

## Proposal Summary

2025 9% LIHTC AHFA Proposal Application

Affordable Housing Funding Application (AHFA)

Project Name: Avanelle Crossing

### Basic Project Information

Project Name:	Avanelle Crossing
OHFA Project Number:	TBD
LIHTC Type:	9%
Project Address:	6251 Avanelle Drive
Project City or Township:	Athens Township
Project County:	Athens
Construction Type:	New Construction
Age Restriction:	General Occupancy
Funding Pool:	New Affordability - General Occupancy
Lead Developer:	Sunset Development & Investment LLC
Total Number of Units:	60
Total Number of Buildings:	3

### Project Rendering



### OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
Housing Development Loan:	\$1,750,000	

### Project Narrative

Sunset Development and Capstone Properties will joint venture to develop 60 units of general occupancy housing in Athens Township, just south of Athens, Ohio. Capstone is a local property owner, developer and manager of market rate housing, with this being its first designated affordable project. The project will feature a mix of one-, two- and three-bedroom apartments for households between 30% and 80% AMI on a beautiful site less than three miles to downtown Athens. Project amenities will include a fitness facility, playground, covered patio, and a full array of appliances including washer & dryer for each unit.

### Set Asides Sought

Set Aside Type	Sought?
Community Housing Development Organization:	No
Community Impact Strategic Initiative:	No
Appalachian County:	Yes
Transformative Economic Development:	No
Refugee Resettlement Agency Partnership:	No
USDA Rural Development Subsidy Preservation:	Ineligible Pool
Balance of State or Small Continuum of Care:	Ineligible Pool

### Competitive Scoring: New Affordability - General Occupancy Pool

Competitive Criterion	Maximum Score	Developer Self-Score
Areas of Opportunity and Revitalization	10	10
Building Amenities	10	10
Discount to Market Rent	5	3
Proximity to Amenities	17	17
811 PRA Participation	5	5
Annual LIHTC Request per LIHTC Unit	10	10
<b>Total</b>	<b>57</b>	<b>55</b>

### Development and Operations Team

Lead Developer	Sunset Development & Investment LLC
Co-Developer #1	Capstone Properties Ltd.
Co-Developer #2	N/A
Development Consultant	Lowenstein Development, LLC
LIHTC Syndicator/Investor	Ohio Capital Corporation for Housing
OLIHTC Syndicator/Investor	N/A
GP/MM #1 Parent Entity	Sunset Development and Holdings, Inc.
GP/MM #2 Parent Entity	NA
GP/MM #3 Parent Entity	N/A
General Contractor	TBD
Architect of Record	R.M. James Architect, Inc.
Property Management Firm	RLJ Management Co., Inc

### Site Information

Site Size (Acres)	6.35
Scattered Sites?	No
Total Number of Buildings	3
Total Number of Elevator-Serviced Buildings	0
Total Parking Spaces	66
Parking Ratio (Parking Spaces per Unit)	1.1
Urban Suburban Rural (USR) Geography	Rural
Located in a Participating Jurisdiction (PJ)?	No
Located in a Qualified Census Tract (QCT)?	No
Located in a Difficult Development Area (DDA)?	No
Census Tract Opportunity Index	Very High
Census Tract Change Index	Growth

### Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Walmart Supercenter	4.22
Medical Clinic	OhioHealth Heritage Primary	2.69
Childcare Facility	Athens Community Center	4.04
Senior Center	NA	
Pharmacy	CVS	3.93
Public Library	Athens Public Library	3.63
Public Park	Richland Avenue Park	2.07
Public School	Morrison-Gordon Elementary	2.3
Public Recreation Center	Athens Community Center	4

### Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space		
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	55,216	82%
Manager's Unit Area		
Common Area	11,988	18%
Support and Program Space	184	0%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)		
Structured Parking/Garage		
Basement		
<b>Total Square Footage of all Buildings</b>	<b>67,388</b>	<b>100%</b>

**Units by LIHTC Income Restrictions**

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI	17	28%
40% AMI		
50% AMI	5	8%
60% AMI	18	30%
70% AMI		
80% AMI	20	33%
Unrestricted Manager's		
<b>Total Units</b>	<b>60</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	18	30%	11	61%
2-BR	36	60%	0	0%
3-BR	6	10%	0	0%
4-BR				
5-BR				
<b>Total Units</b>	<b>60</b>	<b>100%</b>	<b>11</b>	<b>18%</b>

**Consolidated Annual Operating Budget**

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$670,668	\$11,178
Potential Gross Commercial Income	\$0	\$0
Potential Gross Service Income	\$0	\$0
Vacancy Allowance (Blended) 7%	(\$46,947)	(\$782)
<b>Effective Gross Income (EGI)</b>	<b>\$623,721</b>	<b>\$10,395</b>
(Administrative Expenses)	(\$65,100)	(\$1,085)
(Property Management Fee)	(\$34,500)	(\$575)
(Owner-Paid Utility Expenses)	(\$60,000)	(\$1,000)
(Maintenance Expenses)	(\$104,400)	(\$1,740)
(Net Real Estate Taxes)	(\$40,500)	(\$675)
(Property and Liability Insurance)	(\$36,250)	(\$604)
(Other Insurance and Tax Expenses)	(\$19,050)	(\$318)
(Ongoing Reserve Contributions)	(\$24,000)	(\$400)
Operating Subsidy	\$0	\$0
<b>(Total Operating Expenses)</b>	<b>(\$383,800)</b>	<b>(\$6,397)</b>
<b>Net Operating Income (EGI - Operating Expenses)</b>	<b>\$239,921</b>	<b>\$3,999</b>

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

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$415,000	\$6,917	\$0
Predevelopment	\$514,000	\$8,567	\$514,000
Site Development	\$1,410,000	\$23,500	\$1,410,000
Hard Construction	\$10,278,943	\$171,316	\$10,278,943
Financing	\$973,145	\$16,219	\$740,645
Professional Fees	\$315,250	\$5,254	\$219,500
Developer Fee	\$2,150,000	\$35,833	\$2,150,000
OHFA and Other Fees	\$253,600	\$4,227	\$0
Capitalized Reserves	\$286,643	\$4,777	\$0
<b>Total Development Costs (TDC)</b>	<b>\$16,596,581</b>	<b>\$276,610</b>	<b>\$15,313,088</b>
<b>LIHTC Eligible Basis as a Percent of Total Development Costs</b>			<b>92%</b>

  

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	\$276,610	\$307,027	-10%
TDC per Gross Square Foot	\$246	\$304	-19%

**LIHTC Calculation**

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$15,313,088
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$15,313,088
Codified Basis Boost (DDA/QCT)			\$15,313,088
Agency Discretionary Basis Boost			\$19,558,759
Adjusted Eligible Basis			\$19,558,759
X Applicable Fraction			100%
Qualified Basis			\$19,558,759
70% Present Value Rate			9%
<b>Annual LIHTC Generated</b>			<b>\$1,760,288</b>
Total 10-Year LIHTC Generated	\$17,602,883		
Total 10-Year LIHTC Requested	\$14,999,990		
LIHTC Equity Generated	\$12,898,624		
Equity Price	\$0.8600		

**Maximum Permanent Debt Sizing**

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$239,921	\$239,921
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$199,934	\$239,921
Interest Rate	8.15%	8.15%
Amortization Period (Years)	480	480
Loan Term (Years)	17	17
<b>Maximum Perm Loan Amount</b>	<b>\$2,453,182</b>	<b>\$2,943,819</b>
Actual Perm Loan Amount	\$2,325,000	
Amount Variance	(\$128,182)	
Percent Variance	-5.2%	

  

	Year 1	Year 15
Debt Service Coverage Ratio	1.27	1.28
OHFA Minimum DSCR	1.20	1.00

**Construction Sources of Funds**

Source Name	Amount	Percent of Total
Federal LIHTC Equity	\$1,289,860	8%
Construction Loan	\$10,900,000	66%
Housing Development Loan	\$1,750,000	11%
Post-Construction Costs	\$2,256,721	14%
Seller Loan	\$400,000	2%
<b>Total Construction Sources</b>	<b>\$16,596,581</b>	<b>100%</b>

**Permanent Sources of Funds**

Source Name	Total	Percent of Total
Federal LIHTC Equity	\$12,898,624	78%
Permanent First Mortgage	\$2,325,000	14%
Deferred Developer Fee	\$596,104	4%
GP/MM Capital Contribution	\$376,853	2%
Seller Loan	\$400,000	2%
<b>Total Permanent Sources</b>	<b>\$16,596,581</b>	<b>100%</b>