

## Proposal Summary

SFY2025 4% LIHTC w/ OLIHTC AHFA Proposal Application

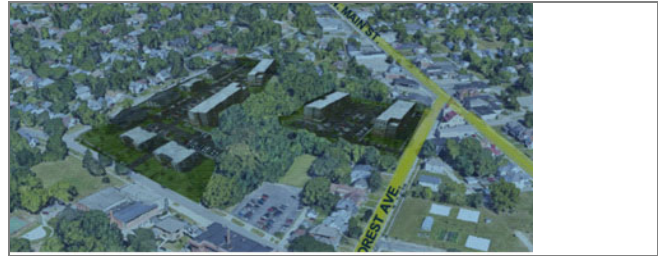
Affordable Housing Funding Application (AHFA)

Project Name: HōM Flats at Forest Avenue

### Basic Project Information

|                            |                             |
|----------------------------|-----------------------------|
| Project Name:              | HōM Flats at Forest Avenue  |
| OHFA Project Number:       | TBD                         |
| LIHTC Type:                | 4%                          |
| Project Address:           | 325 Homewood Ave            |
| Project City or Township:  | Dayton                      |
| Project County:            | Montgomery                  |
| Construction Type:         | New Construction            |
| Age Restriction:           | General Occupancy           |
| Funding Pool:              | Metropolitan                |
| Lead Developer:            | Magnus Capital Partners LLC |
| Total Number of Units:     | 260                         |
| Total Number of Buildings: | 11                          |

### Project Rendering



### OHFA Resource Request Requiring Board Approval

|                                 | Amount       | Approval Date |
|---------------------------------|--------------|---------------|
| Est. Total 10-Year Ohio LIHTCs: | \$10,000,000 |               |
|                                 |              |               |
|                                 |              |               |
|                                 |              |               |
|                                 |              |               |
| Multifamily Bonds (Inducement): | \$35,000,000 |               |
| Multifamily Bonds (Final):      |              |               |
|                                 |              |               |
|                                 |              |               |

### 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.

### 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         | Brckett 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 Number of Elevator-Serviced Buildings    | 4              |
| 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)?     | No             |
| Located in a Difficult Development Area (DDA)? | Yes            |
| Census Tract Opportunity Index                 | Moderate       |
| Census Tract Change Index                      | Slight Decline |

### Nearby Amenities

| Amenity Type             | Name of Amenity                 | Linear Distance from Proposed Project (miles) |
|--------------------------|---------------------------------|---|
| Grocery Store            | Gem City Market                 | 0.9   |
| Medical Clinic           | Kettering Health Medical Group  | 0.6   |
| Childcare Facility       | Creative Corner Child Care Inc. | 0.2   |
| Senior Center            | Senior Resource Connection      | 1   |
| Pharmacy                 | Kettering Health Dayton         | 0.6   |
| Public Library           | Dayton Metro Library - Main     | 1.8   |
| Public Park              | Island MetroPark                | 0.7   |
| Public School            | Edwin Joel Brown Middle School  | 1   |
| Public Recreation Center | YMCA of Greater Dayton -        | 1.4   |

### Building Square Footage Breakdown

|   | Size (SF)      | Pct of Total |
|---|----------------|--------------|
| Commercial and Fee-Driven Space                     |                |              |
| Unrestricted/Market-Rate Unit Area                  | 18,716         | 7%           |
| LIHTC Unit Area                                     | 186,497        | 68%          |
| 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>273,171</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                  | 80              | 31%                    |
| 50% AMI                  |                 |                        |
| 60% AMI                  | 78              | 30%                    |
| 70% AMI                  |                 |                        |
| 80% AMI                  | 80              | 31%                    |
| Unrestricted             | 22              | 8%                     |
| Manager's                |                 |                        |
| <b>Total Units</b>       | <b>260</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 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%                    | (\$268,873)   | (\$1,034)              |
| Effective Gross Income (EGI)                      | \$3,528,339   | \$13,571               |
| 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)                 | \$2,252,032   | \$8,662                |

**LIHTC Calculation**

|                                | Acquisition  | Rehabilitation | New Construction |
|--------------------------------|--------------|----------------|------------------|
| LIHTC Eligible Basis           |              |                | \$63,674,947     |
| - Reductions in Eligible Basis |              |                | \$0              |
| = Net Eligible Basis           |              |                | \$63,674,947     |
| Codified Basis Boost           |              |                | \$82,777,431     |
| Adjusted Eligible Basis        |              |                | \$82,777,431     |
| X Applicable Fraction          |              |                | 91%              |
| Qualified Basis                |              |                | \$75,228,129     |
| 30% Present Value Rate         |              |                | 4.00%            |
| Annual LIHTC Generated         |              |                | \$3,009,125      |
| Total 10-Year LIHTC Requested  | \$30,091,252 |                |                  |
| LIHTC Equity Generated         | \$25,875,887 |                |                  |
| Equity Price                   | \$0.86       |                |                  |

**Construction Sources of Funds**

| Construction Sources       | Amount       | Percent of Total |
|----------------------------|--------------|------------------|
| Federal LIHTC Equity       | \$2,765,213  | 4%               |
| Ohio LIHTC Equity          | \$627,760    | 1%               |
| Construction Loan          | \$56,882,914 | 80%              |
| Deferred Developer Fee     | \$7,957,897  | 11%              |
| GP/MM Capital Contribution | \$100        | 0%               |
| Short-Term Bond Earnings   | \$2,668,750  | 4%               |
| Total Construction Sources | \$70,902,634 | 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   | \$1,686,000  | \$6,485         | \$1,686,000          |
| Site Development   | \$0          | \$0             | \$0                  |
| Hard Construction  | \$43,638,063 | \$167,839       | \$43,534,877         |
| Financing  | \$11,031,848 | \$42,430        | \$7,474,606          |
| Professional Fees  | \$689,479    | \$2,652         | \$366,973            |
| Developer Fee  | \$10,612,491 | \$40,817        | \$10,612,491         |
| OHFA and Other Fees  | \$809,548    | \$3,114         | \$0                  |
| Capitalized Reserves   | \$1,617,285  | \$6,220         | \$0                  |
| Total Development Costs (TDC)                                | \$70,902,634 | \$272,702       | \$63,674,947         |
| LIHTC Eligible Basis as a Percent of Total Development Costs |              |                 | 90%                  |

**Cost Containment Standards**

|                           | Project   | Maximum   | Variance |
|---------------------------|-----------|-----------|----------|
| TDC per Unit              | \$272,702 | \$400,000 | -32%     |
| TDC per Gross Square Foot | \$260     | \$420     | -38%     |

**Maximum Permanent Debt Sizing**

|                                | Max Loan for Stabilized Y1 | Max Loan to Stabilized Y15 |
|--------------------------------|----------------------------|----------------------------|
| Net Operating Income (NOI)     | \$2,252,032                | \$2,252,032                |
| Debt Service Coverage Ratio    | 1.20                       | 1.00                       |
| NOI Available for Debt Service | \$1,876,693                | \$2,252,032                |
| Interest Rate                  | 5.62%                      | 5.62%                      |
| Amortization Period (Years)    | 40                         | 40                         |
| Loan Term (Years)              | 15                         | 15                         |
| Maximum Perm Loan Amount       | \$29,847,904               | \$35,817,485               |
| Actual Perm Loan Amount        | \$28,500,000               |                            |
| Variance                       | (\$1,347,904)              |                            |
|                                | Year 1                     | Year 15                    |
| Debt Service Coverage Ratio    | 1.21                       | 1.45                       |
| OHFA Minimum DSCR              | 1.20                       | 1.00                       |

**Permanent Sources of Funds**

| Source Name                | Total        | Percent of Total |
|----------------------------|--------------|------------------|
| Federal LIHTC Equity       | \$25,875,887 | 36%              |
| Ohio LIHTC Equity          | \$5,900,000  | 8%               |
| Permanent First Mortgage   | \$28,500,000 | 40%              |
| Deferred Developer Fee     | \$7,957,897  | 11%              |
| GP/MM Capital Contribution | \$100        | 0%               |
| Short Term Bond Earnings   | \$2,668,750  | 4%               |
| Total Permanent Sources    | \$70,902,634 | 100%             |