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Hunt Capital Partners Expands Affordable Housing Footprint to Delaware with Investment of \$4.35 Million in LIHTC Equity for the Rehabilitation of Frazier Apartments

SMYRNA, Del., April 4, 2023 – Hunt Capital Partners, in collaboration with Severn Development Company, LLC, announced the closing of \$4.35 million in Federal Low-Income Housing Tax Credit (LIHTC) equity financing for the acquisition and rehabilitation of Frazier Apartments in Smyrna, Delaware. The investment will allow for the development's first rehabilitation since its original construction three decades ago. The project involves combining two existing age-restricted United States Department of Agriculture (USDA) Section 515 Rural Developments, known as Frazier Place I and Frazier Place II, into one partnership. The project itself is comprised of nine single-story residential buildings along with two single-story community buildings. Upon completion of rehabilitation in January 2024, Frazier Apartments will introduce 54 fully renewed, affordable housing options to seniors (62+) earning between 40 and 60 percent of the area median income.

Six of the 54 one-bedroom affordable homes will be fully compliant accessible units. An additional six will be reserved for seniors that require extra accommodation due to disability or special needs. One unit will be set aside as a manager's unit. Moreover, all homes, except for the manager's unit, will benefit from a project-based USDA Rental Assistance contract, where each resident will pay 30% of their adjusted income toward rent. The USDA will pay the difference of the USDA-approved rent less the tenant contribution.

"We are delighted to partner with Severn Development Company on the rehabilitation of Frazier Apartments, the first major upgrade since its original construction 30 years ago," said Hunt Capital Partners Executive Managing Director Dana Mayo. "Not only does the rehabilitation offer seniors a

wealth of overdue upgrades to its amenities and facilities, but it also creates six fully compliant accessible units that will make everyday life easier for seniors who need accessible accommodations.”

The rehabilitation work involves key renovations to the units' exteriors, interiors and various site improvements, with all upgrades meeting Energy Star and 2020 Enterprise Green Communities criteria. Renovations to the unit interiors will include the replacement of all existing cabinets and countertops, kitchen appliances and sinks, bathroom toilets and bathtubs, drywall and paint, light fixtures and flooring, as well as the installation of new interior doors and hardware, new water heaters, and new ductless air conditioning. Community room upgrades include new doors and windows, new vinyl plank flooring, the addition of security cameras in the laundry and community room, new fixtures at the ADA bathroom, a new community kitchenette, as well as a back-up generator at each community building. Key renovations to the exterior will include new window aprons and sills, new gutters and downspouts, new roofs for three buildings, as well as the improvement of all exterior insulation.

Severn Development Company will partner with multiple organizations to provide supportive services to residents at no extra cost including: The Delaware Department of Health and Social Services, United Healthcare, and Primerica. Resident services will include bi-monthly food bank drop-offs and mobile food pantries, which will bring both shelf-stable and fresh foods to residents; health and wellness such as health care counseling and assistance with medical insurance applications; and financial literacy webinars once every three months.

The Frazier Apartments development team includes Severn Development Company as the developer, Severn Management Company, LLC as the property manager, Hamel Builders as the general contractor, and Architectural Alliance as the architect.

The total development cost for Frazier Apartments is \$14 million. Hunt Capital Partners raised federal LIHTC equity through its proprietary fund, Hunt Capital Partners Tax Credit Fund 44. Delaware State Housing Authority provided a \$1 million HOME construction to permanent loan, a \$3.2 million Affordable Renting Housing Program loan, and a \$2.8 million permanent loan. Additional financing included an assumed \$2.1 million USDA permanent loan, as well as an \$8.65 million construction loan from TD Bank.

Environmental Social and Corporate Governance (“ESG”) Investing

Hunt Capital Partners recognizes that its institutional investors are seeking to increase the social value of their investments to help further their ESG initiatives. An investment in affordable housing not only improves the living conditions of its residents, but it also helps to remove obstacles that stand in the way of creating a healthy, safe and stable home environment for low-income families and seniors. When families spend less on housing related expenses, they have more resources available for other

essentials such as food and clothing, or even extracurricular activities and educational programs. One of the most significant benefits to providing quality affordable housing is an increase in an individual's physical and mental health. Hunt Capital Partners' affordable housing investments create a lasting effect on the people and communities they serve for generations to come.

About Hunt Capital Partners

Hunt Capital Partners (HCP) is the tax credit syndication division of Hunt Companies, Inc. (Hunt). HCP specializes in the sponsorship of Federal and State Low-Income Housing, Historic, and Solar Tax Credit Investments funds. Since its inception in 2010, HCP has raised over \$3 billion in tax credit equity in over 48 proprietary and multi-investor funds. HCP manages almost 760 project partnerships representing over 75,000 homes in 51 states and territories. Founded in 1947, Hunt is a privately held company that invests in businesses focused in the real estate and infrastructure markets. The activities of Hunt's affiliates and investors include investment management, asset management, property management, development, construction, consulting and advisory. For more information on HCP, please visit www.huntcapitalpartners.com, or for Hunt, please visit www.huntcompanies.com.