# **Proposal Summary**

Affordable Housing Funding Application (AHFA)

4% LIHTC AAL AHFA Final Application

Project Name: Silver Birch of Bedford Heights

#### **Basic Project Information**

Project Name: Silver Birch of Bedford Heights OHFA Project Number: TBD LIHTC Type: 4% Project Address: 24781 Columbus Road Project City or Township: **Bedford Heights Project County:** Cuyahoga Construction Type: **New Construction** Senior 62+ Age Restriction: Funding Pool: Metropolitan Lead Developer: Vermilion Ohio AAL Developer LLC Total Number of Units: 120 Total Number of Buildings: 1

**Project Rendering** 



Silver Birch of Bedford Heights will be 120 LIHTC apartments also offering optional

barber/beauty shop, library, physical therapy/gym, wellness areas, & a walking path.

Assembly(House Bill 33 approved in the 2023 session)by expanding the supply of

Living, an affiliate of owner & developer who has achieved 8609 on 10 affordable

affordable assisted living. For Ohio's Medicaid program, assisted living is roughly half

Cuyahoga County. The improvements are a wood-framed, 3-story elevator building with

affordable assisted living services at 24781 Columbus Road, Bedford Heights in

studio & 1-bedroom apartments. The community will feature laundry facilities,

The community will advance a major policy initiative of the Ohio General

#### **OHFA Resource Request Requiring Board Approval**

Amount Approval Date

\$25,940,000

Multifamily Bonds (Inducement): Multifamily Bonds (Final):

#### **Development and Operations Team**

Lead Developer
Co-Developer #1
Co-Developer #2
Development Consultant
LIHTC Syndicator/Investor
OLIHTC Syndicator/Investor
GP/MM #1 Parent Entity
GP/MM #2 Parent Entity
GP/MM #3 Parent Entity
General Contractor
Architect of Record
Property Management Firm

#### the cost of more expensive nursing home care. The service provider is Silver Birch

**Project Narrative** 

Site Information

Site Size (Acres)
Scattered Sites?
Total Number of Buildings
Total Number of Elevator-Serviced Buildings
Total Parking Spaces
Parking Ratio (Parking Spaces per Unit)
Urban Suburban Rural (USR) Geography
Located in a Participating Jurisdiction (PJ)?
Located in a Qualfied Census Tract (QCT)?
Located in a Difficult Development Area (DDA)?
Census Tract Opportunity Index
Census Tract Change Index

6.91
No
1
1
70
0.6
Metro/Suburban
Yes
Yes
No
Very Low
Growth

# Nearby Amenities

Amenity Type	•
Grocery Store	
Medical Clinic	
Childcare Faci	lity
Senior Center	
Pharmacy	
Public Library	
Public Park	
Public School	
Public Recreat	tion Center

Name of Amenity	Linear Distance from Proposed Project (miles)
Zak Supercenter	0.9
UH Bedford Primary Care	1.7
All Around Children	0.9
Bedford Heights Community	0.5
Giant Eagle Pharmacy	1.4
Bedford Branch Library	1.7
Bedford Parks and Recreation	1.8
Heskett Middle School	0.3
Bedford Heights Community	0.5

## **Building Square Footage Breakdown**

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space	387	0%
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	55,701	56%
Manager's Unit Area		
Common Area	19,773	20%
Support and Program Space	21,695	22%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	2,155	2%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	99,711	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		
Manager's		
Total Units	120	100%

#### **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	80	67%	0	0%
1-BR	40	33%	0	0%
2-BR				
3-BR				
4-BR				
5-BR				
Total Units	120	100%	0	0%

## **Consolidated Annual Operating Budget**

Operating Line Item	Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income	\$1,191,648	\$9,930
Potential Gross Commercial Income	\$6,320	\$53
Potential Gross AAL & Service Income	\$6,436,362	\$53,636
Vacancy Allowance (Blended) 64%	(\$762,801)	(\$6,357)
Effective Gross Income (EGI)	\$6,871,529	\$57,263
Administrative Expenses	\$181,505	\$1,513
Property Management Fee	\$53,801	\$448
Owner-Paid Utility Expenses	\$201,339	\$1,678
Assisted Living Expenses	\$3,286,955	\$27,391
Maintenance Expenses	\$200,062	\$1,667
Real Estate Taxes	\$150,000	\$1,250
(Abated Real Estate Taxes)	\$0	\$0
Property and Liability Insurance	\$42,450	\$354
Other Insurance and Tax Expenses	\$100,296	\$836
Ongoing Reserve Contributions	\$60,000	\$500
(Operating Subsidy)	\$0	\$0
Total Annual Operating Expenses	\$4,276,408	\$35,637

\$2,595,121

\$21,626

# **Development Budget, Eligible Basis, and Cost Containment Standards**

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	\$850,000	\$7,083	\$0
Predevelopment	\$835,851	\$6,965	\$835,851
Site Development	\$0	\$0	\$0
Hard Construction	\$22,402,885	\$186,691	\$22,402,885
Financing	\$3,558,333	\$29,653	\$2,588,566
Professional Fees	\$602,987	\$5,025	\$431,987
Developer Fee	\$5,050,000	\$42,083	\$5,050,000
OHFA and Other Fees	\$394,185	\$3,285	\$0
Capitalized Reserves	\$5,861,660	\$48,847	\$0
Total Development Costs (TDC)	\$39,555,901	\$329,633	\$31,309,289
LIHTC Eligible Basis as a Percent of Total Development Costs			79%

#### **Cost Containment Standards**

TDC per Unit

TDC per Gross Square Foot

Project	Maximum	Variance
\$329,633	\$400,000	-18%
\$397	\$420	-6%

#### **LIHTC Calculation**

Net Operating Income (EGI - OpEx)

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			\$31,309,289
- Reductions in Eligible Basis			\$0
= Net Eligible Basis			\$31,309,289
Codified Basis Boost			\$40,702,076
Adjusted Eligible Basis			\$40,702,076
X Applicable Fraction			100%
Qualified Basis			\$40,702,076
30% Present Value Rate			4.00%
Annual LIHTC Generated			\$1,628,083
Total 10-Year LIHTC Requested	\$16,280,830		
LIHTC Equity Generated	\$13,511,738		
Equity Price	\$0.83		

#### **Maximum Permanent Debt Sizing**

	Max Loan for	Max Loan to
	Stabilized Y1	Stabilized Y15
Net Operating Income (NOI)	\$2,595,121	\$2,595,121
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	\$2,162,601	\$2,595,121
Interest Rate	6.40%	6.40%
Amortization Period (Years)	40	40
Loan Term (Years)	240	240
Maximum Perm Loan Amount	\$31,160,632	\$37,392,758
Actual Perm Loan Amount	\$25,940,000	
Variance	(\$5,220,632)	

Debt Service Coverage Ratio OHFA Minimum DSCR

Year 1	Year 15	
1.44	1.44	
1.20	1.00	

#### **Construction Sources of Funds**

Construction Sources	
Federal LIHTC Equity	\$6,
Construction Loan	\$2
Deferred Developer Fee	\$10
GP/MM Capital Contribution	\$10
Post-Construction Costs	\$6,

Amount	Percent of Total		
\$6,711,801	8%		
\$25,940,000	33%		
\$104,064	0%		
\$100	0%		
\$6,799,937	9%		
\$39,555,901	50%		
\$79,111,802	100%		

### **Permanent Sources of Funds**

Souce Name	Total	Percent of Total
Federal LIHTC Equity	\$13,511,738	34%
Permanent First Mortgage	\$25,940,000	66%
Deferred Developer Fee	\$104,064	0%
GP/MM Capital Contribution	\$100	0%
Total Permanent Sources	\$39,555,901	100%

**Total Construction Sources**