

Proposal Summary

2024 4% LIHTC Only Final Application

Affordable Housing Funding Application (AHFA)

Project Name: HôM Flats at Forest Avenue

Basic Project Information

Project Name	HôM Flats at Forest Avenue
LIHTC Type	4%
Project Address	325 Homewood Ave
Project City or Township	Dayton
Project County	Montgomery
Construction Type	New Construction
Age Restriction	General Occupancy

OHFA Resource Request Requiring Board Approval

Residential Rental PABs:	\$35,000,000
Housing Development Loan:	N/A
Multifamily Lending Program:	N/A

Development and Operations Team

Lead Developer	Magnus Capital Partners LLC
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Merchants Capital Investments, LLC
GP/MM #1 Parent Entity	Vishal Arora
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	Brackett Builders, Inc.
Architect of Record	Hooker DeJong, Inc.
Property Management Firm	Magnus Services LLC

Site Information

Site Size (Acres)	12.8
Scattered Sites?	No
Total Number of Buildings	11
Total Parking Spaces	329
Parking Ratio (Parking Spaces per Unit)	1.3
Urban Suburban Rural (USR) Geography	Central City
Located in a Participating Jurisdiction (PJ)?	Yes
Located in a Qualified Census Tract (QCT)?	Yes
Located in a Difficult Development Area (DDA)?	No
Census Tract Opportunity Index	Moderate
Census Tract Change Index	Slight Decline

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI		
40% AMI	80	31%
50% AMI		
60% AMI	78	30%
70% AMI		
80% AMI	80	31%
Unrestricted	22	8%
Manager's		
Total Units	260	100%

Project Rendering



Project Narrative

HôM Flats at Forest will bring workforce units with best-in-class amenities intentionally designed to build community. HôM Flats at Forest will offer 260 newly constructed 1-, 2-, and 3-bedroom apartments that provide beautiful, functional spaces to complement a modern lifestyle. Amenities are those typically seen at Class-A properties, including a game room, art studio, resident café, 24-hour maintenance, onsite recycling and a fitness studio, as well as rooftop terraces, indoor and outdoor children's play spaces, dog washing stations, indoor and outdoor dog parks and walking paths.

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area	18,194	7%
LIHTC Unit Area	187,019	68%
Manager's Unit Area		
Common Area	41,428	15%
Support and Program Space	15,866	6%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	10,683	4%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	273,190	100%

Units by Bedroom Type and Rental Subsidy

Bedroom Type	Number of Units	Percent of Total Units	Units with Rental Subsidy	Percent of Total Units Subsidized
Studio				
1-BR	111	43%	0	0%
2-BR	121	47%	0	0%
3-BR	28	11%	0	0%
4-BR				
5-BR				
Total Units	260	100%	0	0%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$3,694,927	\$14,211
Potential Gross Commercial Income	\$102,285	\$393
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$258,644)	(\$995)
Effective Gross Income (EGI)	\$3,538,568	\$13,610
Administrative Expenses	\$271,503	\$1,044
Property Management Fee	\$130,578	\$502
Owner-Paid Utility Expenses	\$156,000	\$600
Maintenance Expenses	\$382,720	\$1,472
Real Estate Taxes	\$7,353	\$28
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$130,000	\$500
Other Insurance and Tax Expenses	\$94,153	\$362
Ongoing Reserve Contributions (Operating Subsidy)	\$104,000	\$400
	\$0	\$0
Total Annual Operating Expenses	\$1,276,307	\$4,909
Net Operating Income (EGI - OpEx)	\$2,262,261	\$8,701

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$63,073,221
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$63,073,221
Codified Basis Boost			\$81,995,187
Adjusted Eligible Basis			\$81,995,187
X Applicable Fraction			91%
Qualified Basis			\$74,722,214
30% Present Value Rate			4.00%
Annual LIHTC Generated			\$2,988,889
Total 10-Year LIHTC Requested	\$29,888,886		
LIHTC Equity Generated	\$25,688,179		
Equity Price	\$0.86		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$3,500,000	5%
Construction Loan	\$52,188,179	75%
Housing Development Loan		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$9,683,471	14%
Sponsor Loan		
GP/MM Capital Contribution	\$100	0%
Post-Construction Costs		
Short-Term Bond Earnings	\$2,668,750	4%
Second Mortgage	\$2,000,000	3%
N/A		
N/A		
N/A		
N/A		
N/A		
Total Construction Sources	\$70,040,500	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$817,920	\$3,146	\$0
Predevelopment	\$1,651,000	\$6,350	\$1,651,000
Site Development	\$0	\$0	\$0
Hard Construction	\$43,638,063	\$167,839	\$43,534,877
Financing	\$10,521,133	\$40,466	\$7,074,125
Professional Fees	\$476,061	\$1,831	\$301,015
Developer Fee	\$10,512,204	\$40,432	\$10,512,204
OHFA and Other Fees	\$806,834	\$3,103	\$0
Capitalized Reserves	\$1,617,285	\$6,220	\$0
Total Development Costs (TDC)	\$70,040,500	\$269,387	\$63,073,221
LIHTC Eligible Basis as a Percent of Total Development Costs			90%

Cost Containment Standards

	Project	Maximum	Variance
TDC per Unit	\$269,387	\$400,000	-33%
TDC per Gross Square Foot	\$256	\$420	-39%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$2,262,260	\$2,262,260
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$1,885,217	\$2,262,260
Interest Rate	5.62%	5.62%
Amortization Period (Years)	40	40
Loan Term (Years)	15	15
Maximum Perm Loan Amount	\$29,983,470	\$35,980,164
Actual Perm Loan Amount	\$30,000,000	
Variance	\$16,530	
	Year 1	Year 15
Debt Service Coverage Ratio	1.15	1.38
OHFA Minimum DSCR	1.20	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
Federal LIHTC Equity	\$25,688,179	37%
Permanent First Mortgage	\$30,000,000	43%
Permanent Second Mortgage		
Fed. Historic Tax Credit Equity		
Deferred Developer Fee	\$9,683,471	14%
Sponsor Loan		
GP/MM Capital Contribution	\$100	0%
Short-Term Bond Earnings	\$2,668,750	4%
Soft Debt	\$2,000,000	3%
N/A		
N/A		
N/A		
N/A		
N/A		
Total Permanent Sources	\$70,040,500	100%