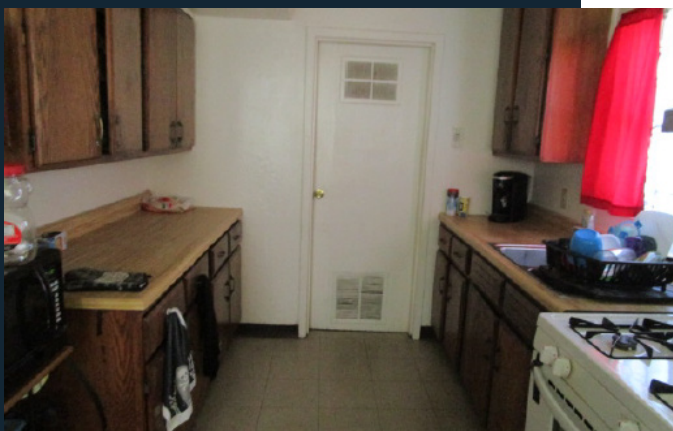




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LUMENT JOINS DREAM TEAM FOR SUCCESSFUL RAD CONVERSION OF PUBLIC HOUSING IN LORAIN, OHIO





Located on Lake Erie in northwest Ohio, Lorain suffers from an acute shortage of quality affordable housing. Thanks to financing from **Lument**, **Raise Up**, the local housing authority, and **TGF Housing Resources**, an affordable housing developer, successfully completed a U.S. Department of Housing and Urban Development (HUD) Rental Assistance Demonstration (RAD) conversion of **Western Horizon**, a 353-unit property built between 1950 and 1970. As a result, Western Horizon is undergoing a thorough renovation that will enhance the lives of residents and set the stage for revitalizing the surrounding neighborhood.

THE BACKGROUND

Finding a market-rate apartment in Lorain County, Ohio, is hard enough. Finding affordable housing is virtually impossible. There are more than 3,000 households on the waiting list for public housing — and another 3,000 in line for Section 8 vouchers. The need is especially acute in the city of Lorain, where the poverty rate exceeds 25%.

To develop a more powerful response, the Lorain Metropolitan Housing Authority recruited new leaders six years ago. They began by taking stock of the properties in their portfolio and exploring ways to expand and improve them. In 2025, the housing authority rebranded itself as Raise Up, signaling its determination to play a more active and visible role in ensuring residents have greater access to quality affordable housing.

A turning point for the housing authority came in 2023 when **Judith Carlin** and **Gale Sayers Proby**, Raise Up's chief executive and chief operating officers, respectively, met with **Sarah Molseed**, then deputy director of HUD's Office of Recapitalization as well as **Brad Carman**, president of TFG Housing Resources, and **Joey Hague**, a managing director at Lument. TFG Housing Resources is a private developer that specializes in rehabilitating and building affordable housing.

The topic of discussion: **HUD's Rental Assistance Demonstration (RAD) program**, which allows public housing authorities to convert public housing into long-term Section 8 contracts. This mechanism allows them to tap private capital, utilize low-income housing

tax credits (LIHTCs) and public funds to rehabilitate aging public housing stock.

"That meeting changed our trajectory," Carlin said. "It is enabling us to expand services and to have a choice about things we want to do in our community."



THE CHALLENGE

Carlin and Sayers Proby realized that Lorain could not meaningfully grow its stock of quality affordable housing if its existing units deteriorated to the point they would be taken off the market. This situation was especially acute at Western Horizon, a cluster of three separately built communities ranging in age from 50 to 70 years old. Western Horizon is the largest property in Raise Up's portfolio, consisting of 353 apartments spread across 102 buildings.

The properties had seen only cosmetic repairs since they welcomed their first residents. "We simply didn't have the capital to tackle deferred maintenance and upgrade the apartments," Sayers Proby said. "We were able to make superficial improvements like replacing

siding and gutters, but we couldn't address the bones of the property."

This meant that residents had to make do with drafty windows, aging appliances, and worn cabinetry. "It was frustrating," Carlin said. "We couldn't materially alter the lived experience of our residents. We couldn't change sterile housing into something that felt like home."

Preserving Western Horizon was critical, not only because of the number of residents but also because its two-, three-, and four-bedroom family-sized apartments are in particularly short supply.

Targeting a sprawling community the size and complexity of Western Horizon for a RAD conversion would be an audacious undertaking. If successful, it would be the largest RAD project in Ohio's history.

THE SOLUTION

The multistep process that HUD established for RAD conversions kept Raise Up busy for the better part of a year. Among other things, it met several times with residents, filed a detailed RAD application, amended its annual plan to reflect the conversion, and submitted a financing plan to HUD, all prerequisites for securing a RAD conversion commitment. The many documents it assembled, the buy-ins and approvals it secured from local and state administrators, and the many meetings it scheduled meant that the Raise Up staff put in many late nights.

It helped that both TFG Housing Resources and Lument are well versed in the RAD program. TFG Housing Resources has a multistate consulting and development practice, advising public housing authorities on issues such as HUD affordable housing programs and low-income housing tax credits. And Lument has been the number one HUD Multifamily Accelerated Process lender by loan count for the past five years — and is a top 10 affordable housing lender overall. In addition, Carman and **Dan Scheinman**, TFG Housing Resources' chief financial and investment officer, had collaborated with Lument's Hague on previous projects.

Among other tasks, TFG Housing Resources worked with the contractor to create a realistic budget and timetable for renovation and secured the necessary permits for each building. It also obtained financing from a number of sources. Working with Lument greatly simplified the task. Hague and his team secured a \$28 million HUD/Federal Housing Administration (FHA) Section 221(d)(4) loan, which offers many advantages for Raise Up. This single loan covers construction to permanent financing and is fully amortizing over its 40-year term. "This loan provides certainty for Raise Up until 2066," Hague said. Lument Securities, LLC, a FINRA registered broker/dealer, also underwrote \$9.2 million in tax-exempt bonds.

The capital stack was rounded out with 4% LIHTCs provided by the Ohio Housing Finance Agency and purchased by National Equity Fund and a tax-exempt loan from Fifth Third Bank to bridge the tax credit equity during construction.

Lument secured the financing for the deal in a little more than nine months — an accomplishment for a transaction of this size and complexity — and a groundbreaking ceremony, attended by Lorain Mayor Jack Bradley and Lorain County Commissioner Marty Gallagher, was held in April 2026. Raise Up and TFG Housing estimate that the renovation of all 353 units will be completed by August 2028.

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TFG Housing Resources

THE IMPACT

The difference for Western Horizon residents will be dramatic. TFG Housing is redoing the bathrooms, opening up the kitchens and replacing appliances, cabinetry, and lighting fixtures. The apartments will be warmer in the winter and cooler in the summer, thanks to improvements like energy-efficient windows and central air conditioning. The company is also upgrading the common areas, installing a new playground, basketball court, and gazebo.

The renovation has already had an impact on the Lorain economy. More than 40% of the total construction costs are allocated to subcontractors in Lorain and the surrounding area. At any given time, there are between 100 and 124 workers on the site.

There are also signs that rehabilitating Western Horizon could revitalize the surrounding community. The city is repairing neighboring streets and is contemplating investing in a nearby shopping center.

Equally important, the Western Horizon RAD conversion has elevated Raise Up's visibility, putting it in a position to do even more. "Our goal is to be at every table where we can have an impact," Carlin says. "Our success with Western Horizon is making that possible."

"Just to see this project come to life has been amazing," Scheinman said. "It's great when you have a vision for something and work with people who help it come to fruition. It has been a great joy to see it happen."



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