Silver Birch of Euclid

30. Project Summary PDF

Housing Finance Agency

Proposal Summary

4% LIHTC AAL AHFA Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Silver Birch of Euclid

Basic Project Information

Project Name:	Silver Birch of Euclid
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	27981 Euclid Avenue
Project City or Township:	Euclid
Project County:	Cuyahoga
Construction Type:	New Construction
Age Restriction:	Senior 62+
Funding Pool:	N/A
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

Project Narrative

Silver Birch of Euclid will consist of the new construction of 120 LIHTC apartments also offering optional affordable assisted living services, located at 27981 Euclid Ave., in Euclid, Cuyahoga 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	N/A
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 Euclid LLC

Site Information

Site Size (Acres)	6.7 acres
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	Metropolitan
Located in a Participating Jurisdiction (PJ)?	Yes
Located in a Qualfied Census Tract (QCT)?	Yes
Located in a Difficult Development Area (DDA)?	No
Census Tract Opportunity Index	35.22
Census Tract Change Index	26.05

Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Save A Lot	0.2
Medical Clinic	Premier Urgent Care Euclid	0.1
Childcare Facility	Mini Miracles III Learning	0.1
Senior Center	Euclid Senior Center	2.3
Pharmacy	Remedi SeniorCare	0.55
Public Library	Euclid Public Library	1.9
Public Park	Coulby Park	0.61
Public School	Euclid High School	1.87
Public Recreation Center	Euclid Rec & Wellness Center	1.54

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		
Manager's		

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%

Total Units	120	100%

Consolidated Annual Operating Budget

Operating Line Item		Annual Amount	Annual Per Unit Amount
Potential Gross Rental Income and Fee Income		$1,264,032	$10,534
Potential Gross Commercial Income		$7,046	$59
Potential Gross AAL & Service Income		$6,465,168	$53,876
Vacancy Allowance (Blended)	61%	($772,920)	($6,441)
Effective Gross Income (EGI)		$6,963,326	$58,028
Administrative Expenses		$193,808	$1,615
Property Management Fee		$57,219	$477
Owner-Paid Utility Expenses		$211,545	$1,763
Assisted Living Expenses		$3,532,221	$29,435
Maintenance Expenses		$217,410	$1,812
Real Estate Taxes		$120,000	$1,000
(Abated Real Estate Taxes)		$0	$0
Property and Liability Insurance		$46,695	$389
Other Insurance and Tax Expenses		$104,730	$873
Ongoing Reserve Contributions		$40,000	$333
(Operating Subsidy)		$0	$0
Total Annual Operating Expenses		$4,523,629	$37,697
Net Operating Income (EGI - OpEx)		$2,439,697	$20,331

Development Budget, Eligible Basis, and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	$1,650,000	$13,750	$0
Predevelopment	$899,740	$7,498	$899,740
Site Development	$2,785,352	$23,211	$2,685,352
Hard Construction	$18,954,325	$157,953	$18,954,325
Financing	$3,575,460	$29,796	$2,337,685
Professional Fees	$644,500	$5,371	$415,600
Developer Fee	$4,870,000	$40,583	$4,870,000
OHFA and Other Fees	$408,608	$3,405	$0
Capitalized Reserves	$5,030,594	$41,922	$0
Total Development Costs (TDC)	$38,818,579	$323,488	$30,162,702
LIHTC Eligible Basis as a Percent of Total Development Costs			78%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	$323,488	$400,000	-19%
TDC per Gross Square Foot	$420	$420	0%

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			$30,162,702
- Reductions in Eligible Basis			$0
= Net Eligible Basis			$30,162,702
Codified Basis Boost			$39,211,513
Adjusted Eligible Basis			$39,211,513
X Applicable Fraction			100%
Qualified Basis			$39,211,513
30% Present Value Rate			4.00%
Annual LIHTC Generated			$1,568,461
Total 10-Year LIHTC Requested	$15,684,605		
LIHTC Equity Generated	$13,016,920		
Equity Price	$0.83		

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	$2,439,697	$2,439,697
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	$2,033,081	$2,439,697
Interest Rate	6.25%	6.25%
Amortization Period (Years)	40	40
Loan Term (Years)	20	20
Maximum Perm Loan Amount	$29,841,745	$35,810,094
Actual Perm Loan Amount	$25,750,000	
Variance	($4,091,745)	

	Year 1	Year 15
Debt Service Coverage Ratio	1.39	1.34
OHFA Minimum DSCR	1.20	1.00

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	$7,821,479	20%
Construction Loan	$25,750,000	66%
Deferred Developer Fee	$51,559	0%
GP/MM Capital Contribution	$100	0%
Post-Construction Costs	$5,195,441	13%
Total Construction Sources	$38,818,579	100%

Permanent Sources of Funds

Souce Name	Total	Percent of Total
Federal LIHTC Equity	$13,016,920	34%
Permanent First Mortgage	$25,750,000	66%
Deferred Developer Fee	$51,559	0%
GP/MM Capital Contribution	$100	0%
Total Permanent Sources	$38,818,579	100%