Silver Birch of Painesville

30. Project Summary PDF

Ohio Housing Finance Agency

Proposal Summary

4% LIHTC AAL AHFA Final Application

Affordable Housing Funding Application (AHFA)

Project Name: Silver Birch of Painesville

Basic Project Information

Project Name:	Silver Birch of Painesville
OHFA Project Number:	TBD
LIHTC Type:	4%
Project Address:	located east of the intersection of Shamrock andEliz
Project City or Township:	Painesville
Project County:	Lake
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 Painesville will consist of the new construction of 120 LIHTC apartments also offering optional affordable assisted living services, located east of the intersection of Shamrock and
Elizabeth Blvds., in Painesville, Lake 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

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	Voltron Technology, 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	ARCO/Murray National Construction Company, Inc
Architect of Record	WJW Architects
Property Management Firm	Silver Birch of Painesville LLC

Site Information

Site Size (Acres)	4.9 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)?	No
Located in a Difficult Development Area (DDA)?	No
Census Tract Opportunity Index	54.51
Census Tract Change Index	49.00

Nearby Amenities

Amenity Type	Name of Amenity	Linear Distance from Proposed Project (miles)
Grocery Store	Giant Eagle	0.62
Medical Clinic	MinuteClinic at CVS	0.73
Childcare Facility	Crossroads Health	0.6
Senior Center	Lake County Connections	1.7
Pharmacy	Giant Eagle Pharmacy	0.6
Public Library	Morley Library	2.1
Public Park	Clyde C. Hadden Park	1.2
Public School	Red Raider Pre School	1
Public Recreation Center	Mentor Community Recreation	1.6

Building Square Footage Breakdown

	Size (SF)	Pct of Total
Commercial and Fee-Driven Space	396	0%
Unrestricted/Market-Rate Unit Area		
LIHTC Unit Area	53,838	58%
Manager's Unit Area		
Common Area	18,165	20%
Support and Program Space	18,325	20%
Tenant Storage Space		
Major Vertical Penetrations (Elevator/Stairs, Etc.)	2,187	2%
Structured Parking/Garage		
Basement		
Total Square Footage of all Buildings	92,911	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	96	80%	0	0%
1-BR	24	20%	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		$1,245,120	$10,376
Potential Gross Commercial Income		$7,046	$59
Potential Gross AAL & Service Income		$6,484,080	$54,034
Vacancy Allowance (Blended)	62%	($772,920)	($6,441)
Effective Gross Income (EGI)		$6,963,326	$58,028
Administrative Expenses		$193,808	$1,615
Property Management Fee		$56,362	$470
Owner-Paid Utility Expenses		$211,545	$1,763
Assisted Living Expenses		$3,533,910	$29,449
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		$104,996	$875
Ongoing Reserve Contributions		$60,000	$500
(Operating Subsidy)		$0	$0
Total Annual Operating Expenses		$4,544,727	$37,873
Net Operating Income (EGI - OpEx)		$2,418,599	$20,155

Development Budget, Eligible Basis, and Cost Containment Standards

Development Costs	Amount	Per Unit Amount	LIHTC Eligible Basis
Acquisition	$1,500,000	$12,500	$0
Predevelopment	$848,756	$7,073	$848,756
Site Development	$1,358,940	$11,325	$1,205,268
Hard Construction	$19,399,860	$161,665	$19,399,860
Financing	$3,793,856	$31,615	$2,570,235
Professional Fees	$631,604	$5,263	$417,706
Developer Fee	$4,700,000	$39,167	$4,700,000
OHFA and Other Fees	$384,441	$3,204	$0
Capitalized Reserves	$5,036,730	$41,973	$0
Total Development Costs (TDC)	$37,654,187	$313,785	$29,141,824
LIHTC Eligible Basis as a Percent of Total Development Costs			77%

Cost Containment Standards	Project	Maximum	Variance
TDC per Unit	$313,785	$400,000	-22%
TDC per Gross Square Foot	$405	$420	-4%

LIHTC Calculation

	Acquisition	Rehabilitation	New Construction
LIHTC Eligible Basis			$29,141,824
- Reductions in Eligible Basis			$0
= Net Eligible Basis			$29,141,824
Codified Basis Boost			$29,141,824
Adjusted Eligible Basis			$29,141,824
X Applicable Fraction			100%
Qualified Basis			$29,141,824
30% Present Value Rate			4.00%
Annual LIHTC Generated			$1,165,673
Total 10-Year LIHTC Requested	$11,656,730		
LIHTC Equity Generated	$9,674,118		
Equity Price	$0.83		

Maximum Permanent Debt Sizing

	Max Loan for Stabilized Y1	Max Loan to Stabilized Y15
Net Operating Income (NOI)	$2,418,599	$2,418,599
Debt Service Coverage Ratio	1.20	1.00
NOI Available for Debt Service	$2,015,499	$2,418,599
Interest Rate	6.25%	6.25%
Amortization Period (Years)	35.8	35.8
Loan Term (Years)	20	20
Maximum Perm Loan Amount	$28,786,279	$34,543,535
Actual Perm Loan Amount	$26,250,000	
Variance	($2,536,279)	

	Year 1	Year 15
Debt Service Coverage Ratio	1.27	1.30
OHFA Minimum DSCR	1.20	1.00

Construction Sources of Funds

Construction Sources	Amount	Percent of Total
Federal LIHTC Equity	$6,458,734	17%
Construction Loan	$25,750,000	68%
Deferred Developer Fee	$1,729,969	5%
GP/MM Capital Contribution	$100	0%
Post-Construction Costs	$3,215,384	9%
Taxable Bonds shown as Perm S	$500,000	1%
Total Construction Sources	$37,654,187	100%

Permanent Sources of Funds

Souce Name	Total	Percent of Total
Federal LIHTC Equity	$9,674,118	26%
Permanent First Mortgage	$25,750,000	68%
Permanent Second Mortgage	$500,000	1%
Deferred Developer Fee	$1,729,969	5%
GP/MM Capital Contribution	$100	0%
Total Permanent Sources	$37,654,187	100%