

Proposal Summary

4% LIHTC AAL AHFA Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Silver Birch of Amherst

Basic Project Information

Project Name:	Silver Birch of Amherst
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	47175 Hollstein Drive
Project City or Township:	Amherst
Project County:	Lorain
Construction Type:	New Construction
Age Restriction:	Senior 62+
Funding Pool:	Metropolitan
Lead Developer:	Vermilion Ohio AAL Developer LLC
Total Number of Units:	120
Total Number of Buildings:	1

Project Rendering



OHFA Resource Request Requiring Board Approval

	Amount	Approval Date
Multifamily Bonds (Inducement):	\$25,380,000	
Multifamily Bonds (Final):		

Project Narrative

Silver Birch of Amherst will consist of the new construction of 120 LIHTC apartments also offering optional affordable assisted living services at 47175 Hollstein Drive, Amherst in Lorain County. The improvements are a wood-framed, 3-story elevator building with studio & 1-bedroom apartments. The community will feature laundry facilities, barber/beauty shop, library, physical therapy/gym, wellness areas, & a walking path. The community will advance a major policy initiative of the Ohio General Assembly (House Bill 33 approved in the 2023 session) by expanding the supply of affordable assisted living. For Ohio's Medicaid program, assisted living is roughly half the cost of more expensive nursing home care. The service provider is Silver Birch Living, an affiliate of owner & developer who has achieved 8609 on 10 affordable assisted living communities. SB currently serves 1,100 residents in 10 communities.

Development and Operations Team

Lead Developer	Vermilion Ohio AAL Developer LLC
Co-Developer #1	N/A
Co-Developer #2	N/A
Development Consultant	Lowenstein Development, LLC
LIHTC Syndicator/Investor	Affordable Housing Partners, LLC
OLIHTC Syndicator/Investor	
GP/MM #1 Parent Entity	David J. Cocagne 2016 Revocable Trust
GP/MM #2 Parent Entity	N/A
GP/MM #3 Parent Entity	N/A
General Contractor	The Douglas Company
Architect of Record	WJW Architects
Property Management Firm	Silver Birch of Amherst LLC

Site Information

Site Size (Acres)	5.1
Scattered Sites?	No
Total Number of Buildings	1
Total Number of Elevator-Serviced Buildings	1
Total Parking Spaces	70
Parking Ratio (Parking Spaces per Unit)	0.6
Urban Suburban Rural (USR) Geography	Metro/Suburban
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	Low
Census Tract Change Index	Slight Decline

Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Giant Eagle, Meijer and Aldi	1.4 miles
Medical Clinic	Cleveland Clinic Lorain	0.2
Childcare Facility	The Nest Schools	0.9
Senior Center	Lorain Senior Center	8.7
Pharmacy	SB orders & administers	0
Public Library	Public Library	1.1
Public Park	Amherst HealthPlex facility	0.1 miles
Public School	Powers Elementary School	1.9
Public Recreation Center	Amherst HealthPlex facility	0.5 miles

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space	427	0%
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	52,622	57%
Manager's Unit Area		
Common Area	17,188	19%
Support and Program Space	19,458	21%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	2,730	3%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	92,425	100%

Units by LIHTC Income Restrictions

LIHTC Income Restriction	Number of Units	Percent of Total Units
20% AMI		
30% AMI		
40% AMI	40	33%
50% AMI		
60% AMI	40	33%
70% AMI		
80% AMI	40	33%
Unrestricted		

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	96	80%	0	0%
1-BR	24	20%	0	0%
2-BR				
3-BR				
4-BR				
5-BR				
Total Units	120	100%	0	0%

Manager's		
Total Units	120	100%

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$1,219,200	\$10,160
Potential Gross Commercial Income	\$7,046	\$59
Potential Gross AAL & Service Income	\$6,457,080	\$53,809
Vacancy Allowance (Blended) 63%	(\$767,628)	(\$6,397)
Effective Gross Income (EGI)	\$6,915,698	\$57,631
Administrative Expenses	\$187,242	\$1,560
Property Management Fee	\$55,055	\$459
Owner-Paid Utility Expenses	\$206,372	\$1,720
Assisted Living Expenses	\$3,347,390	\$27,895
Maintenance Expenses	\$210,231	\$1,752
Real Estate Taxes	\$150,000	\$1,250
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$44,573	\$371
Other Insurance and Tax Expenses	\$102,068	\$851
Ongoing Reserve Contributions	\$60,000	\$500
(Operating Subsidy)	\$0	\$0
Total Annual Operating Expenses	\$4,362,931	\$36,358
Net Operating Income (EGI - OpEx)	\$2,552,766	\$21,273

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$27,567,083
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$27,567,083
Codified Basis Boost			\$27,567,083
Adjusted Eligible Basis			\$27,567,083
X Applicable Fraction			100%
Qualified Basis			\$27,567,083
30% Present Value Rate			4.00%
Annual LIHTC Generated			\$1,102,683
Total 10-Year LIHTC Requested	\$11,026,833		
LIHTC Equity Generated	\$9,151,356		
Equity Price	\$0.83		

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	\$3,897,600	11%
Construction Loan	\$25,380,000	70%
Deferred Developer Fee	\$1,777,244	5%
GP/MM Capital Contribution	\$100	0%
Post-Construction Costs	\$5,253,756	14%
Total Construction Sources	\$36,308,700	100%

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$1,200,000	\$10,000	\$0
Predevelopment	\$1,072,944	\$8,941	\$1,072,944
Site Development	\$1,262,265	\$10,519	\$1,222,265
Hard Construction	\$17,949,822	\$149,582	\$17,949,822
Financing	\$3,505,171	\$29,210	\$2,455,932
Professional Fees	\$607,119	\$5,059	\$416,119
Developer Fee	\$4,450,000	\$37,083	\$4,450,000
OHFA and Other Fees	\$362,661	\$3,022	\$0
Capitalized Reserves	\$5,898,717	\$49,156	\$0
Total Development Costs (TDC)	\$36,308,700	\$302,572	\$27,567,083
LIHTC Eligible Basis as a Percent of Total Development Costs			76%

TDC per Unit	\$302,572	\$400,000	-24%
TDC per Gross Square Foot	\$393	\$420	-6%

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	\$2,552,766	\$2,552,766
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$2,127,305	\$2,552,766
Interest Rate	6.75%	6.75%
Amortization Period (Years)	40	40
Loan Term (Years)	20	20
Maximum Perm Loan Amount	\$29,381,527	\$35,257,832
Actual Perm Loan Amount	\$25,380,000	
Variance	(\$4,001,527)	

	Year 1	Year 15
Debt Service Coverage Ratio	1.39	1.39
OHFA Minimum DSCR	1.20	1.00

Souce Name	Total	Percent of Total
Federal LIHTC Equity	\$9,151,356	25%
Permanent First Mortgage	\$25,380,000	70%
Deferred Developer Fee	\$1,777,244	5%
Sponsor Loan	\$100	0%
Total Permanent Sources	\$36,308,700	100%