

October 7, 2024

Revised October 17, 2024

Mr. Johnnie Burns
Village of Yellow Springs
100 Dayton Street
Yellow Springs, OH 45387

RE: Questions Raised By Village and/or School Board

Dear Mr. Burns:

Thank you for reaching out to St. Mary Development Corporation again regarding the potential affordable housing development being discussed in the Village of Yellow Springs. It was nice speaking with you on the phone and I am happy to offer the following responses to the questions you shared via email on September 26, 2024.

1. Would these 3.6 acres of land need to be in St. Mary's name before the application is due?

No, the 3.6 acres of land does not need to be in the name of St. Mary Development Corporation before the application is due. The Preliminary Application submission requires site control, which would be a Purchase & Sale Agreement between the Village and St. Mary Development Corporation.

An asking price for the land will need to be established so that St. Mary Development can determine if a development is financially feasible on the site or not.

As shared by Tim Bete with Emily Seibel of Yellow Springs Home, Inc., St. Mary Development requires the Village has at least an Option to Purchase signed with the School Board by December 1, 2024 in order to proceed with preparations for submitting a Preliminary Proposal to the OHFA on February 27, 2025. The importance of the December 1st date is to ensure we are proceeding with viable developments given St. Mary Development invests approximately \$40,000 for each application.

2. Would Zoning need to happen before the application is due? Current zoning is R-C or does it need to be a PUD?

Yes, zoning which permits multi-family housing as proposed is required to be in place before the application is due. There cannot be outstanding zoning changes (i.e. R-C to a PUD). This is a threshold item that will cause the development to be eliminated from consideration by the Ohio Housing Finance Agency (OHFA).

As shared by Tim Bete with Emily Seibel of Yellow Springs Home, Inc., St. Mary Development requires that zoning be in place by December 1, 2024 in order to proceed with preparations for submitting a Preliminary Proposal to the OHFA on February 27, 2025. The importance of the December 1st date is to ensure we are proceeding with viable developments given St. Mary Development invests approximately \$40,000 for each application.

3. If everything goes forward and St. Mary's is awarded the project would St. Mary's be coming back to the Village for any other cost associated with the project? (like infrastructure cost, tap fees cost, permit fees cost)

Should St. Mary Development receive a tax credit award in May 2025, we would not be coming back to the Village to cover or wave costs such as infrastructure costs, tap fees, or permit fees.

We will need the Village to assist by providing the fees associated with the same in order to properly account for them in the budget.

4. How much property taxes would this project generate?

Property taxes will be assessed following the State of Ohio's guidelines for the Net Operating Income approach utilizing the established millage rate for the Village of Yellow Springs. A proforma will be developed once we know the land price and determine if a development is financially feasible.

5. What is the breakdown for Family Housing vs Senior Housing?

The proposed development will not be senior housing with an age restriction of 55 and older.

6. Can we restrict this to family housing only?

The OHFA guidelines identify developments as age-restricted (age 55+) or general occupancy. A development is submitted as one or the other. This avoids Fair Housing issues based on discrimination.

It is worth noting that based on St. Mary Development's portfolio of general occupancy (family) developments, approximately 15% of the units have residents that meet the "senior" definition of age 55+.

7. Will pets be allowed in this development?

Yes, pets are permitted within the development.

8. Would this project have any Solar panels on the roof?

No, this development will not have solar panels on the roof of the building.

9. What measures will you take to reduce your carbon footprint with this build?

The proposed development will comply with the requirements of Enterprise Green Communities 2020 which requires the building to meet all Energy Star requirements.

10. Who will manage the housing after built?

The proposed development will be managed by an experienced affordable housing property management company. The exact company has not been finalized at this time.

While the third-party property management company that is TBD will be handling the day-to-day operation of the property, St. Mary Development remains engaged. We have an Asset Manager that is involved in the oversight of the property from leasing to operating budget management. We will also have a Resident Services Coordinator that is a resource to our residents to ensure they are receiving any guidance/assistance that they may need.

11. Is this project all rentals?

Yes, all apartments in the proposed development will be rentals following the affordable housing guidelines of the OHFA.

12. What do you think the cost per sq. Ft. is for a project this size would be? 50 Units

In order to answer this question, a determination of the type of building (3- or 4-story), unit mix, land purchase price and a better understanding of the soft costs specific to a development located in the Village of Yellow Springs would be required.

My understanding is that the proposed development had not moved to a point of determining the building height, unit mix, etc. which makes providing an answer to this question a challenge.

13. Estimate of Hard cost and Soft cost?

Please see response provided to question #12 above.

14. After the application is sent in, how long before finding out if project was awarded or not?

The Preliminary Application is due to the OHFA on February 27, 2025. Award announcements will be made following OHFA's Board approval at their May 2025 meeting which is anticipated to be held on or about May 21, 2025 per the 9% LIHTC Qualified Allocation Plan – Program Years 2024-2025 with 2025 Technical Amendments.

15. After the award of said project, when is construction started?

Construction typically commences within 8-10 months following an award. During this period of time, often referred to as the due diligence window, the following items occur:

- ***Geotechnical testing – identifies soil conditions***
- ***Additional environmental testing – if anything is identified in the Phase I Environmental Site Assessment conducted before the Preliminary Application is submitted.***

- **Full design of the development including architectural, MEP, structural and civil engineering.**
- **Final Application is submitted to the OHFA on September 18, 2025.**
- **Securing of gap financing sources – Federal Home Loan Bank (AHP), HOME funds if available at Greene County level, etc.**
- **Part 58 Environmental Review – third party consultant is engaged by the Ohio Department of Development to review the materials provided by the development team (i.e. Phase I Environmental Site Assessment, additional environmental testing, etc.). They are doing an overall look at the impact of the proposed development on the community as well.**

This review typically takes 6 – 9 months to complete.

- **Real Estate and Financing Closing process – lender and investor review all due diligence materials outlined above in addition to negotiating numerous financial documents.**

It is important to note the closing cannot occur until the Part 58 Environmental Review has been completed.

16. How would this impact taxes to Village?

Property taxes will be assessed following the State of Ohio's guidelines for the Net Operating Income approach utilizing the established millage rate for the Village of Yellow Springs.

17. Would a development like this have any effect on utilities in the Village?

As part of the due diligence process outlined above, our design team contacts utility providers, (i.e. electric, water, sanitary, storm) to discuss existing service to ensure there is sufficient capacity to service the proposed building. In the event a flow test is performed and found to have low pressure on the line, the design team will consider adding a booster pump within the building to ensure there is sufficient pressure to service the units from both domestic and fire lines perspective. A storm stormwater management system will be designed by our civil engineer following the design requirements of the Village. If the power company requires work to ensure three-phase power is available at the site, there may be an Aid to Construction cost that the development will cover.

18. Has the KIWAN mapping been changed for 2025 or 2026

The updated QAP (complete name is listed above in question 14) does included updated KIRWAN maps for the 2025 round of applications. 2026 mapping will not be available until late Summer 2025.

19. When would a traffic study be performed?

If a traffic study is required by the Village per its zoning code, it would occur during the due diligence process outlined above in question #15.

20. Would this property require a Phase 1 environmental study to be completed for LIHTC?

Yes, a Phase I Environmental Site Assessment will be completed and included in our Preliminary Application to the OHFA.

21. This site is currently a Rec / Girls High School soccer field; would St. Mary help with the cost of relocation or building another soccer field?

The only monies that St. Mary Development would be able to contribute is the value the development would pay for the land.

22. Given the letter sent in May 2024 by St. Mary's would they still consider this as a project of interest?


St. Mary Development is interested in the development provided the items shared in our previous responses can be met by December 1, 2024 (executed Option to Purchase between Village and School Board in place, proper zoning in place, consent of lien holder for the bonds the encumber the real estate), as well as the land price being one that an affordable housing development can afford to pay. The land price along with local fees play into the overall financial viability of the development.

23. Does St. Mary's need a local no profit housing person to make this project happen? Do we have to have a local non-profit involved to make the development happen?

No, however, St. Mary Development made a commitment to partner with Yellow Springs Home Inc. on this affordable housing opportunity and we will stand by that commitment should St. Mary Development be a part of a development moving forward.

As you can see from the information shared above, this is an involved process and it truly takes a team approach to bring it to fruition. We appreciate the opportunity to answer questions that were raised by the Village and the Yellow Springs School Board. If there is any additional information that we can provide, please feel free to contact me at 937-739-4851 or via email at dblake@smdcd.org.

Sincerely,



Denise Blake

Vice President, Real Estate Development