

Reserve at Hunter Trace

Proposal Application Summary

SFY2024 4% LIHTC with Ohio LIHTC Round

Basic Project Information

Project Name	Reserve at Hunter Trace
LIHTC Type	4% LIHTC
Funding Pool	New Affordability - Rural
Lead Developer	Fairfield Homes, Inc
Project Address	0 Hunter Trace Drive
Project City or Township	Lancaster
Project County	Fairfield
Construction Type	New Construction
Population Served	Seniors
Total Units	95
10-Year LIHTC Request	\$13,110,595
10-Year OLIHTC Request	\$12,500,000
Total Development Cost	\$27,816,927

Project Rendering



Development and Operations Team

Lead Developer	Fairfield Homes, Inc
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	N/A
LIHTC Syndicator/Investor	Ohio Capital Corporation for Housing
OLIHTC Syndicator/Investor	Ohio Capital Corporation for Housing
GP/MM #1 Parent Entity	N/A - Related to FHI
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	Gorsuch Construction, Inc
Architect of Record	Columbus Design, LLC
Property Management Firm	Fairfield Homes, Inc

Project Narrative

The Reserve at Hunter Trace is an exciting opportunity to provide high-quality affordable housing for seniors in Lancaster, Fairfield County, Ohio. The site is near the Fairfield Heritage Trail bike path and 1-mile from downtown Lancaster with restaurants, grocery, healthcare and professional services, leisure and recreational facilities, and employment opportunities for residents. The building is cost effective to build and manage, visually appealing, and complementary to the single-family and multi-family communities in the surrounding neighborhood.

The Reserve at Hunter Trace is a 95-unit new construction community set aside for residents 55 years of age and older. The community will include one-building in a three-story, elevator serviced, wood framed structure with 70 one-bedroom and 25 two-bedroom floorplans. The 100% affordable housing community will feature Energy Star appliances, walk-in closets, and vinyl plank flooring. The common area will incorporate gathering spaces for the residents including a lounge, community room with kitchenette, resident storage, laundry room, and leasing office space. The development will, at a minimum, meet the sustainability standards of green certification from the U.S. Green Building Council rating system.

Site Information

Site Size (Acres)	3.61
Scattered Sites?	No
Total Number of Buildings	1
Total Parking Spaces	96
Parking Ratio (Parking Spaces per Unit)	1.0
Urban Suburban Rural (USR) Geography	Rural
Located in a Qualified Census Tract (QCT)?	Yes
Located in a Difficult Development Area?	No
Census Tract Opportunity Index	Low
Census Tract Change Index	Slight Decline
Discount to Market Rent	-7.0%

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	65,113	77%
Manager's Unit Area		
Common Area	16,829	20%
Support and Program Space	1,026	1%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	1,668	2%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	84,636	100%

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI		
40% AMI		
50% AMI		
60% AMI	95	100%
70% AMI		
80% AMI		
Unrestricted		
Manager's		
Total Units	95	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	70	74%	0	0%
2-BR	25	26%	0	0%
3-BR				
4-BR				
5-BR				
Total Units	95	100%	0	0%

Consolidated Annual Operating Budget

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income	\$1,179,000	\$12,411
Potential Gross Commercial Income	\$0	\$0
Vacancy Allowance 7%	(\$82,530)	(\$869)
Interest Income and Other Financial Income	\$0	\$0
Laundry, Tenant Charges, and Service Income	\$12,120	\$128
Effective Gross Income (EGI)	\$1,108,590	\$11,669
Administrative Expenses	\$157,214	\$1,655
Owner-Paid Utilities	\$69,350	\$730
Maintenance Costs	\$121,700	\$1,281
Taxes and Insurance	\$63,980	\$673
Tax Abatement and/or Operating Subsidy Reserves and Other Expenses	\$0	\$0
Reserves and Other Expenses	\$28,500	\$300
Total Operating Expenses	\$440,744	\$4,639
Net Operating Income (EGI - OpEx)	\$667,846	\$7,030

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$25,212,682
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$25,212,682
Basis Boost for QCT/DDA			\$7,563,805
Adjusted Eligible Basis			\$32,776,487
X Applicable Fraction			100%
Qualified Basis			\$32,776,487
30% Present Value Rate			4.00%
Annual LIHTC Generated			\$1,311,059
Total 10-Year LIHTC	\$13,110,595		
LIHTC Equity Generated	\$11,491,933		
Equity Price	\$0.88		

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
LIHTC Equity	\$3,591,562	13%
OLIHTC Equity		
Historic Tax Credit Equity		
Construction Loan	\$13,500,000	49%
OHFA HDAP Request		
Deferred Developer Fee	\$1,536,581	6%
OHFA HDL	\$2,000,000	7%
Affordable Housing Trust - EBL	\$5,000,000	18%
Deferred Costs	\$2,188,784	8%
N/A		
N/A		
Total Construction Sources	\$27,816,927	100%

Development Budget, Eligible Basis and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$300,000	\$3,158	\$0
Predevelopment	\$692,500	\$7,289	\$617,500
Site Development	\$1,400,000	\$14,737	\$1,350,000
Hard Construction	\$17,616,088	\$185,433	\$17,616,088
Financing	\$2,776,062	\$29,222	\$1,321,981
Professional Fees	\$180,000	\$1,895	\$105,000
Developer Fee	\$4,202,113	\$44,233	\$4,202,113
OHFA and Other Fees	\$310,164	\$3,265	\$0
Capitalized Reserves	\$340,000	\$3,579	\$0
Total Development Costs (TDC)	\$27,816,927	\$292,810	\$25,212,682
LIHTC Eligible Basis as a Percent of Total Development Costs			91%
Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$292,810	\$388,000	-25%
TDC per Gross Square Foot	\$329	\$390	-16%

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$667,846	\$667,846
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$556,538	\$667,846
Interest Rate	6.75%	6.75%
Amortization Period (Years)	40	40
Loan Term (Years)	17	17
Maximum Perm Loan Amount	\$7,686,694	\$9,224,033
Actual Perm Loan Amount	\$7,914,000	
Variance	\$227,306	
Debt Service Coverage Ratio	Year 1	Year 15
OHFA Minimum DSCR	1.17	1.39
	1.20	1.00

Permanent Sources of Funds

Permanent Sources	Total	Percent of Total
LIHTC Equity	\$11,491,933	41%
OLIHTC Equity	\$6,874,313	25%
Historic Tax Credit Equity		
Permanent First Mortgage	\$7,914,000	28%
Permanent Second Mortgage		
OHFA HDAP Request		
Deferred Developer Fee	\$1,536,581	6%
Member Contribution	\$100	0%
N/A		
N/A		
N/A		
N/A		
Total Permanent Sources	\$27,816,927	100%