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Hunt Capital Partners Finances Historic Rehabilitation of Daugherty Furniture Building Into 39 Affordable Housing Units

CLINTON, Tenn., Dec. 19, 2022 – Hunt Capital Partners (HCP) announced the closing of \$9 million in federal low-income housing tax credit (LIHTC) equity and \$1.4 million in historic tax credit (HTC) equity financing for the acquisition and historic adaptive reuse of the former Daugherty Furniture Building, a mixed-use, mid-rise building located in Clinton, Tenn. When finished, the newly restored Daugherty Lofts will provide 39 units to households earning up to 50% and 60% of the area median income (AMI), including 11 one-bedroom, 23 two-bedroom and five three-bedroom LIHTC units.

Originally built in 1942, Daugherty Furniture Building was a popular furniture store throughout World War II. Since its closure in 1985, the building has been predominantly vacant and non-operational except for the first floor, which has been used as an antique shop since 2015. In 2010, the original building was listed on the U.S. National Historic Register, due to its historical significance to the local community.



“In the aftermath of the pandemic, almost half of the 77,550 residents in Anderson County, which includes the city of Clinton, are ‘struggling to make it’, according to a recent story in the *Oakridger*,” said Hunt Capital Partners Executive Managing Director Dana Mayo. “Daugherty Lofts will expand affordable housing options in the region and represents a continued investment in the national effort to rehabilitate and re-use existing structures.”

Situated on a 0.27-acre parcel improved by a five-story, brick-and-stone veneer building, Daugherty Loft units will feature modern amenities, such as central air conditioning and Internet access, in addition to Energy Star windows, appliances (e.g. refrigerator, microwave, washer/dryer) and HVAC systems. Upon completion in December 2023, Daugherty Lofts will also offer residents common area

amenities, such as a computer lab, exercise facility and central laundry. There will also be supportive services through HouseCall Primary Care — a Knoxville-based supportive service provider — including general medical services, health and wellness care, psychiatric counseling, and foot and wound care on a house-call basis.

The general partner for Daugherty Lofts is Clifton Lofts, LLC.; Mark Bunch, CCIM, is the development consultant; Frizzell Construction Company, Inc., is the general contractor; and Goss Design Development is the architect.

Development costs for Daugherty Lofts total \$14.29 million. HCP facilitated the federal LIHTCs and historic tax credits through its multi-investor fund, Hunt Capital Partners Tax Credit Fund 48 (HCPTCF 48). The lender is Legacy Bank & Trust, who provided a \$10.5 million construction loan, in addition to a \$2 million permanent loan. Grant Funds from the Tennessee Department of Economic and Community Development in the amount of \$300,000 will also support the development of Daugherty Lofts.

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.