

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

A G E N D A

January 23, 2020

**735 East Michigan Avenue, Lansing, Michigan
3028 W. Grand Blvd., Suite 4-602, Detroit Michigan
10:00 a.m.**

Roll Call:

Public Comments:

Remarks:

Chairperson
Executive Director

Voting Issues:

Tab A Approval of Agenda

CONSENT AGENDA ITEMS

Consent Agenda *(Tabs B through D are Consent Agenda items. They are considered routine and are to be voted on as a single item by the Authority. There will be no separate discussion of these Tabs; any Authority member, however, may remove any Tab or Tabs from the Consent Agenda prior to the vote by notifying the Chair. The remaining Tabs will then be considered on the Consent Agenda. Tabs removed from the Consent Agenda will be discussed individually.)*

Tab B Minutes – December 12, 2019

Tab C Amended and Restated Resolution Authorizing Signatories

Tab D Resolution Authorizing Prequalified Environmental Consultants

REGULAR VOTING ITEMS

Tab E Resolution Authorizing Sale of Development and Assumption of Mortgage Loans, Harbour Pointe, MSHDA Development No. 1012, City of Montague, Muskegon County

Tab F Resolution Authorizing Mortgage Loans, Edgewood Village Apartments, MSHDA Development No. 83-2, Charter Township of Meridian, Ingham County

Tab G Michigan State Housing Development Authority Resolution Declaring Official Intent to Reimburse Expenditures for Financing and Purchasing Mortgage Loans

Closed Session

None.

Discussion Issues:

None.

Reports:

Tab 1 Financial Report - Quarter and Year to Date Ended September 30, 2019

Tab 2 Hardest Hit Report

Tab 3 Current and Historical Homeownership Data

Tab 4 Homeownership Production Report

Tab 5 Delegated Action Reports

**Michigan State Housing Development Authority
Minutes of Authority Meeting
December 12, 2019**

AUTHORITY MEMBERS PRESENT (Lansing):

Regina Bell
Jeff Donofrio
Carl English
Rachael Eubanks
Jennifer Grau
Jeff Mason
Deb Muchmore
Tyrone Hamilton

AUTHORITY MEMBERS ABSENT:

None

OTHERS PRESENT (Lansing/Detroit):

Gary Heidel, Acting Executive Director
Maria Ostrander, Executive
Mary Cook, Executive
Clarence Stone, Legal Affairs
Will Moseng, Legal Affairs
Lisa Ward, Legal Affairs
Rick Norton, Legal Affairs
Jeffrey Sykes, Finance
Troy Thelen, Asset Management
John Hundt, Rental Development
Teena Briggs, Finance
Cassandra Brown, Compliance Monitoring
Nate Thelen, Compliance Monitoring
Eric Jamison, Office of the Attorney General
Mike Fobbe, Office of the Attorney General
Ron Farnum, Office of the Attorney General
Kelly Rose, Rental Assistance and Homeless Solutions
Troy Thelen, Asset Management
Jennifer Ferguson, Office of Employee Services
Anthony Spagnuolo, Office of Employee Services
Katie Bach, Communications
Lori Fedewa, Human Resources
Amber Martin, Human Resources
Lindsey Schmitt, Human Resources
Chris Hall, Information Technology
Jonathan Hilliker, Executive
Jennifer Edmonds, Auditing, Compliance and Fraud Investigation
Mary Townley, Homeownership
Mike Witt, Rental Development
Dace Koenigsknecht, Information Technology
Gary Scheuren, Contractor for Inner City Christian Federation
Burney Johnson, Executive
Tim Rittenhouse, CSG Advisors

Michele Oberholtzer, United Community Housing Coalition
Valerie Buford

Chairperson Jeff Donofrio opened the meeting at 10:02 a.m. Public Comments commenced as follows:

In Detroit, Ms. Valerie Buford expressed concern with the condition of her home that was bought through the Key to Own Homeownership Program. Ms. Kelly Rose of Rental Assistance and Homeless Solutions confirmed that staff was aware of Ms. Buford's concerns and was working towards a solution. Mr. Donofrio asked that Gary Heidel, Acting Executive Director, and Mary Townley of Homeownership follow up with Ms. Buford directly. Mr. Donofrio asked that Authority members be kept up to date on the status of Ms. Buford's case.

Ms. Michelle Oberholtzer from United Community Housing Coalition was also present in Detroit to support the Hardest Hit Program. She asked that the Authority continue using those funds to help homeowners avoid foreclosure.

Following public comments, Mr. Donofrio provided an update on the search for a permanent Executive Director. He then turned the meeting over to Acting Executive Director Gary Heidel for the Executive Director's Report.

Executive Director's Report

Mr. Heidel provided an update on Authority accomplishments during 2019. He reported on the following programs: MI Home Loan, MI Home Flex Loan, Mortgage Credit Certificate Program, Step Forward Michigan, Housing Education, and the Neighborhood Enhancement Program. He also noted accomplishments in the areas of Direct Lending, Bond Financing and Gap Financing, as well as the Low Income Housing Tax Credit Program.

Following Mr. Heidel's presentation, Ms. Regina Bell asked whether there was a role for the Authority in the tax foreclosure crisis. Discussion on the Authority's role, including the Hardest Hit Program, ensued.

Ms. Jennifer Grau asked that Mr. Heidel provide an update on the MSHDA Modular Program next year. She also requested additional information on neighborhood improvement projects, including the number of applications, as well as the number and dollar amounts of awards issued.

Next, Mr. Jeff Sykes, Chief Financial Officer, presented an overview of the Authority's finances. Mr. Sykes reviewed several aspects of the Authority's unaudited and audited financial reports, which were provided in the Board Docket. Ms. Rachael Eubanks had questions regarding hedging derivatives and interest rate swaps. Mr. Sykes provided additional commentary and answered those questions.

Mr. Donofrio asked whether the financial reports are reviewed by the Audit, Review and Risk Management Committee before they are presented to the entire Board. Mr. Heidel responded affirmatively.

Ms. Bell asked whether the Authority was working towards a specific monetary goal. Mr. Sykes responded that at this point the Authority seeks to grow its portfolio as much as possible to fulfill its mission.

Mr. Sykes further noted that Authority members received copies of Post-Sale Reports prepared by the Authority's Financial Advisor, Tim Rittenhouse, who was present at the meeting. Ms. Eubanks questioned a difference in the pricing from March to October and a discussion ensued between Ms. Eubanks, Mr. Sykes and Mr. Rittenhouse. Ms. Eubanks asked that that time period in question be examined further to understand what may have caused the difference; Mr. Sykes will review and provide a response.

Voting Issues:

Agenda (Tab A): Mr. Donofrio requested a motion to approve the agenda. Deb Muchmore moved approval of the agenda. Regina Bell supported. The agenda was unanimously approved.

Consent Agenda (Tabs B-E) Deb Muchmore moved approval of the consent agenda. Jeff Mason supported. The consent agenda was approved. The consent agenda included the following items:

Tab B Minutes – October 24, 2019

Tab C Resolution Authorizing 2020 Authority Meeting Schedule

Tab D Resolution Authorizing Transfer of Partnership Interests, Carriage Town Square Apartments, MSHDA Development No. 1410, City of Flint, Genesee County

Tab E Resolution Authorizing Partial Settlement, Payment to Plaintiff, and Execution of Documents for Partial Settlement, Release and Waiver of Claims in ADR Consultants, LLC v Michigan Land Bank and Michigan State Housing Development Authority

REGULAR VOTING ITEMS

Resolution Determining Mortgage Loan Feasibility, Eastern Elementary, MSHDA Development No. 3881, City of Grand Rapids, Kent County and Resolution Authorizing Mortgage Loans, Eastern Elementary, MSHDA Development No. 3881, City of Grand Rapids, Kent County (Tab F) was presented by John Hundt of Rental Development. Mr. Hundt reviewed the business aspects as detailed in the accompanying documents. He observed that the development will also be receiving assistance from the Michigan Strategic Fund (MSF) and the City of Grand Rapids.

Following his presentation, Mr. Donofrio asked Mr. Mason if he would like to add anything on behalf of the MEDC. Mr. Mason expressed support for the project.

Ms. Grau asked if the deal was reviewed by the State Historic Preservation Office and whether the windows on the building would be restored. Gary Scheuren, a consultant for the Inner-City Christian Federation, responded affirmatively.

Ms. Bell asked how the Authority expects to measure success with this deal. Additionally, she questioned what is being done to ensure transactions such as this are noticed at a national level. Mr. Hundt, Mr. Heidel and Mr. Sykes all responded with additional commentary.

Conversation continued between Ms. Grau, Mr. Heidel, and Mr. Donofrio concerning the Authority's strategic plan. Mr. Heidel mentioned that he will be engaging Authority members to talk about these strategic measures. Mr. Donofrio asked to make sure that Authority members all receive a copy of the Department of Labor and Economic Opportunity's strategic plan.

Mr. Donofrio requested a motion to approve the resolutions. Regina Bell moved approval of the resolutions. Carl English supported. The resolutions were approved.

Resolution Approving Single Family Loan Subservicing Professional Services Contract Extension (Tab G) was presented by Teena Briggs of Finance. Ms. Briggs reviewed the business aspects of the resolution as detailed in the accompanying documents.

Ms. Eubanks raised a question on the lack of bids received during the last Request for Proposal in 2016. Ms. Briggs responded and confirmed for Mr. Donofrio that the contractor has met all requisite performance metrics.

Rachael Eubanks moved approval of the resolution. Jennifer Grau supported. The resolution was approved.

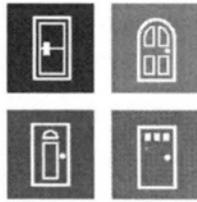
Resolution Authorizing Contract Extensions for Inspection Services with HCS Michigan Inc. (f/k/a Housing Compliance Specialists) and The Inspection Group, Inc. (Tab H) was presented by Cassandra Brown of Compliance Monitoring. She was joined by Nathan Thelen, also of Compliance Monitoring. Ms. Brown reviewed the business aspects of the resolutions as detailed in the accompanying documents. She also confirmed that the contractor was meeting the requisite performance metrics and that it was anticipated they would continue doing so.

Jeff Mason moved approval of the resolution. Tyrone Hamilton supported. The resolution was approved.

Mr. Donofrio noted that the following reports were included for information: Financial Reports, Financial Summary and Audited Financial Report (**Tab 1**), Hardest Hit Report (**Tab 2**), Current and Historical Homeownership Data (**Tab 3**) and Homeownership Production Report (**Tab 4**).

There being no further business, Mr. Donofrio requested a motion to adjourn. Deb Muchmore moved to adjourn. Tyrone Hamilton supported the motion, and it was unanimously approved and accepted. The meeting adjourned at 11:22 a.m.





MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Gary Heidel, Acting Executive Director 

DATE: January 23, 2020

RE: Amended and Restated Resolution Authorizing Signatories

Recommendation:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt the attached Amended and Restated Resolution Authorizing Signatories ("Signatory Resolution").

Executive Summary:

The Signatory Resolution designates the Authority officers who are authorized to sign documents on behalf of the Authority. This amendment authorizes single family underwriters to sign single family loan commitments, removes the Historic Preservation Programs signing authority and updates construction signing authority.

Issues, Policy Considerations, and Related Actions:

None.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**AMENDED AND RESTATED
RESOLUTION AUTHORIZING SIGNATORIES**

JANUARY 23, 2020~~April 26, 2017~~

WHEREAS, Section 21 of Public Act No. 346 of the Public Acts of 1966, as amended (the "Act"), provides that the Michigan State Housing Development Authority (the "Authority") may delegate to one or more agents or employees those powers or duties as the Authority considers proper; and

WHEREAS, the Authority has from time to time adopted resolutions authorizing certain officers and employees to execute documents on behalf of the Authority (hereafter "Signatory Resolutions"); and

WHEREAS, the **ACTING** Executive Director has recommended that the "Amended and Restated Resolution Authorizing Signatories, adopted by the Authority on **APRIL 26, 2017**~~January 25, 2017~~, be further amended; and

WHEREAS, the Authority concurs in the recommendation of the **ACTING** Executive Director.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. Authorized Officers. The Executive Director, Chief of Staff, Chief Housing Investment Officer, Chief Housing Solutions Officer, Chief Financial Officer (formerly, the Director of Finance), Deputy Director of Finance, Director of Legal Affairs, Deputy Director of Legal Affairs, together with any person duly appointed and acting in such capacity, or any of them, are designated Authorized Officers of the Authority. Any one of the Authorized Officers shall have the power and right to approve, give notice of or act on behalf of the Authority in accordance with the provisions of mortgages, notes, contracts, agreements, certificates, exhibits and other documents and amendments thereto executed on behalf of the Authority.

2. Multi-Family Developments. (a) The Authorized Officers, the Director of Development, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits and other documents, and amendments or modifications thereto, or releases or discharges therefrom, which from time to time may be necessary or required in connection with Authority-authorized Multi-Family mortgage loans.

(b) Pursuant to Rule 143 of the Authority's General Rules, the Authorized Officers, or any one of them, be and they are hereby authorized to execute mortgage loan commitments on behalf of the Authority.

3. Low Income Housing Tax Credits. The Authorized Officers, the Director of

Development, the Director of Asset Management, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits and other documents, and amendments or modifications thereto, or releases or discharges therefrom, which from time to time may be necessary or required in connection with the Authority's Low Income Housing Tax Credit Program.

4. Single-Family Programs; Property Improvement. (a) The Authorized Officers, the Director of Homeownership, the Marketing Manager of Homeownership, and the Manager of Homeownership Operation, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all commitments, contracts, certificates, agreements, exhibits, and other documents, and amendments thereto, which from time to time may be necessary or required in connection with the programs administered by the Authority's Homeownership Division including, but not limited to, the Single-Family Loan Program, Mortgage-backed Security Program and Mortgage Credit Certificate Program.

(b) The Authorized Officers, the Director of Homeownership, the Marketing Manager of Homeownership, the Manager of Homeownership Operation, the Manager - Audit, Single Family and Multi-Family Mortgage Servicing, together with any person duly appointed and acting in such capacity, or any one of them, are authorized to approve or consent to modifications of Authority mortgages for single family mortgage loans, or agreements related to such mortgage loans, and to execute any and all documents necessary to effectuate such modifications or agreements, in situations where they individually determine that such modification shall not detrimentally affect the Bondholders, or in other situations, provided that the mortgagor shall remain obligated to repay the mortgage loan in sufficient amounts to comply with the provisions of the applicable Bond Resolution.

(c) The Authorized Officers, the Director of Homeownership, the Marketing Manager of Homeownership, the Manager of Homeownership Operation, the Manager – Audit, Single Family and Multi-Family Mortgage Servicing, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver documents including, but not limited to, deeds, land contracts, and discharges of mortgages relative to the assignment, pay off, termination, or foreclosure of single family mortgages, or to the disposition of single family houses acquired by the Authority.

(d) The Authorized Officers, the Director of Homeownership, the Marketing Manager of Homeownership, the Manager of Homeownership Operation, the Manager - Audit, Single Family and Multi-Family Mortgage Servicing, together with any person duly appointed and acting in such capacity, or any one of them, are authorized to approve agreements with lenders and servicers to originate or service single family mortgage loans, or both.

(e) The Authorized Officers, the Director of Homeownership, the Marketing Manager of Homeownership, and the Manager of Homeownership Operation, together with any person duly appointed and acting in such capacity, or any one of them are hereby authorized to execute and deliver on behalf of the authority any and all commitments, contracts, certificates, agreements, exhibits, and other documents, and amendments thereto, which from time to time may be necessary or required in connection with the Authority's property improvement program.

(f) The Authorized Officers, the Director of Homeownership, the Marketing

Manager of Homeownership, and the Manager of Homeownership Operation, together with any person duly appointed and acting in such capacity, or any one of them, are hereby individually authorized to execute on behalf of the authority any and all agreements, claims, discharges, assignments, certificates, modifications and other documents which from time to time may be necessary or required in connection with the servicing of the Authority's property improvement program.

5. Land Acquisition and Development Fund. The Authorized Officers, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all agreements, contracts, certificates, exhibits and other documents and amendments thereto, which from time to time may be necessary or required in connection with authorized uses of the land acquisition and development fund.

6. Housing Development Fund; State and Federal Funds; Emergency Solutions Grants; Historic Preservation Programs.

(a) The Authorized Officers, and the Director of Housing Initiatives, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits, and other documents and amendments thereto, which from time to time may be necessary or required in connection with Authority development fund loans, development fund grants, and federal and state funded grants and loans.

(b) The Authorized Officers, together with any person duly appointed and acting in such capacity, or any one of them, are hereby individually authorized to execute on behalf of the Authority any and all agreements, claims, discharges, assignments, certificates, modifications and other documents which from time to time may be necessary or required in connection with the servicing of the Authority's Revitalife Program.

(c) The Authorized Officers, the Director of Rental Assistance and Homeless Solutions, the Homeless Programs Manager, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits, and other documents and amendments thereto, which from time to time may be necessary or required in connection with emergency solutions grants, funds authorized by the McKinney-Vento Homeless Assistance Act, and the HOME program.

~~(d) The Authorized Officers and the State Historic Preservation Officer, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits, grants, determinations and other documents and amendments thereto, which from time to time may be necessary or permitted in connection with the Authority's duties and obligations relating to historic preservation that are not otherwise reserved to the State Historic Preservation Officer or the Historic Preservation Review Board. In addition, the Authorized Officers, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any appeal decisions or proposals for decisions in connection with the Authority's duties and obligations relating to historic preservation.~~

7. Contract Administration Program. The Authorized Officers, the Director of Asset Management, the Manager, Federal Contract Administration, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits and other documents which from time to time may be necessary or required by the US Department of Housing and Urban Development (“HUD”) in connection with the Contract Administration programs.

8. Multi-Family Loan Commitments Under \$250,000. Pursuant to Rule 143 of the Authority's General Rules, the Executive Director is authorized to issue the Authority's mortgage loan commitments for mortgage loans having principal amounts less than \$250,000. In addition, the Authorized Officers, or any one of them, are authorized to issue on behalf of the Authority, without further Authority action, mortgage loan commitments for such loans. Provided, however, that the Executive Director or other Authorized Officer determines that each applicant is an eligible applicant and that each application is consistent with applicable Authority processing and underwriting procedures and guidelines. Each mortgage loan commitment shall contain such terms, conditions and requirements as may be deemed appropriate by an Authorized Officer.

9. Approval of Documents of Organization. Pursuant to Rule 123 of the Authority's General Rules which empowers the Authority to authorize by resolution Authority employees in addition to the Executive Director to consent to or approve proposed corporate and partnership qualification documents, the Authority hereby authorizes the Director of Legal Affairs or Deputy Director of Legal Affairs, together with any person duly appointed and acting in such capacity, to consent to or approve on behalf of the Authority proposed Articles of Incorporation, Amendments thereto, Articles of Organization, Operating Agreements, Certificates of Partnership, Partnership Agreements, and Amendments to any of the preceding, provided that they fully comply with the requirements of the Act.

10. Financial Matters. The Authorized Officers, or any one of them, are hereby individually authorized:

(a) to release from safekeeping, deliver, sell, redeem, exchange or otherwise dispose of, securities held by financial institutions on behalf of the Authority as collateral to secure investments of the Authority when the Authority's interest in the particular collateral is terminated or modified;

(b) to execute drafts or payment vouchers on letters of credit;

(c) to execute and deliver any and all contracts, agreements, certificates, exhibits, and other documents and amendments thereto which from time to time may be necessary or required in connection with the sale, delivery, purchase, redemption, and ongoing administration of the Authority's notes and bonds; and

(d) to authorize a paying agent of an Authority obligation to make payment of matured interest coupons lost, destroyed, or wrongfully taken upon the receipt of indemnification satisfactory to the paying agent.

11. Environmental Review. The Executive Director and the Director of Development are each authorized to prepare and execute all documents related to the Environmental Review

Record and to certify compliance with the National Environmental Policy Act and other requisite environmental Federal Laws.

12. Authorization Accorded Various Positions. The following members of the Authority Staff named or holding the positions noted hereafter, together with any person duly appointed and acting in such capacity, or their supervisor(s) are individually authorized to execute on behalf of the Authority the following documents or communications:

Director of Development

Chief Architect

- Change Orders

Chief Architect

Staff Architect

- Approval of Plans and Specifications
- Permission To Occupy

Physical Portfolio Manager

Costing Engineer

Chief Architect

- Trade Payment Breakdown

CHIEF CONSTRUCTION MANAGER~~Manager of EEO and Construction Disbursements~~

- Approval of Draw Request (as to percent of work completed)
- Approval or Rejection of Contractor's Equal Employment Opportunity Plans
- Letters of Approval or Rejection of Subcontractors on the Basis of Equal Opportunity Performance

Construction Specialist

- Punchlist

Equal Opportunity Officer

- Approval or Rejection of Affirmative Fair Housing Marketing Plans

Director of Rental Assistance and Homeless Solutions, or Rental Assistance and Homeless Solution Operations Manager

- Agreements and Certificates required by HUD in connection with Federal Programs administered by the Authority's Office of Rental Assistance and Homeless Solutions
- All agreements and certifications required in connection with the administration of the Housing Choice Voucher Program

Director of Asset Management

- Agreements and Certificates required by HUD in connection with the management of housing developments financed under the Section 8 New Construction Housing Program
- Management Agreements and Marketing Agreements
- Management Agent Qualification Approvals

SINGLE FAMILY UNDERWRITER
- SINGLE FAMILY MORTGAGE LOAN COMMITMENTS

13. The Authorized Officers and any person authorized to execute any document by this resolution may execute any such document electronically, if electronic signature of such document shall otherwise be valid.

14. This Resolution amends and restates the Authority's **APRIL 26, 2017** ~~January 25, 2017~~ Resolution entitled "Amended and Restated Resolution Authorizing Signatories." All other resolutions specifically authorizing signatories which have not been previously repealed, superseded, or modified remain in full force and effect. This Resolution shall take immediate effect.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**AMENDED AND RESTATED
RESOLUTION AUTHORIZING SIGNATORIES**

January 23, 2020

WHEREAS, Section 21 of Public Act No. 346 of the Public Acts of 1966, as amended (the "Act"), provides that the Michigan State Housing Development Authority (the "Authority") may delegate to one or more agents or employees those powers or duties as the Authority considers proper; and

WHEREAS, the Authority has from time to time adopted resolutions authorizing certain officers and employees to execute documents on behalf of the Authority (hereafter "Signatory Resolutions"); and

WHEREAS, the Acting Executive Director has recommended that the "Amended and Restated Resolution Authorizing Signatories, adopted by the Authority on April 26, 2017, be further amended; and

WHEREAS, the Authority concurs in the recommendation of the Acting Executive Director.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. Authorized Officers. The Executive Director, Chief of Staff, Chief Housing Investment Officer, Chief Housing Solutions Officer, Chief Financial Officer (formerly, the Director of Finance), Deputy Director of Finance, Director of Legal Affairs, Deputy Director of Legal Affairs, together with any person duly appointed and acting in such capacity, or any of them, are designated Authorized Officers of the Authority. Any one of the Authorized Officers shall have the power and right to approve, give notice of or act on behalf of the Authority in accordance with the provisions of mortgages, notes, contracts, agreements, certificates, exhibits and other documents and amendments thereto executed on behalf of the Authority.

2. Multi-Family Developments. (a) The Authorized Officers, the Director of Development, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits and other documents, and amendments or modifications thereto, or releases or discharges therefrom, which from time to time may be necessary or required in connection with Authority-authorized Multi-Family mortgage loans.

(b) Pursuant to Rule 143 of the Authority's General Rules, the Authorized Officers, or any one of them, be and they are hereby authorized to execute mortgage loan commitments on behalf of the Authority.

3. Low Income Housing Tax Credits. The Authorized Officers, the Director of Development, the Director of Asset Management, or any one of them, are hereby authorized to

execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits and other documents, and amendments or modifications thereto, or releases or discharges therefrom, which from time to time may be necessary or required in connection with the Authority's Low Income Housing Tax Credit Program.

4. Single-Family Programs; Property Improvement. (a) The Authorized Officers, the Director of Homeownership, the Marketing Manager of Homeownership, and the Manager of Homeownership Operation, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all commitments, contracts, certificates, agreements, exhibits, and other documents, and amendments thereto, which from time to time may be necessary or required in connection with the programs administered by the Authority's Homeownership Division including, but not limited to, the Single-Family Loan Program, Mortgage-backed Security Program and Mortgage Credit Certificate Program.

(b) The Authorized Officers, the Director of Homeownership, the Marketing Manager of Homeownership, the Manager of Homeownership Operation, the Manager - Audit, Single Family and Multi-Family Mortgage Servicing, together with any person duly appointed and acting in such capacity, or any one of them, are authorized to approve or consent to modifications of Authority mortgages for single family mortgage loans, or agreements related to such mortgage loans, and to execute any and all documents necessary to effectuate such modifications or agreements, in situations where they individually determine that such modification shall not detrimentally affect the Bondholders, or in other situations, provided that the mortgagor shall remain obligated to repay the mortgage loan in sufficient amounts to comply with the provisions of the applicable Bond Resolution.

(c) The Authorized Officers, the Director of Homeownership, the Marketing Manager of Homeownership, the Manager of Homeownership Operation, the Manager – Audit, Single Family and Multi-Family Mortgage Servicing, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver documents including, but not limited to, deeds, land contracts, and discharges of mortgages relative to the assignment, pay off, termination, or foreclosure of single family mortgages, or to the disposition of single family houses acquired by the Authority.

(d) The Authorized Officers, the Director of Homeownership, the Marketing Manager of Homeownership, the Manager of Homeownership Operation, the Manager - Audit, Single Family and Multi-Family Mortgage Servicing, together with any person duly appointed and acting in such capacity, or any one of them, are authorized to approve agreements with lenders and servicers to originate or service single family mortgage loans, or both.

(e) The Authorized Officers, the Director of Homeownership, the Marketing Manager of Homeownership, and the Manager of Homeownership Operation, together with any person duly appointed and acting in such capacity, or any one of them are hereby authorized to execute and deliver on behalf of the authority any and all commitments, contracts, certificates, agreements, exhibits, and other documents, and amendments thereto, which from time to time may be necessary or required in connection with the Authority's property improvement program.

(f) The Authorized Officers, the Director of Homeownership, the Marketing Manager of Homeownership, and the Manager of Homeownership Operation, together with any

person duly appointed and acting in such capacity, or any one of them, are hereby individually authorized to execute on behalf of the authority any and all agreements, claims, discharges, assignments, certificates, modifications and other documents which from time to time may be necessary or required in connection with the servicing of the Authority's property improvement program.

5. Land Acquisition and Development Fund. The Authorized Officers, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all agreements, contracts, certificates, exhibits and other documents and amendments thereto, which from time to time may be necessary or required in connection with authorized uses of the land acquisition and development fund.

6. Housing Development Fund; State and Federal Funds; Emergency Solutions Grants.

(a) The Authorized Officers, and the Director of Housing Initiatives, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits, and other documents and amendments thereto, which from time to time may be necessary or required in connection with Authority development fund loans, development fund grants, and federal and state funded grants and loans.

(b) The Authorized Officers, together with any person duly appointed and acting in such capacity, or any one of them, are hereby individually authorized to execute on behalf of the Authority any and all agreements, claims, discharges, assignments, certificates, modifications and other documents which from time to time may be necessary or required in connection with the servicing of the Authority's Revitalife Program.

(c) The Authorized Officers, the Director of Rental Assistance and Homeless Solutions, the Homeless Programs Manager, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits, and other documents and amendments thereto, which from time to time may be necessary or required in connection with emergency solutions grants, funds authorized by the McKinney-Vento Homeless Assistance Act, and the HOME program.

7. Contract Administration Program. The Authorized Officers, the Director of Asset Management, the Manager, Federal Contract Administration, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits and other documents which from time to time may be necessary or required by the US Department of Housing and Urban Development ("HUD") in connection with the Contract Administration programs.

8. Multi-Family Loan Commitments Under \$250,000. Pursuant to Rule 143 of the Authority's General Rules, the Executive Director is authorized to issue the Authority's mortgage loan commitments for mortgage loans having principal amounts less than \$250,000. In addition, the Authorized Officers, or any one of them, are authorized to issue on behalf of the Authority, without further Authority action, mortgage loan commitments for such loans. Provided, however,

that the Executive Director or other Authorized Officer determines that each applicant is an eligible applicant and that each application is consistent with applicable Authority processing and underwriting procedures and guidelines. Each mortgage loan commitment shall contain such terms, conditions and requirements as may be deemed appropriate by an Authorized Officer.

9. Approval of Documents of Organization. Pursuant to Rule 123 of the Authority's General Rules which empowers the Authority to authorize by resolution Authority employees in addition to the Executive Director to consent to or approve proposed corporate and partnership qualification documents, the Authority hereby authorizes the Director of Legal Affairs or Deputy Director of Legal Affairs, together with any person duly appointed and acting in such capacity, to consent to or approve on behalf of the Authority proposed Articles of Incorporation, Amendments thereto, Articles of Organization, Operating Agreements, Certificates of Partnership, Partnership Agreements, and Amendments to any of the preceding, provided that they fully comply with the requirements of the Act.

10. Financial Matters. The Authorized Officers, or any one of them, are hereby individually authorized:

(a) to release from safekeeping, deliver, sell, redeem, exchange or otherwise dispose of, securities held by financial institutions on behalf of the Authority as collateral to secure investments of the Authority when the Authority's interest in the particular collateral is terminated or modified;

(b) to execute drafts or payment vouchers on letters of credit;

(c) to execute and deliver any and all contracts, agreements, certificates, exhibits, and other documents and amendments thereto which from time to time may be necessary or required in connection with the sale, delivery, purchase, redemption, and ongoing administration of the Authority's notes and bonds; and

(d) to authorize a paying agent of an Authority obligation to make payment of matured interest coupons lost, destroyed, or wrongfully taken upon the receipt of indemnification satisfactory to the paying agent.

11. Environmental Review. The Executive Director and the Director of Development are each authorized to prepare and execute all documents related to the Environmental Review Record and to certify compliance with the National Environmental Policy Act and other requisite environmental Federal Laws.

12. Authorization Accorded Various Positions. The following members of the Authority Staff named or holding the positions noted hereafter, together with any person duly appointed and acting in such capacity, or their supervisor(s) are individually authorized to execute on behalf of the Authority the following documents or communications:

Director of Development
Chief Architect
- Change Orders

Chief Architect

Staff Architect

- Approval of Plans and Specifications
- Permission To Occupy

Physical Portfolio Manager

Costing Engineer

Chief Architect

- Trade Payment Breakdown

Chief Construction Manager

- Approval of Draw Request (as to percent of work completed)
- Approval or Rejection of Contractor's Equal Employment Opportunity Plans
- Letters of Approval or Rejection of Subcontractors on the Basis of Equal Opportunity Performance

Construction Specialist

- Punchlist

Equal Opportunity Officer

- Approval or Rejection of Affirmative Fair Housing Marketing Plans

Director of Rental Assistance and Homeless Solutions, or Rental Assistance and Homeless Solution Operations Manager

- Agreements and Certificates required by HUD in connection with Federal Programs administered by the Authority's Office of Rental Assistance and Homeless Solutions
- All agreements and certifications required in connection with the administration of the Housing Choice Voucher Program

Director of Asset Management

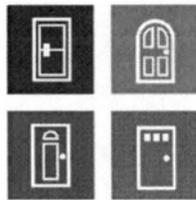
- Agreements and Certificates required by HUD in connection with the management of housing developments financed under the Section 8 New Construction Housing Program
- Management Agreements and Marketing Agreements
- Management Agent Qualification Approvals

Single Family Underwriter

- Single Family Mortgage Loan Commitments

13. The Authorized Officers and any person authorized to execute any document by this resolution may execute any such document electronically, if electronic signature of such document shall otherwise be valid.

14. This Resolution amends and restates the Authority's April 26, 2017 Resolution entitled "Amended and Restated Resolution Authorizing Signatories." All other resolutions specifically authorizing signatories which have not been previously repealed, superseded, or modified remain in full force and effect. This Resolution shall take immediate effect.



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Gary Heidel, Acting Executive Director 

DATE: January 23, 2020

RE: Placing Firms on the Prequalified Environmental Consultant Lists

Recommendation:

I recommend that the Michigan State Housing Development Authority (the "Authority") approve and make final the Group A, Group B and Group B(p) firm selections detailed below.

Executive Summary:

On October 1, 2019, the Authority issued a Request for Qualifications ("RFQ") to environmental consulting firms. Selected firms will be placed on the Authority's prequalified consultant list to provide "Group A" and/or "Group B" services:

Group A:

1. American Society for Testing and Materials (ASTM) Phase I and Phase II Environmental Site Assessments (ESAs), Phase III/IV remedial investigation and site clean-up, including, where appropriate, non-scope items per most recent Authority Environmental Review Requirements, incorporated and attached.
2. Baseline Environmental Assessments (BEAs).
3. Response Activity Plans and Due Care Compliance Analyses.
4. Lead-based paint investigations (current state certifications required).
5. NESHAP-compliant Asbestos Containing Material assessments (current state licensure required).
6. Technical Assistance relating to items #1-5, above.

Group B: Gathering data for and preparing National Environmental Protection Act ("NEPA") study and statutory compliance report for compliance with HUD funded projects (24 CFR Part 58).

Included in this RFQ, as was done in 2016, is a Probationary Group B status (Group B(p)), which allowed firms to apply for Group B work even though they may not yet have the full qualifications and experience to conduct this work independent of additional input from the Authority. Probationary Group B(p) Consultants commit to NEPA training for staff. They will be limited to one NEPA report per project for each Rental Development NOFA funding round and after three rounds of satisfactory performance will be elevated to full Group B status.

The prequalified list is used by the Authority to select firms to perform Group A or Group B services for the Rental Development Division. Such work most commonly includes conducting Phase I and Phase II Environmental Site Assessments or NEPA Statutory Compliance reports. Sponsors and others within the development community also use the prequalified list to select firms to conduct their own environmental services for projects that come into the Rental Development Division. Sponsors are not limited to selecting firms on the prequalified list for Group A services. Any qualified firm may be chosen to conduct Group A-related services. However, for NEPA Statutory Compliance reports, sponsors must select a firm from the Group B/B(p) list.

The RFQ was posted online on the Authority's website since January 2019, several months in advance of the RFQ start. Notice was also emailed to all firms currently on the MSHDA prequalified list from 2016 as well as other consultants who expressed interest or whose contact information was on file with the Authority's Environmental staff.

Twenty-seven (27) proposals were received in total, with 27 firms applying for Group A, 13 firms applying for Group B and 3 applying for Group B(p). Each proposal was scored by a four-person panel, which consisted of two environmental staff, one Authority Procurement Office staff, and one Housing Development Officer. This process resulted in the selection of the following prequalified firms for the Authority's approval:

Group-A Firm Name
AKT Peerless
ASTI Environmental
ATC Environmental
Dixon Environmental Consulting
EMES Consulting, LLC
Envirologic Technologies
Environmental Consulting Solutions
Environmental Resources Group
Grand Environmental
PM Environmental
SES Environmental
Soil & Materials Engineers, Inc.
Testing Engineers & Consultants, Inc.
Tri-Terra Environmental Solutions
U.P. Engineers & Architects

Group-B Firm Name
AKT Peerless
ASTI Environmental
EMES Consulting, LLC
Environmental Consulting Solutions
Grand Environmental
Partner Environmental Consulting Services
PM Environmental
SES Environmental
Group-B(p) Firm Name
Envirologic Technologies
Tri-Terra

Issues, Policy Considerations, and Related Actions:

None.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION AUTHORIZING
PREQUALIFIED ENVIRONMENTAL CONSULTANTS**

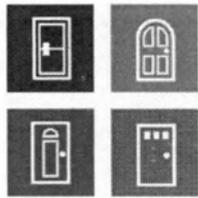
January 23, 2020

WHEREAS, the Michigan State Housing Development Authority (the "Authority") has received the Acting Executive Director's memorandum regarding the need to select prequalified consultants to provide environmental services; and

WHEREAS, the Acting Executive Director has recommended that the Authority approve the selected firms set forth in the accompanying memorandum; and

WHEREAS, the Authority concurs in the recommendation of the Acting Executive Director and hereby determines that the selection of prequalified environmental firms is necessary to fulfill the Authority's environmental review responsibilities for its multifamily housing programs.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that the selection of the prequalified firms set forth in the accompanying memorandum is hereby approved, and the Authority's Environmental Review Officer is hereby authorized to engage the selected firms to perform the environmental services described in the memorandum.



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members
FROM: Gary Heidel, Acting Executive Director
DATE: January 23, 2020
RE: Harbour Pointe Sale and Assumption

Recommendation:

I recommend approval of the sale of Harbour Pointe (the "Development") by Harbour Pointe Limited Dividend Housing Association Limited Partnership "Harbour Pointe LDHA") to 8673 Ferry Street Limited Dividend Housing Association Limited Partnership ("Ferry Street"), and the assumption by Ferry Street of the mortgage loans on the Development.

Executive Summary:

Originally constructed in 2002 under the HOME TEAM Advantage program of the Michigan State Housing Development Authority (the "Authority"), Harbour Pointe is a 34 unit elderly development located in the City of Montague. The property consists of one 3-story apartment building which also contains the office and clubhouse areas. There are 20 one-bedroom units, and 14 two-bedroom units. Similar to many small developments, this property has a small margin for error, though improved occupancy over the past several years has helped stabilize the Development. Earlier in 2019 the Authority was notified of Harbour Pointe LDHA's intent to sell the project to a new Limited Dividend Housing Association. According to the terms of the sale Harbour Pointe LDHA will transfer their 100% ownership interest in the property to Ferry Street. Although Harbour Pointe intends to sell the project, the current General Partner will remain in the incoming partnership as the Managing General Partner.

In April 2019 Harbour Pointe received an award of 9% Low Income Housing Tax Credits ("9% LIHTC"). As part of the current transaction, the buyer has requested to assume all current Authority debt—a tax exempt bond loan and a HOME loan—as well as the reserves. The current repayment terms would carry over to the new project, no additional Authority debt would be incurred, and the reserves currently held by the Authority would be transferred over to the new project along with the debt.

The equity generated from the 9% LIHTC award would be used to infuse the project with \$20,000 per unit in hard construction costs, an additional \$240,405 in project reserves, and a \$454,464 developer fee. Additional equity would be used to pay soft costs associated with the transaction.

Issues, Policy Considerations, and Related Actions:

None.



ACTION REPORT

DATE:	January 23, 2020
ASSET MANAGER:	Troy Thelen
MSHDA #:	1012
DEVELOPMENT NAME:	Harbour Pointe
LOCATION:	8673 Ferry St, Montague MI 49437
CUT OFF DATE:	April 1, 2003
ASSIGNED ATTORNEY:	Amanda Curler
MANAGEMENT AGENT:	KMG Prestige
MANAGING GENERAL PARTNER (S):	Hollander Development Corp.
TAX CREDIT SYNDICATOR:	InSite Capital, LLC
BUILDER:	Brian Steinberg, Wolverine
ARCHITECT:	Frank Bednarek, Hooker DeJong
DEVELOPMENT ATTORNEY:	Garry Walton

RECOMMENDATION:

I recommend approval of the sale of Harbour Pointe by Harbour Pointe Limited Dividend Housing Association Limited Partnership ("Harbour Pointe LDHA") and assumption of the mortgage loans on the development by 8673 Ferry Street Limited Dividend Housing Association Limited Partnership ("8673 Ferry Street LDHA").

I. BACKGROUND:

Originally constructed in 2002 under the HOME TEAM Advantage program of the Michigan State Housing Development Authority (the "Authority"), Harbour Pointe is a 34-unit elderly development located in the City of Montague (the "Development"). The property consists of one 3-story apartment building, which also contains the office and clubhouse areas. There are 20 one-bedroom units, and 14 two-bedroom units. The Development is located a block from White Lake, and many of the units are coveted for their views of the nearby lake. Similar to many small developments, this property has a narrow margin for financial error, though the Development has stabilized over the past several years.

Earlier in 2019, the Authority was notified of Harbour Pointe LDHA's intent to sell the Development to a new limited dividend housing association. According to the terms of the sale, Harbour Pointe LDHA will transfer 100% of the ownership of the property to 8673 Ferry Street LDHA. Although Harbour Pointe LDHA intends to sell the project, one of the existing general partners, Hollander Development Corporation, will participate in the

ownership of Harbour Pointe as the managing general partner of 8673 Ferry Street LDHA. In April of 2017, the investor limited partner in Harbour Pointe LDHA transferred its interest in the property to an affiliate of the general partner, leaving full control of the project with the general partner. An entity to be formed by Chemical Bank, a division of TCF National Bank, its partners or subsidiaries ("New LP Investor"), will be the new LIHTC investor limited partner in 8673 Ferry Street LDHA.

In April of 2019, Harbour Pointe was awarded 9% Low-Income Housing Tax Credits ("9% LIHTC"). The proposed transaction includes an assumption by 8673 Ferry Street LDHA of all existing Authority loans as well as the project reserves. The current repayment terms would not change, and no new Authority debt would be incurred. The reserves currently held by the Authority would be transferred over to the new project.

The equity generated from the 9% LIHTC award would be used to infuse the project with \$20,000 per unit in hard construction costs and an additional \$240,405 in project reserves, and to pay a \$454,464 developer fee. Additional equity would be used to pay soft costs associated with the transaction. TCF National Bank will provide a construction loan to the new mortgage, which will be subordinated to Authority debt.

Rehabilitation at the Development will include major systems, such as resurfacing of the parking lot, replacement of the boilers and domestic hot water heat, refurbishment of the elevator cab, controls and hydraulic package, and replacement of the roof. In-unit rehabilitation will include replacement of carpet and vinyl flooring, replacement of all appliances, replacement of kitchen and bathroom cabinets and countertops, and replacement of plumbing fixtures (including tub and shower stalls, among other items). The Authority will review and oversee construction, as described in the Standard Conditions and Special Conditions herein.

This transaction is classified under Section IV, part A of the Authority Resale Policy. 8673 Ferry Street LDHA intends to have Intrepid Professional Group, Inc. ("Intrepid") replace KMG Prestige as the management agent for the Development.

II. CURRENT FINANCIAL CONDITION

- A. The Development currently has 3 vacant units (8.82%) with an economic vacancy of 9.03%.
- B. Liquidity has decreased slightly from \$38,864 in January 2019, to \$21,267 in October 2019.
- C. The Development currently has \$0 in receivables.
- D. The Development currently has \$1,997 in payables, of which \$0 (0%) are over 60 days.

III. SUMMARY OF PROPOSAL:

- A. In accordance with Section IV.A of the Procedures and Requirements for Transfers Involving Authority-Financed Developments ("Authority Resale Policy"), adopted by the Authority on June 27, 2007, this transaction requires review and approval by the Asset Review Committee and the Authority.
- B. Under the proposal, Harbour Pointe LDHA will sell the project to 8673 Ferry Street LDHA.
- C. Authority staff has reviewed the proposed transfer for compliance with the following: states and federal rules and regulations, mortgage servicing statements, Monthly Income and Expenditure Reports, Annual Certified Audit, Annual Physical Inspection and Capital Needs Assessment ("CNA"), if any. No issues have been identified.
- D. The Authority's Tax Exempt Bond Loan and HOME Loan will be assumed by the new LDHA with the current debt service and repayment terms.
- E. All rent and income restrictions relating to the HOME funds will carry over to the new LDHA through the end of the affordability period (March 5, 2023). The award of 9% LIHTC will extend the affordability of the project through 2050, at the earliest.
- F. All Authority reserves, including Replacement Reserves, Operating Reserve Cash, Operating Assurance Reserve, and Tax and Insurance Escrows, will transfer over to the new project.
- G. The Development will be renovated, and a new replacement reserve requirement imposed, based upon a capital needs assessment, to ensure an extension of the useful life of the property. At the closing, 8673 Ferry Street LDHA must deposit the amount determined necessary to satisfy the requirements of the Authority-approved CNA over a 20-year period. This reserve will be held by the Authority.
- H. KMG Prestige will be replaced as the management agent for the Development. Intrepid will take over management at the site upon closing. Intrepid is an affiliate of one of the incoming general partners, RMC Acquisitions, Inc.
- I. Section IV.A(3) of the Authority Resale Policy states that a fee of \$10,000 will be charged for the review and authorization of the proposed transfer. The \$1,000 deposit has not yet been received.
- J. The applicants have met all other requirements of the Authority Resale Policy.
- K. The new mortgagor must agree to a construction oversight process deemed acceptable to the Director of Legal Affairs.

- L. The sale is contingent upon the transfer of the existing PILOT or 8673 Ferry Street LDHA obtaining a new and comparable PILOT for the project, by entering into a Contract for Exemption with the City of Montague, thereby granting a PILOT, acceptable to the Director of Legal Affairs.
- M. As part of this agreement, Harbour Pointe LDHA agrees to waive its right to any cumulative Limited Dividend Distributions.
- N. Authority staff has verified that no open conditions exist for either the owner or the agent.

IV. CURRENT DEVELOPMENT STATUS:

Program Type:	HOME Team Advantage, Tax-Exempt Bond, LIHTC
Original Mortgage Amount:	\$1,734,000
Current Mortgage Balance:	\$1,290,431
Payment Status:	Current
Current Interest Rate:	4.5%
Mortgage Prepayment Eligibility Date:	Not eligible for prepayment
HOME Original Mortgage Amount:	\$767,551
HOME Current Mortgage Balance:	\$762,514
HOME Affordability End Date:	March 5, 2023
LIHTC Initial Compliance End Date:	December 31, 2016
LIHTC Ext. Use Comp. End Date:	December 31, 2031

Vacancy: 3 Units are Vacant or 8.82%
Economic Vacancy 9.03%

Reserve and Escrow Balances as of October 22, 2019:

Replacement Reserve:	\$	103,558
Operating Assurance Escrow:	\$	131,066
ORC:	\$	8,647

Financial Status:

Liquidity:	\$	21,267
One Month's Rent Potential:	\$	24,615

V. MAKE-UP OF EXISTING AND NEW OWNERSHIP ENTITIES:

Current:		Proposed:	
Harbour Pointe LDHA LP		8673 Ferry Street LDHA LP	
General Partners		General Partners	
Hollander Development Corporation	0.005%	Hollander Development Corporation (Managing GP)	0.0033%
Newtown, Inc.	0.005%	RMC Acquisitions, Inc	0.0067%
Limited Partners		Limited Partners	
Joseph H. Hollander Trust dated June 23, 2016	49.995%	An entity to be formed by Chemical Bank, a division of TCF National Bank, its partners or subsidiaries	99.99%
Newtown, Inc.	49.995%		

VI. STANDARD CONDITIONS AND/OR REQUIREMENTS:

- A. Unit Mix and Income Limits: The income limitations for thirty-four (34) units of this proposal, are as follows: thirty-four (34) units must be available for occupancy by households whose incomes do not exceed up to 60% of area median income ("AMI"), based upon the Multifamily Tax Subsidy Project ("MTSP") limits, adjusted for family size as determined by HUD, until latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from closing; or (iii) so long as any Authority loan remains outstanding. To the extent units within the Development are subject to multiple sets of income limits, the most restrictive income limit will apply so long as the applicable term of affordability continues. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size.
- B. Limitations on Rental Rates: The Total Housing Expense for all thirty-four units may not exceed one-twelfth (1/12th) of 30% of the MTSP 60% of AMI, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding. To the extent units within the Development are subject to multiple sets of rent limits, the most restrictive rent limit will apply so long as the applicable term of affordability continues.
- C. Architectural Plans and Specifications: Contractor's Qualification Statement: Prior to closing, the architect must submit architectural drawings and specifications, acceptable to the Authority's Chief Architect and the Director of Development, and

the general contractor must submit AIA Document A305, as required by the Authority's Chief Architect.

- D. Owner/Architect Agreement: Prior to closing, the new mortgagor must provide the Authority with an executed Owner Architect Agreement acceptable in form and substance to the Director of Legal Affairs.
- E. Trade Payment Breakdown: Prior to closing, the general contractor must submit a signed Trade Payment Breakdown acceptable to the Authority's Manager of Construction Costing.
- F. Subsidy Layering Review: Prior to closing, the subsidy layering review must be performed by Authority staff. The subsidy layering approval is subject to review and approval by the Authority's Director of Development.
- G. Guaranties: At closing, the sponsor, general Partner, and any entity receiving a developer fee in connection with the Development must deliver certain guaranties. The required guaranties include an operating deficit guaranty, performance and completion guaranty, and a HOME recapture guaranty. The required guaranties, the terms thereof, and the parties who shall be required to deliver the guaranty must be determined and approved by the Authority's Director of Development.
- H. Seller Responsibilities & Surplus Cash/Cumulative Limited Dividend Payment Waiver: Harbor Pointe LDHA is responsible for all Development payables due up to the date that ownership of the Development is transferred to 8673 Ferry Street LDHA (the "Closing Date"). Harbor Pointe LDHA must settle its accounts payable on or before the Closing Date and reconcile those amounts in a manner acceptable to the Authority's Director of Asset Management within thirty (30) days after the closing date, and must submit copies of records and other documents as required by the Authority's Asset Management Division to account for any surplus cash that Harbor Pointe LDHA may be holding and must remit that cash to the Authority. Harbor Pointe LDHA waives any and all rights to any limited dividend payments, unpaid or accrued, cumulative or noncumulative, to which it may have been entitled for the time prior to and including the Closing Date.
- I. Application for Disbursement: Prior to closing, the new mortgagor must submit an "Application for Disbursement" along with supporting documentation, which must be found acceptable to the Authority's Director of Development.

VII. SPECIAL CONDITIONS AND/OR REQUIREMENTS:

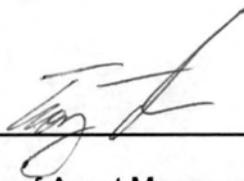
- A. The existing mortgagor and the new mortgagor must enter into assignments and assumptions of the loan documents in form and substance acceptable to the Director of Legal Affairs.

- B. The new mortgagor must enter into an updated environmental indemnification agreement, an agreement regarding construction review and oversight, and any additional documents deemed necessary by the Director of Legal Affairs to effectuate the terms and conditions outlined in this report.
- C. Organizational and authorizing documents of the existing and new mortgagors, as well as attorney opinions regarding the sale, must be satisfactory to the Director of Legal Affairs.
- D. Endorsements to the existing title insurance policies covering the transaction must be issued, and if deemed necessary by the Director of Legal Affairs, a current zoning letter and a new survey must be issued.
- E. The City of Montague must enter into a new Contract for Exemption, granting a PILOT, acceptable to the Director of Legal Affairs.
- F. The Finance Division must provide confirmation of compliance with Six-Month Rule (Treas. Reg. Section 1.150-1(d)(2)(v)).
- G. The sale cannot take place until the balance of the \$10,000 fee has been paid.
- H. Construction Loan and Intercreditor Agreement: Prior to closing, the new mortgagor must submit a loan commitment from TCF National Bank and substantially final documents evidencing the construction loan, including a funding schedule acceptable to the Authority's Director of Legal Affairs and Director of Development. At closing, a subordination and intercreditor agreement must be entered into by which the construction lender agrees (1) to not record its construction loan mortgage, (2) to not enforce any provisions of its construction loan mortgage without the Authority's consent, and (3) to subordinate the lien of the construction loan and related security interests to all federal, state and local law requirements as set forth in the Authority's regulatory agreement. The form and substance of this subordination and intercreditor agreement must be acceptable to the Authority's Director of Legal Affairs.

VIII. ATTACHMENTS:

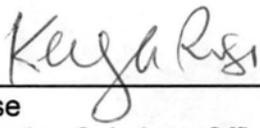
- A. Development Proforma

APPROVED:



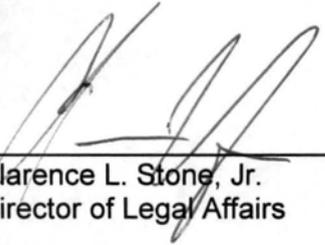
Troy Thelen
Acting Director of Asset Management

1-15-20
Date



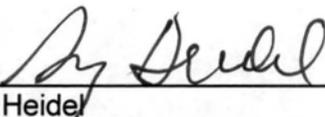
Kelly Rose
Chief Housing Solutions Officer

1-15-2020
Date



Clarence L. Stone, Jr.
Director of Legal Affairs

1-15-2020
Date



Gary Heidel
Acting Executive Director

1/15/20
Date

Cash Flow Projections

Development Harbour Pointe
 Program HOME Team Advantage
 Stimulus Type 9% Equity Support
 MSHDA No. 1012
 Step Modification
 Date 1/9/2020

	Initial Inflator	Starting in Yr	Future Inflator	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
				1	2	3	4	5	6	7	8	9	10
Income													
Annual Rental Income	1.5%	6	####	283,968	288,228	292,551	296,939	301,393	305,914	310,503	315,160	319,888	324,686
Annual Excess Section 8				0	0	0	0	0	0	0	0	0	0
Annual Non-Rental Income	1.5%	6	####	20,496	20,803	21,115	21,432	21,754	22,080	22,411	22,747	23,089	23,435
Total Project Revenue				304,464	309,031	313,666	318,371	323,147	327,994	332,914	337,908	342,976	348,121
Expenses													
Vacancy Loss	6.0%	1	####	17,038	17,294	17,553	17,816	18,084	18,355	18,630	18,910	19,193	19,481
Management Fee	3.0%	1	####	13,736	14,148	14,573	15,010	15,460	15,924	16,402	16,894	17,400	17,922
Administration	3.0%	1	####	43,387	44,689	46,029	47,410	48,832	50,297	51,806	53,361	54,961	56,610
Project-paid Fuel	3.0%	6	####	8,668	8,928	9,196	9,472	9,756	10,049	10,350	10,661	10,980	11,310
Common Electricity	3.0%	6	####	10,243	10,550	10,867	11,193	11,529	11,874	12,231	12,598	12,976	13,365
Water and Sewer	3.0%	6	####	10,145	10,449	10,763	11,086	11,418	11,761	12,114	12,477	12,851	13,237
Operating and Maintenance	3.0%	1	####	38,466	39,620	40,809	42,033	43,294	44,593	45,930	47,308	48,728	50,189
Real Estate Taxes	3.0%	1	####	0	0	0	0	0	0	0	0	0	0
Payment in Lieu of Taxes (PILOT)				19,030	19,280	19,534	19,790	20,049	20,310	20,574	20,841	21,111	21,383
Insurance	3.0%	1	####	10,027	10,328	10,638	10,957	11,285	11,624	11,973	12,332	12,702	13,083
Replacement Reserve	3.0%	1	####	11,900	12,257	12,625	13,003	13,394	13,795	14,209	14,635	15,075	15,527
Other: Employee Benefits/Worker's Comp.	3.0%	1	####	0	0	0	0	0	0	0	0	0	0
Other:	3.0%	1	####	0	0	0	0	0	0	0	0	0	0
Subtotal: Operating Expenses				182,640	187,543	192,585	197,769	203,100	208,582	214,219	220,016	225,977	232,108
Debt Service													
Debt Service Part A				98,400	98,400	98,400	98,400	98,400	98,400	98,400	98,400	98,400	98,400
Debt Service Part B				0	0	0	0	0	0	0	0	0	0
Debt Service Conventional/Other Financing				0	0	0	0	0	0	0	0	0	0
Total Expenses				281,040	285,943	290,985	296,169	301,500	306,982	312,619	318,416	324,377	330,508
Initial Cash Flow/(Deficit)				23,424	23,088	22,681	22,202	21,647	21,012	20,295	19,492	18,599	17,613
Scheduled Operating Deficit Draw/Part B Sinking Fund				0	0	0	0	0	0	0	0	0	0
Cash Flow/(Deficit)				23,424	23,088	22,681	22,202	21,647	21,012	20,295	19,492	18,599	17,613
Cash Flow Per Unit				689	679	667	653	637	618	597	573	547	518
Debt Coverage Ratio on Part A Loan				1.24	1.23	1.23	1.23	1.22	1.21	1.21	1.20	1.19	1.18
Debt Coverage Ratio on Conventional/Other Financing				N/A									
Interest Rate on Reserves				3%									

Operating Assurance Reserve Analysis

	Required in Year:	1	131,066										
			Initial Deposit										
Initial Balance			131,066	131,066	134,343	137,701	141,144	144,672	148,289	151,996	155,796	159,691	163,683
Interest Income				3,277	3,359	3,443	3,529	3,617	3,707	3,800	3,895	3,992	4,092
Ending Balance				134,343	137,701	141,144	144,672	148,289	151,996	155,796	159,691	163,683	167,776

Development Information:

Development Harbour Pointe
 Program HOME Team Advantage
 Stimulus Type 9% Equity Support
 MSHDA No. 1012
 Step Modification
 Date 1/9/2020

Mortgage Assumptions:

Debt Coverage Ratio 1.238
 Mortgage Interest Rate 4.500%
 Mortgage Term 35 years
 Maturity Date 04/01/2038
 Remaining Term 219 months
 Original Balance 1,734,000
 Remaining Balance 1,290,431 As of 01/09/2020

Use Revenue Page: Standard

Total Development Income Potential

	Per Unit	Total
Annual Rental Income	8,352	283,968
Annual Excess Section 8	0	0
Annual Non-Rental Income	603	20,496
Total Project Revenue	8,955	304,464

Total Development Expenses

Vacancy Loss	6.00% of annual rent potential	501	17,038
Management Fee	404 per unit per year	404	13,736
Administration		1,276	43,387
Project-paid Fuel		255	8,668
Common Electricity		301	10,243
Water and Sewer		298	10,145
Operating and Maintenance		1,131	38,466
Real Estate Taxes		0	
Payment in Lieu of Taxes (PILOT)	8.00%	560	19,030
Insurance		295	10,027
Replacement Reserve	350 per unit per year	350	11,900
Other: Employee Benefits/Worker's Comp.		0	
Other:		0	

Initial Inflation Factor	Beginning in Year	Future Inflation Factor
1.5%	6	1.5%
1.5%	6	1.5%
Future Vacancy		
	1	6.0%
3.0%	1	3.0%
3.0%	1	3.0%
6.0%	6	3.0%
6.0%	6	3.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%

	% of Revenue		
Total Expenses	59.99%	5,372	182,640
Base Net Operating Income (excludes Excess Section 8)		3,583	121,824
Part A Mortgage Payment	32.32%	2,894	98,400
Part A Mortgage		0	0
Base Project Cash Flow (excludes ODR and Part B)	7.69%	689	23,424

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
RESOLUTION AUTHORIZING SALE OF DEVELOPMENT AND
ASSUMPTION OF MORTGAGE LOANS
HARBOUR POINTE, MSHDA DEVELOPMENT NO. 1012
CITY OF MONTAGUE, MUSKEGON COUNTY

January 23, 2020

WHEREAS, on September 19, 2001, the Michigan State Housing Development Authority (the "Authority") entered into a mortgage loan in the original principal amount of \$1,734,000 (the "First Mortgage Loan") and a HOME mortgage loan in the original principal amount of \$767,551 (the "HOME Mortgage Loan") for the acquisition and rehabilitation of Harbour Pointe, MSHDA Development No. 1012 (the "Development"); and

WHEREAS, 8673 Ferry Street Limited Dividend Housing Association Limited Partnership (the "Buyer") has submitted a proposal to the Authority to purchase the Development; and

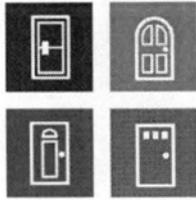
WHEREAS, the Buyer intends to assume the First Mortgage Loan and the HOME Mortgage Loan (collectively, the "Mortgage Loans"); and

WHEREAS, the Executive Director has recommended that the Authority approve the sale of the Development to the Buyer and the assumption of the Mortgage Loans in accordance with the terms and conditions set forth in the accompanying Action Report; and

WHEREAS, the Authority concurs in the recommendation of the Executive Director.

NOW THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The Authority hereby approves the sale of Harbour Pointe, MSHDA Development No. 1012, to the Buyer and the assumption of the Mortgage Loans in accordance with the terms and conditions described in the accompanying Action Report.
2. The Executive Director, the Chief Housing Investment Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chief Financial Officer, or any person duly appointed and acting in any such capacity (each an "Authorized Officer"), is hereby authorized (a) to waive, modify or supplement any of said terms and conditions contained in the Action Report, and (b) to execute such documents and agreements as may be necessary or appropriate to effectuate the sale of the Development and the assumption of the Mortgage Loans.



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members
FROM: Gary Heidel, Acting Executive Director 
DATE: January 23, 2020
RE: Edgewood Village, #83-2, Mortgage Loan Commitment

Recommendation:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt resolutions that 1) authorize a waiver of direct lending parameters concerning the amount of deferred developer fee, 2) authorize tax-exempt bond and Mortgage Resource Fund ("MRF") mortgage loans in the amounts set forth in the attached report, and 3) authorize the Executive Director, or an Authorized Officer of the Authority, to issue the Authority's Mortgage Loan Commitment with respect to this development, subject to the terms and conditions set forth in the report.

Executive Summary:

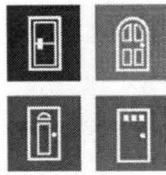
Edgewood Village Apartments is an existing New-Regulation Section 8 development built in 1973 and located at 6213 Towar Garden Circle in Meridian Township with an East Lansing mailing address. Edgewood Village Apartments contains 103 family townhouses contained in 23 two-story buildings and 30 senior apartments contained in one eight-story building; two additional townhouse units are manager's units. The 18.49-acre campus also contains one LEED Silver certified community building built in 2013, two accessory buildings, and one additional building that is currently leased to Head Start, as well as a large playground, walking trails, a community garden and a greenhouse. The current Housing Assistance Payments ("HAP") contract commenced February 1, 2011 and expires December 31, 2044; it was renewed for the maximum term allowed. As this renewal does not allow for an Early Termination/Renewal of the contract, the mortgagor assumed the HAP contract upon acquiring the development in July 2019.

Issues, Policy Considerations, and Related Actions:

Edgewood Village is underwritten at budget-based rents approved by HUD that will go into effect February 1, 2020. Of the 135 units, 126 units are covered by the HAP contract. The remaining units have no subsidy and two of these are manager's units. Low Income Housing Tax Credit ("LIHTC") units are targeted to families at 60% of area median income ("AMI"). A rent subsidy reserve is being established to protect existing residents of the unsubsidized units from excessive rental increases.

On June 27, 2019 the Authority determined mortgage loan feasibility for Edgewood Village Apartments. The mortgagor then purchased the development in July 2019. Since that time new rents were approved by HUD and the capital needs of the development over the next twenty-years were finalized indicating the need for additional funds to meet the initial deposit requirements to the replacement reserve. As a result, the amount of the permanent mortgage loan, the mortgage resource fund loan, and the deferred developer fee all increased.

With the changes mentioned, the Development will require a waiver of an Authority Multifamily Direct Lending Parameter that caps the amount of the total development fee that can be deferred (Section VI. P. 4.) at 50% so long as the entire amount can be paid within fifteen (15) years. This proposal is structured with the developer deferring 63.16% of its fee which is necessary to fill the remaining funding gap and is supported by an analysis of the twenty (20) year cash flow which shows it can be fully repaid by the end of year thirteen (13).



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

MORTGAGE LOAN COMMITMENT STAFF REPORT

January 23, 2020

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt resolutions that 1) authorize a waiver of direct lending parameters concerning the amount of deferred developer fee, 2) authorize tax-exempt bond and Mortgage Resource Fund ("MRF") mortgage loans in the amounts set forth in this report, and 3) authorize the Executive Director, or an Authorized Officer of the Authority, to issue the Authority's Mortgage Loan Commitment with respect to this development, subject to the terms and conditions set forth in this report.

<u>MSHDA No.:</u>	83-2
<u>Development Name:</u>	Edgewood Village Apartments
<u>Development Location:</u>	Meridian Township, Ingham County
<u>Sponsor:</u>	Vitus Group LLC
<u>Mortgagor:</u>	Edgewood Housing Partners Limited Dividend Housing Association, Limited Partnership
<u>TE Bond Construction and Permanent Loan:</u>	\$14,930,203 (58.30% of TDC)
<u>MSHDA MRF Loan:</u>	\$2,218,625
<u>Total Development Cost:</u>	\$25,607,109
<u>Mortgage Term:</u>	40 years for the tax-exempt bond loan and 50 years for the MRF Loan
<u>Interest Rate:</u>	4.9% for the tax-exempt bond loan and 3% for the MRF Loan
<u>Program:</u>	Tax-Exempt Bond and Gap Financing Program
<u>Number of Units:</u>	135 total units – made up of 103 family units, 2 manager's units, and 30 elderly units
<u>Unit Configuration:</u>	103 family units in 23 two-story townhouse buildings and 30 elderly units in 1 six-story building, and two managers' units.
<u>Builder:</u>	Frerichs Construction Company
<u>Syndicator:</u>	CREA LLC
<u>Date Application Received:</u>	October 2018
<u>HDO:</u>	JT Johnston

Issuance of the Authority's Mortgage Loan Commitment is subject to fulfillment of all Authority processing and review requirements and obtaining all necessary staff approvals as required by the Authority's underwriting standards.

ISSUES, POLICY CONSIDERATIONS AND RELATED ACTIONS:

Edgewood Village is underwritten at budget-based rents approved by HUD that will go into effect

**Mortgage Commitment Staff Report
Edgewood Village, MSHDA No. 83-2
Meridian Township, Ingham County
January 23, 2020**

February 1, 2020. Of the 135 units, 126 units are covered by a Housing Assistance Payments ("HAP") contract. The remaining units have no subsidy and two of these are manager's units; Low Income Housing Tax Credit ("LIHTC") units are targeted to families at 60% of area median income ("AMI"). A rent subsidy reserve is being established to protect existing residents of the unsubsidized units from excessive rental increases.

On June 27, 2019 the Authority approved Edgewood Village Apartments Mortgage Loan Feasibility. The mortgagor then purchased the development in July 2019. Since that time, new rents were approved by HUD and the capital needs of the development over the next twenty years were finalized indicating the need for additional funds to meet the initial deposit requirements to the replacement reserve. As a result, the amount of the construction and permanent mortgage loan, the MRF loan, and the amount of deferred developer fee all increased.

With the changes mentioned, the Development will require a waiver of a certain Authority Multifamily Direct Lending Parameter concerning the amount of the total development fee that can be deferred (Section VI. P. 4.) which is capped at 50% so long as the entire amount can be paid within fifteen (15) years. This proposal is structured with the developer deferring 63.16% of the developer fee, which is necessary to fill the remaining funding gap and is supported by an analysis of the twenty (20) year cash flow which shows it can be fully repaid by the end of year thirteen (13).

The Development currently pays and will continue to pay ad valorem taxes and is underwritten with a 5% vacancy loss. The terms under which the HAP contract was renewed did not allow for early termination; therefore, the new owner assumed the current HAP contract. The Development leases one building to Head Start for their pre-school for \$1 per year. Head Start has been leasing this site since 1989 and the sponsor intends to continue the lease arrangement at the current rate. No rehabilitation activities are planned for the leased space, as those are the responsibility of the lessee.

EXECUTIVE SUMMARY:

Edgewood Village Apartments is an existing New-Regulation Section 8 development built in 1973 and located at 6213 Towar Garden Circle in Meridian Township with an East Lansing mailing address. Edgewood Village Apartments contains 103 family townhouses in 23 two-story buildings and 30 senior apartments in one eight-story building; two townhouse units are manager's units. The 18.49-acre campus also contains one LEED Silver certified community building built in 2013, two accessory buildings, and one additional building that is currently leased to Head Start, as well as a large playground, walking trails, community garden and greenhouse. The current HAP contract commenced February 1, 2011 and expires December 31, 2044; it was renewed for the maximum term allowed. As this renewal does not allow for an Early Termination/Renewal of the contract, the new owner assumed the HAP contract upon sale of the development.

Structure of the Transaction and Funding:

There are several elements to this transaction that are common to preservation transactions:

- A tax-exempt bond construction and permanent mortgage loan will be provided by the Authority (the "Mortgage Loan"). The Mortgage Loan will be in the amount of \$14,930,203 with 15 monthly interest-only payments required under the construction loan. The construction loan proceeds will be disbursed upon the repayment in full and release of the TCF National Bank acquisition loan described below. The permanent financing date will

**Mortgage Commitment Staff Report
Edgewood Village, MSHDA No. 83-2
Meridian Township, Ingham County
January 23, 2020**

commence on the first day of the month following the month in which the 15-month construction loan term expires or such later date as determined by an Authorized Officer of the Authority (the "Permanent Financing Date").

- The permanent tax-exempt bond loan is based upon the current rents, less vacancy loss, payments to reserves and escrows, operating costs based on historical data unless modified by project improvements and construction and soft costs at levels appropriate for this specific transaction. The permanent loan includes a 1.15 debt service coverage ratio, an annual interest rate of 4.9%, with a fully amortizing term of 40 years commencing on the Permanent Financing Date. The Mortgage Loan will be in **First Position**.
- A subordinate loan using an Authority Mortgage Resource Fund Loan (the "MRF Loan") in the amount of \$2,218,625 will be provided at 3% simple interest with payments initially deferred. The MRF Loan will be in **Second Position**.
- TCF National Bank provided an acquisition loan to the sponsor for the purchase of the property. The loan could not exceed the lesser of \$9,500,000, 85% of acquisition price or 85% of the as-stabilized value. The acquisition loan has a maximum 12-month term with interest-only payments, with an interest rate equal to the 30-day LIBOR plus 2.5% (as of May 1, 2019 this was 4.98%), adjusted monthly. This loan will be repaid and released upon initial disbursement of the Mortgage Loan.
- An equity bridge loan ("EBL") from Huntington Bank in the amount of the lesser of \$2,400,000 or 75% of appraised value of Low Income Housing Tax Credits will be provided at LIBOR plus 3.5%, currently totaling 5.53% interest. The EBL will be used during construction and will continue to bridge LIHTC investor contributions due after construction completion. The EBL must be available during construction and may not be secured. It will mature 18 months from issuance with one conditional 6-month extension available. See Special Condition No. 4.
- Equity support comes from the sale of 4% LIHTC in the estimated amount of \$4,874,506.
- Income from operations will be used as a source of funding to make the interest-only payments and the tax and insurance payments during the construction period in the amount of \$1,035,412.
- The Sponsor has agreed to defer \$1,457,545 of the developer fee to help fill the remaining funding gap.
- Replacement Reserve escrow proceeds in the amount identified in the attached proforma will be transferred from the existing project to the new project to use as a source of funding.
- An amount equal to one month's gross rent potential will be funded in the Development's operating account.
- An operating assurance reserve will be required in the amount identified in the attached proforma. The reserve will be capitalized at closing in an amount which, along with accumulated interest, is expected to meet the Development's unanticipated operating needs. This reserve will be held by the Authority.

- The Development will be renovated, and a new replacement reserve requirement imposed, based upon a capital needs assessment ("CNA"), to ensure an extension of the useful life of the property and to maintain an excellent quality of life for the residents. At the closing, the Mortgagor must deposit the amount determined necessary to satisfy the requirements of the Authority-approved CNA over a 20-year period. This reserve will be held by the Authority.
- A rent subsidy reserve will be established to subsidize the rents of all current tenants affected by rent increases. The rent subsidy reserve is expected to help transition current tenants whose rents could otherwise increase as part of this transaction. This reserve will be capitalized at closing and will be held by the Authority. See Special Condition No. 2.

Scope of Rehabilitation:

The following improvements to the property are included in the Scope of Work which include patching, sealing and restriping the parking areas, replacing entry doors, repairing building exterior components including balconies and patios, as well as replacing exterior lighting at the site.

Unit improvements will include partial replacement of interior doors, flooring, kitchen cabinetry and countertops, lighting, and bathroom vanities, tubs, and fixtures. The sleeve air-conditioning units will be added or replaced in the senior building and those hallways will be air conditioned; the appropriate number of senior units will be made UFAS compliant. Double bowl sinks will be installed in the three- and four-bedroom townhouse units.

Affordability Requirements:

The LIHTC regulatory agreement will require that all of the dwelling units in the property assisted by LIHTC remain occupied by households with incomes at or below 60% of the Multifamily Tax Subsidy Project ("MTSP") area median income ("AMI"). The number of restricted units is controlled by the number of eligible households in place at closing, estimated to be 100% of the units.

Protections for Existing Residents:

The preservation and renovation of the Development will result in a rent increase for seven existing tenant households. A rent subsidy reserve is being established to protect these tenants against an increase in rent for an estimated 5-year period following the date of closing; thereafter, the tenants will be responsible for their full rent payment. See Special Condition No. 2.

Site Selection:

Edgewood Village is located in a residential area of Meridian Township and meets the Authority's site selection criteria.

Market Evaluation:

There is sufficient demand in the market to re-absorb all units although no displacement will occur as a result of the rehabilitation.

Valuation of the Property:

An appraisal dated August 30, 2018 estimates the value at \$11,300,000.

CONDITIONS:

At or prior to (i) issuance of the Authority's mortgage loan commitment ("Mortgage Loan Commitment"), (ii) the initial Mortgage Loan Closing (the "Initial Closing"), or (iii) such other date as may be specified herein, the new Mortgagor, and other members of the Development team, where appropriate, must satisfy each of the following conditions by entering into a written agreement or providing documentation acceptable to the Authority:

Standard Conditions:

1. Limitation for Return on Equity:

For each year of the Development's operation, beginning in the year in which the Mortgage Cut-Off Date occurs, as determined by the Authority, payments are limited to ten percent (10%) of the Mortgagor's equity, or any other amount approved by HUD, but not to exceed twelve percent (12%). Following expiration of the HAP Contract, the Mortgagor's rate of return shall not exceed twenty-five percent (25%) per annum. For purposes of distributions, the Mortgagor's equity will be the sum of (i) the LIHTC equity; (ii) the brownfield tax credit equity; (iii) the historic tax credit equity; (iv) general partner capital contributions; and (v) any interest earned on an equity escrow held by the Authority, unless HUD or other federal regulations require a different calculation. All such payments shall be referred to as "Limited Dividend Payments." The Mortgagor's return shall be fully cumulative.

2. Income Limits:

The income limitations for one hundred thirty-five (135) units of this proposal are as follows:

- a. One hundred twenty-six (126) units (35 one-bedroom units, 35 two-bedroom units, 42 three-bedroom units, and 14 four-bedroom units) must be occupied or available for occupancy by households whose incomes do not exceed the income limits in the Housing Assistance Payments Contract (the "HAP Contract") for so long as the HAP Contract between the Mortgagor and the Authority is in effect (including extensions and renewals), or for such longer period as determined by HUD.
- b. One hundred thirty-three (133) units (35 one-bedroom units, 39 two-bedroom units, 44 three-bedroom units, and 15 four-bedroom units) must be available for occupancy by households whose incomes do not exceed up to 60% of area median income based upon the Multifamily Tax Subsidy Project ("MTSP") limits, adjusted for family size as determined by HUD, until latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.
- c. Two (2) units (1 two-bedroom unit and 1 three-bedroom unit) will be used as managers' units. If these units are later converted to rental use, they must be available for occupancy by households whose incomes do not exceed 60% of area median income based upon the MTSP limits, adjusted for family size as determined

by HUD.

To the extent units within the Development are subject to multiple sets of income limits, the most restrictive income limit will apply so long as the applicable term of affordability continues.

The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size.

3. Limitations on Rental Rates:

The Total Housing Expense (contract rent plus tenant-paid utilities) for one hundred thirty-five (135) units is subject to the following limitations:

- a. So long as the HAP Contract remains in effect, the Mortgagor agrees to establish and maintain rents for all one hundred twenty-six (126) HAP-assisted units (35 one-bedroom units, 35 two-bedroom units, 42 three-bedroom units, and 14 four-bedroom units) ("Contract Rents") that comply with the rent levels established by the HAP Contract and that do not exceed the rent levels approved by HUD.
- b. The Total Housing Expense for all one hundred thirty-three (133) units (35 one-bedroom units, 39 two-bedroom units, 44 three-bedroom units, and 15 four-bedroom units), may not exceed one-twelfth (1/12th) of 30% of the MTSP 60% of area median income adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.
- c. Two (2) units (1 two-bedroom unit and 1 three-bedroom unit) will be used as managers' units. If these units are later converted to rental use, the Total Housing Expense will be limited to one-twelfth (1/12th) of 30% of the MTSP 60% income limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom.

To the extent units within the Development are subject to multiple sets of rent limits, the most restrictive rent limit will apply so long as the applicable term of affordability continues.

While rental increases for these units may be permitted from time to time as HUD publishes updated median income limits, the Mortgagor must further agree that rental increases for targeted units that do not receive assistance under the HAP Contract will be limited to not more than 5% for any resident household during any 12-month period.

Rental increases on occupied units during any 12-month period will be limited to not more than 5% of the rent paid by the resident household at the beginning of that annual period. Exceptions to this limitation may be granted by MSHDA's Director of Asset Management for extraordinary increases in project operating expenses (exclusive of limited dividend payments) or mortgage loan increases. Rents on vacated units may be increased to the maximum level permissible by the applicable programs. Rents and utility allowances must

be approved annually.

Exceptions to the foregoing limitations may be granted by the Authority's Director of Asset Management to pay for extraordinary increases in operating expenses (exclusive of Limited Dividend Payments) or to enable the owner to amortize a Mortgage Loan increase to fund cost overruns pursuant to the Authority's policy on Mortgage Loan increases.

4. Covenant Running with the Land:

The Mortgagor must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the obligations issued or to be issued to finance the Mortgage Loan. This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after the date on which 50% of the residential units in the Development are occupied, the first day on which no bonds are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, income of the individuals shall be determined in accordance with Section 8 regulations. Additionally, if LIHTC is awarded to the Development, the Mortgagor must agree to subject the property to the extended low income use commitment required by Section 42 of the Internal Revenue Code.

5. Restriction on Prepayment and Subsequent Use:

The Mortgage Loan is eligible for prepayment after the expiration of fifteen (15) years after the commencement of amortization. The Mortgagor must provide the Authority with at least 60 days' written notice prior to any such prepayment.

In the event of a prepayment, however, the Mortgagor must pay a prepayment fee equal to the sum of:

- a. 1% of the balance being prepaid;
- b. Any bond call premium, prepayment or swap penalty, or any other cost that the Authority incurs to prepay the bonds or notes that were used to fund the Mortgage Loan; and
- c. Any loss of debt service spread between the Mortgage Loan and the bonds used to finance the loan from the date of the prepayment through the end of the 20th year of amortization.

Once the Mortgagor has been approved for the early prepayment of the underlying loan, it must sign an agreement with the Authority stating it is responsible for the cost of terminating the swap. The Mortgagor can then choose the timing of the termination and participate in the transaction with the swap counterparty. The swap counterparty will quote the cost of terminating the swap and the Mortgagor will have the ability to execute the transaction or cancel at its sole discretion. If the Mortgagor chooses not to terminate the swap, it will forfeit the right to prepay the Mortgage Loan.

Subordinate loans are eligible to prepay at any time upon 60 days prior written notice to the

Authority, but prepayment may not extinguish federal affordability and compliance requirements.

6. Authority Subordinate Loan:

At Initial Closing, the Mortgagor must enter into agreements relating to the MRF Loan. The MRF Loan will be secured by a subordinate mortgage and will bear simple interest at 3% with a 50-year term. No payments on the MRF Loan will be required until the earlier of (a) the year in which the sum of all annual surplus funds available for distribution equals or exceeds the amount of the deferred developer fee, or (b) the 13th year following the commencement of amortization of the Mortgage Loan. Interest will continue to accrue on the MRF loan until paid in full.

At the earlier of (a) the year in which the sum of all annual surplus funds available for distribution equals or exceeds the amount of the deferred developer fee or (b) the 13th year following the date that Mortgage Loan amortization commences, repayment of the MRF Loan will be made from not less than fifty percent (50%) of any surplus cash available for distribution. Such payments shall be applied first to accrued interest, then to current interest and principal and shall continue until the sale of the Development or refinancing of the Mortgage Loan, at which time the MRF Loan shall be due in full. If the MRF Loan is still outstanding, then following repayment of the Mortgage Loan and continuing on the first day of every month thereafter, the Mortgagor shall make monthly payments of principal and interest equal to the monthly payments that were required on the Mortgage Loan on the first day of every month until the MRF Loan is paid in full, sale of the Development or the date that is 50 years from date of Initial Closing, whichever occurs first.

7. Operating Assurance Reserve:

At Initial Closing, the Mortgagor shall fund an operating assurance reserve ("OAR") in the amount equal to four (4) months' of estimated Development operating expenses (estimated to be \$619,703). The OAR will be used to fund operating shortfalls incurred at the Development and will be disbursed by the Authority in accordance with the Authority's written policy on the use of the Operating Assurance Reserve, as amended from time to time. The OAR must be either (i) fully funded with cash, or (ii) funded with a combination of cash and an irrevocable, unconditional letter of credit acceptable to the Authority, in an amount that may not exceed 50% of the OAR requirement. To the extent that any portion of the OAR is drawn for use prior to the final closing of the Mortgage Loan, the Mortgagor must restore the OAR to its original balance at final closing.

8. Replacement Reserve:

At Initial Closing, the Mortgagor must establish a replacement reserve fund ("Replacement Reserve") with an initial deposit in an amount of \$28,877 per unit. The Mortgagor must agree to make annual deposits to the Replacement Reserve, beginning on the Mortgage Cut-Off Date, at a minimum of \$300 per unit for the first year of operation, payable in monthly installments, with deposits in subsequent years to be the greater of (i) the prior year's deposit, increased by 3%, or (ii) a percentage of the Development's projected annual rental income or gross rent potential ("GRP") for the year using the percentage obtained by dividing the first year's deposit by the first year's GRP shown on the operating proforma for

the Development attached hereto. The annual deposit to the Replacement Reserve may also be increased to any higher amount that is determined to be necessary by the Authority, based on a CNA and the Authority's Replacement Reserve policies. The Authority may update any CNA or obtain a new CNA every five years, or upon any frequency, as determined necessary by the Authority.

9. One Month's Gross Rent Potential:

At Initial Closing, the Mortgagor shall deposit an amount equal to one month's gross rent potential (\$164,891) into the Development's operating account.

10. Architectural Plans and Specifications; Contractor's Qualification Statement:

Prior to Mortgage Loan Commitment, the architect must submit architectural drawings and specifications that address all design review comments, acceptable to the Authority's Chief Architect and the Director of Development.

Prior to Mortgage Loan Commitment, the general contractor must submit AIA Document A305 as required by the Authority's Chief Architect.

11. Owner/Architect Agreement:

Prior to Mortgage Loan Commitment, the Mortgagor must provide the Authority with an executed Owner Architect Agreement acceptable in form and substance to the Director of Legal Affairs.

12. Trade Payment Breakdown:

Prior to Mortgage Loan Commitment, the general contractor must submit a signed Trade Payment Breakdown acceptable to the Authority's Manager of Construction Costing.

13. Cost Certification:

The contractor's cost certification must be submitted within 90 days following the completion of construction, and the Mortgagor's cost certification must be submitted within 90 days following the Mortgage Cut-off Date. For LIHTC, the owner is obligated to submit cost certifications applicable to itself and the contractor prior to issuance of IRS form 8609 (see LIHTC Program Cost Certification Guidelines).

14. Environmental Review and Indemnification:

Prior to Mortgage Loan Commitment, the Mortgagor must address any outstanding environmental issues, in form and substance acceptable to the Authority's Environmental Review Officer.

At Initial Closing, the Mortgagor must enter an agreement to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of any violation of environmental laws. The indemnification agreement must be acceptable to the Director of Legal Affairs.

15. Title Insurance Commitment and Survey:

Prior to Mortgage Loan Commitment, the Mortgagor must provide an updated title insurance commitment, including zoning, pending disbursements, comprehensive, survey and such other endorsements as deemed necessary by the Authority's Director of Legal Affairs. The updated title commitment must contain only exceptions to the insurance acceptable to the Authority's Director of Legal Affairs.

Additionally, prior to Mortgage Loan Commitment, the Mortgagor must provide an ALTA survey that includes wetland delineation boundaries, certified to the 2016 minimum standards, together with surveyor's certificate of facts that is certified and appropriately reflects all easements, rights of way, and other issues noted on the title insurance commitment. All documents must be acceptable to the Director of Legal Affairs.

16. Organizational Documents/Equity Pay-In Schedule:

Prior to Mortgage Loan Commitment, the Mortgagor must submit a substantially final form syndication partnership agreement, including an equity pay-in schedule, that is acceptable in form and substance to the Director of Development and Director of Legal Affairs.

At or prior to Initial Closing, the final, executed syndication partnership agreement must become effective and the initial installment of equity must be paid in an amount approved by the Director of Development.

17. Designation of Authority Funds:

The Authority reserves the express right, in its sole discretion, to substitute alternate subordinate funding sources.

18. Management & Marketing:

Prior to Mortgage Loan Commitment, the management and marketing agent must submit the following documents, which must be found acceptable to the Director of Asset Management:

- a. Management Agreement
- b. Marketing/Construction Transition Plan

19. Guaranties:

At Initial Closing, the Sponsor, General Partner, and any entity receiving a developer fee in connection with the Development must deliver certain guaranties. The required guaranties include an operating deficit guaranty and a performance completion guaranty. The required guaranties, the terms thereof and the parties who shall be required to deliver the guaranty must be determined and approved by the Authority's Director of Development.

20. Financial Statements:

Prior to Mortgage Loan Commitment, financial statements for the Sponsor, the guarantor(s) and the general contractor must be reviewed and found acceptable by the Authority's Chief

Financial Officer.

If prior to Initial Closing the financial statements that were approved by the Authority become more than six months old, the Sponsor, the guarantor(s) and/or the general contractor must provide the Authority with updated financial statements meeting Authority requirements upon request.

21. Future Contributions:

To ensure the Authority is contributing the least amount of funding necessary to achieve project commitment, any decrease in Development costs or future contributions not included in the Development proforma may, at the Authority's discretion, be utilized to reduce, in equal proportions, any deferred developer fee and Authority soft funds.

22. Ownership of Development Reserves:

At the Initial Closing, the Mortgagor must enter into an agreement confirming the Authority's ultimate ownership of excess cash reserves, escrows and accounts as may exist at the time the Authority's mortgage loans are paid off or the Development is sold or refinanced. However, the Authority's claim to these funds shall be subject to any lawful claim to such funds by HUD. This agreement must be acceptable to the Authority's Director of Legal Affairs.

23. Section 8 Required Approvals - HUD and MSHDA:

This transaction is subject to certain HUD approvals including, but not limited to 1) assignment of the HAP Contract and 2) previous participation approval (HUD Form 2530) for the Mortgagor, its partners, and property management agent. Prior to the Initial Closing, the HUD approvals must be obtained and must be consistent with the loan structure and intent of the transaction as described in this report. The approvals by HUD are subject to review and concurrence by the Authority's Director of Legal Affairs. The Mortgagor must enter into all agreements as may be required by HUD and to abide by all terms, conditions, and requirements of the Section 8 Program and all other Authority rules, guidelines, and procedures required under the Mortgage Loan Regulatory Agreement.

24. HAP Extension:

At Initial Closing, the Mortgagor must enter into an agreement to apply for and accept any available HAP or other HUD subsidy extensions, subject to Authority approval.

25. HUD Subsidy Layering Review:

Prior to Initial Closing, the subsidy layering review must be performed by Authority staff and must be submitted to HUD for approval. The subsidy layering approval is subject to review and approval by the Authority's Director of Development.

26. Application for Disbursement:

Prior to Initial Closing, the Mortgagor must submit an "Application for Disbursement" along with supporting documentation, which must be found acceptable to the Authority's Director of Development.

Special Conditions:

1. Legal Requirements:

The Mortgagor and/or Sponsor must submit documentation acceptable to the Authority's Director of Legal Affairs for the items listed below:

- Deed evidencing Court Order of Acquisition of Lot 32, Hart's Subdivision, Tax Parcel 33-02-02-06-402-023 prior to Loan Commitment.
- Pipeline easement and Special Use Permit.
- Support services agreement.
- Prior to Initial Closing, the Michigan Attorney General's Office must complete its review of the transaction and provide the Director of Legal Affairs its recommendation.
- Any other documentation as required by the Director of Legal Affairs, including acceptable evidence of insurance, permits, licenses, zoning approvals, utility availability, payment and performance bonds and other closing requirements.

2. Rent Subsidy Reserve:

At Initial Closing, the Mortgagor must establish a Rent Subsidy Reserve with a one-time deposit in the amount of \$60,000 ("Rent Subsidy Reserve") The Rent Subsidy Reserve shall be held and controlled by the Authority and will be invested and reinvested by the Authority's Office of Finance. Interest earned on this reserve, if any, shall become part of this reserve and shall be treated and distributed in the same way. The Rent Subsidy Reserve will be held for a minimum of 3 years following the Mortgage Cut-Off Date. This subsidy will be available only for the purpose of providing rental subsidies to the seven existing tenants, who, at the time of Initial Closing, are residing in units not supported by the HAP contract and previously restricted to less than 60% area median income. The assistance will be provided so long as these seven tenants continue to occupy the Development, or their income increases to the point where they are no longer eligible for the rent subsidy. The Rent Subsidy Reserve will be used to pay the difference between (1) the rent level established for a unit at 60% area medium income, and (2) the existing tenant's current rent as increased at a rate of no more than 5% annually and approved by the Authority. Future tenants will not be eligible to receive this subsidy. The Mortgagor may draw funds out of the Rent Subsidy Reserve on a quarterly basis. All draws must include data specifying the units receiving subsidy payments, as well as the tenant name, move-in date, and subsidy amount being drawn. All draws from the Rent Subsidy Reserve must be approved by the Director of Asset Management. The Mortgagor must further provide notice to tenants in units assisted by the Rent Subsidy Reserve, describing rental increases and the extent to which funds in the Rent Subsidy Reserve will be available to mitigate such increases.

Following the expiration of the third full year of operation after the Mortgage Cut-Off Date, the Mortgagor may request a release of all or a portion of the funds on deposit in the Rent Subsidy Reserve. The Director of Asset Management or an Authorized Officer of the Authority may approve such a release based on a review of Development operations and a

determination that such funds are no longer needed to fund rent subsidies for Subsidized Tenants. Any monies released may, in the Authority's discretion, be applied to fund any other escrows or against current obligations that the Mortgagor owes the Authority. The balance of any monies released will be deposited into the Development's ORC Account.

3. Commercial Space Acceptable Use:

At Initial Closing, the Mortgagor must agree in writing that commercial uses will be subject to approval of the Authority and will be compatible with the primary residential function of the development. The agreement must be acceptable in form and substance to the Authority's Director of Legal Affairs.

4. Equity Bridge Loan:

Up to a \$2,400,000 equity bridge loan ("EBL") to be provided by Huntington Bank that is acceptable in form and substance to the Authority's Director of Legal Affairs. The EBL must:

- a) Be deposited with the Authority upon initial disbursement;
- b) Not be secured by a lien or mortgage on the Development or any kind of Development's property, income, funds, escrows and reserves or asset of any kind;
- c) Not be conditioned upon property performance such as economic occupancy levels;
- d) Be expressly subordinate to all Authority Loans, as specified in an intercreditor agreement, as applicable;
- e) Require payment from limited dividends only or other owner funds and not from other development funds; and
- f) Not be available to bridge any other credits or sources of funding.

In the event LIHTC equity is structured to be available prior to construction completion, this Special Condition may be modified consistent with the subordinate loan provisions of the Parameters.

5. Disbursement through Title Company:

Prior to Initial Mortgage Loan Closing the mortgagor and the general contractor must agree that all funds disbursed for the construction of the development will be disbursed directly through a title insurance company to subcontractors and suppliers. The agreement must be acceptable to the Authority's Director of Legal Affairs.

DEVELOPMENT TEAM AND SITE INFORMATION

I. **MORTGAGOR:** Edgewood Housing Partners Limited Dividend Housing Association, Limited Partnership

II. **GUARANTOR(S):**

A. **Guarantor #1:**

Name: Vitus Development IV, LLC

Address: 1700 7th Avenue, Suite 2000
Seattle, WA 98101

III. DEVELOPMENT TEAM ANALYSIS:

A. Sponsor:

Name: Vitus Group LLC
Address: 1700 7th Avenue, Suite 2000
Seattle, WA 98101

Individuals Assigned: Scott Langan or Brooke Shorett
Telephone: 206-832-1328
E-mail: Scott.Langan@vitus.com or Brooke.Shorett@vitus.com

1. **Experience:** The Sponsor does not have experience working on Authority-financed developments; however, the sponsor has a portfolio of over 100 affordable developments in over twenty states, including one in Michigan.

2. **Interest in the Mortgagor and Members:**

CREA Edgewood Village, LLC 99.989%

CREA SLP, LLC 0.001%

Edgewood Housing Management, LLC 0.01%

B. Architect:

Name: Kaas Wilson Architects
Address: 1301 American Boulevard East, Suite 100
Bloomington, MN 55425

Individual Assigned: Jim Schloemer
Telephone: 612-879-6000
E-Mail: jims@kaaswilson.com

1. **Experience:** Architect does not have previous experience with Authority-financed developments.

2. **Architect's License:** License number 1301045427, with an expiration date of 10/31/2020, Link S. Wilson.

C. Attorney:

Name: Loomis, Ewert, Parsley, Davis & Gotting
Address: 124 W. Allegan Avenue, Suite 700

Mortgage Commitment Staff Report
Edgewood Village, MSHDA No. 83-2
Meridian Township, Ingham County
January 23, 2020

Lansing, MI 48933

Individual Assigned: Ted Rozeboom
Telephone: 517-482-2400
Fax: 517-482-8502
E-Mail: trozeboom@loomislaw.com

1. **Experience:** This firm has experience in closing Authority-financed developments.

D. Builder:

Name: Frerichs Construction Company
Address: 3600 Labore Road, Suite 8
St. Paul, MN 55110

Individual Assigned: Barry Vulcan
Telephone: 651-787-0687
Fax:
E-mail: Barry@frerichsconstruction.com

1. **Experience:** The firm does not have previous experience in constructing Authority-financed developments; however, this firm does have vast experience constructing multifamily, and commercial developments.
2. **State Licensing Board Registration:** License number 2101221504, with an expiration date of 05/31/2022, Barry Dennell Vulcan.

E. Management and Marketing Agent:

Name: KMG Prestige
Address: 3390 Pine Tree Road
Lansing, MI 48911

Individual Assigned: James Breidenstein
Telephone: 517-272-2900
Fax: 517-272-0630
E-mail: james.breidenstein@kmgprestige.com

1. **Experience:** This firm has significant experience managing Authority-financed developments.

F. Development Team Recommendation: The development team is acceptable.

IV. SITE DATA:

A. Land Control/Purchase Price:
The Authority authorized a resolution determining the Mortgage Loan Feasibility on

**Mortgage Commitment Staff Report
Edgewood Village, MSHDA No. 83-2
Meridian Township, Ingham County
January 23, 2020**

June 27, 2019. The Edgewood Housing Partners Limited Dividend Housing Association, Limited Partnership ("Buyer" and "Mortgagor") purchased the property from the Edgewood Village Nonprofit Housing Corporation ("Seller") for \$11,250,000 on July 30, 2019.

- B.** Site Location:
The site is located at 6213 Towar Garden Circle, East Lansing (Meridian Township), Ingham County.
- C.** Size of Site:
The site is 18.49 +/- acres.
- D.** Density:
Density is appropriate for its use.
- E.** Physical Description:
1. Present Use: Multifamily residential
 2. Existing Structures: Twenty-three two-story townhouse buildings, one six-story apartment building, one accessory building, a community building, and an additional one-story building.
 3. Relocation Requirements: None.
- F.** Zoning:
RC (Multiple Family, Medium Density); Special Use Permit granted in 1971. Several buildings and aspects of the project are non-conforming. Site plan use changes involving lighting, landscaping, bicycle parking, etc. may require bringing nonconformities into compliance via new approvals or an amendment to the Special Use Permit.
- G.** Contiguous Land Use:
1. North: Single-family residential and vacant/wooded
 2. South: Single-family residential
 3. East: Multi-family residential
 4. West: Single-family residential
- H.** Tax Information:
Ad valorem taxes paid to Meridian Township
- I.** Utilities: Gas and Electric: Consumers Energy
Water and Sewer: Meridian Township Department of Public Works
- J.** Community Facilities:

1. Shopping:
Meijer and Kroger offer full-service grocery and pharmacy and are located 2 miles west of the site. Eastwood Towne Centre is located less than 3 miles to the west. Numerous banks, restaurants, and retail are within 2-3 miles of the site.
2. Recreation:
The campus contains walking trails, a large playground, and picnic area. MSU is located south of the site; the East Lansing Family Aquatic Center and Abbott Road Park is located approximately ½ mile to the north and northwest.
3. Public Transportation:
CATA bus stop is at the site.
4. Road Systems
M-69 (Saginaw) is south of the site; US 127 is west of the site; site has easy access to main thoroughfares in the region.
5. Medical Services and other Nearby Amenities:
Sparrow hospital is located approximately 5.3 miles southwest of the site; numerous medical, dental, and urgent care facilities are within 3-4 miles of the site.
6. Description of Surrounding Neighborhood:
Surrounding neighborhood is predominantly residential with commercial uses
7. Local Community Expenditures Apparent:
Saginaw was recently repaved and repaving work is currently underway on Lake Lansing Road.
8. Indication of Local Support:
None.

V. DESIGN AND COSTING STATUS:

Architectural plans and specifications consistent with the scope of work have been reviewed by the Chief Architect. A response to all design review comments and the submission of corrected and final plans and specifications must be made prior to initial closing.

This proposal will satisfy the State of Michigan barrier-free requirements, the Authority's policy regarding accessibility and non-discrimination for the disabled, the Fair Housing Amendments Act of 1988, and the HOME requirements for barrier-free vision and hearing designed units. Construction documents must be acceptable to the Authority's Chief Architect.

VI. MARKET SUMMARY:

The market study has been reviewed by the Authority's Chief Market Analyst and found to be acceptable. The Authority's Chief Market Analyst has reviewed and approved the unit mix, rental structure, and unit amenities.

VII. EQUAL OPPORTUNITY AND FAIR HOUSING:

The contractor's Equal Employment Opportunity Plan is currently being reviewed and must be approved by the Authority's Equal Employment Opportunity Officer prior to initial closing.

The management and marketing agent's Affirmative Fair Housing Marketing Plan has been approved.

VIII. MANAGEMENT AND MARKETING:

The management/marketing agent has submitted application level management and marketing information, to be approved prior to initial closing by the Authority's Director of Asset Management.

IX. FINANCIAL STATEMENTS:

The sponsor's/guarantor's and the builder's financial statements have been submitted and are to be approved prior to initial closing by the Authority's Director of Rental Development.

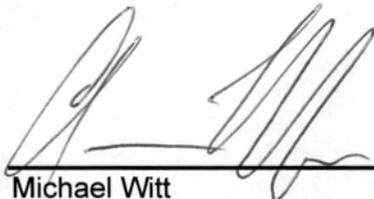
X. DEVELOPMENT SCHEDULING:

A. Mortgage Loan Commitment:	January 2020
B. Initial Closing and Disbursement:	February 2020
C. Construction Completion:	March 2021
D. Cut-Off Date:	June 2021

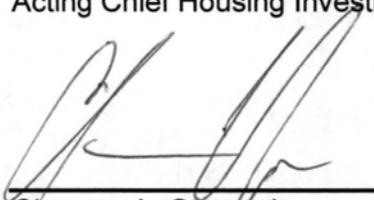
XI. ATTACHMENTS:

- A. Development Proforma

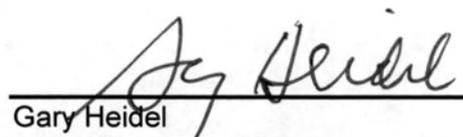
APPROVALS:

For  1-14-2020

Michael Witt
Acting Chief Housing Investment Officer Date

 1-14-2020

Clarence L. Stone, Jr.
Director of Legal Affairs Date

 1/14/20

Gary Heidel
Acting Executive Director Date

Cash Flow Projections

Development Edgewood Village
Financing Tax Exempt
MSHDA No. 83-2
Step Commitment
Date 01/23/2020
Type Preservation - Subsidized

	Initial Inflator	Starting in Yr	Future Inflator	1	2	3	4	5	6	7	8	9	10
Income													
Annual Rental Income	1.0%	6	2.0%	1,978,692	1,998,479	2,018,464	2,038,648	2,059,035	2,100,216	2,142,220	2,185,064	2,228,766	2,273,341
Annual Non-Rental Income	1.0%	6	2.0%	8,229	8,311	8,394	8,478	8,563	8,734	8,909	9,087	9,269	9,454
Total Project Revenue				1,986,921	2,006,790	2,026,858	2,047,127	2,067,598	2,108,950	2,151,129	2,194,151	2,238,035	2,282,795
Expenses													
Vacancy Loss	5.0%	2	3.0%	98,935	59,954	60,554	61,159	61,771	63,006	64,267	65,552	66,863	68,200
Management Fee	3.0%	1	3.0%	72,090	74,253	76,480	78,775	81,138	83,572	86,079	88,662	91,321	94,061
Administration	3.0%	1	3.0%	347,049	357,460	368,184	379,230	390,607	402,325	414,395	426,826	439,631	452,820
Project-paid Fuel	3.0%	6	3.0%	8,113	8,356	8,607	8,865	9,131	9,405	9,687	9,978	10,277	10,586
Common Electricity	4.0%	6	3.0%	46,309	48,161	50,088	52,091	54,175	55,800	57,474	59,198	60,974	62,804
Water and Sewer	5.0%	6	5.0%	73,307	76,972	80,821	84,862	89,105	93,560	98,238	103,150	108,308	113,723
Operating and Maintenance	3.0%	1	3.0%	110,263	113,571	116,978	120,487	124,102	127,825	131,660	135,610	139,678	143,868
Real Estate Taxes	5.0%	1	5.0%	168,057	176,460	185,283	194,547	204,274	214,488	225,212	236,473	248,297	260,712
Payment in Lieu of Taxes (PILOT)				0	0	0	0	0	0	0	0	0	0
Insurance	3.0%	1	3.0%	42,403	43,675	44,985	46,335	47,725	49,157	50,631	52,150	53,715	55,326
Replacement Reserve	3.0%	1	3.0%	40,500	41,715	42,966	44,255	45,583	46,951	48,359	49,810	51,304	52,843
Other:	3.0%	1	3.0%	0	0	0	0	0	0	0	0	0	0
Other:	3.0%	1	3.0%	0	0	0	0	0	0	0	0	0	0
Subtotal: Operating Expenses				1,007,026	1,000,578	1,034,947	1,070,607	1,107,611	1,146,090	1,186,003	1,227,410	1,270,369	1,314,943
Debt Service													
Debt Service Part A				852,083	852,083	852,083	852,083	852,083	852,083	852,083	852,083	852,083	852,083
Debt Service Conventional/Other Financing				0	0	0	0	0	0	0	0	0	0
Total Expenses				1,859,109	1,852,661	1,887,030	1,922,690	1,959,694	1,998,173	2,038,086	2,079,493	2,122,452	2,167,026
Cash Flow/(Deficit)			1564258	127,812	154,129	139,828	124,436	107,904	110,777	113,043	114,659	115,583	115,769
Cash Flow Per Unit				947	1,142	1,036	922	799	821	837	849	856	858
Debt Coverage Ratio on Part A Loan				1.15	1.18	1.16	1.15	1.13	1.13	1.13	1.13	1.14	1.14
Debt Coverage Ratio on Conventional/Other Financing				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest Rate on Reserves			3%	Average Cash Flow as % of Net Income									
Operating Deficit Reserve (ODR) Analysis													
Maintained Debt Coverage Ratio (Hard Debt)			1.00										
Maintained Operating Reserve (No Hard Debt)			250										
Initial Balance			Initial Deposit	0	0	0	0	0	0	0	0	0	0
Total Annual Draw to achieve 1.0 DCR				0	0	0	0	0	0	0	0	0	0
Total Annual Deposit to achieve Maintained DCR				(0)	0	0	0	0	0	0	0	0	0
Total 1.0 DCR and Maintained DCR				(0)	0	0	0	0	0	0	0	0	0
Interest				0	0	0	0	0	0	0	0	0	0
Ending Balance at Maintained DCR				0	0	0	0	0	0	0	0	0	0
Maintained Cash Flow Per Unit				947	1,142	1,036	922	799	821	837	849	856	858
Maintained Debt Coverage Ratio on Part A Loan				1.15	1.18	1.16	1.15	1.13	1.13	1.13	1.13	1.14	1.14
Maintained Debt Coverage Ratio on Conventional/Other Standard ODR				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-standard ODR				0	0	0	0	0	0	0	0	0	0
Operating Assurance Reserve Analysis													
Required in Year:			1										
Initial Balance			619,703										
Initial Deposit			619,703	619,703	638,294	657,443	677,166	697,481	718,405	739,958	762,156	785,021	808,572
Interest Income				18,591	19,149	19,723	20,315	20,924	21,552	22,199	22,865	23,551	24,257
Ending Balance				638,294	657,443	677,166	697,481	718,405	739,958	762,156	785,021	808,572	832,829
Deferred Developer Fee Analysis													
Initial Balance				1,457,545	1,329,733	1,175,604	1,035,776	911,339	803,436	692,658	579,615	464,957	349,374
Dev Fee Paid				127,812	154,129	139,828	124,436	107,904	110,777	113,043	114,659	115,583	115,769
Ending Balance			Repaid in yr: 0	1,329,733	1,175,604	1,035,776	911,339	803,436	692,658	579,615	464,957	349,374	233,605
MSHDA Housing Resource Financing													
Interest Rate on Subordinate Financing			3%										
Principal Amount of all MSHDA Soft Funds			Initial Balance	2,218,625	2,218,625	2,218,625	2,218,625	2,218,625	2,218,625	2,218,625	2,218,625	2,218,625	2,218,625
Current Yr Int				66,559	66,559	66,559	66,559	66,559	66,559	66,559	66,559	66,559	66,559
Accrued Int				0	66,559	133,118	199,676	266,235	332,794	399,353	465,911	532,470	599,029
Subtotal			% of Cash Flow	2,285,184	2,351,743	2,418,301	2,484,860	2,551,419	2,617,978	2,684,536	2,751,095	2,817,654	2,884,213
Annual Payment Due			50%	0	0	0	0	0	0	0	0	0	0
Year End Balance				2,285,184	2,351,743	2,418,301	2,484,860	2,551,419	2,617,978	2,684,536	2,751,095	2,817,654	2,884,213

Cash Flow Projections

	Initial Inflation	Starting in Yr	Future Inflation	11	12	13	14	15	16	17	18	19	20
Income													
Annual Rental Income	1.0%	6	2.0%	2,318,808	2,365,184	2,412,487	2,460,737	2,509,952	2,560,151	2,611,354	2,663,581	2,716,853	2,771,190
Annual Non-Rental Income	1.0%	6	2.0%	9,643	9,836	10,033	10,234	10,438	10,647	10,860	11,077	11,299	11,525
Total Project Revenue				2,328,451	2,375,020	2,422,521	2,470,971	2,520,390	2,570,798	2,622,214	2,674,658	2,728,152	2,782,715
Expenses													
Vacancy Loss	5.0%	2	3.0%	69,564	70,956	72,375	73,822	75,299	76,805	78,341	79,907	81,506	83,136
Management Fee	3.0%	1	3.0%	96,883	99,789	102,783	105,867	109,043	112,314	115,683	119,154	122,728	126,410
Administration	3.0%	1	3.0%	466,405	480,397	494,809	509,653	524,943	540,691	556,912	573,619	590,828	608,553
Project-paid Fuel	3.0%	6	3.0%	10,903	11,230	11,567	11,914	12,272	12,640	13,019	13,410	13,812	14,226
Common Electricity	4.0%	6	3.0%	64,688	66,628	68,627	70,686	72,807	74,991	77,241	79,558	81,945	84,403
Water and Sewer	5.0%	6	5.0%	119,409	125,380	131,649	138,231	145,143	152,400	160,020	168,021	176,422	185,243
Operating and Maintenance	3.0%	1	3.0%	148,184	152,830	157,209	161,925	166,783	171,786	176,940	182,248	187,715	193,347
Real Estate Taxes	5.0%	1	5.0%	273,747	287,435	301,806	316,897	332,741	349,378	366,847	385,190	404,449	424,672
Payment in Lieu of Taxes (PILOT)				0	0	0	0	0	0	0	0	0	0
Insurance	3.0%	1	3.0%	56,986	58,696	60,457	62,270	64,138	66,062	68,044	70,086	72,188	74,354
Replacement Reserve	3.0%	1	3.0%	54,429	56,061	57,743	59,476	61,260	63,098	64,991	66,940	68,949	71,017
Other:	3.0%	1	3.0%	0	0	0	0	0	0	0	0	0	0
Other:	3.0%	1	3.0%	0	0	0	0	0	0	0	0	0	0
Subtotal: Operating Expenses				1,361,198	1,409,202	1,459,025	1,510,741	1,564,427	1,620,165	1,678,037	1,738,132	1,800,541	1,865,360
Debt Service													
Debt Service Part A				852,083	852,083	852,083	852,083	852,083	852,083	852,083	852,083	852,083	852,083
Debt Service Conventional/Other Financing				0	0	0	0	0	0	0	0	0	0
Total Expenses				2,213,281	2,261,285	2,311,108	2,362,824	2,416,510	2,472,248	2,530,120	2,590,215	2,652,624	2,717,443
Cash Flow/(Deficit)	1564258			115,170	113,735	111,413	108,147	103,880	98,550	92,094	84,443	75,527	65,272
Cash Flow Per Unit				853	842	825	801	769	730	682	626	559	483
Debt Coverage Ratio on Part A Loan				1.14	1.13	1.13	1.13	1.12	1.12	1.11	1.10	1.09	1.08
Debt Coverage Ratio on Conventional/Other Financing				N/A									

Interest Rate on Reserves 3%

Operating Deficit Reserve (ODR) Analysis

Maintained Debt Coverage Ratio (Hard Debt)	1.00
Maintained Operating Reserve (No Hard Debt)	250
Initial Balance	0
Total Annual Draw to achieve 1.0 DCR	0
Total Annual Deposit to achieve Maintained DCR	0
Total 1.0 DCR and Maintained DCR	0
Interest	0
Ending Balance at Maintained DCR	0
Maintained Cash Flow Per Unit	853
Maintained Debt Coverage Ratio on Part A Loan	1.14
Maintained Debt Coverage Ratio on Conventional/Other	N/A
Standard ODR	0
Non-standard ODR	0

Operating Assurance Reserve Analysis

Required in Year:	1	Initial Deposit	619,703
Initial Balance	832,829	857,814	883,548
Interest Income	24,985	25,734	26,506
Ending Balance	857,814	883,548	910,055

Deferred Developer Fee Analysis

Initial Balance	233,605	118,435	4,700	0	0	0	0	0	0	0
Dev Fee Paid	115,170	113,735	4,700	0	0	0	0	0	0	0
Ending Balance	118,435	4,700	0	0	0	0	0	0	0	0

MSHDA Housing Resource Financing

Interest Rate on Subordinate Financing	3%	Initial Balance	2,218,625
Principal Amount of all MSHDA Soft Funds			2,218,625
Current Yr Int		66,559	66,559
Accrued Int		665,588	732,146
Subtotal	% of Cash Flow	2,950,771	3,017,330
Annual Payment Due	50%	0	0
Year End Balance		2,950,771	3,017,330

Development Edgewood Village
 Financing Tax Exempt
 MSHDA No. 83-2
 Step Commitment
 Date 01/23/2020
 Type Preservation - Subsidized

Instructions

Income Limits for	Ingham County (Effective April 3, 2018)					
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
30% of area median	15,540	17,760	19,980	22,170	23,970	25,740
40% of area median	20,720	23,680	26,640	29,560	31,960	34,320
50% of area median	25,900	29,600	33,300	36,950	39,950	42,900
60% of area median	31,080	35,520	39,960	44,340	47,940	51,480

Rental Income

Unit	No. of Units	Unit Type	Bedrooms	Baths	Net Sq. Ft.	Contract Rent	Utilities	Total Housing Expense	Gross Rent	Current Section 8 Contract Rent	% of Gross Rent	% of Total Units	Gross Square Feet	% of Total Square Feet	TC Units Square Feet	Unit Type	Max. Allowed Housing Expense	Rent Limited By	Differential : Under/ (over)	Differential %	Effective AMI%	Contract Rent/Sq. Foot
60% Senior																						
Area Median Income Units Occupancy																						
A	30	Apartment	1	1.0	637	1,032	0	1,032	371,520	826	18.8%	22.2%	19,110	16.4%	19,110		791	95% of TC Ren	(241)	-30.47%	74.4%	\$1.62
									371,520	4,956	18.8%	22.2%	19,110	16.4%	19,110							
60% Family																						
Area Median Income Units Occupancy																						
B	5	Townhome	1	1.0	544	953	69	1,022	57,180	763	2.9%	3.7%	2,720	2.3%	2,720		791	95% of TC Ren	(231)	-29.21%	73.7%	\$1.75
C	35	Townhome	2	1.0	901	1,145	112	1,257	480,900	917	24.3%	25.9%	31,535	27.1%	31,535		949	95% of TC Ren	(308)	-32.45%	75.5%	\$1.27
D	42	Townhome	3	2.0	953	1,440	141	1,581	725,760	1,174	36.7%	31.1%	40,026	34.4%	40,026		1,096	95% of TC Ren	(485)	-44.26%	82.2%	\$1.51
E	14	Townhome	4	2.0	1,167	1,565	158	1,723	262,920	0	13.3%	10.4%	16,338	14.0%	16,338		1,223	95% of TC Ren	(500)	-40.89%	80.3%	\$1.34
									1,526,760	4,956	77.2%	71.1%	90,619	77.8%	90,619							
60% Family																						
Area Median Income Units Occupancy																						
C	4	Townhome	2	1.0	901	887	112	999	42,576	0	2.2%	3.0%	3,604	3.1%	3,604		949	95% of TC Ren	(50)	-5.27%	60.0%	\$0.98
D	2	Townhome	3	2.0	953	1,012	141	1,153	24,288	0	1.2%	1.5%	1,906	1.6%	1,906		1,096	95% of TC Ren	(57)	-5.20%	60.0%	\$1.06
E	1	Townhome	4	2.0	1,167	1,129	158	1,287	13,548	0	0.7%	0.7%	1,167	1.0%	1,167		1,223	95% of TC Ren	(64)	-5.23%	60.0%	\$0.97
									80,412	4,956	4.1%	5.2%	6,677	5.7%	6,677							
Mgrs	2	Townhome	2 & 3	2.0					0	4,956	0.0%	0.0%	0	0.0%	0							
Total Units	135																					
									Gross Rent Potential	1,978,692												
									Average Monthly Rent	1,221												
									Gross Square Footage	116,406												
											HOME Units SF/Total Units SF	0.0%			Within Range							
											# HOME Units/# Total Units	0.0%			Within Range							

Utility Allowances

Annual Non-Rental Income	Tenant-Paic					Owner-Paid	Total	Ovende
	Electricity	A/C	Gas	Water/Sewer	Other	Other		
Misc. and Interest							0	0
Laundry							0	89
Carports							0	112
Other:							0	141
							0	158
							0	
							0	
							0	
							0	

	Annual	Monthly
Total Income		
Rental Income	1,978,692	164,891
Non-Rental Income	8,229	686
Total Project Revenue	1,986,921	165,577

Development Edgewood Village
 Financing Tax Exempt
 MSHDA No. 83-2
 Step Commitment
 Date 01/23/2020
 Type Preservation - Subsidized

Mortgage Assumptions:
 Debt Coverage Ratio 1.15
 Mortgage Interest Rate 4.900%
 Pay Rate 4.900%
 Mortgage Term 40 years
 Income from Operations Yes

Instructions

Total Development Income Potential

	Per Unit	Total
Annual Rental Income	14,657	1,978,692
Annual Non-Rental Income	61	8,229
Total Project Revenue	14,718	1,986,921

Total Development Expenses

Vacancy Loss	5.00% of annual rent potential	733	98,935
Management Fee	534 per unit per year	534	72,090
Administration		2,571	347,049
Project-paid Fuel		60	8,113
Common Electricity		343	46,309
Water and Sewer		543	73,307
Operating and Maintenance		817	110,263
Real Estate Taxes		1,245	168,057
Payment in Lieu of Taxes (PILOT)	Applied to: All Units	0	0
Insurance		314	42,403
Replacement Reserve	300 per unit per year	300	40,500
Other:		0	
Other:		0	

Initial Inflation Factor	Beginning in Year	Future Inflation Factor
1.0%	6	2.0%
1.0%	6	2.0%
Future Vacancy		
	2	3.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	6	3.0%
4.0%	6	3.0%
5.0%	6	5.0%
3.0%	1	3.0%
5.0%	1	5.0%
Future Vacancy		
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%

% of Revenue

Total Expenses	50.68%	7,459	1,007,026	
Base Net Operating Income		7,258	979,895	Override
Part A Mortgage Payment	42.88%	6,312	852,083	
Part A Mortgage		110,594	14,930,203	
Non MSHDA Financing Mortgage Payment		0		
Non MSHDA Financing Type:		0		
Base Project Cash Flow (excludes ODR)	6.43%	947	127,812	

Instructions

TOTAL DEVELOPMENT COSTS

	Per Unit	Total	% In Basis	Included in Tax Credit Basis	Included in Historic TC Basis
Acquisition					
Land	18,296	2,470,000	0%	0	0
Existing Buildings	65,037	8,780,000	100%	8,780,000	0
Other:	0	0	0%	0	0
Subtotal	83,333	11,250,000			
Construction/Rehabilitation					
Off Site Improvements	0	0	100%	0	0
On-site Improvements	3,351	452,362	100%	452,362	0
Landscaping and Irrigation	148	20,000	100%	20,000	20,000
Structures	22,947	3,097,880	100%	3,097,880	3,097,880
Community Building and/or Maintenance Facility	0	0	100%	0	0
Construction not in Tax Credit basis (i.e. Carports and Commercial Space)	0	0	0%	0	0
General Requirements % of Contract 6.00%	1,587	214,215	100%	214,215	214,215
Builder Overhead % of Contract 2.00%	561	75,689	100%	75,689	75,689
Builder Profit % of Contract 6.00%	1,716	231,609	100%	231,609	231,609
Permits, Bond Premium, Tap Fees, Cost Cert.	726	98,077	100%	98,077	98,077
Other:	0	0	100%	0	0
Subtotal	31,036	4,189,831			
15% of acquisition and \$15,000/unit test: met					
Professional Fees					
Design Architect Fees	1,124	151,800	100%	151,800	151,800
Supervisory Architect Fees	375	50,600	100%	50,600	50,600
Engineering/Survey	185	25,000	100%	25,000	25,000
Other: Construction Inspections	178	24,000	100%	24,000	24,000
Subtotal	1,862	251,400			
Interim Construction Costs					
Property & Causality Insurance	393	53,004	100%	53,004	53,004
Construction Loan Interest	Override 772,337	5,721	80%	617,870	617,870
Title Work	741	100,000	100%	100,000	0
Legal Fees (in Tax Credit Basis)	1,296	175,000	100%	175,000	0
Construction Taxes	1,556	210,071	100%	210,071	210,071
Other: Huntington EBL & TCF Nat'l Loan Fees	616	83,147	100%	83,147	83,147
Subtotal	10,323	1,393,559			
Permanent Financing					
Loan Commitment Fee to MSHDA	2%	2,541	0%	0	0
Other:	0	0	0%	0	0
Subtotal	2,541	342,977			
Other Costs (In Basis)					
Application Fee	15	2,000	100%	2,000	2,000
Market Study	94	12,700	100%	12,700	12,700
Environmental Studies	333	45,000	100%	45,000	45,000
Cost Certification	259	35,000	100%	35,000	35,000
Equipment and Furnishings	296	39,980	100%	39,980	0
Temporary Tenant Relocation	1,000	135,000	100%	135,000	135,000
Construction Contingency	3,401	459,175	100%	459,175	459,175
Appraisal and C.N.A.	130	17,500	100%	17,500	17,500
Other: RCS & Sewer Scope	108	14,640	100%	14,640	14,640
Subtotal	5,637	760,995			
Other Costs (NOT In Basis)					
Start-up and Organization	556	75,000	0%	0	0
Tax Credit Fees (based on 2017 QAP)	33,157	33,157	0%	0	0
Compliance Monitoring Fee (based on 2017 QAP)	475	64,125	0%	0	0
Marketing Expense	0	0	0%	0	0
Syndication Legal Fees	370	50,000	0%	0	0
Rent Up Allowance	0	0	0%	0	0
Other:	0	0	0%	0	0
Subtotal	1,647	222,282			

	Per Unit	Total	% In Basis	Included in Tax Credit Basis	Included in Historic TC Basis
Project Reserves					
Operating Assurance Reserv 4.0 months	Funded in Cas	4,590	619,703	0%	0
Replacement Reserve	Required	28,877	3,898,424	0%	0
Operating Deficit Reserve		0	0	0%	0
Rent Subsidy Reserve		444	60,000	0%	0
Syndicator Held Reserve		0	0	0%	0
Rent Lag Escrow		0	0	0%	0
Tax and Insurance Escrows		0	0	0%	0
Other:		0	0	0%	0
Other:		0	0	0%	0
Subtotal	33,912	4,578,127			
Miscellaneous					
Deposit to Development Operating Account (1MGRF Required)		1,221	164,891	0%	0
Other (Not in Basis): EBL Interest		1,076	145,258	0%	0
Other (In Basis):		0	0	100%	0
Other (In Basis):		0	0	100%	0
Subtotal	2,297	310,149			
Total Acquisition Costs		83,333			
Total Construction Hard Costs		31,036			
Total Non-Construction ("Soft") Costs		58,218			

Developer Overhead and Fee		Per Unit	Total	LIHTC Basis	Historic Basis
Maximum	2,307,788	17,095	2,307,788	100%	2,307,788
7.5% of Acquisition/Project Reserves	Override		5% Attribution Test met		
15% of All Other Development Costs					
Total Development Cost		189,682	25,607,109	17,529,106	7,981,764

TOTAL DEVELOPMENT SOURCES		% of TDC	# of Units	Gap to Hard Debt Ratio
MSHDA Permanent Mortgage	58.30%	110,594	14,930,203	
Conventional/Other Mortgage	0.00%	0	0	
Equity Contribution from Tax Credit Syndication	19.04%	36,107	4,874,506	
MSHDA NSP Funds	0.00%	0	0	
MSHDA HOME or Housing Trust Funds	0.00%	0	0	
MSHDA Housing Resource Fund	8.66%	16,434	2,218,625	
Other MSHDA:	0.00%	0	0	
Local HOME	0.00%	0	0	
Income from Operations	4.04%	7,670	1,035,412	
Other Equity	0.00%	0	0	
Transferred Reserves:	4.26%	8,079	1,090,718	
Other:	0.00%	0	0	
Other: GP Capital Contribution	0.00%	1	100	
Deferred Developer Fee	5.69%	10,797	1,457,545	63.16%
Total Permanent Sources			25,607,109	

Sources Equal Uses?	Balanced
Surplus/(Gap)	0

MSHDA Construction Loan	0.00%	0
Construction Loan Rate	4.900%	
Repaid from equity prior to final closing		0

Eligible Basis for LIHTC/TCAP		Value of LIHTC/TCAP	
Acquisition	9,342,500	Acquisition	298,026
Construction	8,186,606	Construction	261,153
Acquisition Credit %	3.19%	Total Yr Credit	559,178
Rehab/New Const Credit %	3.19%	Equity Price	\$0.9540
Qualified Percentage	100.00%	Equity Effective Price	\$0.9541
QCT/DDA Basis Boost	100%	Equity Contribution	4,874,023
Historic?	No		

Existing Reserve Analysis:	
DCE Interest:	
Insurance:	
Taxes:	
Rep. Reserv	1,090,718
ORC:	
DCE Principal:	
Other:	

Summary of Acquisition Price		As of	May 31, 2019
Attributed to Land	2,470,000	1st Mortgage Balance	9,500,000
Attributed to Existing Structure:	8,780,000	Subordinate Mortgage(s)	
Other:	0	Subordinate Mortgage(s)	
Fixed Price to Seller	11,250,000	Subordinate Mortgage(s)	
Premium/(Deficit) vs Existing Debt			1,750,000

Construction Loan Term	
Construction Contract	Months 12
EBL Period	3
Construction Loan Period	15

Appraised Value		Value As of	August 30, 2018
"Encumbered As-Is" value as determined by appraisal:			11,300,000
Plus 5% of Appraised Value:			0
LESS Fixed Price to the Seller:			11,250,000
Surplus/(Gap)	Within Range		50,000

Initial Owner's Equity Calculation	
Equity Contribution from Tax Credit Syndication	4,874,506
Brownfield Equity	
Historic Tax Credit Equity	
General Partner Capital Contributions	100
Other Equity Sources	
New Owner's Equity	4,874,606

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
RESOLUTION AUTHORIZING MORTGAGE LOANS
EDGEWOOD VILLAGE APARTMENTS, MSHDA DEVELOPMENT NO. 83-2
CHARTER TOWNSHIP OF MERIDIAN, INGHAM COUNTY

January 23, 2020

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized, under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (hereinafter referred to as the "Act"), to make mortgage loans to qualified nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations and associations and certain qualified individuals; and

WHEREAS, an application (the "Application") has been filed with the Authority by Vitus Group LLC (the "Applicant") for a mortgage loan in the amount of Fourteen Million Nine Hundred Thirty Thousand Two Hundred Three Dollars (\$14,930,203) (the "Mortgage Loan") and a Mortgage Resource Fund Loan in the estimated amount of Two Million Two Hundred Eighteen Thousand Six Hundred Twenty-Five Dollars (\$2,218,625) (the "MRF Loan", and together with the Mortgage Loan, the "Mortgage Loans"), for the acquisition, rehabilitation and permanent financing of a multi-family housing project having an estimated total development cost of Twenty-Five Million Six Hundred Seven Thousand One Hundred Nine Dollars (\$25,607,109), to be known as Edgewood Village Apartments (the "housing project"), located in the Charter Township of Meridian, Ingham County, Michigan, and to be owned by Edgewood Housing Partners Limited Dividend Housing Association, Limited Partnership (the "Mortgagor"); and

WHEREAS, the Acting Executive Director has forwarded to the Authority his analysis of the Application and his recommendation with respect thereto; and

WHEREAS, the Authority has reviewed the Application and the recommendation of the Acting Executive Director and, on the basis of the Application and recommendation, has made determinations that:

- (a) The Mortgagor is an eligible applicant;
- (b) The proposed housing project will provide housing for persons of low and moderate income and will serve and improve the residential area in which Authority-financed housing is located or is planned to be located thereby enhancing the viability of such housing;
- (c) The Applicant and the Mortgagor are reasonably expected to be able to achieve successful completion of the proposed housing project;
- (d) The proposed housing project will meet a social need in the area in which it is to be located;
- (e) The proposed housing project may reasonably be expected to be marketed successfully;
- (f) All elements of the proposed housing project have been established in a manner

consistent with the Authority's evaluation factors, except as otherwise provided herein;

- (g) The construction or rehabilitation will be undertaken in an economical manner and it will not be of elaborate design or materials; and
- (h) In light of the estimated total project cost of the proposed housing project, the amount of the Mortgage Loan authorized hereby is consistent with the requirements of the Act as to the maximum limitation on the ratio of mortgage loan amount to estimated total project cost.

WHEREAS, the Authority has considered the Application in the light of the criteria established for the determination of priorities pursuant to General Rule 125.145 and hereby determines that the proposed housing project is consistent therewith; and

WHEREAS, Sections 83 and 93 of the Act provide that the Authority shall determine a reasonable and proper rate of return to limited dividend housing corporations and associations on their investment in Authority-financed housing projects; and

WHEREAS, the Authority has considered a waiver of a certain Authority Multifamily Direct Lending Parameter (Section VI. P. 4.) that places a 50% cap on the total development fee that may be deferred so long as the entire amount will be paid within fifteen (15) years. The waiver for this housing project's 63.16% deferred developer fee is supported by a cash flow analysis showing payment of the deferred fee by the end of the 13th year.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The Application be and it hereby is approved, subject to the terms and conditions of this Resolution, the Act, the General Rules of the Authority, and the Mortgage Loan commitment hereinafter authorized to be issued to the Applicant and the Mortgagor.

2. The Mortgage Loan be and it hereby is authorized and the Executive Director, the Chief Housing Investment Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chief Financial Officer, or any person duly authorized to act in any of the foregoing capacities, or any one of them acting alone (each an "Authorized Officer"), are hereby authorized to issue to the Applicant and the Mortgagor a commitment for a Mortgage Loan for the acquisition, rehabilitation and permanent financing of the proposed housing project in an amount not to exceed Fourteen Million Nine Hundred Thirty Thousand Two Hundred Three Dollars (\$14,930,203) and to have a term of forty (40) years after amortization of principal commences. The Mortgage Loan will bear interest at a rate of four and 90/100 percent (4.90%) per annum. The amount of proceeds of tax exempt bonds issued or to be issued and allocated to the financing of this housing project shall not exceed Seventeen Million Two Hundred Forty-Eight Thousand Two Hundred Seventy-Seven Dollars (\$17,248,277).

3. The MRF Loan be and it hereby is authorized and an Authorized Officer is hereby authorized to issue to the Applicant and the Mortgagor a commitment for a MRF Loan (together with the commitment for the Mortgage Loan, the "Mortgage Loan Commitment") in the estimated amount of Two Million Two Hundred Eighteen Thousand Six Hundred Twenty-Five Dollars (\$2,218,625), and to have a term not to exceed fifty (50) years and to bear interest at a rate of three percent (3%) per annum.

4. This mortgage loan commitment resolution and issuance of the Mortgage Loan Commitment are based on the information obtained from the Applicant and the assumption that all factors necessary for the successful construction and operation of the proposed housing project shall not change in any materially adverse respect prior to the closing. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or any factors necessary for the successful construction and operation of the proposed project change in any materially adverse respect, this mortgage loan commitment resolution together with the Mortgage Loan Commitment issued pursuant hereto may, at the option of an Authorized Officer, be rescinded. Any Authorized Officer is hereby authorized to modify or waive any condition or provision contained in the Commitment. Any Authorized Officer is also hereby authorized to substitute alternate funding sources for or adjust the amounts of any of the subordinate loans described above, provided the total subordinate funding that is authorized herein does not increase.

5. Notwithstanding passage of this resolution or execution of any documents in anticipation of the closing of the proposed mortgage loan, no contractual rights to receive the mortgage loans authorized herein shall arise unless and until an Authorized Officer shall have issued a Mortgage Loan Commitment and the Applicant shall have agreed in writing within fifteen days after receipt thereof, to the terms and conditions contained therein.

6. The proposed housing project be and it hereby is granted a priority with respect to proceeds from the sale of Authority securities which are determined by the Executive Director to be available for financing the construction and permanent loans of the proposed housing project. Availability of funds is subject to the Authority's ability to sell bonds at a rate or rates of interest and at a sufficient length of maturity so as not to render the permanent financing of the development unfeasible.

7. In accordance with Section 93(b) of the Act, the maximum reasonable and proper rate of return on the investment of the Mortgagor in the housing project be and it hereby is determined to be as follows:

- (a) So long as the Housing Assistance Payments Contract or any other federal subsidy is in effect, the rate of return shall be ten percent (10%) of the Mortgagor's equity, as determined by the Authority, unless a higher rate of return is allowed and approved by HUD, but not to exceed twelve percent (12%).
- (b) Following the expiration or termination of the Housing Assistance Payments Contract or any other federal subsidy, the rate of return shall be twenty five percent (25%) of the Mortgagor's equity, as determined by the Authority.
- (c) The Mortgagor's return on equity shall be fully cumulative.

8. The Mortgage Loans shall be subject to, and the Mortgage Loan Commitment shall contain, the conditions set forth in the Mortgage Loan Feasibility/Commitment Staff Report dated January 23, 2020 which conditions are hereby incorporated by reference as if fully set forth herein.

9. Section VI.P.4. of the Authority's Multifamily Direct Lending Parameters concerning the maximum amount of deferred developer fee is waived.



M E M O R A N D U M

TO: Authority Members

FROM: Gary Heidel, Acting Executive Director 

DATE: January 23, 2020

RE: Intent to Reimburse Expenditures for the Purchase of Mortgage Loans

Recommendation:

I recommend that the Michigan State Housing Development Authority (the "Authority") approve the attached resolution that declares the Authority's intent to reimburse itself with anticipated bond proceeds for the financing and purchasing of mortgage loans.

Executive Summary:

From time to time the Authority utilizes General Operating or other funds for the purchase of single-family mortgages. When the Authority advances these funds, it does so with the intent of being reimbursed at a future date with proceeds from a related bond sale. Internal Revenue Service ("IRS") regulations require that if the Authority **IS** intends to reimburse itself with proceeds from a future bond sale, it must ~~state its intent to do so~~ **NOT LATER THAN** within 60 days **AFTER** of the purchase of the mortgages. **BY EXPRESSLY STATING THE INTENT TO REIMBURSE THE AUTHORITY'S ADVANCE FOR THE PURCHASE OF SINGLE-FAMILY MORTGAGES, THE AUTHORITY CAN BE REIMBURSED FOR THE PURCHASES BEYOND THE 60 DAY REQUIREMENT. AT THE BEGINNING OF EACH CALENDAR YEAR, AUTHORITY STAFF BRING THIS "INTENT TO REIMBURSE RESOLUTION" BEFORE AUTHORITY MEMBERS TO BE SURE THAT ANY PURCHASE OF MORTGAGES WILL SATISFY THE IRS REQUIREMENT.** ~~The attached resolution will fulfill the IRS requirement.~~

Issues, Policy Considerations, and Related Actions:

None.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE EXPENDITURES
FOR FINANCING AND PURCHASING MORTGAGE LOANS**

January 23, 2020

WHEREAS, the members of the Michigan State Housing Development Authority (the "Authority") propose to authorize the issuance of tax-exempt qualified mortgage bonds pursuant to Internal Revenue Code Section 143 in one or more series (the "Bonds") pursuant to the General Resolution Authorizing the Issuance of Michigan State Housing Development Authority Single-Family Mortgage Revenue Bonds adopted on December 17, 1987, as amended for the purpose of providing funds for the financing and purchasing of mortgage loans (the "Mortgage Loans"); and

WHEREAS, it is anticipated that the Authority may advance all or a portion of the funds necessary to finance or purchase such Mortgage Loans prior to the issuance of the Bonds, such advances to be repaid from the proceeds of the Bonds; and

WHEREAS, Section 1.150-2 of the U.S. Department of Treasury Regulations on Income Tax (the "Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of proceeds of tax-exempt obligations, and the Authority intends by this resolution to qualify amounts advanced by the Authority to finance or purchase Mortgage Loans for reimbursement from proceeds of the Bonds in accordance with the requirements of the Reimbursement Regulations.

NOW, THEREFORE, BE IT RESOLVED by the members of the Authority that this Resolution Declaring Official Intent to Reimburse Expenditures for Financing and Purchasing Mortgage Loans (the "Reimbursement Resolution") is adopted as follows:

- Section 1. The maximum principal amount of the Bonds expected to be issued is \$900,000,000.
- Section 2. The Authority hereby declares its official intent to issue the Bonds for the purpose of financing and purchasing Mortgage Loans, and hereby declares that it reasonably expects to seek reimbursement from the proceeds of the Bonds for the Authority's advances as anticipated by this Reimbursement Resolution.
- Section 3. The Bonds shall be authorized by proper proceedings of the Authority subsequent to the adoption of this Reimbursement Resolution.
- Section 4. All resolutions and parts of resolutions insofar as the same may be in conflict herewith are hereby rescinded.
- Section 5. This Reimbursement Resolution is effective immediately upon adoption.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

FINANCIAL REPORT

QUARTER AND YEAR TO DATE ENDED SEPTEMBER 30, 2019

CONTENTS

Page

1 - 3	- Financial Summary
4	- Statement of Financial Condition
5-8	- Statements of Revenues and Expenses
9-10	-Notes to Financial Statements
11	- Detail of Multi-Family Mortgage Loans
12	- Seed Loans, Repayable Grants and Bridge Loans
13	- Passthrough Obligations

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
FINANCIAL SUMMARY
THREE MONTHS ENDED SEPTEMBER 30, 2019

Operations for the three months ended September 30, 2019 resulted in excess of revenues over expenses of \$8.2 million, a decrease of \$819,000 compared to prior year results of \$9.0 million. Excess of revenues over expenses for the three months ended September 30, 2019 was more than budget of \$1.4 million by \$6.7 million.

Financial Position

Total assets increased by \$253.2 million from June 30, 2019, to \$4.46 billion at September 30, 2019. The majority of the increase occurred in investments (higher by \$133.7 million) and loans receivable (higher by \$107.1 million). Total Liabilities increased by \$245.1 million from June 30, 2019, to \$3.65 billion.

Loans receivable increased from \$3,121.1 million at June 30, 2019 to \$3,228.2 million at September 30, 2019, an increase of \$107.1 million. The loans receivable experienced a net increase in single-family mortgages (up \$103.1 million), as well as multi-family mortgages (up \$4.1 million).

Investments increased by \$133.7 million to \$1,151.9 million from June 30, 2019. This increase was primarily due to the issuance of the Rental Housing Revenue Bonds, 2019 Series A-1 and A-2 (\$204.0 million), as the bond proceeds are invested until they are utilized to fund multi-family construction and the purchase of mortgages.

Bonds and notes payable increased from \$2,842.9 million to \$3,066.3 million at September 30, 2019, compared to June 30, 2019. This was a net increase of \$223.4 million, which was primarily due to the issuance of the Rental Housing Revenue Bonds, 2019 Series A-1 and A-2 discussed above.

Escrow funds increased from \$482.0 million at June 30, 2019 to \$482.3 million at September 30, 2019, an increase of \$370,000. The increase is due to a slight increase in multi-family mortgage balances.

MSHDA's fund balances totaled \$812.6 million at September 30, 2019, equal to 18.2 percent of total assets and 26.7 percent of bonds payable. The \$812.6 million fund balance does not include the impact of MSHDA's portion of the State of Michigan's Pension liability (\$39.2 million at June 30, 2019) and Other Post-Employment Benefits liability (\$59.1 million at June 30, 2019). These allocations reduce MSHDA's fund balance by \$98.3 million. This liability is recalculated annually. MSHDA is rated by Standard & Poor's and has an Issuer Credit Rating (ICR) of AA with a stable outlook.

Results of Operations for the Three Months Ended September 30, 2019 Compared to the Three Months Ended September 30, 2018

Operations for the three months ended September 30, 2019 resulted in excess of revenues over expenses of \$8.2 million, a decrease of \$819,000 compared to prior year results of \$9.0 million. Total revenues increased from \$166.5 million in 2018, to \$172.2 million in 2019. Total expenses were \$164.0 million for the three months ended September 30, 2019, compared to \$157.5 million for the three months ended September 30, 2018.

Net interest income decreased from \$16.8 million in 2018 to \$16.2 million in 2019, a decrease of \$631,000. Mortgage loan interest income is up \$3.2 million in 2019 compared to 2018. The reason for this increase is attributable to the higher mortgage balances. Investment interest income increased \$327,000 from 2018 to 2019. Interest expense is higher due to an increase in bonds outstanding and an increase on the interest rate for variable rate debt. The aggregate interest rate on all outstanding debt went from 3.51% for the quarter ended September 30, 2018 to 3.54% for the quarter ended September 30, 2019. The Authority's interest income returns increased 1 basis point, with interest earning asset rates going from 4.35% in September of 2018 to 4.39% in September of 2019.

Total Income increased from \$166.5 million for the three months ended September 30, 2018 to \$172.2 million for the three months ended September 30, 2019, a net increase of \$5.7 million. The total income increase was caused by an increase in Preservation Fees (\$1.9 million) and Federal Assistance Programs Income (\$5.3 million), partially offset by a small decrease in various other line items.

Total expenses increased from \$157.5 million for the three months ended September 30, 2018 to \$164.0 million for the three months ended September 30, 2019, a net increase of \$6.5 million. Total expenses increased due primarily to Operating Expenses (\$2.3 million) and the Federal Assistance Program Expenses (\$5.3 million), partially offset by a decrease in the Provision for Losses on Uncollectable Mortgages (\$968,000).

Results of Operations for the Three Months Ended September 30, 2019 Compared to Budget

Excess of Revenues over Expenses for the three months ended September 30, 2019 was \$8.2 million compared to budget of \$1.4 million, a positive variance of \$6.7 million.

Net interest income was \$16.2 million compared to budget of \$14.1 million, more than budgeted by \$2.1 million. This difference was due to higher than expected Interest Income from Mortgage Loans (\$1.3 million) and higher Interest Income from Investments (\$688,000).

Total Income was \$172.2 million compared to budget of \$168.9 million, a positive variance of \$3.3 million. Total income was more than budget due to Net Interest Income (\$2.1 million) and Preservation Fees (\$1.8 million).

Total expenses were \$164.0 million compared to budget of \$167.4 million. This positive variance of \$3.4 million was mainly due to the timing of Operating Expenses (\$768,000) and Housing Development Grants (\$2.2 million).

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL CONDITION

	<u>SEPTEMBER 30, 2019</u>	<u>JUNE 30, 2019</u>	<u>INCREASE (DECREASE)</u>
ASSETS:			
Loans Receivable:			
Developments under Construction	\$ 250,307,508	\$ 238,100,116	\$ 12,207,392
Short-Term Construction Loans	0	-	0
Completed Development Final Closed	1,240,926,811	1,248,995,327	(8,068,516)
Single-family Mortgages	1,733,912,738	1,630,861,191	103,051,547
AIS Homes	-	-	-
Home Improvement and Mod Rehab Loans	3,052,122	3,189,485	(137,363)
	<u>3,228,199,180</u>	<u>3,121,146,119</u>	<u>107,053,061</u>
ADD (DEDUCT): Reserve for Losses	(76,804,850)	(76,431,100)	(373,750)
Mortgage Discount - Single Family	(72,175)	(76,751)	4,576
Mortgage Discount - Multi Family	(17,716,659)	(17,448,379)	(268,280)
Accrued Interest Receivable	80,223,375	73,410,891	6,812,484
	<u>3,213,828,871</u>	<u>3,100,600,780</u>	<u>113,228,091</u>
Investments			
CD's and Investment Agreements	0	0	-
Other Short Term Investments	406,769,856	220,104,847	186,665,009
Long Term Investments	740,370,542	793,897,254	(53,526,712)
	<u>1,147,140,397</u>	<u>1,014,002,101</u>	<u>133,138,296</u>
Accrued Interest Receivable	4,752,570	4,148,603	603,967
	<u>1,151,892,968</u>	<u>1,018,150,704</u>	<u>133,742,264</u>
Cash	9,847,396	6,947,368	2,900,028
Housing Development Loans, Net of Reserve	2,464,948	2,202,861	262,087
Deferred Bond Issuance Costs	-	-	-
Real Estate Owned:			
Multi-family	5,627,036	5,627,036	0
Single-family	7,533,557	10,085,600	(2,552,043)
Other Assets	71,088,768	65,420,904	5,667,864
TOTAL ASSETS	<u>\$ 4,462,283,545</u>	<u>\$ 4,209,035,253</u>	<u>\$ 253,248,291</u>
LIABILITIES:			
Bonds Payable	\$ 2,981,320,000	\$ 2,777,335,000	\$ 203,985,000
ADD Capital Appreciation	-	-	-
LESS Bond Discount & Premium, Net	18,025,210	18,574,757	(549,547)
	<u>2,999,345,210</u>	<u>2,795,909,757</u>	<u>203,435,453</u>
Notes Payable, including Premium	67,000,000	47,000,000	20,000,000
Accrued Interest Payable: Bonds	37,616,376	15,020,841	22,595,535
Escrow Funds	482,325,059	481,955,093	369,966
Federal or State Resources on Hand	24,728,469	22,484,653	2,243,816
Other Liabilities	38,680,796	42,265,391	(3,584,595)
TOTAL LIABILITIES	<u>3,649,695,910</u>	<u>3,404,635,734</u>	<u>245,060,176</u>
FUND BALANCES:			
Restricted Funds	482,737,804	467,600,058	15,137,746
Unrestricted Funds	329,849,830	336,799,461	(6,949,631)
TOTAL FUND BALANCES	<u>812,587,634</u>	<u>804,399,519</u>	<u>8,188,115</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 4,462,283,545</u>	<u>\$ 4,209,035,253</u>	<u>\$ 253,248,292</u>

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENSES

	QUARTER ENDED SEPTEMBER 30			QUARTER ENDED SEPTEMBER 30, 2019		
	2019	2018	INCREASE (DECREASE)	ACTUAL	BUDGET	OVER (UNDER) BUDGET
INCOME:						
Interest Income:						
Mortgage Loans	\$ 37,955,847	\$ 34,714,113	\$ 3,241,734	\$ 37,955,847	\$ 36,644,000	\$ 1,311,847
Investments	4,183,083	3,855,885	327,198	4,183,083	3,495,000	688,083
	42,138,931	38,569,999	3,568,932	42,138,931	40,139,000	1,999,931
Interest Expense	(25,933,170)	(21,733,328)	(4,199,842)	(25,933,170)	(26,006,000)	72,830
Net Interest Income	16,205,761	16,836,671	(630,910)	16,205,761	14,133,000	2,072,761
State Approp MI Housing and Comm Dev Fund	-	277,831	(277,831)	-	-	-
Multi-Family Servicing Fees	193,899	200,722	(6,823)	193,899	187,000	6,899
Preservation Fees	1,909,147	26,803	1,882,344	1,909,147	138,000	1,771,147
LIHTC Fees	866,842	584,026	282,816	866,842	975,000	(108,158)
Section 8 Existing Fees	4,303,617	4,055,330	248,287	4,303,617	4,375,000	(71,383)
Federal Programs Administration Fees	1,709,274	2,281,386	(572,112)	1,709,274	1,375,000	334,274
Contract Administration Fees	2,143,865	2,032,883	110,982	2,143,865	2,050,000	93,865
Gain (Loss) on Sale of Investments, Net	35,657	-	35,657	35,657	-	35,657
Gain (Loss) on Debt Retirement, Net	-	-	-	-	50,000	(50,000)
Gain(Loss) on Sale of Investments, Net	297,376	430,175	(132,799)	297,376	100,000	197,376
Miscellaneous Income	655,263	1,142,098	(486,835)	655,263	1,615,000	(959,737)
Federal Assistance Programs Income	143,893,765	138,631,216	5,262,548	143,893,765	143,893,765	-
TOTAL INCOME	172,214,464	166,499,141	5,715,322	172,214,464	168,891,765	3,322,699
EXPENSES:						
Operating Expenses:						
Salaries and Fringe Benefits	8,489,229	8,087,399	401,830	8,489,229	8,687,000	(197,771)
Technical Service Contracts	1,201,385	997,625	203,760	1,201,385	1,380,000	(178,615)
General Consultant Contracts	229,687	139,481	90,206	229,687	355,000	(125,313)
Rent, building depreciation & utilities	304,136	92,517	211,620	304,136	312,000	(7,864)
Building maint, equipment purchase & rental	314,860	240,733	74,128	314,860	270,000	44,860
Computer & Related Equipment Purchases	1,131,406	1,148,537	(17,131)	1,131,406	1,782,000	(650,594)
Charges from other State Departments	821,531	183,751	637,780	821,531	864,000	(42,469)
Travel	82,602	68,117	14,485	82,602	90,000	(7,398)
Telephone	135,978	69,435	66,544	135,978	63,000	72,978
Printing, Supplies, & Postage	87,578	149,904	(62,326)	87,578	102,000	(14,422)
Advertising and Publicity	534,643	268,335	266,307	534,643	362,000	172,643
Sec 8 Property Mgrs Fees & Expenses	2,348,874	2,205,362	143,512	2,348,874	2,383,000	(34,126)
Temporary Clerical Assistance	9,948	-	9,948	9,948	9,000	948
Training	22,280	17,898	4,382	22,280	24,000	(1,720)
All Other	324,302	159,629	164,673	324,302	288,000	36,302
Deferred Operating Costs	(180,000)	(255,000)	75,000	(180,000)	(345,000)	165,000
Total Operating Expenses	15,858,441	13,573,722	2,284,719	15,858,441	16,626,000	(767,559)
Single Family & HIP Mtg fees	1,627,440	1,516,560	110,879	1,627,440	1,680,000	(52,560)
Costs of Issuing, Paying Notes and Bonds	668,319	411,654	256,665	668,319	675,000	(6,681)
Provision for Losses on Uncoll. Mort.	1,427,764	2,395,674	(967,910)	1,427,764	1,200,000	227,764
Housing Development Grants	150,463	(57,527)	207,991	150,463	2,340,000	(2,189,537)
Michigan Housing and Community Dev Funds Gra	2,220	577,670	(575,449)	2,220	2,220	-
Rent Subsidy	161,257	179,681	(18,424)	161,257	165,000	(3,743)
Bond Insurance Expense	78,565	91,083	(12,518)	78,565	701,000	(622,435)
Homeownership Counseling Costs	144,433	178,231	(33,798)	144,433	150,000	(5,567)
Other	-	-	-	-	-	-
Federal Assistance Programs Expense	143,907,447	138,625,176	5,282,271	143,907,447	143,907,447	-
TOTAL EXPENSES	164,026,348	157,491,923	6,534,425	164,026,348	167,446,667	(3,420,319)
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	\$ 8,188,116	\$ 9,007,219	\$ (819,103)	\$ 8,188,116	\$ 1,445,097	6,743,018

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENSES

MONTH OF JULY 31, 2019

	ACTUAL	BUDGET	OVER (UNDER) BUDGET
<u>INCOME:</u>			
Interest Income:			
Mortgage Loans	\$ 12,498,016	\$ 12,058,000	\$ 440,016
Investments	1,329,357	1,248,000	81,357
	<u>13,827,373</u>	<u>13,306,000</u>	<u>521,373</u>
Interest Expense	(8,367,514)	(8,529,000)	161,486
Net Interest Income	<u>5,459,859</u>	<u>4,777,000</u>	<u>682,859</u>
State Approp MI Housing and Comm Dev Fund	-	-	-
Multi-Family Servicing Fees	66,277	62,000	4,277
Preservation Fees	1,893,062	46,000	1,847,062
LIHTC Fees	335,682	325,000	10,682
Section 8 Existing Fees	1,423,120	1,458,000	(34,880)
Federal Programs Administration Fees	598,518	459,000	139,518
Contract Administration Fees	687,122	683,000	4,122
Gain (Loss) on Sale of Investments, Net	-	-	-
Gain (Loss) on Debt Retirement, Net	-	16,000	(16,000)
Gain (Loss) on Sale of Mortgages, Net	52,800	34,000	18,800
Miscellaneous Income	39,324	538,000	(498,676)
Federal Assistance Programs Income	46,531,025	46,531,025	-
TOTAL INCOME	<u><u>57,086,789</u></u>	<u><u>54,929,025</u></u>	<u><u>2,157,764</u></u>
<u>EXPENSES:</u>			
Operating Expenses:			
Salaries and Fringe Benefits	2,902,733	3,027,000	(124,267)
Technical Service Contracts	272,040	460,000	(187,960)
General Consultant Contracts	80,356	119,000	(38,644)
Rent, building depreciation & utilities	43,962	104,000	(60,038)
Building maint, equipment purchase & rental	182,152	90,000	92,152
Computer & Related Equipment Purchases	47,828	594,000	(546,172)
Charges from other State Departments	245,531	288,000	(42,469)
Travel	19,145	30,000	(10,855)
Telephone	(90,766)	21,000	(111,766)
Printing, Supplies, & Postage	17,584	34,000	(16,416)
Advertising and Publicity	193,322	121,000	72,322
Sec 8 Property Mgrs Fees & Expenses	786,172	794,000	(7,828)
Temporary Clerical Assistance	658	3,000	(2,342)
Training	4,979	8,000	(3,021)
All Other	44,622	96,000	(51,378)
Deferred Operating Costs	-	(115,000)	115,000
Total Operating Expenses	<u>4,750,318</u>	<u>5,674,000</u>	<u>(923,682)</u>
Single Family & HIP Mtg fees	514,356	560,000	(45,644)
Costs of Issuing, Paying Notes and Bonds	202,301	225,000	(22,699)
Provision for Losses on Uncoll. Mort.	447,460	400,000	47,460
Housing Development Grants	62,500	780,000	(717,500)
Michigan Housing and Community Dev Fund Grar	-	-	-
Rent Subsidy	51,043	55,000	(3,957)
Bond Insurance Expense	-	233,000	(233,000)
Homeownership Counseling Costs	69,548	50,000	19,548
Other	-	-	-
Federal Assistance Programs Expense	46,799,191	46,799,191	-
TOTAL EXPENSES	<u><u>52,896,717</u></u>	<u><u>54,776,191</u></u>	<u><u>(1,879,475)</u></u>
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	<u><u>\$ 4,190,072</u></u>	<u><u>\$ 152,834</u></u>	<u><u>\$ 4,037,238</u></u>

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENSES

MONTH OF AUGUST 31, 2019

	ACTUAL	BUDGET	OVER (UNDER) BUDGET
INCOME:			
Interest Income:			
Mortgage Loans	\$ 12,671,512	\$ 12,212,000	\$ 459,512
Investments	1,439,839	1,152,000	287,839
	<u>14,111,351</u>	<u>13,364,000</u>	<u>747,351</u>
Interest Expense	(8,793,648)	(8,529,000)	(264,648)
Net Interest Income	<u>5,317,703</u>	<u>4,835,000</u>	<u>482,703</u>
State Approp MI Housing and Comm Dev Fund	-	-	-
Multi-Family Servicing Fees	66,277	63,000	3,277
Preservation Fees	16,085	46,000	(29,915)
LIHTC Fees	150,352	325,000	(174,648)
Section 8 Existing Fees	1,454,330	1,458,000	(3,670)
Federal Programs Administration Fees	479,226	458,000	21,226
Contract Administration Fees	724,322	684,000	40,322
Gain (Loss) on Sale of Investments, Net	35,657	-	35,657
Gain (Loss) on Debt Retirement, Net	-	17,000	(17,000)
Gain (Loss) on Sale of Mortgages, Net	130,852	33,000	97,852
Miscellaneous Income	593,962	539,000	54,962.48
Federal Assistance Programs Income	49,306,688	49,306,688	-
TOTAL INCOME	<u>58,275,453</u>	<u>57,764,688</u>	<u>510,765</u>
EXPENSES:			
Operating Expenses:			
Salaries and Fringe Benefits	2,871,158	2,896,000	(24,842)
Technical Service Contracts	475,299	460,000	15,299
General Consultant Contracts	98,047	118,000	(19,953)
Rent, building depreciation & utilities	62,523	104,000	(41,477)
Building maint, equipment purchase & rental	16,018	90,000	(73,982)
Computer & Related Equipment Purchases	79,172	594,000	(514,828)
Charges from other State Departments	288,000	288,000	-
Travel	34,086	30,000	4,086
Telephone	18,578	21,000	(2,422)
Printing, Supplies, & Postage	44,858	34,000	10,858
Advertising and Publicity	110,878	121,000	(10,122)
Sec 8 Property Mgrs Fees & Expenses	784,087	794,000	(9,913)
Temporary Clerical Assistance	5,320	3,000	2,320
Training	7,829	8,000	(171)
All Other	52,238	96,000	(43,762)
Deferred Operating Costs	(180,000)	(115,000)	(65,000)
Total Operating Expenses	<u>4,768,091</u>	<u>5,542,000</u>	<u>(773,909)</u>
Single Family & HIP Mtg fees	545,203	560,000	(14,797)
Costs of Issuing, Paying Notes and Bonds	318,797	225,000	93,797
Provision for Losses on Uncoll. Mort.	491,313	400,000	91,313
Housing Development Grants	29,530	780,000	(750,470)
Michigan Housing and Community Dev Fund Grar	-	-	-
Rent Subsidy	57,139	55,000	2,139
Bond Insurance Expense	-	234,000	(234,000)
Homeownership Counseling Costs	14,507	50,000	(35,493)
Other	-	-	-
Federal Assistance Programs Expense	49,034,693	49,034,693	-
TOTAL EXPENSES	<u>55,259,274</u>	<u>56,880,693</u>	<u>(1,621,419)</u>
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	<u>\$ 3,016,180</u>	<u>\$ 883,995</u>	<u>\$ 2,132,185</u>

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENSES

MONTH OF SEPTEMBER 30, 2019

	ACTUAL	BUDGET	OVER (UNDER) BUDGET
INCOME:			
Interest Income:			
Mortgage Loans	\$ 12,786,319	\$ 12,374,000	\$ 412,319
Investments	1,413,888	1,095,000	318,888
	<u>14,200,207</u>	<u>13,469,000</u>	<u>731,207</u>
Interest Expense	(8,772,009)	(8,948,000)	175,991
Net Interest Income	<u>5,428,199</u>	<u>4,521,000</u>	<u>907,199</u>
State Approp MI Housing and Comm Dev Fund	-	1,050	(1,050)
Multi-Family Servicing Fees	61,345	62,000	(655)
Preservation Fees	-	46,000	(46,000)
LIHTC Fees	380,808	325,000	55,808
Section 8 Existing Fees	1,426,166	1,459,000	(32,834)
Federal Programs Administration Fees	631,531	458,000	173,531
Contract Administration Fees	732,422	683,000	49,422
Gain (Loss) on Sale of Investments, Net	-	-	-
Gain (Loss) on Debt Retirement, Net	-	17,000	(17,000)
Gain (Loss) on Sale of Mortgages, Net	113,723	33,000	80,723
Miscellaneous Income	21,977	538,000	(516,023)
Federal Assistance Programs Income	48,056,052	49,848,052	(1,792,000)
TOTAL INCOME	<u>56,852,222</u>	<u>57,991,103</u>	<u>(1,138,881)</u>
EXPENSES:			
Operating Expenses:			
Salaries and Fringe Benefits	2,715,338	2,764,000	(48,662)
Technical Service Contracts	454,046	460,000	(5,954)
General Consultant Contracts	51,283	118,000	(66,717)
Rent, building depreciation & utilities	197,651	104,000	93,651
Building maint, equipment purchase & rental	116,690	90,000	26,690
Computer & Related Equipment Purchases	1,004,406	594,000	410,406
Charges from other State Departments	288,000	288,000	-
Travel	29,372	30,000	(628)
Telephone	208,167	21,000	187,167
Printing, Supplies, & Postage	25,136	34,000	(8,864)
Advertising and Publicity	230,443	120,000	110,443
Sec 8 Property Mgrs Fees & Expenses	778,616	795,000	(16,384)
Temporary Clerical Assistance	3,970	3,000	970
Training	9,472	8,000	1,472
All Other	227,442	96,000	131,442
Deferred Operating Costs	-	(115,000)	115,000
Total Operating Expenses	<u>6,340,032</u>	<u>5,410,000</u>	<u>930,032</u>
Single Family & HIP Mtg fees	567,881	560,000	7,881
Costs of Issuing, Paying Notes and Bonds	147,220	225,000	(77,780)
Provision for Losses on Uncoll. Mort.	488,992	400,000	88,992
Housing Development Grants	58,433	780,000	(721,567)
Michigan Housing and Community Dev Fund Grar	2,220	1,050	1,170
Rent Subsidy	53,075	55,000	(1,925)
Bond Insurance Expense	78,565	234,000	(155,435)
Homeownership Counseling Costs	60,377	50,000	10,377
Other	-	-	-
Federal Assistance Programs Expense	48,073,563	48,073,563	-
TOTAL EXPENSES	<u>55,870,358</u>	<u>55,788,613</u>	<u>81,744</u>
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	<u>\$ 981,864</u>	<u>\$ 2,202,489</u>	<u>\$ (1,220,625)</u>

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
QUARTER AND YEAR TO DATE ENDED SEPTEMBER 30, 2019

1. Single-Family activity for the quarter and year to date September 30, 2019 was as follows:

	<u>Current Quarter</u>		<u>Year to Date</u>	
	<u>Units</u>	<u>Amount</u>	<u>Units</u>	<u>Amount</u>
Commitments outstanding – Beginning	654	\$ 73,595,484	654	\$ 73,595,484
Commitments issued	1,184	132,159,177	1,184	132,159,177
Loans purchased	(1,177)	(132,347,577)	(1,177)	(132,347,577)
Cancellations, adjustments, etc.	<u>(24)</u>	<u>(2,702,980)</u>	<u>(24)</u>	<u>(2,702,980)</u>
Commitments outstanding - Ending	<u>637</u>	<u>\$70,704,104</u>	<u>637</u>	<u>\$70,704,104</u>

Single-Family Delinquency Report as of September 30, 2019:

<u>Days Delinquent</u>	<u>Delinquent</u>		<u>% of Total Loans</u>		
	<u># of Loans</u>	<u>Loan Amount</u>	<u>9/30/19</u>	<u>6/30/19</u>	<u>9/30/18</u>
30-59	1,225	\$93,994,105	5.71%	5.13%	6.44%
60-89	330	24,724,865	1.50%	1.36%	1.27%
Over 90	444	34,804,792	2.11%	1.81%	2.07%
In Foreclosure	<u>40</u>	<u>2,947,181</u>	<u>0.18%</u>	<u>0.16%</u>	<u>0.40%</u>
	<u>2,039</u>	<u>\$156,470,943</u>	<u>9.50%</u>	<u>8.46%</u>	<u>10.18%</u>

2. Home Improvement loan activity for the quarter and from inception of the program was as follows:

	<u>Quarter</u>	<u>Cumulative</u>
Number of loans purchased	5	27,914
Amount purchased	\$40,646	\$177,449,399
Average interest rate	6.26%	5.72%
Average loan amount	\$8,129	\$6,357

Home Improvement loan delinquency report as of September 30, 2019:

<u>Days Delinquent</u>	<u>Delinquent</u>		<u>% of Total Loans</u>		
	<u># of Loans</u>	<u>Loan Amount</u>	<u>9/30/19</u>	<u>6/30/18</u>	<u>9/30/18</u>
30-59	6	\$36,913	1.21%	1.51%	3.99%
60-89	3	45,892	1.50%	1.06%	0.44%
Over 90	<u>13</u>	<u>136,281</u>	<u>4.47%</u>	<u>5.21%</u>	<u>6.79%</u>
	<u>22</u>	<u>\$219,086</u>	<u>7.18%</u>	<u>7.78%</u>	<u>11.22%</u>

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS FOR QUARTER ENDED SEPTEMBER 30, 2019

Year to date as of September 2019:

Long term investment-book:	\$740,371,000
Excess of market over book:	18,821,000
Long term investment-book:	<u>\$759,192,000</u>
Unrealized Gain (Loss) for the three months:	(\$849,000)

Average interest rates earned on mortgage loans and investments were approximately as follows (excludes mortgagors' escrow fund investments) (in thousands):

<u>Quarter Ended</u>	<u>Mortgage Loans</u>		<u>Investments</u>		<u>Aggregate</u>	
	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>
Sept 15	2,183,222	5.32	615,390	3.63	2,798,612	4.95
Dec 15	2,225,750	5.20	634,461	3.56	2,860,211	4.83
March 16	2,268,546	5.12	587,734	3.73	2,856,280	4.84
June 16	2,282,262	5.15	619,122	3.63	2,901,384	4.83
Sept 16	2,290,434	5.08	712,367	2.97	3,002,801	4.58
Dec 16	2,324,740	5.10	707,889	2.78	3,032,629	4.56
March 17	2,358,292	5.06	610,994	2.75	2,969,286	4.58
June 17	2,381,714	5.10	522,604	2.92	2,904,318	4.71
Sept 17	2,406,408	5.02	468,963	2.81	2,875,371	4.66
Dec 17	2,444,303	5.04	499,114	2.61	2,943,417	4.63
March 17	2,501,985	4.99	489,945	2.68	2,991,930	4.62
June 18	2,553,737	4.95	602,374	2.56	3,156,111	4.50
Sept 18	2,674,254	4.85	666,900	2.39	3,341,154	4.35
Dec 18	2,803,084	4.82	606,127	2.79	3,409,211	4.46
March 19	2,946,363	4.81	526,758	2.88	3,473,121	4.52
June 19	3,081,389	4.80	580,738	2.71	3,662,127	4.47
Sept 19	3,180,145	4.77	662,633	2.53	3,842,778	4.39

Average rate borne by Authority bonds were as follows (in thousands):

<u>Quarter Ended</u>	<u>Fixed Rate Bonds</u>		<u>Variable Rate Bonds</u>		<u>Aggregate</u>	
	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>
Sept 15	1,914,860	3.96	126,080	0.16	2,040,940	3.73
Dec 15	1,949,047	3.98	126,070	0.17	2,075,117	3.75
March 16	1,942,060	3.95	126,730	0.27	2,068,790	3.72
June 16	1,990,643	3.95	119,008	0.58	2,109,651	3.76
Sept 16	2,008,202	4.05	150,705	0.79	2,158,907	3.82
Dec 16	2,087,252	3.93	94,573	0.75	2,181,825	3.79
March 17	2,043,518	3.89	105,610	0.76	2,149,128	3.74
June 17	1,980,708	3.95	86,465	0.99	2,067,173	3.82
Sept 17	1,960,915	3.91	127,425	1.00	2,088,340	3.73
Dec 17	1,972,208	3.75	195,180	1.17	2,167,388	3.51
March 17	1,924,107	3.79	255,130	1.36	2,179,237	3.51
June 18	2,038,713	3.83	270,965	1.58	2,309,678	3.57
Sept 18	2,180,915	3.78	296,608	1.48	2,477,523	3.51
Dec 18	2,314,253	3.96	260,067	1.77	2,574,320	3.74
March 19	2,351,975	3.83	284,930	1.65	2,636,905	3.60
June 19	2,501,434	3.75	291,667	1.83	2,793,101	3.55
Sept 19	2,620,704	3.78	306,220	1.52	2,926,924	3.54

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
 DETAIL OF MULTIFAMILY MORTGAGE LOANS
 SEPTEMBER 30, 2019

DEVELOPMENTS UNDER CONSTRUCTION AND MONTH OF INITIAL CLOSING

MSHDA NUMBER	DEVELOPMENT NAME	DATE	# OF UNITS	MORTGAGE COMMITMENT	BALANCE 9/30/2019	% CONST. COMPLETE (1)
	GRAND RIVER SHORES	12/06		\$520,000	\$464,631	(2)
341-2	FRIENDSHIP MANOR	4/19	170	\$6,917,677	\$6,599,142	17%
432-2	RIVERVIEW TOWERS	12/18	170	\$9,120,008	\$9,120,008	64%
444-2	ROBERTS III	5/18	197	5,004,124	\$0	70%
488-2	PARK FOREST	5/18	290	19,715,536	\$19,715,536	55%
658-2	CAMELOT HILLS	11/18	144	\$4,889,005	\$4,889,005	94%
1045-2	MARSH RIDGE III	8/19	48	\$7,577,114	\$5,949,970	(2)
1654-2	ASHTON RIDGE APTS	4/18	144	6,091,943	6,091,943	98%
1655-2	ASPEN HILLS	4/18	70	4,530,694	4,530,694	92%
3428-2	OAKLAND PARK TOWERS	7/18	144	28,650,107	28,650,107	73%
3759	BETHANY VILLA APARTMENTS I & II	11/17	238	12,036,150	12,036,150	100%
3795	WEST HIGHLAND APTS	1/18	135	5,061,683	5,061,683	70%
3801	LABELLE TOWERS	6/18	210	12,102,266	11,022,659	36%
3811	EVERGREEN NORTH	4/18	204	16,841,104	16,376,216	34%
3812	EVERGREEN SOUTH	4/18	125	10,085,867	9,326,289	57%
3832	GENESIS VILLAS II	12/18	89	5,415,196	5,415,196	53%
3840	KALAMAZOO CREAMERY	6/19	48	5,731,590	0	5%
			2,426	\$160,290,064	\$145,249,229	

COMPLETED DEVELOPMENTS AWAITING FINAL CLOSING AND INITIAL CLOSING MONTH

926-2	BRACKEN WOODS APTS	5/16	104	4,176,442	4,176,442
993-2	LAKESHORE VILLAGE II	5/17	96	6,406,232	6,406,232
1635-2	AMBROSE RIDGE	6/17	84	4,047,362	4,047,362
2193	SILVER CREEK APTS	9/16	111	5,451,395	5,451,395
2276-2	WALNUT GROVE	6/18	80	5,085,762	5,085,762
3593	TREYMORE APTS	6/15	28	610,234	610,234
3716	LAKESHORE VILLAGE APTS III	9/17	144	11,077,516	11,077,516
3724	WOODLAND PLACE	4/17	24	314,670	314,670
3725	GRANDHAVEN MANOR II	3/17	78	8,867,157	8,867,157
3746	KAMPER AND STEVENS BUILDING	12/17	165	8,688,295	8,688,295
3757	GARDENVIEW ESTATES 5 AB	6/17	97	2,500,003	2,500,003
3758	VILLAGE AT ROSY MOUND	10/17	144	13,364,741	13,364,741
3760	WESTCHESTER VILLAGE NORTH	1/18	101	5,234,933	5,234,933
3783	WESTCHESTER VILLAGE EAST	1/18	101	2,098,518	2,098,518
			1,357	\$77,923,260	\$77,923,260

DEVELOPMENTS WITH CONSTRUCTION LOANS

352-2	BRIDGE VILLAGE	7/16	100	1,551,724	0
341-2	FRIENDSHIP MANOR	4/19	170	1,922,878	0
432-2	RIVERVIEW TOWERS	12/18	170	3,361,179	1,840,482
658-2	CAMELOT HILLS II	11/18	144	2,401,039	2,401,039
926-2	BRACKEN WOODS APTS	5/16	104	1,340,908	0
993-2	LAKESHORE VILLAGE II	5/17	96	852,356	852,356
1635-2	AMBROSE RIDGE	6/17	84	735,697	0
1654-2	ASHTON RIDGE APTS	4/18	144	920,925	920,925
1655-2	ASPEN HILLS	4/18	70	1,395,863	1,395,863
2193	SILVER CREEK APTS	9/16	111	461,875	0
2276-2	WALNUT GROVE	6/18	80	631,555	0
3412	PALMER PARK SQUARE	12/11	202	13,250,000	680,205
3593	TREYMORE APTS	7/14	28	2,378,972	130,127
3716	LAKESHORE VILLAGE APTS III	9/17	144	1,479,747	1,479,747
3724	WOODLAND PLACE	4/17	24	2,585,330	0
3746	KAMPER AND STEVENS BUILDING	12/17	165	5,718,158	5,718,158
3748	CHASE RUN APTS	9/16	160	1,861,033	0
3757	GARDENVIEW ESTATES 5 AB	6/17	97	9,695,259	9,695,259
3760	WESTCHESTER VILLAGE NORTH	1/18	101	1,654,936	0
3783	WESTCHESTER VILLAGE EAST	1/18	75	2,729,700	0
3795	WEST HIGHLAND APTS	1/18	135	674,826	674,826
3801	LABELLE TOWERS	6/18	210	1,951,445	0
3811	EVERGREEN NORTH	4/18	204	3,000,000	0
3832	GENESIS VILLAS II	12/18	89	1,346,032	1,346,032
3840	KALAMAZOO CREAMERY	6/18	48	1,944,068	0
			2,955	\$65,845,505	\$27,135,019

TOTAL COMPLETED/NON-COMPLETED 3,783 \$304,058,829 \$250,307,508

OUTSTANDING COMMITMENTS AS OF SEPTEMBER 30, 2019

	DATE	# OF UNITS	PERMANENT LOAN	CONSTRUCTION LOAN	TOTAL
889-2	UNIVERSITY MEADOWS	5/19	53	2,290,466	2,740,112
893-2	COLONIAL MEADOWS	9/19	82	5,193,181	1,001,153
960-2	SHILOH COMMONS	9/19	125	4,940,676	3,536,285
1440-2	FERGUSON APTS	7/19	119	994,963	994,963
3788	WESTCHESTER VILLAGE SOUTH	6/18	150	5,506,912	2,048,842
3792	GOLFVIEW MEADOWS	12/17	27	935,960	3,290,650
3814	WHISPERING WOODS	12/18	193	14,634,069	-
3848	APARTMENTS AT 28 WEST	3/19	226	24,109,511	-
3850	LYON TOWNSHIP SENIOR LIVING	7/19	130	23,384,783	-
			1105	\$81,990,521	12,617,042
					94,607,563

(1) schedule no longer available. Data pulled from draw sheets or data provided to finance by construction specialists.

(2) Not Available

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
SEED LOANS, REPAYABLE GRANTS AND BRIDGE LOANS
September 30, 2019

<u>DEVELOPMENT</u>	<u>TOTAL AUTHORIZED</u>	<u>TOTAL DISBURSED</u>	<u>TOTAL REPAID</u>	<u>TOTAL WRITE OFF</u>	<u>BALANCE 9/30/2019</u>
<u>REPAYABLE FIRE SAFETY GRANTS:</u>					
BUENA VISTA	56,204	57,097	8,725		48,372
	56,204	57,097	8,725	0	48,372
<u>REPAYABLE ENERGY CONSERVATION GRANTS:</u>					
JACKSON	31,003	31,003	0		31,003
BANGOR DOWNS	54,875	54,531	0		54,531
OAK MEADOWS	68,262	61,806	2,339		59,467
CARL TERRACE	131,117	131,117	0		131,117
DIVINE MR	650	650	0		650
MADISON SQUARE REHAB	9,182	9,182	0	9,182	0
	295,089	288,289	2,339	9,182	276,768
<u>REPAYABLE GRANTS:</u>					
DETROIT NPHC	100,000	100,000	90,870		9,130
JERICO HOUSE	55,000	8,836	0		8,836
INNER CITY CHRISTIAN FEDERATION (ICCF)	75,000	75,000			75,000
NATIONAL CHURCH RESIDENCE	69,183	56,250	0		56,250
WOMEN'S RESOURCE CENTER OF GRAND TRAVERSE AREA	435,000	435,000	0		435,000
PROPERTY STABILIZATION, INC, A MICHIGAN CORPORATION	248,500	245,000			245,000
WAYNE METROPOLITAN COMMUNITY ACTION AGENCY	180,000	180,000			180,000
	1,162,683	1,100,086	90,870	0	1,009,216
UNDERGROUND RAILROAD, INC	600,000	600,000	45,677		554,323
BIG RAPIDS HOUSING COMMISSION	246,415	246,415			246,415
WOMEN'S INFORMATION SERVICES	474,186	528,585			528,585
SAFE HORIZONS	450,000	450,000			450,000
YMCA WEST CENTRAL MICHIGAN	570,000	570,000			570,000
GREATER LANSING HOUSING COALITION	500,000	500,000			500,000
KALAMAZOO NEIGHBORHOOD HOUSING SERVICES	196,000	35,603			35,603
BETHANY HOUSING MINISTRIES	196,000	35,113			35,113
HABITAT FOR HUMANITY NORTHEAST MICHIGAN	196,000	18,875			18,875
CITY OF BEAVERTON	196,000	141,085			141,085
	3,624,601	3,125,676	45,677	0	3,079,999
<u>PREDEVELOPMENT LOANS</u>					
NORTHERN HOMES CDC	177,300	177,300	100,000		77,300
NORTHERN HOMES CDC	74,325	71,546	5,631		65,915
INNER CITY CHRISTIAN FED (ICCF)	375,000	547,421	319,434		227,987
GRAND TRAVERSE COUNTY LAND BANK	65,000	61,444			61,444
HOMESTRETCH NPHC	78,650	104,706	104,706		0
CADILLAC HOUSING INITIATIVE PROGRAMS	56,720	30,275			30,275
AVALON HOUSING	150,000	148,193	125,123		23,070
OCEANNA COUNTY HOUSING COMMISSION NONPROFIT CORP	101,254	101,254			101,254
HOMESTRETCH NPHC	58,700	20,538			20,538
LINC UP NON-PROFIT CORP	82,149	82,149			82,149
	1,219,098	1,344,826	654,894	0	689,932
TOTAL SEED LOANS, REPAYABLE GRANTS AND PREDEVELOPMENT LOANS					5,104,286
LESS: RESERVE FOR LOSS					-2,639,340
NET REPAYABLE GRANTS, SEED LOANS, AND PREDEVELOPMENT LOANS					<u>2,464,948</u>

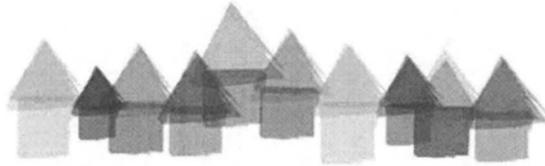
AMOUNTS AND BALANCES OUTSTANDING AS OF September 30, 2019:

DEVELOPMENT	<u>TOTAL COMMITMENT</u>	<u>AMOUNT DISBURSED</u>	<u>AMOUNT REPAID</u>	<u>BALANCE OUTSTANDING</u>
COURT STREET VILLAGE	3,042,680	358,352	46,489	311,863
FRIENDSHIP MEADOWS	1,127,201	1,127,201	1,071,517	55,684
TOTALS	<u>4,169,881</u>	<u>1,485,553</u>	<u>1,118,006</u>	<u>367,547</u>
TOTAL REPAYABLE BRIDGE LOANS				<u>367,547</u>

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
PASSTHROUGH OBLIGATIONS

Bonds issued pursuant to Section 44(c) of the Act and not yet called were as follows as of September 2019:

<u>Name</u>	<u>Credit Enhancement</u>	<u>Amount</u>
Siena Place Apt.	Financial Security Assurance	3,450,000
The Landings	AMBAC	10,335,000
Berrien Woods III	Federal Home Loan Bank	6,200,000
Parkview Place	Fannie Mae	6,890,000
Center Line Park Towers	GNMA Collateralized Program	15,065,000
Canterbury House (Jackson)	Federal Home Loan Bank	11,500,000
Alderwood Estates	Federal Home Loan Bank	8,300,000
River Park Village (Whittier)	Fannie Mae	17,000,000
Williams Pavilion	FHA Mortgage Insurance	7,945,000
Sand Creek	Citibank	3,835,000
Sand Creek Village II Apt.	Citibank	5,700,000
Teal Run Apartments	Citibank	6,585,000
Renaissance Estate of Ecorse	Escrow: Tax-Exempt Investments	9,800,000
		<u>\$112,605,000</u>



DECEMBER 2019

Helping Michigan's Hardest-Hit Homeowners

HARDEST HIT PROGRAMS				
	# OF HOUSEHOLDS THIS MONTH	# OF CUMULATIVE HOUSEHOLDS 2010-CURRENT	MONEY SPENT THIS MONTH	CUMULATIVE MONEY SPENT 2010-CURRENT
MORTGAGE & TAX ASSISTANCE	66	38,597	\$315,607.12	\$301,404,726.40
BLIGHT ELIMINATION	363	20,692	\$6,901,042.69	\$332,391,032.01
Step Forward DPA	96	1,724	\$1,427,786.89	\$25,658,838.64

Michigan Homeowner Assistance Nonprofit Housing Corporation (MHA)
 Step Forward Michigan
 PO Box 30632 • Lansing, MI 48909-8132
 Phone (866) 946-7432 • Fax (517) 636-6170
www.stepforwardmichigan.org



Step Forward Michigan program is offered by the Michigan Homeowner Assistance Nonprofit Housing Corporation in collaboration with the Michigan State Housing Development Authority.

CURRENT AND HISTORICAL HOMEOWNERSHIP DATA

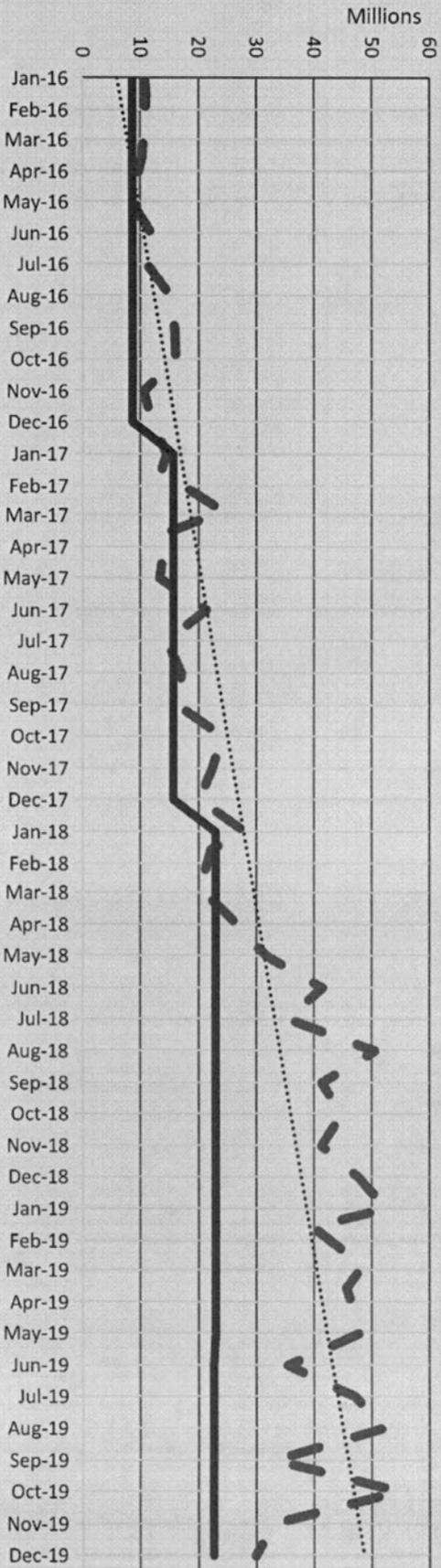
DECEMBER 2019



MSHDA's Homeownership Division delivers responsive homeownership products, education and technical assistance that empower our customers and strengthen and sustain Michigan communities. We work with our partners to provide creative solutions that maximize existing resources and preserve homeownership opportunities for future generations.

SINGLE FAMILY MORTGAGES

GOAL PURCHASED



Monthly Homeownership Production Report: DECEMBER 2019

Print on Legal-Size paper

MI HOME Loan Programs

Series /Date	Month	RESERVATIONS	APPLICATIONS RECEIVED	COMMITMENTS BEGINNING	COMMITMENTS ISSUED	Cancellations Reinstatements Net	Transfers IN or Adjustment	Transfers OUT or Adjustment	COMMITMENTS ENDING	PURCHASED #1	PURCHASED-DPA	#	PURCHASED Prior Total	PURCHASED NEW Total	1st + DPA TO DATE	NEWEST ALLOCATED										
031	Dec-19	0	\$ -	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	031	\$ 21,918,801.00	\$ 21,918,801.00	\$ 23,092,639.00	\$ 10,000,000.00						
8/26/2014 07-26-17	Nov-19	0	\$ -	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	101	\$ 1,174,038.00	\$ 1,174,038.00	remaining	\$ (13,092,639.00)						
056	Dec-19	0	\$ -	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	056	\$ 219,567,244.00	\$ 219,567,244.00	\$ 224,842,051.00	\$ 225,000,000.00						
12/7/2018	Nov-19	0	\$ -	0	\$0.00	1	\$116,303.00	0	\$0.00	0	\$0.00	-1	-\$116,303.00	0	\$0.00	156	\$ 5,274,807.00	\$ 5,274,807.00	remaining	\$ 167,949.00						
057	Dec-19	0	\$ -	182	\$19,459,797.00	591	\$64,981,162.00	149	\$16,141,813.00	-6	-\$445,357.00	0	\$0.00	0	-\$3,239.00	466	\$51,219,896.00	268	\$29,454,883.00	162	\$1,050,372.00	057	\$ 228,245,722.00	\$ 257,700,405.00	\$ 264,574,805.00	\$ 300,000,000.00
4/16/2019	Nov-19	21	\$ 2,397,499.00	491	\$53,528,201.00	529	\$58,696,842.00	361	\$39,569,553.00	-4	-\$426,866.00	1	\$116,303.00	-1	-\$94,007.00	591	\$64,981,162.00	295	\$32,940,893.00	196	\$1,264,904.00	157	\$ 5,809,496.00	\$ 6,874,400.00	remaining	\$ 36,426,195.00
058	Dec-19	341	\$ 38,257,251.00	327	\$37,730,433.00	21	\$2,355,290.00	194	\$23,406,694.00	0	\$0.00	0	\$0.00	0	\$0.00	211	\$25,259,637.00	4	\$502,347.00	4	\$20,264.00	058	\$ -	\$ 502,347.00	\$ 522,611.00	\$ 300,000,000.00
11/1/2019	Nov-19	352	\$ 40,631,894.00	85	\$10,275,322.00	0	\$0.00	21	\$2,355,290.00	0	\$0.00	0	\$0.00	0	\$0.00	21	\$2,355,290.00	0	\$0.00	0	\$0.00	158	\$ -	\$ 20,264.00	remaining	\$ 299,477,389.00
TOTAL	Dec-19	341	\$38,257,251.00	509	\$57,190,230.00	612	\$67,336,452.00	343	\$39,546,507.00	-6	-\$445,357.00	0	\$0.00	0	-\$3,239.00	677	\$76,479,333.00	272	\$29,957,030.00	166	\$1,070,636.00					

STEP FORWARD DPA Program

#255 Series /Date	Month	RESERVATIONS	Cancel/Rejects	Deleted	Total In Process	APPLICATIONS RECEIVED	COMMITMENTS ISSUED	PURCHASED-DPA FUNDED										
9/16/2019-R2	Dec-19	30	\$ 450,000.00	-13	\$ (195,000.00)	-4	\$ (60,000.00)	424	\$ 6,360,000.00	40	\$ 600,000.00	65	\$ 975,000.00	96	\$ 1,427,786.89	137	\$ 2,038,623.98	Previous Total
9/24/2019	Nov-19	13	\$ 195,000.00	-27	\$ (405,000.00)	-1	\$ (15,000.00)	411	\$ 6,165,000.00	98	*****	128	\$ 1,919,538.00	93	\$ 1,383,141.98	233	\$ 3,466,410.87	Round 2 Total
																1491	\$ 22,192,427.77	Round 1 Total
																1724	\$ 25,658,838.64	GRAND Total

MI HOME FLEX Loan Program (MBS)

Series /Date	Month	RESERVATIONS	APPLICATIONS RECEIVED	COMMITMENTS BEGINNING	COMMITMENTS ISSUED	COMMITMENT Cancellations Reinstatements Net	COMMITMENT & PURCHASE IN/Decrease Net	COMMITMENTS ENDING	PURCHASED #1	PURCHASED-DPA									
900	Dec-19	17	\$ 2,011,675.00	23	\$2,303,730.00	49	\$5,767,547.00	13	\$1,390,016.00	0	\$0.00	0	\$0.00	44	\$5,007,231.00	18	\$2,150,332.00	18	\$111,215.00
11/14/2019	Nov-19	19	\$ 1,939,455.00	17	\$1,836,377.00	56	\$6,557,296.00	15	\$1,576,137.00	0	\$0.00	0	\$0.00	49	\$5,767,547.00	22	\$2,365,886.00	21	\$133,169.00

MCC	RESERVATIONS	APPS RECEIVED	COMMITMENTS	CERTIFICATES					
212 MCC	Dec-19	25	\$ 3,546,679.00	29	\$ 4,160,616.00	26	\$ 3,687,849.00	16	\$ 2,032,489.00
9/18/2019	Nov-19	33	\$ 4,018,802.00	20	\$ 2,354,746.00	18	\$ 2,215,649.00	23	\$ 2,963,279.00

PIP Loans	Applications	Commitments	Purchased			
December-19	4	\$ 72,506.00	0	\$ -	3	\$ 30,673.00
November-19	5	\$ 50,525.00	4	\$ 57,165.00	4	\$ 70,569.00

Monthly Homeownership Production Report: 2019 YEAR END - BOND

MI FIRST (BOND)		RESERVATIONS		APPLICATIONS RECEIVED		COMMITMENTS ISSUEI		PURCHASED #1		PURCHASED-DPA		
Series	Month	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	AVG-DPA
055	Year End	1	\$ 133,375.00	7	\$925,038.00	1	\$116,400.00	400	\$42,212,068.00	182	\$1,151,247.00	\$6,325.53
056	Year End	1292	\$ 142,016,007.00	1805	\$192,558,714.00	1823	\$194,683,559.00	2063	\$219,567,244.00	1160	\$7,450,312.00	\$6,422.68
057	Year End	2931	\$ 318,545,461.00	2871	\$311,032,310.00	2841	\$308,218,703.00	2382	\$257,700,405.00	1720	\$11,176,939.00	\$6,498.22
058	Year End	675	\$ 76,853,790.00	350	\$40,333,648.00	215	\$25,761,984.00	4	\$502,347.00	4	\$20,264.00	\$5,066.00
TOTAL 2019		4899	\$ 537,548,633.00	5033	\$544,849,710.00	4880	\$528,780,646.00	4849	\$519,982,064.00	3066	\$19,798,762.00	\$ 6,457.52
Difference		-2%	0%	11%	11%	15%	15%	24%	21%	-4%	-3%	2%
TOTAL 2018		4975	\$ 539,098,379.00	4529	\$492,015,249.00	4235	\$461,121,219.00	3926	\$429,070,119.00	3205	\$ 20,387,851.00	\$ 6,361.26

TOTALS from Monthly reports:

January-19	610	\$ 63,690,068.00	674	\$ 68,420,459.00	395	\$ 40,372,208.00	498	\$ 52,582,488.00	198	\$ 1,384,759.00	\$ 6,993.73
February-19	571	\$ 59,128,955.00	669	\$ 68,623,140.00	441	\$ 44,823,900.00	385	\$ 39,791,187.00	153	\$ 970,149.00	\$ 5,568.58
March-19	593	\$ 62,805,224.00	731	\$ 74,128,153.00	508	\$ 51,407,568.00	481	\$ 48,412,718.00	162	\$ 978,844.00	\$ 5,799.39
April-19	553	\$ 61,444,674.00	646	\$ 67,292,467.00	466	\$ 47,814,495.00	453	\$ 45,683,154.00	153	\$ 943,191.00	\$ 6,064.74
May-19	525	\$ 59,733,811.00	621	\$ 68,506,786.00	414	\$ 45,378,551.00	465	\$ 47,975,348.00	217	\$ 1,409,241.00	\$ 6,181.56
June-19	481	\$ 52,778,323.00	514	\$ 58,402,458.00	409	\$ 46,981,927.00	333	\$ 35,481,457.00	262	\$ 1,698,648.00	\$ 5,818.94
July-19	550	\$ 62,589,240.00	528	\$ 59,602,169.00	374	\$ 41,608,085.00	418	\$ 47,056,500.00	387	\$ 2,542,743.00	\$ 5,641.30
August-19	504	\$ 57,423,799.00	617	\$ 69,201,339.00	427	\$ 47,963,068.00	460	\$ 52,155,818.00	432	\$ 2,849,582.00	\$ 5,713.01
September-19	466	\$ 53,254,590.00	538	\$ 60,316,144.00	383	\$ 42,588,024.00	299	\$ 33,135,259.00	290	\$ 1,889,338.00	\$ 5,774.13
October-19	558	\$ 63,472,731.00	615	\$ 68,254,377.00	391	\$ 43,589,198.00	490	\$ 54,810,442.00	432	\$ 2,804,748.00	\$ 5,412.25
November-19	373	\$ 43,029,393.00	576	\$ 63,803,523.00	382	\$ 42,014,843.00	295	\$ 32,940,663.00	196	\$ 1,264,904.00	\$ 5,742.49
December-19	341	\$ 38,257,251.00	509	\$ 57,190,230.00	343	\$ 39,548,507.00	272	\$ 29,957,030.00	166	\$ 1,070,636.00	\$ 5,818.60
TOTALS:	6125	\$677,608,059.00	7238	\$783,741,245.00	4933	\$534,090,374.00	4849	\$519,982,064.00	3048	\$19,806,783.00	\$6,498.29
CANCELLATIONS:	1226	\$ 140,059,426.00	2205	\$ 238,891,535.00	53	\$ 5,309,728.00	0	\$ -	-18	\$ 8,021.00	
DROP OUT RATE:	-20%	-21%	-30%	-30%	-1%	-1%					

Delegated Action Report(s)

Homeownership



M E M O R A N D U M

TO: Authority Members
FROM: Gary Heidel, Acting Executive Director 
DATE: January 23, 2020
RE: Homeownership Division Summary of Delegated Actions
for the Period October 1, 2019 to December 31, 2019

From time to time, the Authority has delegated certain actions to the Executive Director. Typically, the delegated actions include a reporting requirement. The following is a listing of the delegated actions activity undertaken by the Homeownership Division during the first quarter of 2019. If activity is indicated, a report on that delegated action is attached.

I. Loan Activity

A. Moderate Rehabilitation Loans	No Activity
B. Mortgage Loan Increases	No Activity
C. Mortgage Loans for MI HOME and CSH	No Activity
D. Small Size and High Security Loans	No Activity
E. Development Fund Loans Under \$250,000	No Activity
F. Pre-Development Loans	No Activity
G. HOME Funds for MSHDA-Financed Project	No Activity
H. Asset Management	No Activity
I. Homeless Initiatives	No Activity
J. Neighborhood Stabilization Program (NSP) Loans	No Activity
K. Waiver of Prepayment Prohibition	No Activity

II. Professional Services Contracts

A. Contracts Under \$25,000	No Activity
B. Homeownership Counseling	See attached
C. Technical Assistance Contracts	No Activity
D. Environmental Consulting Contracts	No Activity

III. Work-out for 80/20 Developments No Activity

IV. Grant Activity

A. Application for State or Federal Funds	No Activity
B. HOME Grants	No Activity
C. CDBG Grants	No Activity
D. Development Fund Grants Under \$250,000	No Activity

E. Homeless Initiatives	No Activity
F. Neighborhood Stabilization Program (NSP) Grants	No Activity
G. HUD Housing Counseling Grant	See attached
V. <u>Michigan Affordable Housing Fund Activity</u>	No Activity
VI. <u>Disposition of Bankruptcy Lien Stripping Cases</u>	No Activity
VII. <u>Acceptance and Approval of HUD Housing Choice Vouchers (HCV)</u>	No Activity

REPORT ON DELEGATED ACTIONS

For the period October 1, 2019 to December 31, 2019

Date: January 23, 2020

DELEGATED ACTION

Housing Education Program (HEP)

On **June 27th, 2019** the Authority approved the continuation of MSHDA's Housing Education Program by approving the budgeted amount of \$600,000 for the fiscal year 2019/2020 and delegating to authorize signatories for the Homeownership Division the authority to enter into or renew existing contracts.

ACTIVITY

A listing of all contract expenditures during the reporting period is attached.

The purpose of the Michigan State Housing Development Authority's (MSHDA or Authority) Housing Education Program (HEP) is to facilitate education for clients seeking to purchase or retain a home. MSHDA's Housing Education Program ("HEP") partners with agencies to ensure that every Michigan citizen has access to accurate, non-biased assistance to help make informed choices about housing and homeownership. Through our partner agencies, MSHDA's HEP services are provided to all 83 Michigan counties at little to no cost to the consumer; they are offered in a variety of formats to maximize accessibility.

Services include Homebuyer Education, Pre-Purchase Individual services, Financial Capability services, Rental services, Homeless services and Foreclosure services.

Agencies that receive funds through this opportunity will provide assistance to first-time and repeat homebuyers by providing education on the many facets of the home purchase process to clients seeking to purchase their home with the intent of utilizing a MSHDA mortgage product.

Additionally, the agency may provide assistance to current homeowners or renters who are in need of foreclosure counseling, rental counseling and other related housing counseling.

MSHDA Housing Education Program (HEP) Counseling Agency Contracts FY 2019/20 - 7.1.19 to 6.30.20	EIN #	Contract Amount
Abayomi Community Dev. Corp.	38-3407865	\$10,000.00
Amandla Community Dev. Corp	38-3195198	\$10,000.00
Bay Area Housing, Inc.	38-3130001	\$27,000.00
Blue Water Community Action	38-2284121	\$15,000.00
Capital Area Community Partnership	38-2926892	\$40,000.00
Center For Financial Health	20-3360802	\$40,000.00
Channel Housing Ministries, Inc./D.B.A. Oceana's Home Partnership	38-2950406	\$10,000.00
City of Grand Haven	38-6004687	\$30,000.00
Community Action Agency - Jackson	38-1803599	\$20,000.00
Community Action House	23-7120670	\$27,000.00
Community Housing Network	38-3372734	\$40,000.00
Genesee County Habitat	38-2899387	\$10,000.00
Habitat for Humanity Michigan	38-3142455	\$11,000.00
Habitat of Monroe County	38-3243925	\$20,000.00
HOME of Mackinac County	38-3330709	\$35,000.00
Home Repair Services	38-2263817	\$15,000.00
Jewish Vocational Service	38-1358013	\$10,000.00
Kalamazoo Neighborhood Housing Services, Inc.	38-2391442	\$10,000.00
Mid Michigan Community Action Agency, Inc.	38-2056236	\$9,000.00
Monroe County Opportunity Program	38-1813239	\$15,000.00
MSU Extension	38-6005984	\$15,000.00
National Faith	38-3302761	\$10,000.00
NCCS - Center for Nonprofit Housing	38-3164047	\$7,000.00
Neighborhood Legal Services of Michigan	38-1818068	\$10,000.00
New Hope CD Nonprofit Hsg Corp	38-2975829	\$10,000.00
Northeast Michigan Community Service Agency, Inc.	38-1873461	\$27,000.00
Northern Homes Community Development Corporation	38-3395829	\$15,000.00
Northwest Michigan Community Action Agency	38-2027389	\$27,000.00
Oakland County	38-6004876	\$10,000.00
Oakland Livingston Human Service Agency	38-1785665	\$20,000.00
Southwest Economic Solutions	38-2324335	\$25,000.00
Southwest Michigan Community Action Agency	38-2415106	\$8,000.00
Wayne Metropolitan Community Action Agency	38-1976979	\$27,000.00
Total		\$615,000.00

REPORT ON DELEGATED ACTIONS

For the period October 1, 2019 to December 31, 2019

Date: January 23, 2020

DELEGATED ACTION

HUD Housing Counseling Grant

On October 10, 2018 the Michigan State Housing Development Authority (MSHDA) (Grantee) was awarded a grant of \$644,716 to conduct a housing counseling program on behalf of the Department of Housing and Urban Development (HUD) and is used in accordance with HUD's FY19 Comprehensive Housing Counseling Grant Program. It is projected that a total of 4,300 Michigan households will be served through these awarded funds.

ACTIVITY

The Grantee (MSHDA) was selected to distribute and monitor the HUD funds to MSHDA approved sub-grantees chosen by the Housing Education Program within MSHDA. *See *attached list of sub-grantee agencies and awards*.

MSHDA utilizes FY19 HUD Housing Counseling Grant funds to support the following services:

INDIVIDUAL COUNSELING SERVICES

Agencies in MSHDA's network provide counselor-to-client assistance that addresses unique financial circumstances or housing issues and focuses on ways of overcoming specific obstacles to achieving a housing goal. One-on-one counseling services are provided for the following topics:

- **Rental Counseling:** Housing Counselors offer a customized rental counseling session which aids clients in addressing immediate rental crisis counseling as well as long term planning for successful and sustainable rental housing. Counselors work with their clients to analyze finances, understand the lease and application process as well as offering guidance and assistance with Fair Housing violations and Landlord Tenant Laws in Michigan.
- **Pre-Purchase Counseling:** Pre-Purchase Counseling is individual housing counseling services performed by a Certified Housing Counselor. While the sessions are customized for the individual client, the main purpose is to assist clients in making decisions related to:
 - Individual and household income verification and calculation
 - Review and analyze their consumer credit report
 - Analyze household budgets & spending habits
 - Assess mortgage readiness & affordability
 - Create customized debt reduction and spending/savings plans

Homeownership Division Summary of Delegated Actions
for the period October 1, 2019 to December 31, 2019

- **Mortgage Delinquency and Default Resolution (Foreclosure Counseling):** Housing Counselors assist homeowners who are facing a financial crisis through mortgage or tax foreclosure. Counselors address reasons of default; ways to maximize income and reduce expenses; advising owners on key players in the mortgage marketplace; help owners navigate through loss-mitigation options; legal information about Michigan foreclosure laws and timelines; assist in effectively communicating with lenders and servicer; and offer information on homeowner and lender rights and obligations found in loan documents.

GROUP EDUCATION WORKSHOPS

MSHDA HEP agencies also conduct education workshops. These are formal classes with established curriculum and instructional goals provided in a group or classroom setting, covering topics applicable to groups of people. Educational workshops must comply with all HUD policies and guidelines. Below are brief descriptions of the workshop topics.

- **Homebuyer Education:** Homebuyer Education is designed to help individuals think critically about the benefits and risks of homeownership, understand how to select affordable homes and appropriate mortgage products, and build the financial knowledge, resources, and behaviors needed for sustainable homeownership and long-term financial health. Topics taught during this 4-6-hour class include:
 - Assessing readiness to buy
 - Affordability, credit & budgeting
 - Mortgages & DPA programs
 - Loan processing & Fees
 - Partner roles including realtor, title, loan and escrow agents
 - The mortgage closing process
 - Fair Housing & Consumer Protection Laws
- **Financial Literacy Workshop:** Today's consumer is seeking financial security-searching for real-time information on how to maneuver the maze of financial products and services, establish or rebuild credit, reduce debt and save for the future. Certified Housing Counselors equip clients in reaching their potential. This course addresses the fundamental components of consumer financial literacy through nine core content modules including:
 - Mastering money management
 - Developing spending plans
 - Improving credit & savings
 - Student loan debt
 - Fair Housing & Fair Lending
 - Banking basics
 - Debt reduction
 - Consumer protection laws
 - Insurance
- **Rental Housing Education:** Through group education, Housing Counselors offer training on Rental Education which equips current and future tenants to be successful. Course participants learn how to avoid discrimination and address tenant/landlord issues such as deposits, procedures for handling health and safety repairs, tenant remedies and eviction-related issues. Participants also learn about how credit scores come into play, understand the lease contract and tips for the right place to call home.

COUNSELOR TRAINING EVENTS

MSHDA's HEP is dedicated to the continued education and development of counselors that meet HUD's diverse service delivery priorities. A portion of MSHDA's FY19 HUD grant award will be used to host NCRC's Disaster Recovery Program Training for Housing Counselors and Agencies to be held this March. This training instructs housing counselors of the need to respond rapidly when disaster strikes to serve survivors in need of assistance when it comes to housing. This disaster response training will help housing counseling agencies develop plans to be a local community first responder and a trusted community resource for previous clients and others impacted by disaster. This training provides a step-by-step guide for housing counselors to use as they create disaster response action plans that are responsive to their location and unique needs.

MSHDA Housing Education Program (HEP) FY18 HUD Housing Counseling Grant Contracts Term: 10/01/2018 to 03/31/2020	HUD #	Grant Amount Awarded
Abayomi Community Development Corporation	80790	\$ 40,000.00
Amandla Community Development Corporation	90190	\$ 29,559.47
Blue Water Community Action Agency	90191	\$ 22,346.41
Capital Area Housing Partnership	80388	\$ 28,000.00
City of Grand Haven	80303	\$ 15,000.00
Community Action House	83674	\$ 33,693.80
Community Housing Network	90165	\$ 23,478.23
H.O.M.E. of Mackinac County	83952	\$ 17,542.94
Habitat of Genesee County	90515	\$ 23,478.23
Habitat for Humanity of Monroe County	90462	\$ 14,000.00
Home Repair Services of Kent County	82456	\$ 23,347.91
Inner City Christian Federation	82212	\$ 35,775.00
Mid Michigan CAA	83675	\$ 15,350.00
Monroe County Opportunity Program	80317	\$ 20,000.00
Michigan State University Extension Office	81939	\$ 36,537.54
NCCS Center for Nonprofit Housing	82432	\$ 18,408.00
Neighborhood Legal Services of Michigan	80318	\$ 18,362.34
Northeast Michigan Community Service Agency, Inc.	84034	\$ 32,680.35
Northern Homes Community Development Corporation	84025	\$ 17,851.56
Southwest Economic Solutions	90078	\$ 37,387.62
Southwest Michigan CAA	81228	\$ 22,445.00
Wayne Metropolitan Community Action Agency	83686	\$ 55,000.00
TOTAL:		\$ 580,244.40

**Delegated Action
Report(s)**

**Rental Assistance
and
Homeless Solutions**



M E M O R A N D U M

TO: Authority Members
FROM: Gary Heidel, Acting Executive Director 
DATE: January 23, 2020
RE: Rental Assistance and Homeless Solutions Summary of Delegated Actions for the Period October 1, 2019 to December 31, 2019

From time to time, the Authority has delegated certain actions to the Executive Director. Typically, the delegated actions include a reporting requirement. The following is a listing of the delegated actions activity undertaken by the Rental Assistance and Homeless Solutions Division during the fourth quarter of 2019. If activity is indicated, a report on that delegated action is attached.

- I. Loan Activity
 - A. Moderate Rehabilitation Loans No Activity
 - B. Mortgage Loan Increases No Activity
 - C. Mortgage Loans for MI HOME and CSH No Activity
 - D. Small Size and High Security Loans No Activity
 - E. Development Fund Loans Under \$250,000 No Activity
 - F. Pre-Development Loans No Activity
 - G. HOME Funds for MSHDA-Financed Project No Activity
 - H. Asset Management No Activity
 - I. Homeless Initiatives No Activity
 - J. Neighborhood Stabilization Program (NSP) Loans No Activity
 - K. Waiver of Prepayment Prohibition No Activity

- II. Professional Services Contracts
 - A. Contracts Under \$25,000 No Activity
 - B. Homeownership Counseling No Activity
 - C. Technical Assistance Contracts No Activity
 - D. Environmental Consulting Contracts No Activity

- III. Work-out for 80/20 Developments No Activity

- IV. Grant Activity
 - A. Application for State or Federal Funds No Activity
 - B. HOME Grants No Activity
 - C. CDBG Grants No Activity
 - D. Development Fund Grants Under \$250,000 No Activity

	E. Homeless Initiatives	See Attached Report
	F. Neighborhood Stabilization Program (NSP) Grants	No Activity
V.	<u>Michigan Affordable Housing Fund Activity</u>	No Activity
VI.	<u>Disposition of Bankruptcy Lien Stripping Cases</u>	No Activity
VII.	<u>Acceptance and Approval of HUD Housing Choice Vouchers (HCV)</u>	No Activity

Michigan State Housing Development Authority
Grants Awarded 10/01/2019 thru 12/31/2019

Funding Source Categories: MSHDA and Federal McKinney
Program Categories: ESG and Special Grant

<u>County</u>	<u>Grant Number</u>	<u>Organization Name & Address</u>	<u>Grant Amount</u>
Allegan 10/01/2019	HML-2020-Allegan -6489-ESM	Allegan County Community Mental Health Services 3283 122nd Avenue P.O. Drawer 130 Allegan, MI 49010	\$107,198
Alpena 10/01/2019	HML-2019-Northeas-103-ESF	Northeast Michigan Community Service Agency, Inc. 2375 Gordon Road Alpena, MI 49707-4327	\$325,629
Barry 10/01/2019	HML-2020-Barry Co-1313-ESM	Barry County United Way 231 S Broadway St. Hastings, MI 49058-1835	\$39,395
Berrien 10/01/2019	HML-2020-Emergenc-5336-ESM	Emergency Shelter Services, Inc. P.O. Box 767 Benton Harbor, MI 49023	\$234,416
Berrien 10/01/2019	HML-2020-Southwes-144-ESM	Southwest Michigan Community Action Agency 185 E. Main St. Suite 303 Benton Harbor, MI 49022-4431	\$90,184
Branch 10/01/2019	HML-2020-Pines Be-6011-ESM	Pines Behavioral Health 200 Vista Drive Coldwater, MI 49036	\$95,856
Calhoun 10/01/2019	HML-2020-Battle C-5921-ESM	Battle Creek Community Foundation 32 W Michigan Ave Suite 1 Battle Creek, MI 49017	\$166,508
Chippewa 10/01/2019	HML-2020-Chippewa-12-ESM	Chippewa-Luce-Mackinac Community Action Human Resource Authority, Incorporated 524 Ashmun Street PO Box 70	\$101,583

<u>County</u>	<u>Grant Number</u>	<u>Organization Name & Address</u>	<u>Grant Amount</u>
Clare 10/01/2019	HML-2019-Mid Mich-92-ESF	Mid Michigan Community Action Agency, Inc. 1574 E. Washington Road PO Box 768 Farwell, MI 48622-0768	\$287,949
Clare 10/01/2019	HML-2020-Mid Mich-92-ESM	Mid Michigan Community Action Agency, Inc. 1574 E. Washington Road PO Box 768 Farwell, MI 48622-0768	\$101,765
Eaton 10/01/2019	HML-2020-Housing -675-ESM	Housing Services Mid Michigan 319 South Cochran Avenue P.O. Box 746 Charlotte, MI 48813-0746	\$75,004
Eaton 10/01/2019	HML-2020-Housing -675-ESM-02	Housing Services Mid Michigan 319 South Cochran Avenue P.O. Box 746 Charlotte, MI 48813-0746	\$148,418
Genesee 10/01/2019	HML-2020-Shelter -5101-ESM	Shelter of Flint, Inc. 924 Cedar Street Flint, MI 48503-3620	\$228,564
Gogebic 10/01/2019	HML-2020-Gogebic--188-ESM	Gogebic-Ontonagon Community Action Agency 100 S. Mill Street Bessemer, MI 49911-1354	\$45,255
Grand Traverse 10/01/2019	HML-2019-Northwes-107-ESF	Northwest Michigan Community Action Agency, Inc. 3963 Three Mile Road Traverse City, MI 49686-9164	\$434,010
Ingham 10/01/2019	HML-2019-City of -384-ESF	City of Lansing HRCS 124 W. Michigan Avenue 4th Floor Lansing, MI 48933-1234	\$474,590
Ingham 10/01/2019	HML-2020-Departme-5506-ESM	Department of Health and Human Services Grand Tower Bldg, 11th Floor 235 S. Grand Avenue P.O. Box 30802 Lansing, MI 48909	\$700,000

<u>County</u>	<u>Grant Number</u>	<u>Organization Name & Address</u>	<u>Grant Amount</u>
Ionia 10/01/2019	HML-2020-EightCAP-45-ESM	EightCAP, Inc. 5827 Orleans Road Orleans, MI 48865-8603	\$154,479
Ionia 10/01/2019	HML-2020-EightCAP-45-ESM-02	EightCAP, Inc. 5827 Orleans Road Orleans, MI 48865-8603	\$150,517
Jackson 10/01/2019	HML-2020-Communit-268-ESM	Community Action Agency 1214 Greenwood Avenue Jackson, MI 49203-3037	\$238,438
Jackson 10/01/2019	HML-2020-Communit-268-ESM-02	Community Action Agency 1214 Greenwood Avenue Jackson, MI 49203-3037	\$83,882
Kalamazoo 10/01/2019	HML-2019-Housing -5395-ESF	Housing Resources, Inc., of Kalamazoo County 420 East Alcott Suite 200 Kalamazoo, MI 49001-6104	\$487,786
Kent 10/01/2019	HML-2019-Heart of-1148-ESF	Heart of West Michigan United Way 118 Commerce SW Grand Rapids, MI 49503-4106	\$50,000
Kent 10/01/2019	HML-2020-Heart of-1148-ESM-02	Heart of West Michigan United Way 118 Commerce SW Grand Rapids, MI 49503-4106	\$238,955
Lenawee 10/01/2019	HML-2020-Lenawee -201-ESM	Lenawee Emergency and Affordable Housing Corporation 307 E. Church Street PO Box 692 Adrian, MI 49221-2903	\$124,366
Livingston 10/01/2019	HML-2020-Oakland -113-ESM	Oakland Livingston Human Service Agency 196 Cesar E. Chavez Avenue P.O. Box 430598 Pontiac, MI 48343	\$110,801

<u>County</u>	<u>Grant Number</u>	<u>Organization Name & Address</u>	<u>Grant Amount</u>
Macomb 10/01/2019	HML-2019-Macomb H-5249-ESF	Macomb Homeless Coalition PO Box 856 Mount Clemens, MI 48043	\$463,783
Marquette 10/01/2019	HML-2019-Alger-Ma-224-ESF	Alger-Marquette Community Action Board 1125 Commerce Drive Marquette, MI 49855-0000	\$477,044
Midland 10/01/2019	HML-2020-Midland -93-ESM	Midland Area Homes, Inc. 205 S Saginaw Rd Midland, MI 48640	\$60,307
Monroe 10/01/2019	HML-2020-Monroe C-96-ESM	Monroe County Opportunity Program 1140 South Telegraph Road Monroe, MI 48161-4006	\$170,667
Muskegon 10/01/2019	HML-2019-Bethany -318-ESF	Bethany Housing Ministries, Inc. 1105 Terrace Street Muskegon, MI 49442-3446	\$287,803
Muskegon 10/01/2019	HML-2020-Bethany -318-ESM	Bethany Housing Ministries, Inc. 1105 Terrace Street Muskegon, MI 49442-3446	\$6,500
Newaygo 10/01/2019	HML-2019-TrueNort-334-ESF	TrueNorth Community Services 6308 S. Warner P.O. Box 149 Fremont, MI 49412-9279	\$286,889
Oakland 10/01/2019	HML-2019-Alliance-6483-ESF	Alliance for Housing Oakland County Continuum of Care 1 North Saginaw, Suite 208 Pontiac, MI 48342	\$271,303
Oakland 10/01/2019	HML-2020-Alliance-6483-ESM	Alliance for Housing Oakland County Continuum of Care 1 North Saginaw, Suite 208 Pontiac, MI 48342	\$245,250

<u>County</u>	<u>Grant Number</u>	<u>Organization Name & Address</u>	<u>Grant Amount</u>
Ottawa 10/01/2019	HML-2019-Ottawa C-5826-ESF	Ottawa County 12251 James St. Suite 300 Holland, MI 49424-9675	\$258,429
Ottawa 10/01/2019	HML-2020-Ottawa C-5826-ESM	Ottawa County 12251 James St. Suite 300 Holland, MI 49424-9675	\$4,250
Saginaw 10/01/2019	HML-2020-United W-6016-ESM	United Way of Saginaw County 100 S. Jefferson, 3rd Floor Saginaw, MI 48607	\$179,246
Shiawassee 10/01/2019	HML-2020-Capital -267-ESM	Capital Area Community Services, Incorporated 101 E. Willow Lansing, MI 48906-4814	\$90,988
St. Clair 10/01/2019	HML-2019-Blue Wat-1314-ESF	Blue Water Center for Independent Living, Inc. 1042 Griswold St #2 Port Huron, MI 48060-0000	\$255,485
St. Clair 10/01/2019	HML-2020-Blue Wat-270-ESM	Blue Water Community Action 3403 Lapeer Road Port Huron, MI 48060	\$198,691
St. Joseph 10/01/2019	HML-2020-KeyStone-1295-ESM	KeyStone Place, Inc. 505 E. Market St. Centreville, MI 49032-9694	\$192,048
Washtenaw 10/01/2019	HML-2019-Washtena-783-ESF	Washtenaw County 415 W. Michigan Avenue, Suite 2200 Ypsilanti, MI 48197	\$451,625
Wayne 10/01/2019	HML-2019-Wayne Me-543-ESF	Wayne Metropolitan Community Action Agency 7310 Woodward Ave., Suite 800 Detroit, MI 48202	\$195,225

<u>County</u>	<u>Grant Number</u>	<u>Organization Name & Address</u>	<u>Grant Amount</u>
Wayne 10/01/2019	HML-2020-Homeless-5839-ESM	Homeless Action Network of Detroit 3701 Miracles Boulevard, Suite 101 Detroit, MI 48201	\$207,914
Wayne 10/01/2019	HML-2020-Wayne Me-543-ESM-02	Wayne Metropolitan Community Action Agency 7310 Woodward Ave., Suite 800 Detroit, MI 48202	\$247,602
Total # of Grants: 46			Total Amount: \$9,846,597

Delegated Action Report(s)

Rental Development



M E M O R A N D U M

TO: Authority Members
FROM: Gary Heidel, Acting Executive Director 
DATE: January 23, 2019
RE: Rental Development Summary of Delegated Actions
for the Period October 1, 2019 to December 31, 2019

From time to time, the Authority has delegated certain actions to the Executive Director. Typically, the delegated actions include a reporting requirement. The following is a listing of the delegated actions activity undertaken by the Rental Development Division during the fourth quarter of 2019. If activity is indicated, a report on that delegated action is attached.

I. Loan Activity

A. Moderate Rehabilitation Loans	No Activity
B. Mortgage Loan Increases	See attached report
C. Mortgage Loans for MI HOME and CSH	No Activity
D. Small Size and High Security Loans	No Activity
E. Development Fund Loans Under \$250,000	No Activity
F. Pre-Development Loans	No Activity
G. HOME Funds for MSHDA-Financed Project	No Activity
H. Asset Management	No Activity
I. Homeless Initiatives	No Activity
J. Neighborhood Stabilization Program (NSP) Loans	No Activity
K. Waiver of Prepayment Prohibition	No Activity

II. Professional Services Contracts

A. Contracts Under \$25,000	No Activity
B. Homeownership Counseling	No Activity
C. Technical Assistance Contracts	No Activity
D. Environmental Consulting Contracts	No Activity

III. Work-out for 80/20 Developments No Activity

IV. Grant Activity

A. Application for State or Federal Funds	No Activity
B. HOME Grants	No Activity
C. CDBG Grants	No Activity
D. Development Fund Grants Under \$250,000	No Activity
E. Homeless Initiatives	No Activity

	F. Neighborhood Stabilization Program (NSP) Grants	No Activity
V.	<u>Michigan Affordable Housing Fund Activity</u>	No Activity
VI.	<u>Disposition of Bankruptcy Lien Stripping Cases</u>	No Activity
VII.	<u>Acceptance and Approval of HUD Housing Choice Vouchers (HCV)</u>	No Activity

REPORT ON DELEGATED ACTIONS

October 1, 2019 – December 31, 2019

Date: January 23, 2020

DELEGATED ACTION:

Rental Development: Mortgage Loan Increase

Activities:

- 1. Lyons Township Senior Living:** The Authority agreed to increase its total loan by \$317,415 due to updated rents and corrections made to the unit structure. The increase loan was used to help pay for some line item cost increases that have occurred since Board approval in July 2019, as the borrower prepares for initial closing and start of construction.