

## HōM Flats at Forest Avenue

Proposal Application Summary

SFY2024 4% LIHTC with Ohio LIHTC Round

### Basic Project Information

Project Name	HōM Flats at Forest Avenue
LIHTC Type	4% LIHTC
Funding Pool	New Affordability - Central City and Metro/Subu
Lead Developer	Magnus Capital Partners LLC
Project Address	325 Homewood Ave
Project City or Township	Dayton
Project County	Montgomery
Construction Type	New Construction
Population Served	Families
Total Units	260
10-Year LIHTC Request	\$26,096,174
10-Year OLIHTC Request	\$10,000,000
Total Development Cost	\$68,266,936

### Project Rendering



### 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
OLIHTC 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

### Project Narrative

HōM Flats at Forest will bring workforce units with best-in-class amenities intentionally designed to build community. HōM 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.

### Site Information

Site Size (Acres)	12.78
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 Qualified Census Tract (QCT)?	Yes
Located in a Difficult Development Area?	No
Census Tract Opportunity Index	Moderate
Census Tract Change Index	Slight Decline
Discount to Market Rent	-9.9%

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area	40,257	15%
LIHTC Unit Area	164,979	60%
Manager's Unit Area		
Common Area	41,409	15%
Support and Program Space	15,866	6%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	10,683	4%
Structured Parking/Garage		
Basement		
<b>Total Square Footage of all Buildings</b>	<b>273,194</b>	<b>100%</b>

### Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI		
40% AMI	70	21%
50% AMI	70	21%
60% AMI	72	22%
70% AMI		
80% AMI	69	21%
Unrestricted Manager's	49	15%
<b>Total Units</b>	<b>330</b>	<b>100%</b>

### 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				
<b>Total Units</b>	<b>260</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

### Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income	#####	\$10,697
Potential Gross Commercial Income	\$122,742	\$372
Vacancy Allowance 7%	(\$247,105)	(\$749)
Interest Income and Other Financial Income	\$0	\$0
Laundry, Tenant Charges, and Service Income	\$0	\$0
Effective Gross Income (EGI)	#####	\$10,320
Administrative Expenses	\$385,592	\$1,168
Owner-Paid Utilities	\$133,100	\$403
Maintenance Costs	\$425,797	\$1,290
Taxes and Insurance	\$217,858	\$660
Tax Abatement and/or Operating Subsidy	\$0	\$0
Reserves and Other Expenses	\$104,000	\$315
Total Operating Expenses	#####	\$3,837
Net Operating Income (EGI - OpEx)	#####	\$6,483

### LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			#####
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			#####
Basis Boost for QCT/DDA			#####
Adjusted Eligible Basis			#####
X Applicable Fraction			80%
Qualified Basis			#####
30% Present Value Rate			4.00%
Annual LIHTC Generated			\$2,609,617
Total 10-Year LIHTC	#####		
LIHTC Equity Generated	#####		
Equity Price	\$0.89		

### Construction Sources of Funds

Construction Sources	Amount	Percent of Total
LIHTC Equity	\$2,500,000	4%
OLIHTC Equity	\$590,000	1%
Historic Tax Credit Equity		
Construction Loan	\$52,433,269	77%
OHFA HDAP Request		
Deferred Developer Fee	\$9,488,667	14%
N/A		
Short Term Bond Earnings	\$3,255,000	5%
N/A		
N/A		
N/A		
Total Construction Sources	\$68,266,936	100%

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

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$817,920	\$2,479	\$0
Predevelopment	\$1,514,000	\$4,588	\$1,514,000
Site Development	\$0	\$0	\$0
Hard Construction	\$43,572,453	\$132,038	\$43,469,423
Financing	\$9,308,223	\$28,207	\$6,618,958
Professional Fees	\$473,000	\$1,433	\$420,000
Developer Fee	\$10,404,476	\$31,529	\$10,404,476
OHFA and Other Fees	\$784,078	\$2,376	\$0
Capitalized Reserves	\$1,392,786	\$4,221	\$0
Total Development Costs (TDC)	\$68,266,936	\$206,870	\$62,426,857
LIHTC Eligible Basis as a Percent of Total Development Costs			91%

### Cost Containment Standards

	Project	Maximum	Variance
TDC per Unit	\$206,870	\$403,000	-49%
TDC per Gross Square Foot	\$250	\$410	-39%

### Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$2,139,366	\$2,149,614
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$1,782,805	\$2,149,614
Interest Rate	6.25%	6.25%
Amortization Period (Years)	40	40
Loan Term (Years)	15	15
Maximum Perm Loan Amount	\$26,168,171	#####
Actual Perm Loan Amount	\$26,400,000	
Variance	\$231,829	

  

	Year 1	Year 15
Debt Service Coverage Ratio	1.20	1.44
OHFA Minimum DSCR	1.20	1.00

### Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
LIHTC Equity	\$23,223,269	34%
OLIHTC Equity	\$5,900,000	9%
Historic Tax Credit Equity		
Permanent First Mortgage	\$26,400,000	39%
Permanent Second Mortgage		
OHFA HDAP Request		
Deferred Developer Fee	\$9,488,667	14%
N/A		
N/A		
Short Term Bond Earnings	\$3,255,000	5%
N/A		
N/A		
Total Permanent Sources	\$68,266,936	100%