



M E M O R A N D U M

DATE: August 25, 2017
TO: All Interested Parties of MSHDA's Gap Financing Program
FROM: John A. Hundt, Housing Development Manager
SUBJECT: Seventh Round Gap Financing Program – Threshold Assessment Rankings

Threshold Assessment Rankings: The attached spreadsheet represents the Threshold phase rankings of proposals remaining in the 7th Round Gap Financing Program. Each proposal was ranked based on the combination of the evaluation criteria identified within the Gap Financing Program. The criteria included the percentage of gap funding to hard debt, the amount of gap funding per unit and the projected permanent Tax-Exempt loan.

The aggregate gap funding needs of the six remaining proposals make up only about \$6.5 million of the \$9 million made available. Therefore, all six proposals are being invited to the Commitment Phase of the lending process, and are anticipated to get an award for funding.

As the Gap Financing Program states, it is anticipated that there will be no upward modifications of planned gap financing award amounts following this Threshold ranking. The remaining balance will be made available for the oversubscribed 8th funding round, which began August 15, 2017. Final rankings for the 7th Round will occur at the end of the Commitment Phase.

If you have any questions please contact John Hundt at (517) 241-7207.

Attachment

Round 7 NOFA Pipeline - Threshold Assessment Rankings - "MSHDA Projections"

| Proposals / Location / Sponsors | | | Proforma Data | | | | | | | Ranking Factors | | | Deficit | Units |
|---------------------------------|----------|-----------------------------------|---------------------------|--------------------------|-------------|--------------------|------------------------|-------------------|--------------------------------|----------------------------|--------------------------------|--------------------------------|-------------|-------|
| Project Name | Location | Sponsor Contact | Projected | Projected | Total HOME | Total | Total Gap Funds Needed | Existing Reserves | Overall Gap to Hard Debt Ratio | Net Gap | MSHDA | Additional Gap Unaccounted For | Total Units | |
| | | | Permanent Tax Exempt Loan | Exempt Construction Loan | | Preservation Funds | | | | Funding to Hard Debt Ratio | Projected Per Unit Gap Funding | | | |
| Village Center I | Detroit | JRC Burton Preservation LDHA, LLC | \$12,281,216 | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% | 0.00% | \$0 | | 200 | |
| Village Center II | Detroit | JRC Burton Preservation LDHA, LLC | \$3,729,664 | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% | 0.00% | \$0 | | 54 | |
| Burton Place | Burton | JRC Burton Preservation LDHA, LLC | \$13,920,167 | \$0 | \$1,236,954 | \$1,236,953 | \$2,473,907 | \$1,132,740 | 17.77% | 9.63% | \$6,706 | | 200 | |
| West Highland Apartments | Escanaba | The Access Group LLC | \$5,061,683 | \$5,580,572 | \$1,139,665 | \$1,139,664 | \$2,279,329 | \$796,060 | 45.03% | 29.30% | \$10,987 | | 135 | |
| University Meadows | Detroit | Develop Detroit, Inc. | \$2,464,509 | \$4,758,386 | \$642,234 | \$642,233 | \$1,284,467 | \$231,350 | 52.12% | 42.73% | \$19,870 | | 53 | |
| Golfview Meadows | Detroit | Eco Solutions, LLC | \$756,567 | \$3,592,462 | \$223,187 | \$223,187 | \$446,374 | \$0 | 59.00% | 59.00% | \$16,532 | | 27 | |

| | | | | | | | | | | | | | |
|--------------------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--|--|--|--|--|------------|------------|
| Totals = | \$38,213,806 | \$13,931,420 | \$3,242,040 | \$3,242,037 | \$6,484,077 | \$2,160,150 | | | | | | \$0 | 669 |
| Gap Funding Available = | | | \$4,500,000 | \$4,500,000 | \$9,000,000 | | | | | | | | |
| Shaded Totals = | \$38,213,806 | \$13,931,420 | \$3,242,040 | \$3,242,037 | \$6,484,077 | \$2,160,150 | | | | | | \$0 | 669 |
| Remaining Balance = | | | | \$1,257,960 | \$1,257,963 | \$2,515,923 | | | | | | | |

Withdrawn Applications

| | | | | | | | | | | | | | |
|-------------------------|----------|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-----------|--------|--------|----------|--|-----|
| Willow Vista Apartments | Lansing | Ginosko Development Company | 2,091,341 | 2,615,916 | 645,897 | 645,896 | \$1,291,793 | \$0 | 61.77% | 61.77% | \$24,842 | | 52 |
| Riverfront | Manistee | Hollander Development Corporation | \$2,770,454 | \$4,455,082 | \$1,370,753 | \$1,370,754 | \$2,741,507 | \$0 | 98.96% | 98.96% | \$60,922 | | 45 |
| Marwood Apartments | Detroit | Develop Detroit, Inc. | \$4,966,244 | \$7,817,290 | \$2,004,149 | \$2,004,149 | \$4,008,298 | \$0 | 80.71% | 80.71% | \$36,773 | | 109 |
| Sand Hill Townhouses | Escanaba | The Access Group LLC | \$4,720,444 | \$4,855,907 | \$802,356 | \$802,356 | \$1,604,712 | \$447,871 | 33.99% | 24.51% | \$15,425 | | 75 |