a project that are not directly construction related.

We arrived at an 850 square foot average unit size making the assumption that, as indicated elsewhere in our work, the demographics of Cleveland (and the United States in general) are moving towards more singles and couples, with a distinctly lower percentage of families. As such, we thought an average unit size in the proposed development would skew more towards studio and 1-bedroom units.

We heard very clearly that multifamily developers are having a difficult time underwriting much, if any, rent growth given the market pressure and new supply being delivered. Also, lenders active in the market have indicated that anything above $2.00/sq ft would be difficult to finance and have been guided to a $1.85 per square foot number through conversations with developers active in the market.

Guided by developers active on multiple projects of different typologies, we have determined that operating expenses, on a per unit basis, are approximately $9,500 per year. Importantly, we also learned that even with a tax abatement, there is still a meaningful amount of taxes that developers must pay on their properties, estimated at close to $4,500 per unit per year. As will be described further, this has important implications for the GCRTA when structuring a transaction with a private developer.

Finally, the Loan to Value of 75% and a stabilized Capitalization of rate of 4% are market metrics that developers and lenders active in Cleveland have provided.

Columbia Road Red Line TOD Analysis
Fee Simple

Uses	Price/Unit	Units	Totals	Notes
Acquisition				
Land	$5 000	200	$500 000	
		Subtotal Acq.	**$500 000**	
Hard Costs				
Cut & Deck	$17 500	200	$3 500 000	*total*
Resi Construction	$165 000	200	$33 000 000	
HC Contingency	0%		incl in const'n	
		Subtotal HCs	**$36 500 000**	
Soft Costs				
Soft Costs	20%		$7 300 000	
SC Contingency	0%		incl in SC	
		Subtotal SCs	**$7 300 000**	
Developer Fee, Financing & Rentup Loss				
Developer Fee	**3%**		$1 329 000	
Financing costs			$559 742	
Rentup Loss			$412 362	
Total Project Costs			**$46 601 104**	
Sources				
Debt			$26 091 389	
Gap Fillers			$18 010 551	
Equity			$1 999 163	
Equity Contributed by GCRTA			$500 000	
Total Sources			**$46 601 104**	
Analysis				
Return on Equity			**11,00%**	
Value	4,00%	Cap Rate	**$41 236 175**	

Program	RSF	Total Units		GSF
Average Unit	850	200	85%	200 000
				0
Total SF				**200 000**
Revenue	Rate	unit		
Average Unit	$1 573	per month		$3 774 000
Residential Vacancy	5%			($188 700)
EGI				**$3 585 300**
Expenses				
Operating Expenses		$9 500		$1 900 000
less Property Taxes		$0		
Land Lease		$0		$0
Total Expenses				**$1 900 000**
NOI				
EGI				$3 585 300
Less: Expenses				($1 900 000)
Less: Reserves	1%			($35 853)
NOI				**$1 649 447**

Loan Summary		
Loan Amount		
NOI		$1 649 447
DSCR	1,2	
Available for Debt Service		$1 374 539
Rate	3,25%	
Amortization	30	
DSCR Loan Amount		**$26 091 389**
LTC Loan Amount	80%	**$37 280 883**
LTV Loan Amount	75%	**$30 927 131**
Development Period Interest		
Loan Amount		$26 091 389
Rate	3,25%	
Period (months)	18	
Avg Outstanding	45%	
Total		**$429 285**
Loan Fee		
Loan Amount		$26 091 389
Fee	0,50%	
Total		**$130 457**
Financing cost		**$559 742**
Annual Loan Payment		**$1 374 539**
CF after DS		**$274 908**

As demonstrated above, under a program that envisions a fee simple sale of the property to a private developer who, in turn, would be looking to achieve a minimum of 11% return on their invested capital, the project would require in excess of $18M in gap financing. The largest drivers of the financial performance of the development are the unique site costs (estimated at $4.3M, including hard costs, soft costs and other fees), the flat $1.85 per square foot rent (there being no current market premium for the TOD nature of the project) and the relatively high amount of annual per unit operating expenses ($9,500). The site costs represent the very large premium for addressing the significant slope from Columbus Road to the tracks behind with the concrete podium described above. The LOI with the current developer anticipates a fee simple sale of the property from the GCRTA with 50% of the proceeds being paid by the developer and 50% being treated as project equity. The developer will be responsible for all funding, public incentives and completion of the capital stack for the development. The GCRTA can serve as a conduit for funds from the FTA should the developer be successful in securing them. Given landholdings that the developer has near and adjacent to the site, there are development considerations that can help significantly reduce the gap required to achieve a market acceptable return.

For comparative purposes, we also evaluated a transaction structure that envisions a long-term ground lease to a private developer that keeps titular ownership with the GCRTA and avoids paying taxes on the property (estimated at $4,500 per unit per annum). As shown below, when structured as a ground lease, the amount of gap financing required to achieve the same 11% return on invested equity falls from $15.6M to $4.4M.

CHAPTER 2 : PROFORMA ANALYSIS

Columbia Road Red Line TOD Analysis
Ground Lease/Participation

Uses				Notes
Uses	Price/Unit	Units	Totals	
Acquisition				
Land	$0	200	$0	
		Subtotal Acq.	**$0**	
Hard Costs				
Cut & Deck	$17 500	200	$3 500 000	*total*
Resi Construction	$165 000	200	$33 000 000	
HC Contingency	0%		incl in const'n	
		Subtotal HCs	**$36 500 000**	
Soft Costs				
Soft Costs	20%		$7 300 000	
SC Contingency	0%		incl in SC	
		Subtotal SCs	**$7 300 000**	
Developer Fee, Financing & Rentup Loss				
Developer Fee	**3%**		$1 314 000	
Financing costs			$798 701	
Rentup Loss			$624 862	
Total Project Costs			**$46 537 563**	

Sources		
Debt		$37 230 050
Gap Fillers		$4 415 653
Equity		$4 891 859
Total Sources		**$46 537 563**

Analysis		
Return on Equity		**11,00%**
Value	4,00% Cap Rate	**$62 486 175**

Program	RSF	Total Units		GSF
Average Unit	850	200	85%	200 000
				0
Total SF				**200 000**
Revenue	Rate	unit		
Average Unit	$1 573	per month		$3 774 000
Residential Vacancy	5%			($188 700)
EGI				**$3 585 300**
Expenses				
Operating Expenses			$9 500	$1 900 000
less Property Taxes			$4 500	($900 000)
Land Lease			$50 000	$50 000
Total Expenses				**$1 050 000**
NOI				
EGI				$3 585 300
Less: Expenses				($1 050 000)
Less: Reserves	1%			($35 853)
NOI				**$2 499 447**

Loan Summary		
Loan Amount		
NOI		$2 499 447
DSCR	1,2	
Available for Debt Service		$2 082 873
Rate	3,25%	
Amortization	30	
DSCR Loan Amount		**$39 536 914**
LTC Loan Amount	80%	**$37 230 050**
LTV Loan Amount	75%	**$46 864 631**
Development Period Interest		
Loan Amount		$37 230 050
Rate	3,25%	
Period (months)	18	
Avg Outstanding	45%	
Total		**$612 551**
Loan Fee		
Loan Amount		$37 230 050
Fee	0,50%	
Total		**$186 150**
Financing cost		**$798 701**
Annual Loan Payment		**$1 961 343**
CF after DS		**$538 104**

A significant assumption in this model is a $50,000/year base ground lease payment from the developer to the GCRTA (equivalent to a value of $833,333 capitalized at 6%). There is the potential for GCRTA to receive performance payments at the time of refinancing when the project is able to support additional payments. Significant modifications to the rent will impact the financial performance of the development and could counteract the benefits achieved on the tax shield. Also, it should be noted that both models are highly sensitive to changes in rent per square foot. While the underwriting uses a $1.85 per square foot number, an increase of just 5% ($0.09) generates an additional equity yield of 120 basis points (i.e., 1.2%) – a meaningful financial improvement. As the market continues to mature and renters on the westside of Cleveland become less reliant on their cars for commuting, it is the Author's opinion that rents for projects with TOD attributes will command premiums and, as such, require less gap financing, if any.

2.3

ASTRUP AWNING BUILDING REDEVELOPMENT (PIVOT CENTER FOR ART, DANCE AND EXPRESSION)

The historic rehabilitation of this former manufacturing facility at 2937 W. 25th Street in the Clark-Fulton neighborhood serves as an example of a development project that provides space to attract a number of employers to the W. 25th Street corridor, with employees that may use the new BRT line to commute to work. Further, the project provides arts and community space that will also be an attraction for the local community and other Clevelanders who may also take advantage of the BRT line to travel to and from the Center. The property has been redeveloped by Foran Group Development. Analysis of this development can serve as an example of what it might take to develop other older buildings in the neighborhood for commercial reuse. Our work included a simplified proforma based upon the actual project underwriting to understand the financial sources that are needed to make projects like this work and to reveal implications for other commercial projects in the Corridor that may not have a similar mix of non-profits taking space. The Pivot Center's developer, Rick Foran, and his financing consultant, Betsy Figgie, have been enormously helpful and generous in sharing the project structure and their insights, and for this we thank them.

The project faced two major challenges to development feasibility: Securing sources of capital to cover development costs given the modest rents that are paid in Clark-Fulton and how to attract and retain tenants for buildings in an older industrial area that has had difficulty generating new commercial interest.

LEASING

The project had a strong focus on providing facilities and offices for arts and community non-profits. They have been successful in leasing to both large and small non-profits. Their success was significantly aided when the Cleveland Museum of Art signed on as an anchor tenant, taking 19,010 sf, and helping to establish the viability and desirability of the project. The museum's presence helped other non-profits see the attractiveness of co-locating to the project.

FIGURE 11
ASTRUP PROJECT LOCATION

Stantec

PROJECT GAP FINANCING

The collection of four brick and masonry buildings at 2937 W. 25th Corridor, dating to 1919 were successfully listed on the National Register just prior to the project. They were most recently used as offices and manufacturing facilities for the Astrup Awning Company. That they qualified for both Federal and State Historic Tax Credits and that the buildings could be relatively economically rehabilitated to meet National Park Service standards were very important to the economic feasibility of the project. Still, it was necessary to put together a complex capital stack with numerous sources to make this project feasible. The table, below, provides the list of sources used to bridge the gap from a conventional financing approach of debt and equity. The rents achievable at about $13/sf/annum are insufficient to support sufficient debt and equity to fund the project.

FUNDING FROM GAP FINANCING PROGRAMS

	Total	Philanthropic	Government Tax Credit	Government Programs	Basis/Notes
CLE Found'n/CDA PRI (loan)		$3 000 000			
CLE Found'n PreDev Loan		$50 000			
FHTC			$1 614 568		
SHTC			$1 200 000		
NMTC			$2 652 000		($8M QEI x 39% x $.85)'
TIF				$661 673	
VPI Forgivable				$180 000	
NDP				$40 000	
Total	$9 398 241	$3 050 000	$5 466 568	$881 673	

Notes:

Federal and State Historic Tax Credits (FHTC and SHTC) and New Markets Tax Credits (NMTC) covered almost half (46.8%) of the Total Development Cost (TDC)

Philanthropic investments, particularly a Program-related Investment (PRI) from the Cleveland Foundation through Cleveland Development Advisors was responsible for another 26.1% of TDC. Government related programs, such as, Tax Increment Financing (TIF), Vacant Buildings Initiative (VBI) Forgivable loan, and Neighborhood Development Program (NDP), provided another 7.5% of TDC.

UNDERWRITING ASSUMPTIONS

The following project financial analysis illustrates the feasibility of a project like the Pivot Center. Most of the assumptions used in the analysis below are based upon the project's actual underwriting. The building is approximately 70,190 SF with construction cost of $7,720,900 ($110/SF) which seems realistic, given that a large portion of the buildings are large open spaces. Rents achieved are just under $13.00/SF which is consistent with market information. Operating Expense is approximately $5.29/SF.

Project revenue is sufficient to support just under 20% of the TDC: A senior loan covers 10.6% of TDC and Equity from the developer and deferred developer fee covers about 9% of TDC. The other 80.4% is providing by sources identified in the Funding from Gap Financing Programs table, above.

While we've used a market benchmark for feasibility of an equity investment of a minimum of 11-12% ROE requirement—which this project achieves--that ROE target is less important than securing sources to cover most of the Development Cost and reducing risk, which is sizeable on a project such as this.

Astrup Financial Analysis
Commercial Phase Only

Uses				Notes
Uses	Price per Unit	Units	Totals	
Acquisition				
Land	$5	70 190	$350 950	*per buildable SF*
		Subtotal Acq.	**$350 950**	*assessed value*
Hard Costs				
Construction	$110	70 190	$7 720 900	*incl. TI*
Site Work			$0	*incl. in Construction*
Parking			$0	*incl. in Construction*
HC Contingency	0%		$0	Incl. in Construction
		Subtotal HCs	**$7 720 900**	
Soft Costs				
Soft Costs	19%		$1 466 971	
SC Contingency	0%		$0	*incl. in Soft Costs*
		Subtotal SCs	**$1 466 971**	
Developer Fee, Financing & Rentup Loss				
Developer Fee	8,5%		$780 969	
Financing costs			$1 269 865	*incl. NMTC and HTC costs*
Rentup Loss			$90 653	*12 mos. to lease 1/5 of space*
Total Project Costs			**$11 680 308**	

Sources		Notes
Debt (senior)	$1 244 775	
Debt Gap Source: Cleveland Found'n/CDA PRI (loan)	$3 000 000	
Non-debt Gap Sources identified (see Gap Table tab)	$6 398 241	
Deferred Developer Fee	$280 000	
Developer Equity	$757 292	
Sources Total	**$11 680 308**	
Equity	$1 037 292	
Remaining Gap	$0	

Analysis			Notes
Return on Equity		**18,56%**	
Value	8,50% Cap Rate	**$5 659 700**	

Program	RSF	Total Units	GSF
Commercial	70 190		70 190
			0
Total SF			**70 190**
Parking			

Net Income	Rate	unit	
Revenue			
Commercial	$12,92	per year	$906 530
Commercial Vacancy	5%		($45 327)
EGI			**$861 204**
Expenses			
Operating Expense	$5,29		$371 517
Total Expenses			**$371 517**
NOI			
EGI			$861 204
Less: Expenses			($371 517)
Less: Reserves	1%		($8 612)
NOI			**$481 074**

Loan Summary		
Loan Amount		
NOI		$481 074
DSCR	1,25	
Available for Debt Service		$384 860
Rate	4,10%	
Amortization	23	
DSCR Loan Amount		**$5 661 601**
LTC Loan Amount	70%	**$8 176 216**
LTV Loan Amount	75,00%	**$4 244 775**
Development Period Interest		
Loan Amount		$1 244 775
Rate	4,10%	
Period (months)	12	
Avg Outstanding	55%	
Total		**$28 070**
Loan Fee		
Loan Amount		$4 244 775
Fee	0,50%	
Total		**$21 224**
Financing cost		**$49 294**
Annual Loan Payment		**$288 548**
Cash Flow after Debt Service		**$192 527**

POTENTIAL TO APPLY LESSONS AND UNDER-STANDING OF FINANCIAL FEASIBILITY TO OTHER PROJECTS ALONG THE CORRIDOR.

The developers of the Pivot Center recognized that 1.) they needed to find sources of capital through grants, tax credits or very favorable debt terms that would reduce their reliance on debt and equity supported by revenue streams and 2.) they needed to identify a somewhat specialized market for the facility that could provide a pool of tenants and a mission that might help support funding through philanthropic sources and Mission-related and Program-related Investments (PRI/MRI). What does this tell us about the potential for future projects in the W. 25th Corridor neighborhoods.

1. Identify buildings that can be relatively economically rehabbed and are eligible for HTCs and NMTCs as this can cover almost half of the TDC and 58% of the gap funding
2. Identify opportunities to develop commercial space that is oriented to supporting a specific mission that may be appealing to neighborhood improvement and economic development-oriented philanthropies or has another social purpose. Non-profit/suitable tenant profile may be needed to take advantage of Mission-related and Program-related Investments (PRI/MRI)
3. Cleveland certainly has a significant number of civic-minded institutions, and the success of the lease up of the Pilot Center has demonstrated the potential and attractiveness of its near Westside location. As with many projects, having an anchor tenant, such The Cleveland Museum of Art, is very valuable for attracting smaller tenants to fill the balance of the space. Future projects will need to further test the depth of the institutional and/or commercial market.
4. If those non-profit tenants are not available, a developer would need commercial tenants to pay about $22/RSF Gross without philanthropic sources. Historically, this is a number that is far out of market for Clark-Fulton. There are some ways to financially engineer a project to accept less rent, such as utilizing Opportunity Zone equity and some of the other sources of gap financing more fully described herein.
5. This project was developed through much hard work, creativity, and risk-taking. It takes time to put this kind of project together.

CHAPTER 2 : PROFORMA ANALYSIS

2.4

CLARK FULTON SINGLE FAMILY RENT VS NEW BUILD ANALYSIS

Early in our process of reviewing past market analyses and interviewing Community Development Corporations and similar civic groups with knowledge of both real estate markets and community needs, we noted that there were high levels of vacant housing, primarily single-family homes, concentrated in the Clark-Fulton neighborhood. In discussion with Metro West CDC senior staff, they indicated that there were numerous homes available in the neighborhood for $40,000-$50,000 but prospective buyers were unable to get mortgages. This intrigued us because, if accurate, and we could find a way of solving the mortgage problem, that might be a way of helping to address the following issues:

- provide housing at a lower cost per unit than new affordable product
- provide homeownership at a cost that is similar, or less than equivalent rental units in the neighborhood
- build generational wealth through a large portion of monthly mortgage payments going to principal and the potential for appreciation,
- retaining more of the community in the neighborhood, countering potential gentrification

MORTGAGE AVAILABILITY. We had discussions with lenders to better understand the mortgage availability and with affordable housing developers and others to understand the potential for a program to be developed specifically tailored to low income earners. The large commercial banks that we interviewed provide financing for multifamily, commercial and other new development. Home mortgages are generally provided by savings banks and mortgage lenders. With anti-redlining laws and regulation, it is likely these lenders are lending in Clark-Fulton as policy.

FIGURE 12
CLARK-FULTON AREA

We believe the issue is more likely an issue of credit and available equity for down payments. Assuming this is correct, we then need to determine if there is a mechanism to bridge the gap for available down payments and in some cases stand behind the purchaser's credit. There may also be an issue of vacant units requiring significant improvements to put them into condition where they can be readily maintained. However, the borrower and lender may have difficulty getting an appraisal on the home that is sufficient to cover acquisition and home improvement

CURRENT PROGRAMS ADDRESSING REUSE OF VACANT HOMES. CHN Partners has a current program using LIHTCs to purchase vacant homes, make improvements and lease them during the required LIHTC holding period with the intention of selling them to the lessee at the end of the term. CHN has approximately 100 homes in this program and indicated that they could do more if they had more capital. Ultimately, the cost of acquisition and improvements is about $110,000/home. We also identified a Cuyahoga County Down Payment Assistance Program that would provide 17% of the purchase price as a down payment, which would be 50% forgivable if the homeowner was still living in the property after 10 years.

MONTHLY COST COMPARISON: RENT VS. BUY

In order to test our hypothesis that rehabbing, operating and maintaining vacant homes can be accomplished for a cost similar to that of renting a 2 BR property available in the market, we prepared the financial model below. Development financing consultant, Betsy Figgie, suggested that it might be more cost-effective to develop a small cluster of small prefab homes on City-owned vacant land, a scenario we've tested as well.

The analysis prepared was undertaken at a high level and is conceptual —we used information available on the internet, via real estate apps and based upon discussions with others in the local market. Ideally, we would have inspected a few vacant properties and existing rental properties to better determine comparable conditions and needed renovations. However, Covid 19 protocols and ability to travel at this time made that difficult. We believe that based upon this approach, the hypothesis shows real promise, but needs further, more in depth, testing.

The following provides discussion of some key assumptions:

- <u>Rent and Purchase Price</u>: Based upon Trulia searches
- <u>Renovation cost</u>: Based upon discussion with CHN Partners regarding their Lease/Purchase program.
- <u>Land price:</u> Assumed cluster of small prefab homes could be constructed on a City vacant parcel at no cost for the land
- <u>Prefab construction cost</u>: Based upon internet search of prefab home companies.
- <u>Financing/administrative mechanism</u>: Because of concerns over buyer credit and difficulty of incorporating home improvement cost within a conventional home mortgage, we have assumed that a non-profit housing developer would run such a program, purchase the vacant homes, carry out improvements and use PRI funds from a philanthropic entity or entities to fund mortgages. These mortgages are typically half the interest rate of a conventional mortgage but have a shorter amortization period. That has the drawback of being more costly on a monthly basis, but a greater portion of the monthly payments go to Principal, thus increasing forced savings and thus accumulation of equity. We have assumed an 80% mortgage. As noted above, Cuyahoga County's Down Payment Assistance Program might be used to provide down payments of 17% of the cost, thus leaving a need for a buyer to provide a 3% down payment.

CHAPTER 2 : PROFORMA ANALYSIS

- Operating Expenses and Taxes: Many of the operating expenses for multifamily housing is avoided with single family homeownership. Instead of the expense of a management company fee, snow shoveling, trash collection, landscaping, etc., the homeowner will be responsible for undertaking almost all of these activities. Water/sewer charges are an exception and there is a discounted rate for those income eligible or over 65 years of age., We have also allowed $2000/annum for repairs for the rehabbed homes and $750/annum for the prefab homes. Real Estate Taxes would be an obligation of the homeowner but they'd be eligible for abatement.

Clark Fulton Annual Housing Cost Options
Rehab Homes vs. Small Homes vs. Current Rentals
PRI and Cuyahoga County Downpayment Assistance Program

		Rehabilitated SFH			Small Prefab SFH			2 BR Rental Units			
Rental											
Rent/annum								$ 700	per mo.	12	**$ 8 400**
Purchase/Reno											
Purchase Price				$ 45 000							
Renovation (hard & soft)				$ 65 000							
Total				$ 110 000							
Development Cost											
Land Price							$ -				
Construction							$ 100 000				
Soft Costs							$ 25 000				
Total Development Cost							$ 125 000				
Financing											
PRI Mortgage Amount	80%			$ 88 000			$ 100 000				
Down Payment	3%			$ 3 300			$ 3 750				
CC Dwnpay't	17%			$ 18 700			$ 21 250				
Total Financed Amount				$ 110 000			$ 125 000				
Mortgage Payments	1,00%	20 yr. amort	$404,71	**$ 4 856**	20 yr. amort	$459,89	**$ 5 519**				
OpEx											
Trash, Water/sewer				$ 200			$ 200				
Repairs				$ 2 000			$ 750				
RE Tax				$ 457			$ 997				
Total OpEx				**$ 2 657**			**$ 1 947**				
Total Annual Cost				**$ 7 513**			**$ 7 466**				**$ 8 400**

COMPARISON OF OPTIONS AND BUILDING GENERATIONAL WEALTH. The homeownership models appear very similar in annual homeownership cost and about $900 less/annum than the rental model ($75/month). However, given the level of analysis, we caution assuming any level of precision. What the model suggests is that homeownership could conceivably be similar or less expensive than rental housing. Further, a significant portion of the annual outlay goes to Principal and helps to build equity and wealth. If the homeowner remains in the home long enough to meet the County's requirement, forgiveness of the + $20,000 down payment will further increase equity/wealth and reduce gentrification, as well.

Lastly, it is worth nothing that as the Clark-Fulton enjoys greater development and investment, through the single-family rehab program and others, it is likely to experience population growth as now-vacant homes are owner-occupied. This new population can provide a greater density to support a vibrant walkable community and one that relies on the transit options provided by the GCRTA.

CHAPTER 3

GAP FUNDING ANALYSIS

CHAPTER 3 : GAP FUNDING ANALYSIS

3.1
GAP FUNDING

To expand our understanding of financing tools available for real estate projects along the W25th Corridor, we investigated federal, state, and local funding programs as well as impact investing. Our intention is to provide a reference to funding sources for both real estate developers and public agencies seeking to fill an apparent financing gap. Findings have been aggregated in a Funding Matrix attached to this report (Appendix A).

Identifying and securing adequate financing and funding for real estate development is a challenge. For public agencies, obtaining the necessary funding for public infrastructure to support thriving communities and economic growth and resiliency can also be difficult. Frequently agencies and developers are forced to accumulate capital from multiple sources and collaborate to advance projects or programs.

From interviews, we have confirmed developers in Cleveland frequently rely on existing relationships with lenders, funding program administrators, and regional foundations to assemble sufficient capital to move projects forward. We also note that there is a correlation between project objectives and the complexity of the capital stack. Projects designed to revitalize neighborhoods, provide affordable housing, or serve not-for-profit organizations tend to rely on more innovative and diverse funding and financing. The less financially viable a project is using market or traditional sources of debt and equity, the harder developers must work to source funding from varied partners.

Public agencies play an important role in improving the feasibility of real estate development projects and programs. Public participation comes in multiple forms and public investment can incentivize private partners to advance community and agency objectives. Public infrastructure, site improvements; tax abatement, credits and increment financing; and grants and low interest loans can all support catalytic TOD projects. These public contributions are local, state or federal in origin.

The development programs described above illustrate a diversity of funding needs and funding sources employed by developers and project sponsors along the W. 25th Corridor. Additional tools and information are presented in the attached Funding Matrix (Appendix A) and outlined below.

SOURCES TO FILL LESS SIGNIFICANT FINANCING GAPS

In Cleveland, projects that are close to being financially feasible have a number of practical and frequently utilized tools to support development. Tax increment financing, Enterprise Zone Tax Abatement programs, and the Federal and Ohio Historic Preservation Tax Credit Programs are means developers employ regularly to shift projects from infeasible to viable. Opportunity Zone funds have emerged as a source of funding to change projects with middling return expectations to projects with strong financials. While Opportunity Zones were initially established to support projects in economically challenged neighborhoods, these funds are more typically applied to financially feasible, market rate real estate projects or market rate real estate projects with very small financing gaps. Tax abatement projects directly reduce taxes associated with real estate operating expenses. Tax credit programs allow investors to reduce their tax burden based on the level of capital invested in a qualified real estate project, increasing projected Net Operating Income, which increases the size of mortgages and equity contributions.

To propel key projects that align with agency or municipal goals, public partners can directly and indirectly contribute to projects. For example, when the City or GCRTA own land suitable for development, site improvements and purchase or leasing agreements can reduce development costs. In the past, the City has contributed directly to enhance the financial viability of a project if the project is viewed as resulting in significant community benefits. Transit and other public authorities are in a position to offer tax exemption through partial ownership in a project, potentially benefitting through the advancement of a catalytic project and receipt of project-related cash flows over time.

Federal funds can be utilized to support site improvements, as with FTA, CDBG, and EDA grant funding in certain instances. Additionally, investments in public infrastructure that improve neighborhood amenities may result in higher real estate values and rents; premiums that can help projects meet lender and investor financing requirements. Currently, TOD investments along the northern portion of W. 25th Corridor are not expected to result in rent premiums for projects requiring small subsidies to pencil out. However, in historically disadvantaged neighborhoods, TOD and other public investments in amenities, accessibility, and economic development can enable projects with more significant financing gaps.

Local employer sponsorship for workforce housing can also fill real estate financing gaps. Developers in Cleveland have successfully forged partnerships with large, Cleveland-based employers to build quality market-rate rental housing, subsidized by employers. One recent example is the partnership between Metro Health and the developer NRP to construct new housing for medical residents adjacent to the Metro Health campus.

For the Columbus Road development, Enterprise Zone Tax Abatements, tax increment financing, land acquisition and leasing structures, GCRTA-funding site investments, and Opportunity Zone Investments funds could be employed to improve the feasibility of site development.

CHAPTER 3 : GAP FUNDING ANALYSIS

3.2
SOURCES TO FILL SIGNIFICANT FINANCING GAPS

Many projects must utilize the tools described above and tap into a suite of additional sources to move projects from infeasible to feasible. A legacy of policy choices and insufficient private and public investment have, in particular, left low-income communities with an acute need for upgrades in infrastructure and deteriorating commercial and residential real estate assets. The beneficiaries of these projects cannot bear the full costs of building and upgrading these resources. Recognizing the need for intervention, the public sector has played an important role in supporting affordable housing and community development since the 1930s. These subsidies are a primary resource to help fill a substantial financing gap.

PHILANTHROPIC PARTNERS & PROJECTS

Increasingly, charitable foundations also play an important role in real estate development and community revitalization. Foundation grants and mission-related or program-related investments can serve as a critical portion of the capital stack for real estate developments serving low-income communities. Foundations' contributions are not structured by government policies and are more typically the result of compelling solicitations, aligned objectives, and existing relationships. Federal rules do impact 501c3 participation as an investor in, or lender to, real estate projects but there is still a great deal of flexibility in terms of how and how much foundations can provide. In Cleveland, several large and well-established foundations, like the Cleveland Foundation and the Gund Foundation, are investing in and providing grants to real estate projects. Program-related investments are frequently provided in the form of low-interest or interest-free loans to low-income housing projects, businesses in low-income areas, and nonprofit organizations combating community deterioration. Generally, recognizing an acute need for intervention, foundations around the country have grown their contributions to urban redevelopment and begun leveraging a more diverse set of financing and funding tools, like program-related and mission-related investments.

Often, public subsidy programs and foundation grants are associated with low-income housing. There are, however, many entities sponsoring other types of projects that utilize and benefit from these programs. Not-for-profit organizations established to provide social services or support the environmental, economic, and cultural wellbeing of the City also frequently are eligible for and depend on public subsidies to create and maintain the buildings they own or lease. Museums, faith-based charities, youth support organizations and others fall into this category of organizations reliant on donations and eligible for grants, and lower-cost financing mechanisms to advance projects. Like affordable housing developers, developers serving the non-profit sector typically secure funding from numerous sources to fill financing gaps.

New Market Tax Credits provide a useful means to reduce the cost of non-residential developments intended to serve businesses and organizations. The Ohio Development Services Agency administers the program and prioritizes investment in small and minority businesses, job creation/retention and community reinvestment, potential brownfield redevelopment, and shovel-ready projects. Allocation agreements specify the investment parameters and credits on a project-by-project basis. There are significant costs related to legal, accounting and consulting fees that require a larger project to absorb those costs and still find benefit. Generally, development costs need to exceed $7-10 million for this tool to make sense

To successfully fund, construct and manage redevelopments and new developments with sizeable financing gaps, for-profit and non-profit developers are required to have an encyclopedic knowledge of applicable public subsidies and an extensive rolodex of foundation and lending partners. Real estate development is very local. Cleveland developers rely heavily on established relationships with lenders, foundations, public leaders, and corporate sponsors with a strong Cleveland presence. They engage across sectors and submit competitive applications to over-subscribed programs to pull together an adequate funding package for projects serving disadvantaged populations and not-for-profit entities.

As described above, the Astrup Awning Building Redevelopment utilized a suite of programs and engaged multiple partners to assemble an adequate capital stack. City grant programs, tax increment financing, federal and state historic tax credits, New Market Tax Credits, foundation grants, and program-related investments have all been identified as key sources of financing.

RESIDENTIAL PROJECTS

Low-Income Housing Tax Credits (LIHTC) are a critical tool for financing affordable housing. The annual tax credit equals a credit percent multiplied by the project's qualified basis. Nationally, competitive housing tax credits result in a credit equal to 70% of the present value, applied over a ten-year period. The non-competitive housing tax credit can be applied to qualified projects and results in a credit equal to 30% of the present value. The credit reduces the return expectation of investors who recover their investments through the tax credit, lowering the overall cost of the project. Competitive housing tax credits have a significant positive impact on project financials but are difficult to obtain. The costs of applying and the competition for credits discourages many eligible applicants. It often takes twice as long to put together a LIHTC-financed project than one that is market rate.

Project-based vouchers (PBVs) are administered by state and local housing agencies and attached to specific housing units. Landlords contract with public agencies to rent units to low-income families and agencies contribute funding to supplement renter contributions. PBVs can make constructing or rehabilitating affordable housing possible by guaranteeing a future source of stable income for a development, thereby becoming integral to the financing package. Though PBVs are gaining in popularity, these vouchers are competitive and constrained by funding dedicated to PBVs by housing authorities.

Many low-interest lending programs offer products that serve as lower cost alternatives to commercial loans for qualified projects. US Housing and Urban Development (HUD) and US Department of Treasury programs, like the Housing Development Gap Financing program, offer tax-exempt or sub-market rate lending terms. The Ohio Housing Financing Authority and Ohio Development Services Agency administer many of these programs.

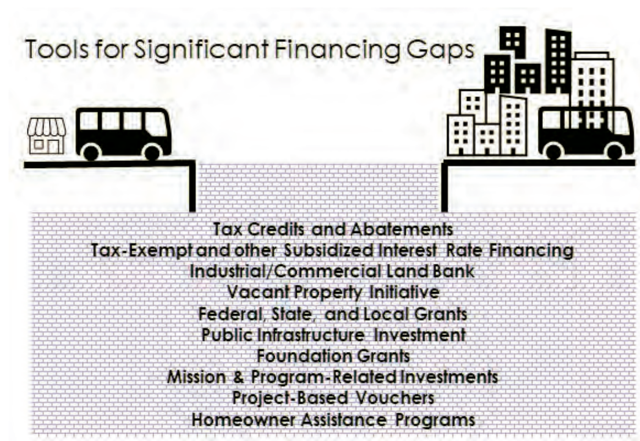
Local incentives and land management practices encourage investments in underutilized properties. In addition to US EPA and state brownfield programs, the Vacant Property Initiative and the Commercial/Industrial Land Bank support redevelopment of blighted or neglected properties in need of investment. City grants from these programs and others, funded through a combination of state, local, and federal sources do not typically provide large dollar contributions to projects but can help with early development costs and are often integral to attracting other investors. These

CHAPTER 3 : GAP FUNDING ANALYSIS

tools can be used on residential and other projects. Generally, any demonstration of commitment from a public partner is a boon to developers trying raise funds for development projects.

Homeownership is crucial for building wealth in the United States. While our investigation has primarily focused on multifamily, mixed-use, and commercial real estate development, the **Clark Fulton Single Family Rent vs New Build Analysis** raises the question of funding for new and renovated single family homes. In Cleveland, there are multiple funding and financing programs available to prospective homebuyers and homeowners that meet low-income eligibility requirements. These include direct loans and grants to property owners for repair, renovation, energy conservation, and safety improvements. The Cleveland Division on Neighborhood Services administers several relevant programs. As referenced above, CHN Partners has a program that uses LIHTCs to purchase vacant homes, make improvements and lease them during the required LIHTC holding period with the intention of selling them to the lessee at the end of the term. One of several Ohio agencies, Cuyahoga County, in partnership with lenders, offers down payment assistance to eligible home buyers. Though some subsidy programs exist, a clear financial barrier remains to investing in and revitalizing disadvantaged neighborhoods. This market condition clearly results in a dearth of opportunities to build generational wealth through homeownership in areas like Clark Fulton. To make critical and measurable progress, it is our opinion new funding and financing tools with more subsidy, perhaps from philanthropic partners, and more flexible terms must be introduced.

This narrative provides an illustrative rather than an exhaustive list of financing tools that can be leveraged to support TOD and community redevelopment. It serves to demonstrate the breadth of financing tools available and the coordination, connectivity, and awareness requisite to assemble sufficient capital to successfully develop projects with significant financing gaps These tools and others are outlined with additional detail and references in the attached Funding Matrix (Appendix A).



DETROIT
BRIDGE
LORAIN
FRANKLIN
CLARK
MONROE
PEARL
DENISON
WILDLIFE
DETROIT
BRIDGE
LORAIN
FRANKLIN
CLARK
MONROE
PEARL
DENISON
WILDLIFE

APPENDIX A

FUNDING MATRIX

STATE & LOCAL PROGRAMS

Preferred funding programs
Additional funding opportunities

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Funding/ Financing Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
City	City of Cleveland	Tax Increment Financing	Cleveland	Economic development mechanism available to local governments in Ohio to finance public infrastructure improvements, and in some circumstances, residential rehabilitation	Private parcels within a specific area as serving a public purpose	Local jurisdictions seeking to establish a TIF project must enact legislation that (a) designates the parcel(s) to be exempted from taxation, (b) declares improvements to private property within the specified area as serving a public purpose, (c) delineates the public infrastructure improvements to be made that will directly benefit the parcel and (d) specifies the equivalent funds to be created for those redirected monies. Only those public infrastructure improvements directly serving the increased demand arising from the real property improvements to the parcel(s) or an Incentive District are eligible for TIF financing	NA	Local jurisdictions seeking to establish a TIF project must enact legislation. Payments derived from the increased assessed value of any improvement to real property beyond the amount are directed to a separate fund to finance the construction of public infrastructure defined within the TIF legislation.	NA	Ohio Development Services Agency Office: Daniel Strasser, (614) 728-6778, daniel.strasser@development.ohio.gov	https://development.ohio.gov/bs/bs_tif.htm
City	Cleveland Department of Community Development	Community Reinvestment Areas Residential Tax Abatement	Cleveland	Goal of stimulating investment in new development or redevelopment of residential housing in the City of Cleveland. Program offers a 100% residential tax abatement for 15 years for all new construction residential property in the City of Cleveland	Residential property owners/developers rehabilitating single and two-family homes where remodeling costs are greater than $2,500 and multifamily with greater than $500K for property or $15K per unit.	Tax abatement for improvements to properties.	NA	Buildings must meet the Cleveland Green Building Standard to be eligible for abatement. Tax abatement is based on improvements, not prior market value. Cuyahoga County Fiscal Office determines the abatement amount based on the type of improvements. Timing of abatement term is dependent on permitting.	ongoing	216.443.7100	http://www.city.cleveland.oh.us/CityofCleveland/Home/Government/CityAgencies/CommunityDevelopment/TaxAbatement#:~:text=The%20City%20of%20Cleveland's%20Residential,(Remodeling%20or%20New%20Construction).
City	Cleveland Economic Development	Industrial/ Commercial Land Bank (ICLB)	Cleveland	Strategically assemble properties to attract businesses and create long-term community investment and job creation.	NA	City conducts environmental assessment and cleanup activities in order to mitigate risks associated with distressed properties to get sites shovel-ready for development.	NA	City has brought over 80 acres of industrial land back into productive reuse, and the Department has almost 120 additional acres targeted for acquisition, remediation, and future development. Interested parties can connect with ICLB to find sites that fit needs.	NA	216-664-2406	https://makeitincleveland.org/incentives/industrial-commercial-land-bank

Stantec

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Funding/ Financing Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
City	Cleveland Economic Development	Vacant Property Initiative	Cleveland	Remove barriers to the full reuse of abandoned, idled or underutilized commercial and industrial properties.	Developers or business/ building owners	Property acquisition, environmental site assessments, site clearance and demolition, property appraisals, new construction, and renovation.	Max loan or $500K for projects less than $2M. Project must create 1 permanent FTE for every $10,000 of City funds. Max loan of $720K for projects greater than $2M. Must create 25 new permanent full time jobs. Maximum forgiveness $180K.	Fixed interest rate of 6%, loan term up to 5 years. Buildings must be at least 20 years old and 40% or more vacant for at least 2 years. Applicant must provide a minimum of 10% equity. City has a lien on Project Site and/or UCC lien on business assets. Other collateral may be deemed necessary.	NA	https://makeitincleveland.org/contact	https://makeitincleveland.org/incentives/vacant-property-initiative
State	Ohio Development Services Agency	Ohio Historic Preservation Tax Credit Program	Ohio	Program provides a tax credit to leverage private redevelopment of historic buildings.	Owners and long-term lessees of historically designated buildings who undertake a rehabilitation project. Building must be listed on: the National Register of Historic Places; contribute to a National Register Historic District, National Park Service Certified Historic District, or Certified Local Government historic district; or be listed as a local landmark by a Certified Local Government.	The Ohio Historic Preservation Tax Credit Program provides a state tax credit up to 25 percent of qualified rehabilitation expenditures incurred during a rehabilitation projects. Applicants are eligible for no more than $5 million in tax credits unless approved as a catalytic project. The tax credit can be applied to applicable financial institutions, foreign and domestic insurance premiums or individual income taxes. Applicants that complete their project and receive a tax credit certificate with an effective date prior to June 30, 2019 can apply the tax credit against applicable commercial activity taxes.	December 2020, Ohio awarded $26.5M in Historic Preservation Tax Credits.	Applications are received bi-annually in March and September. The Pipeline Initiative streamlines properties to receive HPTC and applications to the Pipeline are accepted at any time.	Applications for HPTC are accepted in March and September	Lisa.brownell@development.ohio.gov or (614) 752-2345	https://www.development.ohio.gov/cs/cs_ohptc.htm

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Funding/ Financing Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
State	Ohio Housing Financing Agency (OHFA)	Housing Tax Credit (HTC)	Ohio	Tax incentive program designed to increase the supply of quality, affordable rental housing by offering the costs of rental housing for individuals with low- to moderate-income.	Developers constructing or rehabilitating affordable housing. Application and compliance costs suggest program is best suited for rental housing developments with 25 or more units.	Equity investors may receive tax credits for their affordable housing investments.	The annual tax credit equals a credit % multiplied by the project's qualified basis. For new construction or substantial rehabilitation, the credit equates to 70% of the present value, which equates to approximately 9% annually for 10 years. Investors in properties that are being rehabbed or that are funded using tax-exempt bonds are eligible to receive roughly 30% present value in tax credits - that equates to roughly 4% annually.	9% Housing Tax Credits are competitive and must be awarded. Non-competitive 4% Housing Tax Credits require submission of an application that affirms eligibility. It often takes twice as long to put together a LIHTC-financed project than one that is market rate, in turn contributing to higher legal and other transaction costs. The process of syndication can claim between 10 and 27% of project equity. Have few incentives to keep costs low because reducing development costs would result in not using the full tax credit issued for the project (!).	Allocations are set annually	http://www.ohiohome.org/ohfawebemail/?firstName=Karen&lastName=Banyai	https://ohiohome.org/ppd/htc.aspx
City	Cleveland Economic Development	Mayor's Neighborhood Transformation Initiative (NTI)	Cleveland	NTI Forgiveable Loan program provides financial assistance to businesses and landlords located in one of the targeted neighborhoods. The program aims to fill vacancy and reactivate commercial corridors.	Businesses and landlords located in Glenville Circle North, Buckeye-Woodhill, E.79th Street, and Clark Metro	Business owners: Build out, acquisition of equipment, furniture and fixtures, signage. Landlords: interior/exterior renovations, landscaping, fencing	$100000. $3,000 loan forgiveness for architectural and engineering fees (landlords only)	City has a UCC lien on business assets. Other collateral may be deemed necessary. Interest Rates up to 3%. Loan maturity up to 5 years for businesses and 11 years for landlords.	NA	https://makeitincleveland.org/contact	https://makeitincleveland.org/incentives/mayors-nti-loan-program
City	Cleveland Economic Development	Neighborhood Retail Assistance Program	Cleveland	Assists existing and start-up small businesses and entrpreneurs. Increase the walkability of neighborhoods by adding vitality and providing street level goods and services.	Retail related business, restaurant or grocery stores with 1 FTE or more. Private developers with retail projects.	Upgrade exterior and interior appearance of storefronts. Machinery and Equipment, Furniture and Fixtures, Construction/Renovation, Architecture/Design/Engineering Costs, IT installation.	Up to $50,000. Interest 0% during construction then fixed at 3% for remaining term of loan up to 5 years. $3,000 can be forgiven for green/ sustainable and energy efficient components.	Applicant must provide a minimum of 10% equity. City has a lien on Project Site and/ or UCC lien on business assets. Other collateral may be deemed necessary.	NA	https://makeitincleveland.org/contact	https://makeitincleveland.org/incentives/neighborhood-retail-assistance-program

Stantec

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Funding/ Financing Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
County	Cuyahoga County	Business Stabilization Fund	County	Stablize businesses in Cuyahoga County	Small businesses	Funding is offered, based on need in the form of grants and loans. Restaurants are a focus currently.	Up to $10,000	The grant amount is decided by a Committee based on revenue and company size. CARES Act directed significant funding to the Stabilization Fund.	ongoing	216-443-7000	https://cuyahogacounty.us/development/businesses/small-business-stabilization-fund
State	Cuyahoga County	Cuyahoga County Down Payment Assistance Program	Greater Cleveland	Support homeownership for those whose income is in the low to moderate range. Program is administered by the Neighborhood Housing Services of Greater Cleveland	Eligible homes: single family, existing or new construction, no code violations. Eligible households: not homeowner in past 3 years, house will be primary residence, total household income less that stated income limits, LTV less than 80%, DTI not exceed 43%	Down payment assistance.	10% of total transaction	Maximum purchase price of $133,950. Homeowner is responsible for a minimum 3% contribution toward the purchase. Assistance is provided in the form of a deferred second loan on the home. Full amount of assistance is repaid upon sale, transfer or refinance of the home.	N/A	CHN (administrator) 855-764-LOAN (5626)	Cuyahoga County Down Payment Assistance Program | CHN Housing Capital
County	Cuyahoga Metropolitan Housing Authority	Project-Based Vouchers.	Cuyahoga	Project-based rental assistance to serve low-income population and make constructing or rehabilitating affordable housing possible by guaranteeing a future source of stable income for a development.	Family and senior multifamily projects	Project-specific rental assistance	25% of units in a development may be eligible for subsidy under the program. Renters pay 30% of income and subsidy covers remainder of rental cost.	The Rental Assistance Contract (RAC), is a 20-year agreement between the property owner and the Ohio Housing Financing Authority (OHFA)/ Cuyahoga Metropolitan Housing Authority.	NA	Donna Brooks (216) 271-2779	Welcome to the Cuyahoga Metropolitan Housing Authority (cmha.net)
State	Ohio Development Servcies Agency, Ohio EPA, Department of Commerce, Bureau of Underground Storage Tank Regulations (BUSTR)	Abandoned Gas Station Cleanup Grant	Ohio	Redevelop properties contaminated by prior use as gas stations.	Political subdivisions.	Assess and clean up BUSTR Class C sites with documented petroleum releases. Cleanup or remediation activities, including UST removals, cleanup of hazardous substances, demolition, and property clearance activities.	Up to $500,000 for cleanup or remediation. Up to $100,000 for property assessment activities.	The applicant and property owner cannot have contributed to the prior release of petroleum or other hazardous substance on the site.	ongoing	(614) 466-2285	https://development.ohio.gov/cs/cs_agsc.htm

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Funding/ Financing Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
State	Ohio Development Services	Ohio Brownfield Fund	Ohio	The goal is to create additional opportunities for economic impact through cleanup and redevelopment. The fund is a collection of funding sources that can be used to help plan, assess, and remediate brownfields throughout the state.	Local governments, private entities, and nonprofits	Environmental assessment and cleanup	Loans up to $500K for Phase II Environmental Assessments. Up to $5M for cleanup, including demolition.	Flexible terms, including deferred repayment periods, up to a 10-year term, and below-market interest rates.	Applications accepted on an ongoing basis.	https://development.ohio.gov/files/redev/BF_Fund_Overview%2008202019.pdf	https://development.ohio.gov/cs/cs_brownfield.htm
State	Ohio Development Services Agency	Alternative Fuel Transportation Program	Ohio	Improve air quality through financial assistance to businesses, nonprofit organizations, school districts, or local governments for the purchase an installation of alternative fuel refueling, blending, or distribution facilities and terminals.	Businesses, nonprofits, school districts, local governments	Purchase and installation of alternative fuel refueling, blending, or distribution facilities and terminals. cost of fleet conversion, costs of educational and promotional materials and activities to encourage alternative fuel use.	$5M in funding starting in 2018. Up to 80% of facility or terminal costs, up to 80% of fuel cost or incremental cost of blended biodiesel (at least 20% biodiesel) or blended gasoline (at least 85% ethanol)	Eligible fuel vehicles must be registered in Ohio for operation on public highways and be used in business.	N/A	preston.boone@development.ohio.gov	Alternative Fuel Transportation Program (ohio.gov)
State	Ohio Development Services Agency	Alternative Stormwater Infrastructure Loan Program	Ohio	Funding for the design and construction of green infrastructure as part of economic development projects. Targerts a specific redevelopment challenge by reducing the cost to businesses and communities that need to minimuze both the financial and environmental impact of stormwater runoff	Governmental entities. Developers are encouraged to partner with the governmental entity for their projects.	Design, demolition, construction, materials, and administrative costs associated with green infrastructure projects.	Up to $5,000,000 in below market rate loans.	There is a pre-application and a full-application	N/A	annie.vanblaricom@development.ohio.gov	Alternative Stormwater Infrastructure Loan Program (ohio.gov)
State	Ohio Development Services Agency	Enterprise Zone Tax Abatement Program	Ohio	Provides real property tax exemptions to businesses making investments in Ohio. The entire City of Cleveland has been declared an Enterprise Zone and allows for Tax Abatements in all neighborhoods, except Downtown.	For-profit entities expanding in the City of Cleveland with a clear project financing gap.	Property tax exemptions to entity that is investing in an expansion that equals at least 10% of market value of the facility prior to the expenditure. Renovation of an existing facility requires expenditures worth at least 50% of the market value of the facility. Expenditures to renovate or expand a vacant facility or site must equal at least 20% of the market value.	Real property tax exemptions	Return on investment to the City of Cleveland, based on a ratio of taxes generated versus taxes abated, must be 1.25 or greater.	NA	https://development.ohio.gov/OTEISearch/contactinfo.spx?Program=EZ&ZoneNo=024	https://development.ohio.gov/OTEISearch/contactinfo.aspx?Program=EZ&ZoneNo=024

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Funding/ Financing Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
State	Ohio Development Services Agency	Ohio New Markets Tax Credit Programs	Ohio	ONMTC program provides an incentive for investors to fund businesses in low-income communities.	Community Development Entities (CDE)	Investment in low income communities and businesses.	$10M for Ohio in 2020	Allocation agreement details investment parameters agreed to by applicants. The Ohio Development Services Agency prioritizes investment in small and minority businesses, job creation/retention and community reinvestment, diversity of financial options, potential brownfield redevelopment, shovel-ready projects, geographical distribution.	Fall	carrie.manno@development.ohio.gov	https://development.ohio.gov/cs/cs_onmtcredit.htm
State	Ohio Development Services Agency	Ohio State Housing Trust Fund	Ohio	Flexible state funding source that supports a wide range of housing activities related to housing and homelessness. Targeted to those who need help the most and administered in conjunction with federal funding for housing.		May be used for predevelopment costs, rental assistance, housing counseling, rehabilitation, and new construction.	The Trust Fund was appropriated $43 million in 2020 (a significant decrease from funding levels a decade ago).	State law requires 50% of funding goes to rural communities. Fund requires a 100% local match. Funds are allocated based on recommendations by a 7-member advisory committee representing various sectors of the housing and lending industry and local governments. Several Cleveland projects received assistance from this program in the form of grants.		Office of Community Development (614) 466-2285	https://development.ohio.gov/cs/cs_htf.htm
State	Ohio Housing Finance Agency	Your Choice! Down Payment Assistance	Ohio	Assistance helps cover down payment, closing costs, or other pre-closing expenses	Homebuyers that meet income and purchase price limits, credit score requirements, debt-to-income ratio requirements, loans characteristics	Either 2.5% or 5% of the home's purchase price can be applied towards down payments, closing costs or other pre-closing expenses.	2.5% or 5% of home's purchase price	Assistance is forgiven after seven years. If you sell or refinance you home within seven years, you must repay all assistance provided.	N/A	888.362.6432.	YourChoice! Down Payment Assistance | My Ohio Home

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Funding/ Financing Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
State	Ohio Housing Finance Agency (OHFA)	Community Housing Development Organization (CDHO) Competitive Operating Grant Program	Ohio	Funded through HUD HOME provides operating support to organizations to continue affordable housing development	Certified CHDOs	Operating	NA	State law requires 50% of funding goes to rural communities. Fund requires a 100% local match. Funds are allocated based on recommendations by a 7-member advisory committee representing various sectors of the housing and lending industry and local govern	NA	Office of Community Develo pment (614) 466-2285	
State	Ohio Housing Finance Agency (OHFA) (Funding from National Housing Trust Fund)	Bond Gap Financing (BGF)	Ohio	Utilizes funding from HOME, OHTF, and National Housing Trust Fund. Provides gap financing in conjunction with non-competitive 4% tax credits	Private for-profit housing developers, not-for-profit 501 ©(3) and 501 © (4) organizations, and public housing authorities.	NHTF funds may be used for the production, preservation, and rehabilitation of affordable rental housing. Eligible activities include, but may not be limited to, acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities. More specifically, this includes real property acquisition, site improvements, conversion, demolition, financing costs, and relocation expenses of any displaced persons. NHTF funds may only be used for public housing in limited circumstances. In 2020, funds were not available for operating subsidies or to refinance existing debt secured to rental housing units.	NA	Awarded funds are structured as a deferred loan with payment due on sale. The mandatory rental affordability period and the loan term are a minimum of 30 years. The interest rate is 0.00%. There is a maximum per-unit development subsidy. In addition to other HDAP affordability requirements, NHTF-funded projects must commit to providing a minimum of affordable rents to extremely low income households.	Applications accepted on an ongoing basis.	http://www.ohio home.or g/ohfawe bemail/?first Name=Kare n&lastName= Banyai	https:// ohiohome.or g/ppd/default. aspx
State	Ohio Housing Finance Agency (OHFA) (Funding from National Housing Trust Fund)	Housing Credit Gap Financing (HCGF) program	Ohio	Utilizes funding from HOME, OHTF, and National Housing Trust Fund. Provides gap financing in conjunction with competitive 9% tax credits	Private for-profit housing developers, not-for-profit 501 ©(3) and 501 © (4) organizations, and public housing authorities.	NHTF funds may be used for the production, preservation, and rehabilitation of affordable rental housing. Eligible activities include, but may not be limited to, acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities. More specifically, this includes real property acquisition, site improvements, conversion, demolition, financing costs, and relocation expenses of any displaced persons. NHTF funds may only be used for public housing in limited circumstances. In 2020, funds were not available for operating subsidies or to refinance existing debt secured to rental housing units.	NA	Awarded funds are structured as a deferred loan with payment due on sale. The mandatory rental affordability period and the loan term are a minimum of 30 years. The interest rate is 0.00%. There is a maximum per-unit development subsidy. In addition to other HDAP affordability requirements, NHTF-funded projects must commit to providing a minimum of affordable rents to extremely low income households.	NA	http://www.ohi ohome.org/ohfa webemail/?fi rstNam e=Karen&last Name=Banyai	https:// ohiohome.or g/ppd/default. aspx

Stantec

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Funding/ Financing Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
State	Ohio Housing Finance Agency (OHFA) (Funding from National Housing Trust Fund)	Housing Development Gap Financing (HDGF)	Ohio	Utilizes funding from HOME, OHTF, and National Housing Trust Fund. Provides gap financing to qualified projects that are not utilizing HTCs. Funding to support the construction or rehabilitation of small, multifamily housing developments (including fewer than 25 units)	Eligible developers that are not seeking HTC may compete for Housing Development Assistance Program funds in the HDGF round.	Gap financing for construction of multifamily housing developments with fewer than 25 units.	Up to $3M is available through the HDGF in 2020. Applicants may request no more than $500,000 OHTF funding, $750K NHTF funding with a combined total of no more than $1.25M	Awarded funds are structured as a deferred loan with payment due on sale. The mandatory rental affordability period and the loan term are a minimum of 30 years. The interest rate is 0.00%. There is a maximum per-unit development subsidy. In addition to other HDAP affordability requirements, NHTF-funded projects must commit to providing a minimum of affordable rents to extremely low income households. OHFA will not provide more than 50% of the total development costs.	Applications accepted on an ongoing basis.	http://www.ohiohome.org/ohfawebemail/?firstName=Karen&lastName=Banyai	https://ohiohome.org/ppd/documents/2020-HDGF-Guidelines.pdf
State	Ohio Housing Financing Agency (OHFA)	HOME CHDOs set aside	Ohio	The OHFA administers this program that is capitalized by 15% of the HOME funds allocated to the state. OHFA applies the set-aside as gap financing for projects that are receiving HTC.	CHDOs constructing or rehabilitating affordable housing.	Gap financing	15% of the HOME allocation is set-aside for CHDOs to develop housing.	It often takes twice as long to put together a LIHTC-financed project than one that is market rate, in turn contributing to higher legal and other transaction costs. The process of syndication can claim between 10 and 27% of project equity. Have few incentives to keep costs low because reducing development costs would result in not using the full tax credit issued for the project (!).	Allocations are set annually	http://www.ohiohome.org/ohfawebemail/?firstName=Karen&lastName=Banyai	https://ohiohome.org/ppd/htc.aspx

APPENDIX A : FUNDING MATRIX

GOVERNMENT FUNDING PROGRAMS

Preferred funding programs
Additional funding opportunities

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	Federal Transit Administration	Capital Investment Grants - 5309	National	Provides funding for fixed guideway investments such as new and expanded rapid rail, commuter rail, light rail, streetcars, bus rapid transit, and ferries, as well as corridor-based bus rapid transit investments that emulate the features of rail.	State and local government agencies, including transit agencies.	"4 categories of eligible projects: 1) New Starts projects are new fixed guideway projects or extensions to existing fixed guideway systems with a total estimated capital cost of $300 million or more, or that are seeking $100 million or more in Section 5309 CIG funding. 2) Small Starts projects are new fixed guideway projects, extensions to existing fixed guideway systems, or corridor-based bus rapid transit projects with a total estimated capital cost of less than $300 million and that are seeking less than $100 million in Section 5309 CIG funding. 3) Core Capacity projects are substantial corridor-based capital investments in existing fixed guideway systems that increase capacity by not less than 10 percent in corridors that are at capacity today or will be in five years. Core capacity projects may not include elements designed to maintain a state of good repair. 4) Programs of Interrelated Projects are comprised of any combination of two or more of first 3 types of projects. The projects in the program must have logical connectivity to one another and all must begin construction within a reasonable timeframe. NEW: Allows joint public transportation and intercity passenger rail projects to qualify as New Starts or Core Capacity projects. Specifies a methodology for determining eligible project costs and project ratings for such joint projects. "	"Up to 60% of funding from CIG; maximum of 80% of total federal funding. Approximately $2.3 billion appropriated each year."	"Recommendations of funding based on a number of factors, including: * the "readiness" of the project for capital funding, * the project's overall rating, * geographic equity, and * the amount of available funds versus the number and size of the projects in the pipeline."	"Instead of an annual application cycle, CIG requires that projects seeking CIG funding complete a series of steps over several years to be eligible for funding, starting with a request to enter Project Development as a New Starts, Small Starts or Core Capacity project. For New Starts and Core Capacity projects, the law requires completion of two phases in advance of receipt of a construction grant agreement – Project Development and Engineering. For Small Starts projects, the law requires completion of one phase in advance of receipt of a construction grant agreement – Project Development."	"202-366-4033 https://www.transit.dot.gov/funding/grant-programs/capital-investments/about-program"	https://www.transit.dot.gov/CIG

Stantec

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	Department of Treasury	Opportunity Zones	Qualified OZ census tracts	Opportunity Zones were established by the Tax Cuts and Jobs Act of 2017 to create long-term investments in regions of low-income. The OZ program provides tax incentives to investors to re-invest unrealized capital gains to funds dedicated to investing with OZs.	Qualified opportunity funds (QOFs) can invest in projects in OZs. Opportunity CLE is a resource for surfacing projects and investors.	Investments in businesses, residential housing projects, commercial real estate, community centers, etc. There are 64 OZ census tracts in Cuyahoga County.	N/A	Investors can defer tax on any prior gains invested in a Qualified Opportunity Fund (QOF) until the earlier of the date on which the investment in a QOF is sold or exchanged, or December 31, 2026. If the QOF investment is held for longer than 5 years, there is a 10% exclusion of the deferred gain. If held for more than 7 years, the 10% becomes 15%. Second, if the investor holds the investment in the Opportunity Fund for at least ten years, the investor is eligible for an increase in basis of the QOF investment equal to its fair market value on the date that the QOF investment is sold or exchanged.	N/A	Contact Us — Opportunity CLE - Opportunity Zone Initiative in Cleveland and Cuyahoga County, Ohio	Opportunity CLE - Opportunity Zone Initiative in Cleveland and Cuyahoga County, Ohio
Federal	Housing and Urban Development (HUD)	Community Development Block Grants (CDBG). Administered by City Department of Community Development	National, Administered by City	The CDBG program is the consolidation of ten federal housing and urban development programs into one grant that provides funding for local improvement projects. The objective of the program is to develop urban communities through decent housing, suitable environments and expanded economic opportunities.	N/A Recipients of funds are determined through action planning	Action plan, Intended uses: http://www.city.cleveland.oh.us/sites/default/files/forms_publications/2020andCARESAct_AnnualActionPlan_PublicCommentFinal.pdf?id=164725	Cleveland received $21,719,035 in CDBG funding in 2021. CARES Act provided an additional $12,888,258 in CBDG and $6,4078,548 in ESG funding to Cleveland	Interested parties must get involved in the planning process to position for CDBG funding.	Annual federal capitalization	Thomas Sledz, Budget Management. Department of Community Development. 216-664-4062 tsledz@city.cleveland.oh.us	

Stantec

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	U.S. Environmental Protection Agency	Brownfield Multi-purpose Grant	US	EPA's Brownfields Program provides funds to empower states, communities, tribes, and nonprofit organizations to prevent, inventory, assess, clean up, and reuse brownfield sites.	"• General Purpose Unit of Local Government. • Land Clearance Authority or another quasi-governmental entity that operates under the supervision and control of, or as an agent of, a General Purpose Unit of Local Government. • Government Entity Created by State Legislature. • Regional Council or group of General Purpose Units of Local Government. • Redevelopment Agency that is chartered or otherwise sanctioned by a state. • State. • Indian tribe other than in Alaska. • Alaska Native Regional Corporation, Alaska Native Village Corporation, and MetlakatlaIndian Community. • Nonprofit organization described in section 501(c)(3) of the Internal Revenue Code. • Limited liability corporation in which all managing members are 501(c)(3) nonprofit organizations or limited liability corporations whose sole members are 501(c)(3)nonprofit organizations. • Limited partnership in which all general partners are 501(c)(3) nonprofit organizations or limited corporations whose sole members are 501(c)(3) nonprofit organizations. • Qualified community development entity as defined in section 45D(c)(1) of the Internal Revenue Code of 1986."	"In addition to direct costs associated with the inventory, site prioritization, site reuse planning3, community involvement, assessment, cleanup planning, and cleanup of a brownfield site, grant funds may be used for: 1. Direct costs associated with programmatic management of the grant, such as required performance reporting and environmental oversight. All costs charged to Multipurpose Grants must be consistent with the requirements at 2 CFR Part 200, Subpart E. 2. A local government (as defined in 2 CFR § 200.64) may use up to 10% of its grant funds for the following activities: a. health monitoring of populations exposed to hazardous substances from a brownfield site; and b. monitoring and enforcement of any institutional control used to prevent human exposure to any hazardous substance from a brownfield site. 3. A portion of the Brownfields Grant may be used to purchase environmental insurance."	$800 000	"Amount of funding available: Set biannually based on approved budget. (Typically 10 grants awarded nationwide and only one grant per EPA Region.) Amount of matching funds required: $40,000 cost share. The cost share, which may be in the form of a contribution of money, labor, material, or services, must be used for eligible and allowable costs under the grant. Term: 5 years."	Biannually (Applications are typically due in the fall. Current competition ends Oct. 28, 2020.)	"EPA Region 10 Terri Griffith Griffith. Terri@ epa. gov Phone: (206) 553-8511"	https://www.epa.gov/brownfields/types-brownfields-grant-funding
Federal	U.S. Environmental Protection Agency	Brownfield Revolving Loan Fund (RLF) Grant	US	EPA's Brownfields Program provides funds to empower states, communities, tribes, and nonprofit organizations to prevent, inventory, assess, clean up, and reuse brownfield sites.	"• General Purpose Unit of Local Government. • Land Clearance Authority or another quasi-governmental entity that operates under the supervision and control of, or as an agent of, a General Purpose Unit of Local Government. • Government Entity Created by State Legislature. • Regional Council or group of General Purpose Units of Local Government. • Redevelopment Agency that is chartered or otherwise sanctioned by a state. • State. • Indian tribe other than in Alaska. • Alaska Native Regional Corporation, Alaska Native Village Corporation, and Metlakatla Indian Community. • Nonprofit organization described in section 501(c)(3) of the Internal Revenue Code. • Limited liability corporation in which all managing members are 501(c)(3) nonprofit organizations or limited liability corporations whose sole members are 501(c)(3)nonprofit organizations. • Limited liability partnership in which all general partners are 501(c)(3) nonprofit organizations or limited corporations whose sole members are 501(c)(3) nonprofit organizations. • Qualified community development entity as defined in section 45D(c)(1) of the Internal Revenue Code of 1986."	"In addition to direct costs associated with the cleanup of a brownfield site, grant funds may be used for: 1. Direct costs associated with programmatic management of the grant, such as required performance reporting, cleanup oversight, environmental oversight of cleanup work, and funds management. All costs charged to RLF Grants must be consistent with the requirements at 2 CFR Part 200, Subpart E. 2. A local government (as defined in 2 CFR § 200.64) may use up to 10% of its grant funds for the following activities: a. health monitoring of populations exposed to hazardous substances from a brownfield site; and b. monitoring and enforcement of any institutional control used to prevent human exposure to any hazardous substance from a brownfield site. 3. A portion of the Brownfields Grant, loan, or subgrant may be used to purchase environmental insurance."	$1 000 000	"Amount of funding available: Set biannually based on approved budget. (Typically 8-10 grants awarded.) Amount of matching funds required: 20% cost share. The cost share, which may be in the form of a contribution of money, labor, material, or services, must be for eligible and allowable costs under the grant. Term: 5 years."	Biannually (Applications are typically due in the fall. Next competition scheduled for 2021.)	"EPA Region 10 Terri Griffith Griffith. Terri@ epa. gov Phone: (206) 553-8511"	https://www.epa.gov/brownfields/types-brownfields-grant-funding

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	11 Federal Agencies Participate (SBA is coordinating agency)	Small Business Innovation Research (SBIR) Program	US	Mission: to support scientific excellence and technological innovation through the investment of Federal research funds in critical American priorities to build a strong national economy. Encourages small businesses to engage in research or development projects that have a high potential for commercialization. Meant to increase private-sector commercialization, stimulate technological innovation and encourage entrepreneurship. USDA, DoC (NIST, NOAA), DoD, ED, DOE, HHS, DHS, DOT, EPA, NASA, NSF	Company must be for project, US-owned/operated, and under 500 people. Work must be done in the US. Focus is on performing R&D, not purchasing equipment, commercializing a technology that has already been developed or one that has very low risk and only needs capital	Research and development costs. Salary and wages for company employees, associated fringe benefits, materials and supplies, and a number of other direct costs needed to carry out the proposed R&D.	3.2% of the extramural research budget for agencies with a budget greater than $100M per year ($3.2B minimum spend each year). Up to $256,580 for Phase 1 award and up to $1,710,531 for Phase II without seeking SBA approval for more funds.	Three phase process: Phase 1 is concept development ($50K-$250K); Phase II is prototype development ($500K-$1M); Phase III is Commercialization and SBIR does NOT fund.	Each agency has a slightly different schedule for solicitations. Agency application planner: https://www.sbir.gov/solicitations	Washington Small Business Development Center: https://wsbc.org	www.sbir.gov/about-fast
Federal	5 Federal Agencies Participate (SBA is coordinating agency)	Small Business Technology Transfer Program (STTR)	US	Mission: to support scientific excellence and technological innovation through the investment of Federal research funds in critical American priorities to build a strong national economy. Encourages small businesses to engage in research or development projects that have a high potential for commercialization. Meant to increase private-sector commercialization, stimulate technological innovation and encourage entrepreneurship. DoD, HHS, DOE, NSF, NASA	Company must be for project, US-owned/operated, and under 500 people. Work must be done in the US. Focus is on performing R&D, not purchasing equipment, commercializing a technology that has already been developed or one that has very low risk and only needs capital. Requires a non-profit research institution partner.	Research and development costs. Salary and wages for company employees, associated fringe benefits, materials and supplies, and a number of other direct costs needed to carry out the proposed R&D.	0.45% of the extramural research budget for agencies with a budget of greater than $1B per year ($450M minimum spend each year). Up to $256,580 for Phase 1 award and up to $1,710,531 for Phase II without seeking SBA approval for more funds.	Three phase process: Phase 1 is concept development ($50K-$250K); Phase II is prototype development ($500K-$1M); Phase III is Commercialization and SBIR does NOT fund. STTR requires the small business awardee and partnering institution to establish an intellectual property agreement detailing allocation of IP rights and rights to carry out follow-on research, development or commercialization activities. STTR requires the small business perform at least 40% of the R&D. PI has to be primarily employed by partnering research institution.	Each agency has a slightly different schedule for solicitations. Agency application planner: https://www.sbir.gov/solicitations	Washington Small Business Development Center: https://wsbc.org	different agency program sites: https://www.sbir.gov/agencies-landing
Federal	Department of Treasury Community Development Financial Institutions	CDFI Bond Guarantee Program	National	Federal credit subsidy program. Debt is made available to CDFIs from the Federal Financing Bank. The loans provide long-term capital not previously available to CDFIs.	Certified CDFIs. Must be able to issue bonds and make loans.	Loans are meant to incentivize and empower CDFIs to execute large-scale projects, including the development of commercial real estate, housing units, charter schools, daycare or healthcare centers, and municipal infrastructure.	Long term credit at below market rates.	A Certified CDFI (or its designee) applies to the CDFI Fund for authorization to issue bonds worth a minimum of $100 million. The CDFI Fund provides a 100% guarantee on these bonds, up to $1 billion per year. The government-backed bonds are sold to the Federal Financing Bank (FFB) - a government corporation that ensures that Federal obligations are financed. This results in very low interest rates.	Not announced for 2021	bgp@cdfi.treas.gov	CDFI Bond Guarantee Program (cdfifund.gov)

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	Department of Treasury Community Development Financial Institutions	CDFI Program	National	CDFI Program uses monetary awards (Financial Assistance and Technical Assistance) to invest in and build the capacity of CDFIs.	Certified CDFIs	Funding and technical assistance to CDFIs	N/A	Financial Assistance and Technical Assistance grants.	Not announced for 2020		CDFI Program (cdfifund.gov)
Federal	Department of Treasury Community Development Financial Institutions	New Market Tax Credit	National	Through the NMTC Program the CDFI Fund allocates tax credit authority to Community Development Entities (CDEs) through a competitive application process. CDEs are financial intermediaries through which private capital flows from an investor to a qualified business located in a low-income community. Using capital from equity investments, CDEs can make loans and investments to businesses operating in low-income communities on better rates and terms and more flexible features than the market.	NMTC investors that provide capital to community development entities. CDE can be its own investor or find an outside investor. Community Development Financial Institutions or other mission lenders accounted for the highest share of NMTCs, followed by mainstream financial institutions.	Financial equipment, operations or real estate. Can purchase or rehabilitate retail, manufacturing, agriculture, community facilities, rent or for-housing, or combinations of these. Qualified active low-income community businesses (QALICB) receive NMTC investments. Between 2003 and 2016, 69% of NMTC investments went to for-profit QALICBs.	Nationally, the NMTC held steady at $1.4B/year, rising to $1.9 in 2019 when Congress expanded the credits available.	In exchange for investing in CDEs, investors claim a tax credit worth 39% of their original CDE equity stake, which is claimed over a seven-year period.	N/A	OhioNewMarkets@development.ohio.gov Phone: 614 | 995 2292	Ohio New Markets Tax Credit Program
Federal	Economic Development Administration	Public Works Program	National	Provides grants to economically distressed areas for public works projects that: promote economic development; create long-term jobs; and/or benefit low-income persons or the long-term under-employed	States, cities, counties; and private or public nonprofits representing a redevelopment area or designated economic development center.	Construction of key public infrastructure, such as water and sewer system improvements, roads, industrial parks, business incubator facilities, expansion of port and harbor facilities, skill-training facilities, and brownfields redevelopment.	50% of total project costs, up to $3,000,000	Must align with regional Comprehensive Economic Development Strategy (CEDS) document.	Year round	Tom Baron, 312-789-9773, tbaron@eda.gov	https://eda.gov/funding-opportunities/
Federal	Economic Development Administration	Working Capital Loan Program Title IX	National	Assist small-medium businesses that are creating or retaining jobs and looking to expand in the City of Cleveland. Program helps companies that need additional working capital beyond their traditional lines of credit by providing low interest loans.	Manufacturing technology related commercial, service, green. Sustainable industry or a grocery store.	Working capital for inventory purchases	$500,000 or 33% of total project costs	75% of WSJ Prime Rate. Interest only payments for up to twelve months and loan fully amortized over 7 years. Applicant must provide a minimum of 10% equity. City has a lien on Project Site and/or UCC lien on business assets. Other collateral may be deemed necessary.	N/A	https://makeitincleveland.org/contact	https://makeitincleveland.org/incentives/working-capital-loan-program

Stantec

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	Federal Emergency Management Administration	Building Resilient Infrastructure and Communities (BRIC)	National	BRIC is funded by FEMA and administered by the Washington Emergency Management Division. It's a nationally competitive grant program that was created to assist states, local and tribal governments implement cost-effective hazard mitigation activities before a disaster occurs.	The State is the Applicant, municipalities, counties and other public entities are the subapplicants Washington Emergency Management Division.	Eligible mitigation activities can include: Property Acquisition and Structure Demolition, Property Acquisition and Structure Relocation, Structure Elevation, Mitigation Reconstruction, Dry Floodproofing of Historic Residential Structures, Dry Floodproofing of Non-residential Structures, Generators, Localized Flood Risk Reduction Projects, Non-localized Flood Risk Reduction Projects, Structural Retrofitting of Existing Buildings, Non-structural Retrofitting of Existing Buildings and Facilities, Safe Room Construction, Wind Retrofit for One- and Two-Family Residences, Infrastructure Retrofit, Soil Stabilization, Wildfire Mitigation, Post-Disaster Code Enforcement, Advance Assistance, 5 Percent Initiative Projects, Hazard Mitigation Planning, and Technical Assistance.	$10 million maximum for Resilient Infrastructure implementation projects.	FEMA will fund up to 75% of the total project costs. The period of performance for the grant program begins with the opening of the application period and ends no later than 48 months from the date that FEMA announces the status of the sub applications.	Pre-applications are due to the Emergency Management Division by September 8, 2020. Must complete a benefit cost analysis.	HMA@mil.wa.gov. David.spicer@mil.wa.gov (253) 512-7082	https://mil.wa.gov/hazard-mitigation-grants
Federal	Federal Transit Administration	Accelerating Innovative Mobility (AIM) Challenge Grants	National	To support innovation throughout the transit industry by promoting forward-thinking approaches to improve transit system design, service, and financing.	"Providers of public transportation, including public transportation agencies, state/local government DOTs, and federally recognized Indian tribes. Eligible project partners may include, but are not limited to: • Private for-profit and not-for-profit organizations; • private operators of transportation services, such as employee shuttle services, airport connector services, university transportation systems, or parking and tolling or airports authorities; • bus or vehicle manufacturers or suppliers; • banking or financial institutions; • other organizations including research consortia or not-for-profit industry organizations, institutions of higher education, and others."	"Projects that demonstrate innovative technologies, applications, practices, and/or service models that can lead to more efficient public transportation service, better mobility for individuals, and enhance the overall rider experience, with special emphases on innovative service delivery models, creative financing, novel partnerships and integrated payment solutions. Applicants are also encouraged to submit applications with other innovative models and ideas that may not fall into one of these areas. Looking for projects that are aligned with the following key underlying principles: • Test innovative technologies, practices, approaches, or service models that can produce outcomes and knowledge of national significance and advance the state of the practice for public transportation in the U.S. • Create a portfolio of projects that consider the needs of different types of communities and advance technology innovations, practices and/or partnership models that resonate and are adoptable by all transit agencies, including those that serve rural areas. • Leverage private sector innovation to improve mobility through novel public private partnerships. • Advance robust, replicable transitled business models, and sustainable public private partnerships that enable expanded opportunities for innovation beyond the AIM Challenge Grants. • Support the concept of the complete trip to ensure all travelers benefit from improved mobility regardless of their location, age, income, or abilities. "	"There is no minimum or maximum grant award amount; but amount of Federal share capped at 80%. $11 Million total available."	"The primary objectives of the AIM Challenge Grants are to: Explore and validate forward-thinking approaches to improve transit system design, service, and financing. Provide funding to transit agencies in all types of communities—urban, suburban, rural— to identify, test, and prove out new approaches, technologies and service models. Establish a national network of public transportation stakeholders that are incorporating innovative approaches and business models to improve mobility and that will share project results. Identify and promote the most promising and effective innovations that can be implemented more broadly through FTA's capital programs."	Annual program, dependent on appropriations; last cycle May 18, 2020. New date has not been announced yet for 2021.	"Christina Gikakis, 202–366–2637 christina.gikakis@dot.gov"	https://www.transit.dot.gov/AIM

Stantec

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	Federal Transit Administration	Congestion Mitigation and Air Quality Program	National	To provide a flexible funding source to State and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act.	The FAST Act directs FHWA to apportion funding as a lump sum for each State then divide that total among apportioned programs. Once each State's combined total apportionment is calculated, funding is set-aside for the State's CMAQ Program.	A transportation project or program that is likely to contribute to the attainment or maintenance of a national ambient air quality standard, with a high level of effectiveness in reducing air pollution, and that is included in the metropolitan planning organization's (MPO's) current transportation plan and transportation improvement program (TIP) or the current state transportation improvement program (STIP) in areas without an MPO.	The FAST Act directs FHWA to apportion funding as a lump sum for each State then divide that total among apportioned programs. Once each State's combined total apportionment is calculated, funding is set-aside for the State's CMAQ Program.		Formula based funding program.		https://www.transportation.gov/sustainability/climate/federal-programs-directory-congestion-mitigation-and-air-quality-cmaq#:~:text=The%20Congestion%20Mitigation%20and%20Air,attain%20national%20air%20quality%20standards.
Federal	Federal Transit Administration	Grants for Buses and Bus Facilities Competitive Program	National	To replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities.	Designated recipients that allocate funds to fixed route bus operators, states or local governmental entities that operate fixed route bus service, and Indian tribes.	"Capital projects to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities. Past funded projects related to CAV included: purchase electric buses and related charging equipment and infrastructure; plan, construct, and install electrical charging infrastructure, including on route charging at transit centers, for a future all-electric bus fleet; bus storage facilities to prepare to introduce battery-electric buses into fleet; purchase zero-emission transit vehicles and make other upgrades, including new pedestrian shelters along bus routes to be powered by solar energy, new ticket vending machines, and electronic information boards with real-time bus schedule and route information."	"The federal share of eligible capital costs is 80 percent of the net capital project cost, unless the grant recipient requests a lower percentage. The Federal share may exceed 80 percent for certain projects related to the ADA, the Clean Air Act (CAA), and certain bicycle projects. Total of $463,920,522 was available in 2020."	"Awards based on 1. Demonstration of Need 2. Demonstration of Benefits 3. Planning/Local Prioritization 4. Local Financial Commitment 5. Project Implementation Strategy 6. Technical, Legal, and Financial Capacity"	Last cycle closed on April 29, 2020.	202-366-2053	https://www.transit.dot.gov/bus-program#:~:text=Funding%20is%20provided%20through%20formula,low%20and%20zero%2Demission%20vehicles.

Stantec

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	Federal Transit Administration	Pilot Program for Transit-Oriented Development Planning - Section 20005(b)	National	Provides funding to local communities to integrate land use and transportation planning with a transit capital investment that will seek funding through the Capital Investment Grant (CIG) Program. Encourage comprehensive TOD planning, support TOD planning that goes beyond what agencies would usually fund themselves, encourage partnerships.	FTA grantees as of the publication date of the NOFO. Proposer must be the project sponsor of an eligible transit capital project or an entity with land use planning authority in an eligible transit capital project corridor. Evidence of partnership between the two types of entities will be required unless the applicant has both responsibilities. Only on project per corridor may be submitted.	TOD Planning	2021 awards of $250K-$2M. Maximum 80% federal funding share. $6.1M was available in 2020, $22M was available in 2019.	Project cannot advance TOD planning work in a single transit capital project station area; cannot support project development activities that would be reimbursable under an FTA capital grant; cannot fund capital projects or be site or parcel-specific.	NOFO have been released and applications have been due in the fall the last few years. NOFOs are dependent on funding availability.	Region 5 FTA Office, Chicago Illinois, 200 West Adams Street, Suite 320, Chicago, IL 60606 (312) 535-2789	Region 5 | FTA (dot. gov)
Federal	Housing and Urban Development (HUD)	HOME Investment Partnerships Program block grant. Ohio Housing Development Assistance Programs (HDAP) are funded by HOME and the Ohio Housing Trust Fund	National, Administered by Cleveland	HOME provides formula grants to states and localities that communities use to fund building, buying, and rehabilitating affordable housing. It is the largest Federal block grant to state and local governments designed to create affordable housing for low-income households.	For rental projects, at least 20% of units must be occupied by families with incomes that are less than 50% of HUD adjusted median.	Acquisition, creation, rehabilitation of housing.	States are automatically eligible to receive a minimum of $3M. Cleveland received $4,894,062 in HOME funding in 2020	Interested parties must coordinate and align with City affordable housing priorities and targets.	Annual federal capitalization	Thomas Sledz, Budget Management. Department of Community Development. 216-664-4062 tsledz@city.cleveland.oh.us	https://www.hudexchange.info/programs/nsp/nsp-eligibility-requirements/

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	Housing and Urban Development (HUD)	Neighborhood Stabilization Program. Administered by City Department of Community Development	National, Administered by State	NSP provides grants to states, localities, and nonprofit organizations to stabilize communities that have suffered from foreclosures and abandonment through the purchase and redevelopment of foreclosed and abandoned residential properties	Non-profits, City	Demolition, purchase, redevelopment of foreclosed or abandoned residential properties	The last NSP funding was appropriated in 2010 so most grantees are in the process of completing activities and closing out grants.	It's possible another round of NSP will come through a stimulus program.	NA	Michael Cosgrove, NSP Manager, Department of Community Development (216)-420-7634 mcosgrove@city.cleveland.oh.us	
Federal	U.S. Environmental Protection Agency	Brownfield Assessment Grant	US	EPA's Brownfields Program provides funds to empower states, communities, tribes, and nonprofit organizations to prevent, inventory, assess, clean up, and reuse brownfield sites.	"• General Purpose Unit of Local Government. • Land Clearance Authority or another quasi-governmental entity that operates under the supervision and control of, or as an agent of, a General Purpose Unit of Local Government. • Government Entity Created by State Legislature. • Regional Council or group of General Purpose Units of Local Government. • Redevelopment Agency that is chartered or otherwise sanctioned by a state. • State. • Indian tribe other than in Alaska. • Alaska Native Regional Corporation, Alaska Native Village Corporation, and MetlakatlaIndian Community. • Nonprofit organization described in section 501(c)(3) of the Internal Revenue Code. • Limited liability corporation in which all managing members are 501(c)(3) nonprofit organizations or limited liability corporations whose sole members are 501(c)(3)nonprofit organizations. • Limited partnership in which all general partners are 501(c)(3) nonprofit organizations or limited corporations whose sole members are 501(c)(3) nonprofit organizations. • Qualified community development entity as defined in section 45D(c)(1) of the Internal Revenue Code of 1986."	"In addition to direct costs associated with the inventory, site prioritization, community involvement, site reuse planning, assessment, and cleanup planning for brownfield sites, grant funds may be used for: 1. Direct costs associated with programmatic management of the grant, such as required performance reporting and environmental oversight. All costs charged to Assessment Grants must be consistent with the requirements at 2 CFR Part 200, Subpart E. 2. A local government (as defined in 2 CFR § 200.64) may use up to 10% of its grant funds for the following activities: a. health monitoring of populations exposed to hazardous substances from a brownfield site; and b. monitoring and enforcement of any institutional control used to prevent human exposure to any hazardous substance from a brownfield site. 3. A portion of the Brownfields Grant may be used to purchase environmental insurance. "	"- $600,000 for Assessment Coalition. - $300,000 for Community-Wide Assessment. - $200,000 for Site-Specific Assessment (may request waiver of $200,000 limit and request up to $350,000 if justified)."	"Amount of funding available: Set annually based on approved budget. Amount of matching funds required: None. Term: 3 years."	Annually (Applications are typically due in the fall. Current competition ends Oct. 28, 2020.)	"EPA Region 10 Terri Griffith Griffith. Terri@epa.gov Phone: (206) 553-8511"	https://www.epa.gov/brownfields/types-brownfields-grant-funding

Stantec

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	U.S. Environmental Protection Agency	Brownfield Cleanup Grant	US	EPA's Brownfields Program provides funds to empower states, communities, tribes, and nonprofit organizations to prevent, inventory, assess, clean up, and reuse brownfield sites.	"• General Purpose Unit of Local Government. • Land Clearance Authority or another quasi-governmental entity that operates under the supervision and control of, or as an agent of, a General Purpose Unit of Local Government. • Government Entity Created by State Legislature. • Regional Council or group of General Purpose Units of Local Government. • Redevelopment Agency that is chartered or otherwise sanctioned by a state. • State. • Indian tribe other than in Alaska. • Alaska Native Regional Corporation, Alaska Native Village Corporation, and MetlakatlaIndian Community. • Nonprofit organization described in section 501(c)(3) of the Internal Revenue Code. • Limited liability corporation in which all managing members are 501(c)(3) nonprofit organizations or limited liability corporations whose sole members are 501(c)(3)nonprofit organizations. • Limited partnership in which all general partners are 501(c)(3) nonprofit organizations or limited corporations whose sole members are 501(c)(3) nonprofit organizations. • Qualified community development entity as defined in section 45D(c)(1) of the Internal Revenue Code of 1986. • Other nonprofit organizations. (For the purposes of the Brownfields Grant Program, the term "other nonprofit organization" means any corporation, trust, association, cooperative, or other organization that is operated mainly for scientific, educational, service, charitable, or similar purpose in the public interest and is not organized primarily for profit; and uses net proceeds to maintain, improve, or expand the operation of the organization. The term includes nonprofit colleges, universities, and other educational institutions.)"	"In addition to direct costs associated with the cleanup of a brownfield site, grant funds may be used for: 1. Direct costs associated with programmatic management of the grant, such as required performance reporting, cleanup oversight, and environmental monitoring of cleanup work. All costs charged to Cleanup Grants must be consistent with the requirements at 2 CFR Part 200, Subpart E. 2. A local government (as defined in 2 CFR § 200.64) may use up to 10% of its grant funds for the following activities: a. health monitoring of populations exposed to hazardous substances from a brownfield site; and b. monitoring and enforcement of any institutional control used to prevent human exposure to any hazardous substance from a brownfield site. 3. A portion of the Brownfields Grant may be used to purchase environmental insurance. "	$500,000 (for one site or multiple sites)	"Amount of funding available: Set annually based on approved budget. Amount of matching funds required: 20% cost share. The cost share, which may be in the form of a contribution of money, labor, material, or services, must be used for eligible and allowable costs under the grant. Government entities with populations of 50,000 and fewer, tribes, and nonprofit organizations may request a waiver of the 20% cost share requirement based on hardship. EPA will consider hardship waiver requests on a case-by-case basis and will approve such requests on a limited basis. Term: 3 years."	Annually (Applications are typically due in the fall. Current competition ends Oct. 28, 2020.)	"EPA Region 10 Terri Griffith Griffith.Terri@epa.gov Phone: (206) 553-8511"	https://www.epa.gov/brownfields/types-brownfields-grant-funding

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	U.S. Environmental Protection Agency	Brownfields Training, Research and Technical Assistance/ Supporting Equitable Development and Environmental Justice in Brownfields Communities Grant	National	Provide technical assistance to communities on the integration of environmental justice and equitable development when developing solutions to brownfields cleanup and revitalization challenges.	"• General Purpose Unit of Local Government. • Land Clearance Authority or another quasi-governmental entity that operates under the supervision and control of, or as an agent of, a general purpose unit of local government. • Government Entity Created by State Legislature. • Regional Council or group of General Purpose Units of Local Government. • Redevelopment Agency that is chartered or otherwise sanctioned by a state. • State. • • Nonprofit organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code. • Limited liability corporation in which all managing members are 501(c)(3) nonprofit organizations or limited liability corporations whose sole members are 501(c)(3)nonprofit organizations. • Limited liability partnership in which all general partners are 501(c)(3) nonprofit organizations or limited liability corporations whose sole members are 501(c)(3) nonprofit organizations. • Qualified community development entity as defined in section 45D(c)(1) of the Internal Revenue Code of 1986. • Other Nonprofit organizations. (For purposes of this grant program, the term "nonprofit organization" means any corporation, trust, association, cooperative, or other organization that is operated mainly for scientific, educational, service, charitable, or similar purpose in the public interest; is not organized primarily for profit; and uses net proceeds to maintain, improve, or expand the operation of the organization. The term includes nonprofit colleges, universities, and other educational institutions.)"	Eligible uses of grant funds include direct costs necessary to provide brownfields technical assistance identified in the approved workplan. This includes eligible programmatic costs necessary to perform your project, such as: costs for personnel, technical experts, materials, supplies, room rentals, travel, and transportation expenses.	$600 000	"Amount of funding available: Varies based on approved budget. (Typically one grant awarded nationwide.) Amount of matching funds required: None. Term: 3 years."	Biannually (Applications are typically due in the summer/ early fall. Current competition ends Sept. 21, 2020.)	"EPA Headquarters Elyse Sutkus sutkus.elyse@epa.gov Phone: (202) 564-2858"	https://www.epa.gov/brownfields/types-brownfields-grant-funding

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	U.S. Environmental Protection Agency	Environmental Workforce Development and Job Training (EWDJT) Grant	US	Deliver EWDJT programs that recruit, train, and place local, unemployed and under-employed residents with the skills needed to secure full-time employment in the environmental field.	"• General Purpose Unit of Local Government (as defined under 2 CFR 200.64). • Land Clearance Authority or other quasi-governmental entity that operates under the supervision and control of, or as an agent of, a general purpose unit of local government. • Government entity created by State Legislature. • Regional Council or group of General Purpose Units of Local Government. • Redevelopment Agency that is chartered or otherwise sanctioned by a State. • State.. • Nonprofit organizations. For purposes of this grant program, the term "nonprofit organization" means any corporation, trust, association, cooperative, or other organization that is operated mainly for scientific, educational, service, charitable, or similar purpose in the public interest; is not organized primarily for profit; and uses net proceeds to maintain, improve, or expand the operation of the organization. Workforce Investment Boards and organized Labor Unions that meet these criteria may be eligible nonprofit organizations. Public and nonprofit private educational institutions are eligible to apply. However, nonprofit organizations described in Section 501(c)(4) of the Internal Revenue Code that engage in lobbying activities as defined in Section 3 of the Lobbying Disclosure Act of 1995 are not eligible to apply. For-profit or proprietary training organizations or trade schools are not eligible to apply."	"Grant funds must be used for direct programmatic costs associated with implementing an EWDJT program. Examples of eligible uses of grant funds include: • Personnel costs for instructors to conduct training, fringe benefits, and/or personnel costs for tasks associated with programmatic reporting requirements. • Costs for screening and placement of individuals in the training program. • Costs for training materials and work gear associated with the training curriculum. • Development and refinement of existing curricula for training. • Implementing job development outreach activities directed toward engaging prospective employers to be involved in the job training program and to hire graduates. • Training in the assessment, inventory, analysis, and remediation of sites or facilities at which hazardous substances, pollutants, contaminants, and petroleum products are located, transported, or disposed, including training for jobs in environmental sampling, demolition, underground storage tank removal, groundwater extraction, site remediation, and equitable development associated with brownfields. • Training participants in the use of techniques and methods for cleanup of hazardous substances, petroleum, and pollutants, such as asbestos abatement; lead abatement; lead renovation, repair, and painting (RRP); mold remediation; and cleaning up sites contaminated by the manufacturing of illegal drugs (e.g., methamphetamine labs), abandoned gas stations, or mine-scarred lands. • Training in confined space entry. • Training in first-aid, cardiopulmonary resuscitation (CPR), and blood-borne pathogens. • Training in chemistry, toxicology, and geology to the extent necessary to inventory, assess, remediate, and clean up contaminated sites. • Training in the requirements and implementation of the All Appropriate Inquiries (AAI) Final Rule, as required in CERCLA Section 101(35)(B), and due diligence. • Training in radiation safety and the cleanup of uranium mine tailings. • Training in HAZMAT, commercial driver's license (CDL), forklift, and machine operations associated with the transportation of hazardous waste. • Training in Freon removal or the removal of hazardous substances from white goods. • Training in weatherization; Building Performance Institute (BPI) training; energy efficiency retrofitting; heating, ventilation, and air conditioning (HVAC); and energy auditing. • Training in the use of compost and soil amendments and associated sampling, testing, and design considerations, and management techniques to support the assessment and cleanup of sites for urban agriculture and horticulture. • Training participants in planning and conducting ecological restoration of contaminated land, including general botanical classes or introductory horticultural classes related to land and stream restoration or indigenous species and native plant re-vegetation; landscaping; and soil science. • Training in adaptation or resiliency. • Training in the various certifications of Leadership in Energy and Environmental Design (LEED), and Green Infrastructure and Stormwater Management; and Erosion and Sediment Control. • Training in building trades related to constructing berms, caps, synthetic barriers, pumping facilities, bioretention systems, and similar structures to remediate contamination or stormwater pollution. • Training in national historic preservation and tribal historic preservation regulations associated with cleanup projects. • Training in vapor intrusion testing and mitigation. • Training in site surveying, mapping, blueprint reading, computer-aided design and drafting (CADD), and geographic information systems (GIS). • On-the-job training insurance for trainees. • Costs associated with health exams (e.g., pulmonary function tests), drug testing, or licensing fees directly related to the training and/or the placement of graduates in environmental work. • Costs used to cover rental fees associated with training facilities or minor alteration of existing facilities. (Construction costs are not allowable.) • Costs associated with eligible participant support costs, including transportation for trainees for site visits during training or to transport trainees to and from class."	200000	"Amount of funding available: Set annually based on approved budget. (Typically 15 grants awarded nationwide.) Amount of matching funds required: None. Term: 3 years."	Annually (Applications are typically due in the summer/ early fall. Current competition ends Sept. 22, 2020.)	"EPA Region 10 Susan Morales morales.susan@epa.gov Phone: (206) 553-7299"	https://www.epa.gov/brownfields/types-brownfields-grant-funding

APPENDIX A : FUNDING MATRIX

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	US Department of Transportation	Better Utilizing Investments to Leverage Development (BUILD)	National	Provides a unique opportunity for the DOT to invest in road, rail, transit and port projects that promise to achieve national objectives.	State, local and tribal governments, including U.S. territories, transit agencies, port authorities, metropolitan planning organizations (MPOs), and other political subdivisions of State or local governments.	"Surface transportation capital projects: (1) highway, bridge, or other road projects eligible under title 23, United States Code; (2) public transportation projects eligible under chapter 53 of title 49, United States Code; (3) passenger and freight rail transportation projects; (4) port infrastructure investments (including inland port infrastructure and land ports of entry); (5) intermodal projects; and (6) projects investing in surface transportation facilities that are located on tribal land and for which title or maintenance responsibility is vested in the Federal Government. Please note that DOT may award a BUILD Transportation grant to pay for the surface transportation components of a broader project that has non-surface transportation components, and applicants are encouraged to apply for BUILD Transportation grants to pay for the surface transportation components of these projects. Research, demonstration, or pilot projects are eligible only if they will result in long-term, permanent surface transportation infrastructure that has independent utility. Planning Projects: planning, preparation, or design—including environmental analysis, feasibility studies, and other pre-construction activities—of eligible surface transportation capital projects. Also, eligible activities related to multidisciplinary projects or regional planning may include: (1) Development of master plans, comprehensive plans, or corridor plans; (2) Planning activities related to the development of a multimodal freight corridor, including those that seek to reduce conflicts with residential areas and with passenger and non-motorized traffic; (3) Development of port and regional port planning grants, including State-wide or multi-port planning within a single jurisdiction or region; (4) Risk assessments and planning to identify vulnerabilities and address the transportation system's ability to withstand probable occurrence or recurrence of an emergency or major disaster. "	"Grants not less than $5 million and not greater than $25 million, except that for projects located in rural areas (as defined in Section C.4.(a)) the minimum award size is $1 million. Must provide 20% non-federal match. There is no minimum award size, regardless of location, for BUILD Transportation planning grants. Total available in 2020 was $1 Billion."	"Multiple States or jurisdictions may submit a joint application and must identify a lead applicant as the primary point of contact and also identify the primary recipient of the award. Each applicant in a joint application must be an Eligible Applicant. Each lead applicant may submit no more than three applications. Unrelated project components should not be bundled in a single application for the purpose of adhering to the limit. "	Annual program, dependent on appropriations; last cycle May 18, 2020. New date has not been announced yet for 2021.	"Howard Hill 202-366-0301 BUILDgrants@dot.gov"	https://www.transportation.gov/BUILDgrants

Stantec

	Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Federal	US Economic Development Administration (EDA)	Economic Adjustment Assistance (CARES Act supplemental funding)	US	Program provides a wide range of financial assistance to communities and regions as they respond to, and recover from, the impacts of the coronavirus pandemic. Support a wide range of non-construction and construction activities.	State, county, city or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions.	Construction, Design, Engineering, Non-Construction, Revolving Loan Funds. Projects must be consistent with the region's current Comprehensive Economic Development Strategy (CEDS) or applicants can apply for a Strategy Grant to develop or update a CEDS. Projects must be consistent with at least one EDA priority: Recovery & Resilience, Critical Infrastructure, workforce Development & Manufacturing, Exports & FDI, and Opportunity Zones. Physical infrastructure projects, including water and sewer are eligible.	Maximum $30,000,000. CARES Act made $1.5B available to EDA programs. The Seattle EDA Region, received $266M in funding. The average award for a Public Works project is $1.4M. EAA average award is $650K.	EDA prioritizes projects that create jobs and support other forms of economic development. Applicants must explain clearly in their application how the project would "prevent, prepare for, and respond to coronavirus" or respond to "economic injury as a result of coronavirus".	This is a rolling application but funds with be disbursed by September 30, 2022. Applications should be submitted as soon as possible to capitalize on funding availability. Prospective applicants are advised to confer with regional representatives prior to submitting applications. EDA is targeting Opportunity Zones (OZ)	Tom Baron, 312-789-9773, tbaron@eda.gov	https://eda.gov/funding-opportunities/

APPENDIX A : FUNDING MATRIX

FOUNDATIONS

Preferred funding programs
Additional funding opportunities

Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Cleveland Foundation	Capital Grants	Cuyahoga, Lake and Geauga Counties	Enhance the lives of all residents of Greater Cleveland, now and for generations to come, by working together with our donors to build community endowment, address needs through grant-making and provide leadership on key community issues	tax-exempt agencies, including government agencies and churches	Arts and culture, civic affairs, economic development, education, environment, health, and social services	Median grant award was $27,000 with $98M in total giving annually.	Capital requests are supported when they meet certain stringent criteria. Capital projects must advance areas of impact, help to meet a compelling community need, and offer a broad social benefit. Support is contingent on funding from other sources. Foundation general does not authorize payment until the organization has raised a significant amount of its total dollar goal.	All grant applications must first submit an online grant inquiry. Aligned projects are invited to submit an application. For grants under $200K, monthly decisions/ Grants over $200K, quarterly decisions.	GrantsMgmt@CleveFdn.org	https://www.cleveland-foundation.org/grants/apply-for-a-grant/
Gund Foundation	Capital Grants	Greater Cleveland Area	Urban focus to devote attention and resources to the illumination of policies that shape the issues we care about.	Charitable organizations, government entities, education agency, library	Program areas: Climate and environmental justice, creative culture and arts, public education, thriving families and social justice, vibrant neighborhoods and inclusive economy.	Average grant award: $35K, total 2020 giving $40M.	Gund Foundation limits capital grants for construction or renovation to projects that seek LEED certification. Foundation will provide multi-year funding in some cases.	Proposals are considered three times a year by trustees. (Winter, Summer, Fall). Next deadline is predicted to be March 15, 2021.	https://gund-foundation.org/grantmaking/apply-for-a-grant/	https://gund-foundation.org/
United States Conference of Mayors	Community WINS (Working Investing in Neighborhood Stabilization) Grant	United States	Wells Fargo and the Wells Fargo Foundation, with the Conference of Mayors awards $1 million in 2020 to support local nonprofits. The program is aimed at accelerating neighborhood revitalization, economic development, and job creation in cities across the country.	Every USCM member city. Must include letter of support from the Mayor.	Eligible projects must address 1) neighborhood stabilization, 2) economic development, and 3) job creation. Eligible programs need to address housing affordability solutions by increasing availability and affordability of rentals, transitional housing, and/or sustainable home ownership.	$1 million in funds available in 2020. 8 awards per year with two awards per population category ($300K and $100K awards to cities larger than 500K).	Must have support of the mayor. Must provide detailed reporting on how award dollars were used.	Applications are due October 9, 2020	Community-WINS@wellsfargo.com	https://www.usmayors.org/communitywins/

Stantec

Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Funders' Network for Smart Growth and Livable Communities	Partners for Places - Round 17 RFP	Canada and US	National funders invest in local projects to promote a healthy environment, a strong economic, and well-being of all residents. Through projects, Partners for Places fosters long term relationships that make urban areas more prosperous, livable, and vibrant.	Cities, Counties, place-based foundations. Must consist of a team of partners including: the sustainability director of a city or a county, or; a water director of a city, county, or utility (for green infrastructure applicants); and one or more local or regional place-based foundation(s)	Planning processes or projects that local government sustainability leaders or water managers, and local, place-based funder(s) consider important to advancing sustainability goals in their communities. Projects must either: 1) advance a key aspect of a plan or 2) create a plan. Plans can be community-focused sustainability, climate action, adaptation/resilience, equity, water, or comprehensive plan that specifically addresses sustainability; or urban sustainability and/or green stormwater infrastructure; or a multi-issue community plan that explicitly states and pursues the goal of integrating and balancing economic development, environmental quality, and equity.	100000. Partnership investments between $25K-$75K for one-year projects, or between $75K and $150K for two-year projects with a 1:1 match required by one or more local foundations.	Partners for Places will not support existing local government staff salaries, major capital projects, or endowments. Spokane Sustainability Director - Have they heard of this program? 1:1 MATCH required by local foundations.	Deadline to submit proposals is Sep 18, 2020.	The Funders Network, 6705 SW 57th Avenue, Suite 700, Coral Gables, FL 33143 (305.667.6350)	https://www.fundersnetwork.org/about-tfn/
Parker Hannifin Foundation	Charitable grants	Parker Hannifin communities	Support educational institutions, health care organizations, and various local charities.	Non-profit and charitable organizations	Projects, programs, operations.	Millions of dollars annually distributed across multiple organizations	Do not accept applications	NA		https://www.parker.com/portal/site/PARKER/menuitem.4a7ba99b3c73ae7cc39acea5427ad1ca/?vgnextoid=e318b4bdfa9a5310VgnVCM10000014a71dacRCRD&vgnextchannel=a5f94bad565e4310VgnVCM10000014a71dacRCRD&vgnextfmt=EN&relatorId=e4994c9d1877310VgnVCM10000023cc1dac____
Sherwin Williams Foundation	Charitable grants	Sherwin-Williams communities	Focus on children's health and educations, foundation provides grants to nonprofits providing solutions that lead to economic independence and organizations addressing community needs in innovative ways.	Non-profit, charitable organizations and schools	Materials (paint), equipment, project and program grants	Over $6M donated annually, $1.7M in foundation grants		NA		https://sustainability.sherwin-williams.com/corporatesocialresponsibility/gri-sustainability-report-index/community-social-involvement

APPENDIX A : FUNDING MATRIX

Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Kresge Foundation	Human Services: Place-Based Opportunity Ecosystems	United States	Accelerating social and economic mobility for children and families using a racial equity lens. Seek to promote collaboration across sectors and the integration of service delivery, community engagement and economic development at local levels.	Government entities and non-profits	Award operating support, project grants, and planning grants. Also provide loans, deposits, equity and guarantees. Program areas include: American Cities (mostly Memphis & New Orleans), Arts & Culture, Education, Environment, Health, Human Services, Social Investment Practice.	$3.6B Endowment. $105.6 million in grants awarded. No maximum award but applicants with national or big city initiatives tend to receive more.	Do not fund capital requests	No funding opportunities currently posted on the Kresge site.	The Kresge Foundation, 3215 W. Big Beaver Road, Troy, Michigan 48084	https://kresge.org/
Ewing Marion Kauffman Foundation	Kauffman Knowledge Challenge RFP	United States	The goal is to produce tangible insights for entrepreneurs, entrepreneurship programs, policy design, ecosystem builders, and researchers.	Nonprofits, for-profit, fiscally-sponsored organizations, and high education institutions that provide or conduct research or provide services to entrepreneurship researchers.	Student projects, general research projects and research-proactive collaborations, diversity of entrepreneurship pipeline programs/projects. Focus areas cover broad questions: 1) What strategies can entrepreneurs use to start and grow a business? 2) How can entrepreneurs find, recruit, manage, and resource talent in an increasingly digital world? 3) How do local conditions of ecosystems drive entrepreneurial outcomes ad 4) How does entrepreneurship affect equality and mobility, and what policies share this relationship?	Up to $60K for 24 month student awards, $225K for 48 month research-practice collaborations and general research projects, and $400,000 for 48 month diversity of entrepreneurship research programs/ projects.	Wil not fund indirect/ overhead expenses associated with ongoing operations. Will not fund projects longer than 48 months.	2 part application process. Letter of Interest and Proposal. Proposal deadline estimated 2/5/2021. Letters of Interest include Project Personnel, Proposal Summary, and Project Data.	Questions can be submitted to knowledgechallenge@ kauffman.org	https://rfp.kauffman.org/ prog/2020_kauffman_knowledge_challenge/
Bank of America Charitable Foundation	RFP: Economic Mobility Focused on the Needs of the Community by Addressing Economic Development and Social Progress	United States	Supporting equitable solutions that help vulnerable communities grow and prosper. Community development, education and workforce development, and critical needs	Nonprofits, based in and serve communities in BoA markets.	Economic development efforts that promote small business growth and healthy commercial corridors; revitalization and place-based initiatives that engage community stakeholders in the environmental health and economic growth of their communities; neighborhood preservation efforts; construction of vital community facilities; resiliency through supporting local plans to prepare, withstand and recover from extreme weather events and long-term impacts of climate change; art and culture; greening efforts;	NA. Recently announced a $1 billion, 4-year initiative to help advance racial equality and economic opportunity with an emphasis on helping create opportunity for people and communities of color.	Will fund general operating expensive, education/outreach/ program	Applications to Economic Mobility are due 2/21/2020. Applications for Strengthening Communities are accepted through June 26, 2021.	NA	https://about.bankofamerica.com/en-us/global-impact/ charitable-foundation-funding.html

Stantec

APPENDIX A : FUNDING MATRIX

Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
State Farm Companies Foundation	Good Neighbor Citizenship Company Grants	United States	Grants focused on safety, education, and community development.	Educational institutions, programs conducted by Municipal, county, state or federal government entities that align with State Farm's charitable focus, 501©(3), 501©(4), 501©(6)	Disaster preparedness, disaster recovery, affordable housing, job training, neighborhood revitalization, small business development, financial literacy, first time homeownership, education programs.	N/A		2019 applications were accepted between September 1 and October 31.		https://www.statefarm.com/about-us/community-involvement/community-grants/good-neighbor-citizenship-grants
JB Hunt Transportation	Community	United States	To encourage leadership and advancement in the welfare of youth, improve health through education and clinical research, protect the animals and environment, and foster respect for all citizens by improving community through the combined efforts of actions and advocating programs	501 © (3) organizations; schools; religious organizations; government agencies; civic, youth and veterans groups.	Youth programs, education and clinical research, animals and environment, community.	NA		Funding requests and proposals are accepted in December for consideration the following calendar year.	company_giving@jbhunt.com	https://www.jbhunt.com/responsibility/company_giving/
KeyBank Foundation	Key Bank Foundation Grants	United States	Supports organizations and programs that prepare individuals for thriving futures. Priorities focus on neighbors, education, and workforce.	Nonprofit, charitable organizations	Affordable housing and homeownership; economically self-sufficient families; safe and stable communities; small business growth; access to financial resources for education; workforce development. Funds can be used for capital projects, general operating expense, education/outreach projects	Up to $250,000	Five key values: diversity and inclusion, financial capability, transformational outcomes, measurable impact; sustainability. Right now, KeyBank is TARGETING CORONAVIRUS response grants.	Typically reviews and decides on grants quarterly. There are no deadlines for applications. Preliminary grant inquiries are accepted by telephone or in writing.	KeyBank_Foundation@KeyBank.com	https://www.key.com/about/corporate-responsibility/keybank-foundation.jsp
Citi Foundation	Citi Foundation Grant	World	Citi Foundation works to promote economic progress and improve the lives of people in low-income communities around the world. Citi invests in efforts that increase financial inclusion, catalyze job opportunities for youth, and reimagine approaches to building economically vibrant communities.	nonprofit, charitable organizations, government entity	3 Types of Investments: Direct Service, Capacity Building & Planning, Investments in Systems Change. 3 Areas of Investment: 1) Youth Economic Opportunities: Programs that build vocational/job skills, investments in capacity building and planning. 2) Financial Inclusion: Access to capital and products as well as increasing financial literacy. 3) Community Solutions: Develop and scale solutions in affordable housing, environmental sustainability, job training and small business development.	NA. 2019 Grants up to $6M. Average grant award $250K.	Funded over $100M in Global COVID-19 Relief Efforts	Essentially invited to apply. Send inquiry. Set up call.	citizenship@citi.com	https://www.citigroup.com/citi/foundation/about/2020-Citi-Foundation-Guidelines.pdf?ieNocache=65

APPENDIX A : FUNDING MATRIX

Agency/ Foundation	Program	Geography	Purpose / Goals	Eligible Applicants	Eligible Use of Funds	Loan or Grant Maximum	Terms/ Requirements/ Notes	Funding Cycle	Contact	Website
Trust for Public Land	Grants	United States	TPL creates parks and protects land for people, ensuring healthy, livable communities for generations to come.	government entity, nonprofit, charitable organizations	Lands, parks, schoolyards, trails	Have helped communities generate more than $75 billion in new public funds for parks and conservation.	Work with local office to determine best application of TPL funds. In Ohio, TPL's Cleveland office has supported the preservation of 17,000 acres, and 134 completed or active projects.	Essentially invited to apply.	ohio@tpl.org (216)928-7519	https://www.tpl.org/our-work/oh
Surdna Foundation	Surdna Foundation Grants	United States	Mission is to foster sustainable communities in the US - communities guided by principles of social justice and distinguished by healthy environments, inclusive economies, and thriving cultures.	Nonprofit organizations	Surdna Foundation makes grants in priority areas: Inclusive Economies (Business Start-up and growth, equitable economic development for communities of color), Sustainable Environments (Environmental and Climate Justice, increase community control, ownership and stewardship of land and infrastructure), Thriving Cultures (invest in artists, invest in researchers and cultural critics of color, Radical Imagination for Racial Injustice)	Grant awards up to $4.5M. So far the foundation has given $36M. The median grant award is $75K.	The Foundation accepts letters of inquiry from nonprofit organizations that are aligned with Surdna's funding priorities. The majority of grantmaking is by invitation - very few unsolicited letters have resulted in grants. Maybe raise awareness and receive a planning grant to engage community around entrepreneurship and small business).	Making connections and demonstrating alignment before submitting a LOI is key. Grants are made by invitation only and the foundation is not submitting unsolicited letters of inquiry until the summer of 2021 and focus the grantmaking to support existing partners' power building and organizing.		https://surdna.org/our-organization/our-history/

DETROIT
BRIDGE
LORAIN
FRANKLIN
CLARK
MONROE
PEARL
DENISON
WILDLIFE
DETROIT
BRIDGE
LORAIN
FRANKLIN
CLARK
MONROE
PEARL
DENISON
WILDLIFE

APPENDIX B

SUB-COMMITTEE MEETING NOTES

APPENDIX B : SUB-COMMITTEE MEETING NOTES

1.

MCPC—9 SEPT 2020

ATTENDEES: JASON TAYLOR, DREW LEFF, BRETT SHERMAN

BUSINESS AND EMPLOYMENT

- Their focus is on Data protection for endpoint computers. They provide real time monitoring of devices and are able to isolate and remediate
- In their Old Brooklyn facility, they focus on end of life retreatment of technology—recycling; chain of custody is important
- They employ many entry-level staff and train them for the recycling of computers and related technology. They attract staff to tech business and provide upward mobility
- Buying the facility from the RTA gave them credibility for employment. Job market in neighborhood was a plus

BUILDING ACQUISITION/CONVERSION AND FUNDING

- The building needed some work but was generally well-built and well-cared for. Physical security was a plus.
- They received some funds for the acquisition/ conversion through the CDC and from the City of Cleveland.
- They had a loan from Dollar Bank
- Stantec will talk w/Rob Young CFO re transaction

BUILDING

- Originally
  - 4 bays for bus parking
  - 1 bay for fueling/washing
  - 1 bay for mechanical service
- RTA did environmental remediation—removed underground tanks and detergent tank
- Now 120,000 SF total—
  - 30,000 SF office,
  - 40-50,000 for gear disassembly,
  - 2 bays for bulk storage
  - Provide 30,000 SF to non-profit sailing/rowing program—training, boat refurbishment
  - Lease 1 bay to subcontractor (GC Logistics) for special handicapped busses

BUSINESS ENVIRONMENT

- They've been a little disappointed that they haven't been able to do more business with other businesses and institutions along the corridor—would like to see more interaction
- There is low cost-real estate and intellectual capital in Cleveland. If Cleveland could build on it's hospitals/academic medicine and technology companies to develop more of a medtech industry it would be big for them and Cleveland

2.

CHN PARTNERS—4 SEPT 2020

ATTENDEES: LISA MCGOVERN, DREW LEFF, BRETT SHERMAN

- Question about mortgages for under $50,000? Issue is credit scores. CDFI approval and Dodd/Frank regulations are the issue. They provide mortgages for their residents but keep it on their balance sheet.
- They came out of CDCs, and CDCs have a seat on their Board.
- Generally, develop within 3-hour drive of Cleveland
- 4% LIHTC deals don't work in Cleveland because rent levels are too low.
- They've done 4% Sec. 202 deals
- Lease/Purchase program –SFH, 9% LIHTC, sell to residents at end of 15-year hold period—buy/improve—capped on how much they can do.
- Sometimes partner w/CDCs: Detroit Shoreway CDC, MetroWest CDC—500 un, 70 SFH
- Pearl THL St. Joseph
- Sustainable Communities Assoc.
- SFH rehab for sale at scale
- Appraisal gap
- Partner w/small developer –40-50 units/year
- Funding possibilities:
  - Battery Park residential development was developed using NMTC!
  - Housing Partnership Network
  - City of Cleveland Community Development focusses on TOD

APPENDIX B : SUB-COMMITTEE MEETING NOTES

3.

ERIE BANK—24 AUG 2020

ATTENDEES: SUZANNE HAMILTON, DREW LEFF

- 25th Detroit/Lorain 300 units?
- Westside Market parking—townhouses
- Lorain west of 25th—lots of development
- Lorain @50th—Cleveland Hotdog site = MXD
- People want a more Integrated/inclusive setting
- West of St. Ignatius HS seeing development, particularly For-sale
- United Bank Building

- Pro CRA

- Ohio City is landlocked
- Folks are looking at "SOLO" (South of Lorain) between Ohio City and Clark-Fulton—locating parcels and having SFH built

- She lives on Duck Island
- Brookwood + ____
- locating parcels and having SFH built

- Citizen Pie

- Ben Beekman (former Jones Day atty)—Spang Bakery (ADA & Barber)—working class housing—using HTC, Pace Grants? $1000 rents vs. $1800 in Ohio City

- Also market developing east of 25th near Scranton and Wagner. Rents between $700-$1000. Difficult to make work as cost of lumber increased 17%

- Clark-Fulton
- "Newcomers School" making it more interesting for broader economic market
- Need more "Affordable Housing
- Question posed by MetroWest re banks not providing mortgages for $40,000 homes—Subordinated loans like grants
- Fred Geif Foundation renovating one house at a time
- Probably not size issue but credit issues.
- Big banks lenders not folks providing SFH loans—Savings banks and smaller banks like:
  - First federal in Lakewood
  - Third Federal
  - Dan Gilbert loan companies

- Underwriting:
- Rates off Prime (generally +1) 4-4.5%, 10-year term fixed rate, or 5fixed with reset
- 75% LTV, 80% LTC, > 15% real cash, .5% fee
- Erie is investing in: Owner-Occupied properties, Apartments, Offices, retail only under other

4.

KEY BANK—21 AUG 2020

ATTENDEES: KELLY FRANK, DREW LEFF

- MetroHealth
- LIHTC, NMTC, HTC
- 60% & lower—is that right market?
- 5-7% Sec. 8

- Underwriting:
- 1.2 DCR, 80% LTV
- Greater vacancy
- Market rate 65%
- CAP 7-8% with Sec. 8 = lower
- 9% award can take 2-3 years for 40-50 units Depth of market sufficient , penetration rate?

- Equity
- 4 & 9%---30 of 80%
- Mixed income   20% at 60-80? AMI (ave. @ 60% AMI)
- Land cheaper—important to reduce cost

- Ohio City and Tremont = slow gentrification
- Deliver
- Heinen pulled out

- $40,000 home issue. Really credit problem
- CHN homeowner   lease/purchase
- How do we reach those people—Nowack @CHN

- Very little risk but CAP rate may be higher

APPENDIX B : SUB-COMMITTEE MEETING NOTES

5.

KEY BANK—13 AUG 2020

ATTENDEES: TONY TAVRELL, DREW LEFF

- Lots of changes in Ohio City, Tremont, Lakewood—steady over the last 10 years
- Downtown
  - More tenants, businesses, restaurants;
  - 20,000 residents Downtown by 2020, adding about 1,000 residents/year
  - 2 new high-rises (Beacon, Playhouse Square)
  - That growth has partially been responsible for growth in Ohio City/Tremont
  - But question in 2017-19, even before Covid, has been how deep is the market
- Ohio City—25th/Lorain-Detroit new development, and Market Square will be coming on at same time
- Covid 19:
  - Depleted Downtown traffic—only about 25%,
  - no special events—
  - Downtown, Ohio City and Tremont are bleak between Covid and protests and looting/vandalism
  - Are folks still desiring to live in urban areas
- NRP/MetroHealth projects may spur more development
- Look at Peter Snavely Corridor project
- RE Overview & Underwriting
  - Suburbs=yes, urban=no
  - Contractors—new and rehab—very small pool
  - 35-40% equity or more, rates low but cost of capital (equity?) higher
  - $2.00/sf, $2.50 recently
  - 15 year tax rebate
  - Cleveland Development Advisors—promotes growth, provides subordinate debt
  - Cuyahoga County gap
  - Other
  - FHTC, OHTC (competitive, $5 mio max, % of cost)

6.

FORAN DEVELOPMENT—23 JULY 2020

ATTENDEES: RICK FORAN, DREW LEFF, BRETT SHERMAN

- Latinx
- 2937 W25 Astrup Awning
- Clark-Fulton 85%Puerto Rican 1900-20 SFH Landlord's take Advantage --What's in it for me
- Ricardo Leon grew up in the neighborhood—new vision—with Kristin Zollas =breath of fresh air

- Project
  - 73,000 sf plus 7,000 below grade
  - Cultural arts facility for Cleveland Museum of Art
  - Black Box theater
  - 1983 addition
  - Separate lot for an apartment –rehab—mixed w/ workers housing
  - $7.7 mio construction
- Second District Police Station—Clark-Fulton needs new space
- Sustainable Development (former Oberlin guys
- Overbuilt w/luxury apartments
- 250-300

- Talk w/Adie Tomer of Brookings Inst. (atomer@ brookings.edu)

APPENDIX B : SUB-COMMITTEE MEETING NOTES

7.
MISCELLANEOUS MEETING NOTES

NOTES FROM CALL WITH NATE KELLY – CUSHMAN & WAKEFIELD - 6/16/20

1. Nate has a background in economic development and a good feel for actions and activities it takes to help a struggling community thrive
2. Given where things are politically with the city (reelection of mayor and certain board members) they are not likely to be a reliable source of financing for the near or medium term
3. W25th Street corridor has the benefit of two strong nodes in MetroHealth and Ohio City
   - In between the inventory is in poor shape and infrastructure is not great
   - These areas do not have a "dedicated caretaker" and the multiple CDCs do not work together for the betterment of the whole
4. The BRT along Euclid is a good example of how this infrastructure can elevate rents and improve the pedestrian environment
5. Cushman has MetroHealth as a client
   - Their investment in the new campus is well publicized
   - The market comp that has been set by them is $800,000/acre (for properties that are contiguous to the campus)
   - They may look at things beyond the campus for non-critical functions but not really part of their core strategy
   - He is seeing "greenshoots' of new resi and other things that want to be near the new campus
   - Opportunities for development or redevelopment south of campus is tough
   - Lots of rooftops but not a lot of income
   - MetroHealth employees, who make a lot more money than people living in the neighborhood, would likely prefer to live in Ohio City given that it is already established and had retail and other amenities
   - Nate was unfamiliar with the MH Employee Rental Housing Assistance program but thought it sounded like the University Circle Inc initiative that provided a $10,000 forgivable loan to employees to loved near their employer for a specific number of years
6. There should be an opportunity for better housing inventory (especially if it were subsidized)
   - Nate liked the idea of mixed-use along the corridor near the new campus w retail on street level and medical office on the 2nd floor
7. Leadership of MH is progressive and bullish on the campus and its ability to lift up the surrounding neighborhoods
8. Towpath Trail is a neighborhood amenity that we should become more familiar with
9. MH issued an RFP for developers to partner with
   - From planning docs provided to us by Greg Zucca, it looks like NRP was the selected developer
10. Rents
    - Retail: low teens; Old BK mid/low teens NNN
    - Office: north end (Ohio city) mid 30s NNN; near Lorriane & w25th mid 20s NNN; near MH asking $17psf, selling at $14psf

11. Other market Participants we should speak with:
    - NRP Group (Aaron Pechota)
    - Cleveland Bricks – house flippers
    - Allegro Realty
    - His PM guy at Cushman for construction pricing
    - Geis Construction
    - Tom McNair at Ohio City, Inc.
    - Third Federal Savings & Loan (very active in these neighborhoods and know the economics better than anyone). Mark Stefansky, President.

NOTES FROM CALL WITH PROGRESSIVE REAL ESTATE - 6/18/20

Participants: Brett Sherman, Drew Leff, Dave Sharkey

1. Dave has been active in the market since '86 and has a masters in urban planning
2. Their brokerage started in Tremont with Keith Brown picking up listing of properties as their Polish and Ukrainian owners moved out of the neighborhood to Parma
3. Tremont has some condo conversions and new construction as well as some repositioning of commercial and retail spaces
    - Residential rents are split between those for medical residents from MH and everyone else
    - Tremont has a lot of MF and not a lot of developable land left
4. Dave has a listing @ Clark and 25th (former transformer station)
    - Has been on the market for a while and in a tweener-section between Ohio City and MH
5. Ohio City ("Hingetown") is booking
    - Dave is moving with his family to Ohio City (partially because his son attends St. Ignatius)
    - Displacement in Ohio City is more a result of poor inventory than new residents displacing others
    - St. Ignatius built 6 houses for "Hispanic community" as part of a neighborhood revitalization effort – the target market did not buy these properties and went to other people less representative of the community's historic demographic (aka bought by white, middle class families)
    - Ohio City now has a lot of families and has benefited from "Near West Recreation" as a neighborhood amenity serving families
    - Ohio City is experiencing an apartment boom
        - Growth is seen all the way down to Train Ave and evidence of it jumping train avenue
        - Some plans to convert Train Ave into a parkway (it is currently a dangerous place)
6. Crossing 90 gets you into the heart of Clark-Fulton
    - Puerto Rican community
    - Starting to see greenshoots of commercial development
        - New animal hospital
        - iChurch & w25th
        - Meyer & w25th (Knitting Factory conversion) – LIHTC

- How committed is the Hispanic community to Clark – Fulton? Would they move to other areas (Parma) if circumstances allowed, like other immigrant groups has done in prior generations?
- Housing stock from Clark to Towbridge is not great
  - Parts of Towbridge (Woodbridge) have nice houses that have stayed nice
- Street Layouts south of Towbridge in not great

7. Old BK has done very well of the past few years
   - A huge submarket with lot of different neighborhoods within
   - Broadview, State, Pearl – focus of Old BK CDC
8. Condo / SF Home sales
   - Ohio City: $300k
   - Clark Futon: $25-30K
   - Old BK: $120-130K

NOTES FROM CALL WITH DAMEN TASSEFF OF ALLEGRO REALTY - 6/24/20

1. Cleveland is largely "tapped out" on new apartments
   - Activity has been focused on Ohio City and Downtown
   - This supply needs to be absorbed before now product comes online
   - $2.25-2.50 for new luxury, doorman buildings w all the amenities
   - Tremont neighborhood could also support these rents
2. Good opportunity for workforce housing in Clark-Fulton and Old BK
   - Clark-Fulton is a depressed neighborhood
   - Inventory is poor and mostly comprised of old bungalows
   - Hispanic population is very upwardly mobile and don't grow deep roots in the neighborhood
   - Bad housing stock not worth saving
   - New workforce housing could come in apartment buildings, flats or other low-density product
3. Review "Eco-Village" around another RTA stop
   - Need street level retail to create a walkable environment
4. MH has historically walled off itself to the rest of the community
5. Cleveland neighborhoods that have done well have all had anchor institutions invest for the long term
   - Can MH do this for Clark-Fulton the way Cleveland Clinic, St. Ignatius did for Ohio City?

6. Old BK is a nice neighborhood
    - Retail corridor along w25th has good bones
    - Important intersections:
        - Clark & w25th
        - W25th & Broadview/Pearl

NOTES FROM CALL W SCOTT SKINNER, NRP GROUP - 7/10/20

Participants: B. Sherman, D/ Leff, S. Skinner

1. Scott lives in Ohio City
2. MetroHealth is doing something catalytic with their campus (which includes a 12 acre park)
3. NRP has done similar work with other Healthcare companies, designing and delivering affordable and supporting housing that feeds into the mission of the institution
4. NRP is in partnership with MH on two projects:
    - Corner of w25th and Sackett
        - 72 units of 9% LIHTC, 4 stories, 5k of community space
            - Community space to be programmed around literacy and have a demo kitchen
        - Part of the Fact 50 process
        - Unit mix: 25% 1s, 55% 2s, 20% 3s
        - Range form 30-80% AMI
            - Rents at 80% AMI is probably true market in the neighborhood
        - Rents: $1.25 3s; $1.40 2s
        - Hard Costs: $160-165/unit
            - This includes parking and is a little high because of the commercial space
        - Opex: $6,000/unit
        - MH supported this project with a $750k grants and the city put in $1.2M
        - MH put the land in for free (for both projects)
    - Metro Health Residents Housing (across form campus)
        - Quasi-market rate because the renters are all MH residents
        - 110 units, 25k sq ft for something – ideally a grocer or pharmacy
        - Rents: $1.50-$1.70 – higher than market
        - Unit Mix: mostly 1st, a few 2s
        - Hard Costs: $170/door (including parking)
        - Both projects have worked out a shared parking arrangement with a nearby parking structure that MH owns
        - Both projects are surface parked
        - This project is using conventional debt/equity
            - PNC is the lender and OZ equity in the deal
                - We should also speak w KeyBank
                - PNC and Key Bank are lenders and tax credit purchasers
        - Opex: $11,000/unit
        - Underwriting to a 7.5 cap rate (clark-fulton is 6-7% cap rate market)

APPENDIX B : SUB-COMMITTEE MEETING NOTES

5. Cleveland has a very flexible zoning process and you can get almost everything done with a variance
   - The Residents Housing project is getting a use, parking, height and a few other variances
     - One of the many benefits of having a partner in MH
   - There is no inclusionary housing in all of Cleveland
   - 15 year tax abatement for new construction has fostered much of the development activity because property taxes are relatively high
6. Everyone in Cleveland has a car and code requires 1:1 but market is closer to 1: each bedroom
   - Structured parking costs ~ $35,000/stall
7. In Old Bk 9near the other MH Campus) true market rate just doesn't work
   - Could work if the city or MH were to incentivize
8. NRP is having a hard time underwriting any rent growth in Cleveland (or other markets) int heir typical luxury rentals so is retooling to focus almost exclusively on affordable housing through the cycle

NOTES FROM CALL W GREGORY WILLIAMS – 6/26/20

1. No new growth in Cleveland
2. Gordon Square (above Ohio City) is a good example of how a CDC can turn around a neighborhood by promoting local businesses
   - Local businesses turned around this neighborhood
     - Chain stores do not do well in Cleveland; authentic restaurants do well
   - CDC really transformed this neighborhood
3. Shaker Heights Food Hall (Van Aken District) is an example of a locally curated concept that is doing well
4. Pinecrest is an example of a concept that relied on national chains that is a failure
5. Important to identify housing finance options for neighborhood residents to stray in their communities, particularly as neighborhood improves and they can capture some of the appreciation in their property
6. Hispanic community in Clark-Fulton need support and incentives to keep people in the neighborhood
7. Small business incubation in the neighborhood is important
   - Something to cultivate local artisans and is authentic

Old Brooklyn CDC

- Increase in Latinx from 3%-20%
- Stabilized housing market—cleaned up
- Looking for larger projects
  - 10,000 sf historic redevelopment
  - Looking at 3 sites in Brighton corridor—rehab and new –60-100 units
  - Need hotel/B&B—Zoo and MetroHealth would be the attraction
  - Need restaurants and some nightlife

- Almost no retail space available
  - Only 2 spaces at $10.50 and $14
  - 2 offices @ $11
  - Need buildout/investment $--typical owners aren't providing—not even white box.
- State, Broadview, Memphis where dead end into Pearl have potential
- Tappan-Scranton $1.60-$1.80/SF
- Pencil out at $1.70-$1.80
- Market: younger w/ethnic spectrum, priced out of Ohio City/Tremont, lifestyle doesn't fit Downtown (dog, kid), schools are better
- MetroHealth
  - housing assistance program could be big help
  - Deaconess campus only one mile from main campus—could there be more interaction

Ohio City, Inc.

- St. Ignatius has high performing Charter
- Townhomes rather than condos
- Need more jobs to be a 24-hour neighborhood
- Snavely project 200 units, NW Corner
  - $17/sf retail; $20-25 NNN office
- Would be great to see parking converted but institutions owning move slowly
- Ground up SFH on scattered sites
- Market Plaza
  - Opportunity Zone
  - $6 mio
  - Res'l tax abatement
  - TIF
- Other projects
- 28th St. Graham and maria veysey—HUD 220/ union pension fund

Tremont West CDC

- Want more diversity of units—more 2BR, more affordability
- Some <10 unit Townhouses
- $2.00-2.25
- $1.50-1.75 for rehab
- Rents went from $650 to $900
- Rents
  - Sweet spot $800-1200
  - $1400 1BR (700 sf)
  - $1200-1400 2BR

NOTES FROM CALL WITH METRO WEST CDC – 7/13/20

Participants: B. Sherman; D. Leff; Ricardo Leon; Kristyn Zollos

1. There is currently over $120M in development happening in their neighborhood (Clark-Fulton, Brooklyn Center and Stockyards)
   - Boundaries: I-90 (North); Brookside Valley (South); 91st Street (West); w25th Street (East)
     - Anything fronting onto w25 is in their neighborhood, but one parcel father east is part of Tremont West)
2. MW has been around for 10 years as part of the Detroit Shoreway CDC

APPENDIX B : SUB-COMMITTEE MEETING NOTES

3. Historically, this area has been very dis-invested
   - 2010 = 18% vacancy rate; 202 = 8.5% vacancy rate
   - Still 600-700 vacant houses and 1,200 vacant lots
4. MW mission has been focused on Housing, economic development and green space
5. Their first project, in partnership with Detroit Shoreway, wad the 36 unit LIHTC Lofts at Lion Mills -on line in August 2017 and has been performing very well
6. Triggers for activity in the neighborhood:
   - MH announcing $1B campus redevelopment (still mostly focused on their own campus though they did buy two properties across w25th from the campus)
   - Mayor Jackson announced Clark-Fulton is a priority corridor and will receive $4-5M to go towards housing and economic development
   - OHFA's fact 50 chose 3 projects in Clark Fulton to receive LIHTCs
     - MH Gateway (NRP)
     - EHN Hosing Partners redevelopment of St. Michaels (senior affordable)
     - Blankein Mill (MW is a co-developer)
   - JP Morgan selected Cleveland for $9M in direct technical assistance (Clark-Fulton received $2.5-3M)
   - Opportunity Zones cover most of the neighborhood and have really spurred interest and investment
7. See development map for projects discussed on call
8. County Land Bank has allowed residents to purchase properties very cheaply, out in improvements, live there and then sell when the market is right
9. We should speak with CHN Housing Partners
10. Banks and brokers have not been active in the neighborhoods
    - Banks normally look at mortgages of $50K (average sale price is $40K, was $17K in 2008) and up and the residents here normally have poor credit history
    - CHN Housing is working on a product focused on mortgages less than $70K and for borrowers with poor credit (won't be available until Q2 of 2021)
11. Organizations active in this space: National Community Revitalization Trust, Habitat for Humanity, County Land Bank
    - County Land Bank is getting more focused on affordable rehab and new construction
      - Provide a soft second mortgage, but only up to a point
12. Ricardo stresses the need for an authentic Hispanic institution to provide programming and support to the latinEx community
    - El Mercado is being lead by Detroit Shoreway and the Hispanic Business Center (unsure the current status or plans although the land has been purchased - former HJ Webster site)

Greg Zucca

- Affordable 30-80%
  - 72 units
  - 5k sf EcOpp Center--$750k State Capital Grant
  - $1 mio tax credit HFACT 50
  - $1.4 mio Housing Trust Fund
  - AMI Clark-Fulton $25k, Region =$73k—so rents almost market rate for Neighborhood ($370-$12400 1459 sf/un
- Med Res
  - 100 un, 12-15k grocery
- Neighborhood Workforce Housing
  - 80 units
  - $1.50/sf (100-120% AMI)
  - MH police HQ on 1st floor
- Employee loan program
  - $20k down payment to employee when move into Neighborhood
  - 8.5k home improvement loan if already living in neighborhood
  - Forgiven after 5 years if employed at MH

RTA

Stantec + seventh hill