




MEMORANDUM

November 13, 2014

TO: All interested parties of the MSHDA's Gap Financing Program

FROM: John A. Hundt 
Housing Development Manager

SUBJECT: Gap Financing Program – Preliminary Assessment Projections

Preliminary Assessment Projections: The attached Preliminary Assessment Projections Worksheet includes two sets of tables. The top table (Table 1) is based on the applicant's initial projections, while the bottom table (Table 2) is based on adjustments to those projections by the Authority's assigned Housing Development Officers (HDO). Any adjustments made were based on correcting errors or making different assumptions that will need to be considered as the applicants choose to continue processing or not.

Table 2 shows that we have over \$26.6 million in gap funding requests between the 10 proposals, for only \$18 million in available sources. Applicants will need to decide if they will be able to get their MSHDA gap funding needs to a level where their proposal is ranked as one of the highest, and whose aggregate total MSHDA gap funding does not exceed the \$18 million of funding available under this NOFA. All applicants choosing to continue to compete for the \$18 million must submit a complete Threshold Review Phase package to the Authority by January 15, 2015.

Applicants should be aware that development costs are expected to change as the HDO processes the application based on the Threshold package to be submitted. Rankings could change considerably between now and the end of the Threshold process based on changes in sources and uses, market study results, CNA outcomes, and decisions you as the sponsor make. So although you may not currently rank at the top, you will have the opportunity to turn the outcome around.

The competitive Threshold ranking will occur during the Threshold Review Phase of our underwriting process based on the criteria identified in the Gap Funding Program notice, and will be posted at that time. Final ranking will occur during the Commitment Phase.

If you have any questions regarding the above or about Preliminary Assessment Projections please contact John Hundt at (517) 241-7207.

Attachment

Table 1 Round 4 NOFA Pipeline - Preliminary Assessment Rankings - "Sponsor Projections"										
Proposals / Location / Sponsors			Proforma Data					Ranking Factors		Units
Project Name	Location	Sponsor Contact	Projected Permanent Tax Exempt Loan	Projected Tax Exempt Construction Loan	Total Gap Funds Projected	Existing Reserves	Overall Gap to Hard Debt Ratio	Net Gap Funding to Hard Debt Ratio	Projected Per Unit Gap Funding	Total Units
Gratiot Central	Detroit	MHT Housing	\$4,313,158	\$5,480,000	\$1,660,520	\$0	38.50%	38.50%	\$20,757	80
Bracken Woods Apartments	Midland	Lockwood Development LLC	\$4,347,327	\$0	\$1,727,076	\$0	39.73%	39.73%	\$16,607	104
Marsh Ridge I & II	Grand Rapids	Craftsmen Development LLC	\$5,658,460	\$0	\$2,311,918	\$0	40.86%	40.86%	\$15,413	150
Marsh Pointe	Haslett	Jeffrey Gates	\$4,443,834	\$6,000,000	\$1,853,656	\$0	41.71%	41.71%	\$17,163	108
Riverfront *	Lansing	First Housing	\$13,448,177	\$13,500,000	\$5,704,412	\$0	42.42%	42.42%	\$20,519	278
Gateway Village	Sturgis	Matt Hollander	\$3,379,424	\$6,000,000	\$1,909,374	\$0	56.50%	56.50%	\$19,094	100
Otsego Apartments *	Jackson	First Housing	\$3,554,916	\$4,365,000	\$2,132,914	\$110,000	60.00%	56.90%	\$26,617	76
Village Manor	Sturgis	Gleason Amboy	\$4,539,759	\$6,120,000	\$3,033,184	\$0	66.81%	66.81%	\$24,862	122
Water Street Flats	Ypsilanti	Herman & Kittle Properties	\$4,609,000	\$6,642,124	\$3,830,472	\$0	83.11%	83.11%	\$47,881	80
28 North Saginaw	Pontiac	Conrad Shewey	\$3,102,179	\$6,826,817	\$4,385,922	\$0	141.38%	141.38%	\$54,824	80
Overall Totals =			\$51,396,234	\$54,933,941	\$28,549,448	\$110,000				1,178
Shaded Area Totals =			\$39,145,296	\$35,345,000	\$17,299,870	\$110,000				896

* Level One Proposals

Table 2 Round 4 NOFA Pipeline - Preliminary Assessment Rankings - "MSHDA Projections"										
Proposals / Location / Sponsors			Proforma Data					Ranking Factors		Units
Project Name	Location	Sponsor Contact	Projected Permanent Tax Exempt Loan	Projected Tax Exempt Construction Loan	Total Gap Funds Projected	Existing Reserves	Overall Gap to Hard Debt Ratio	Net Gap Funding to Hard Debt Ratio	Projected Per Unit Gap Funding	Total Units
Marsh Pointe	Haslett	Jeffrey Gates	\$4,474,122	\$0	\$1,622,803	\$409,371	36.27%	27.12%	\$11,235	108
Bracken Woods Apartments	Midland	Lockwood Development LLC	\$4,484,061	\$0	\$1,456,490	\$62,944	32.48%	31.08%	\$13,399	104
Riverfront *	Lansing	First Housing	\$14,319,810	\$0	\$5,287,796	\$0	36.93%	36.93%	\$19,021	278
Marsh Ridge I & II	Grand Rapids	Craftsmen Development LLC	\$5,810,228	\$5,906,000	\$2,618,800	\$330,616	45.07%	39.38%	\$15,255	150
Otsego Apartments *	Jackson	First Housing	\$3,418,568	\$4,280,115	\$1,733,200	\$376,309	50.70%	39.69%	\$17,854	76
Gratiot Central	Detroit	MHT Housing	\$4,202,875	\$5,475,654	\$1,959,456	\$0	46.62%	46.62%	\$24,493	80
Village Manor	Sturgis	Gleason Amboy	\$4,070,352	\$5,936,368	\$3,000,000	\$737,792	73.70%	55.58%	\$18,543	122
Gateway Village	Sturgis	Matt Hollander	\$3,143,659	\$4,318,466	\$2,367,656	\$0	75.32%	75.32%	\$23,677	100
Water Street Flats	Ypsilanti	Herman & Kittle Properties	\$4,608,993	\$6,632,919	\$3,830,472	\$0	83.11%	83.11%	\$47,881	80
28 North Saginaw	Pontiac	Conrad Shewey	\$2,755,643	\$7,105,073	\$2,755,644	\$0	100.00%	100.00%	\$34,446	80
Overall Totals =			\$51,288,311	\$39,654,595	\$26,632,317	\$1,917,032				1,178
Shaded Area Totals =			\$40,780,016	\$21,598,137	\$17,678,545	\$1,917,032				918

* Level One Proposals