

Proposal Summary

4% LIHTC AAL AHFA Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Silver Birch of Mansfield

Basic Project Information

| | |
|----------------------------|----------------------------------|
| Project Name: | Silver Birch of Mansfield |
| OHFA Project Number: | 24-0700 |
| LIHTC Type: | 4% |
| Project Address: | 300 Cline Avenue |
| Project City or Township: | Mansfield |
| Project County: | Richland |
| Construction Type: | New Construction |
| Age Restriction: | Assisted Living |
| Funding Pool: | Rural |
| Lead Developer: | Vermilion Ohio AAL Developer LLC |
| Total Number of Units: | 120 |
| Total Number of Buildings: | 1 |

Project Rendering

FRONT RENDERING LOOKING NORTHWEST



OHFA Resource Request Requiring Board Approval

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

Project Narrative

Silver Birch of Mansfield will be 120 LIHTC apartments also offering optional affordable assisted living services at 300 Cline Avenue, Mansfield in Richland 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. This single community will reduce Ohio's Medicaid spending by \$5.6 million each year compared to nursing home costs. 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 | 0 |
| 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 | Vermilion Enterprises, LLC |
| GP/MM #2 Parent Entity | 0 |
| GP/MM #3 Parent Entity | 0 |
| General Contractor | ARCO Murray National Holding, Inc. c/o ARCO/Murr |
| Architect of Record | WJW Architects |
| Property Management Firm | Silver Birch of Mansfield LLC |

Site Information

| | |
|--|--------------|
| Site Size (Acres) | 10.2 |
| 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 | Central City |
| Located in a Participating Jurisdiction (PJ)? | Yes |
| Located in a Qualified Census Tract (QCT)? | Yes |
| Located in a Difficult Development Area (DDA)? | No |
| Census Tract Opportunity Index | Low |
| Census Tract Change Index | Decline |

Nearby Amenities

| Amenity Type | Name of Amenity | Linear Distance from Proposed Project (miles) |
|--------------------------|----------------------------------|---|
| Grocery Store | Kroger | 1.95 |
| Medical Clinic | Ohio Health Hospital | 0.34 |
| Childcare Facility | Little Blessing N More | 0.47 |
| Senior Center | Ontario Senior Center | 6.45 |
| Pharmacy | Towne Pharmacy | 0.1 |
| Public Library | Mansfield Richland County Public | 0.96 |
| Public Park | Maple Lake Park | 0.84 |
| Public School | Malabar Intermediate School | 1.26 |
| Public Recreation Center | Mansfield Art Center | 0.72 |

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 | \$1,115,628 | \$9,297 |
| Potential Gross Commercial Income | \$6,386 | \$53 |
| Potential Gross AAL & Service Income | \$6,512,382 | \$54,270 |
| Vacancy Allowance (Blended) 68% | (\$762,801) | (\$6,357) |
| Effective Gross Income (EGI) | \$6,871,595 | \$57,263 |
| Administrative Expenses | \$176,817 | \$1,473 |
| Property Management Fee | \$50,369 | \$420 |
| Owner-Paid Utility Expenses | \$201,339 | \$1,678 |
| Assisted Living Expenses | \$3,291,971 | \$27,433 |
| Maintenance Expenses | \$200,808 | \$1,673 |
| 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 | \$54,243 | \$452 |
| Ongoing Reserve Contributions (Operating Subsidy) | \$60,000 | \$500 |
| | \$0 | \$0 |
| Total Annual Operating Expenses | \$4,227,997 | \$35,233 |
| Net Operating Income (EGI - OpEx) | \$2,643,598 | \$22,030 |

LIHTC Calculation

| | Acquisition | Rehabilitation | New Construction |
|--------------------------------|--------------|----------------|------------------|
| LIHTC Eligible Basis | | | \$30,880,941 |
| - Reductions in Eligible Basis | | | \$0 |
| = Net Eligible Basis | | | \$30,880,941 |
| Codified Basis Boost | | | \$40,145,223 |
| Adjusted Eligible Basis | | | \$40,145,223 |
| X Applicable Fraction | | | 100% |
| Qualified Basis | | | \$40,145,223 |
| 30% Present Value Rate | | | 4.00% |
| Annual LIHTC Generated | | | \$1,605,809 |
| Total 10-Year LIHTC Requested | \$16,058,089 | | |
| LIHTC Equity Generated | \$13,326,881 | | |
| Equity Price | \$0.83 | | |

Construction Sources of Funds

| Construction Sources | Amount | Percent of Total |
|----------------------------|--------------|------------------|
| Federal LIHTC Equity | \$5,738,288 | 15% |
| Construction Loan | \$25,000,000 | 65% |
| Deferred Developer Fee | \$215,250 | 1% |
| GP/MM Capital Contribution | \$100 | 0% |
| Post-Construction Costs | \$7,588,593 | 20% |
| Total Construction Sources | \$38,542,231 | 100% |

Development Budget, Eligible Basis, and Cost Containment Standards

| Development Costs | Amount | Per Unit Amount | LIHTC Eligible Basis |
|--|--------------|-----------------|----------------------|
| Acquisition | \$300,000 | \$2,500 | \$0 |
| Predevelopment | \$1,217,710 | \$10,148 | \$1,217,710 |
| Site Development | \$0 | \$0 | \$0 |
| Hard Construction | \$21,706,928 | \$180,891 | \$21,706,928 |
| Financing | \$3,479,842 | \$28,999 | \$2,533,868 |
| Professional Fees | \$583,864 | \$4,866 | \$432,435 |
| Developer Fee | \$4,990,000 | \$41,583 | \$4,990,000 |
| OHFA and Other Fees | \$392,849 | \$3,274 | \$0 |
| Capitalized Reserves | \$5,871,038 | \$48,925 | \$0 |
| Total Development Costs (TDC) | \$38,542,231 | \$321,185 | \$30,880,941 |
| LIHTC Eligible Basis as a Percent of Total Development Costs | | | 80% |

Cost Containment Standards

| | Project | Maximum | Variance |
|---------------------------|-----------|-----------|----------|
| TDC per Unit | \$321,185 | \$400,000 | -20% |
| TDC per Gross Square Foot | \$387 | \$420 | -8% |

Maximum Permanent Debt Sizing

| | Max Loan for Stabilized Y1 | Max Loan to Stabilized Y15 |
|--------------------------------|----------------------------|----------------------------|
| Net Operating Income (NOI) | \$2,643,598 | \$2,643,598 |
| Debt Service Coverage Ratio | 1.20 | 1.00 |
| NOI Available for Debt Service | \$2,202,999 | \$2,643,598 |
| Interest Rate | 6.75% | 6.75% |
| Amortization Period (Years) | 40 | 40 |
| Loan Term (Years) | 240 | 240 |
| Maximum Perm Loan Amount | \$30,426,973 | \$36,512,368 |
| Actual Perm Loan Amount | \$25,000,000 | |
| Variance | (\$5,426,973) | |
| | Year 1 | Year 15 |
| Debt Service Coverage Ratio | 1.46 | 1.49 |
| OHFA Minimum DSCR | 1.20 | 1.00 |

Permanent Sources of Funds

| Source Name | Total | Percent of Total |
|----------------------------|--------------|------------------|
| Federal LIHTC Equity | \$13,326,881 | 35% |
| Permanent First Mortgage | \$25,000,000 | 65% |
| Deferred Developer Fee | \$215,250 | 1% |
| GP/MM Capital Contribution | \$100 | 0% |
| Total Permanent Sources | \$38,542,231 | 100% |