

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AGENDA

January 22, 2026 – 10:00 a.m.

735 East Michigan Avenue, Lansing, Michigan 48912
Cadillac Place, 3028 West Grand River, Room 4-602, Detroit, MI 48202
State Office Building, 701 South Elmwood Avenue, Traverse City, MI 49684
Microsoft Teams Conference Line: 248-509-0316 | Conference ID: 537 125 541#

MSHDA is committed to providing meaningful access. For reasonable accommodations, modifications, translation, interpretation, or other services, please call 1-855-646-7432.

ROLL CALL:

PUBLIC COMMENTS:

VOTING ISSUES:

Tab A Approval of the Agenda

CONSENT AGENDA:

Consent Agenda (***Tabs B through G 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 18, 2025, Board Meeting

Tab C Resolution Authorizing Grants from the Michigan Housing and Community Development Fund

Tab D Resolution Authorizing Sale of **Big Bend Apartments, MSHDA Development No. 1054**, City of Kalamazoo, Kalamazoo County

Tab E Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition, **Saw Mill Creek II, MSHDA Development No. 1007**, Village of Vicksburg, Kalamazoo County

Tab F Resolution Authorizing Sale of Development **Trinity Village I & II, MSHDA Development Nos. 1412 and 1415**, City of Muskegon, Muskegon County

Tab G Inducement Resolution, **Midway Square Townhomes**, City of Flint, Genesee County, **MSHDA No. 44c-240**

REGULAR VOTING ITEMS:

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

Tab I Michigan State Housing Development Authority Resolution Authorizing Delivery of Michigan State Housing Development Authority Multifamily Housing Revenue Notes or Bonds Relating to the Meadows to Finance a Loan or Loans to Standard Meadows Limited Dividend Housing Association Limited Partnership, so as to Enable the Borrower to Acquire, Rehabilitate and Equip a Certain Multifamily Rental Housing Facility, Authorizing the Execution and Delivery of Certain Financing Documents, and determining and Authorizing Other Matters Relative Thereto

Resolution Authorizing Loan, **The Meadows, MSHDA No. 44c-237**, ~~Lansing, Ingham County~~ City of Roseville, Macomb County

Tab J Michigan State Housing Development Authority Resolution Authorizing Delivery of Michigan State Housing Development Authority Multifamily Housing Revenue Notes or Bonds Relating to Pinebrook Manor to Finance a Loan or Loans to Standard Pinebrook Limited Dividend Housing Association Limited Partnership, so as to Enable the Borrower to Acquire, Rehabilitate and Equip a Certain Multifamily Rental Housing Facility, Authorizing the Execution and Delivery of Certain Financing Documents, and Determining and Authorizing Other Matters Relative Thereto

Resolution Authorizing Loan, **Pinebrook Manor, MSHDA No. 44c-238**, Lansing, Ingham County

Tab K Resolution Determining Mortgage Loan Feasibility, **Orchestra Tower, MSHDA Development No. 1650-2**, City of Detroit, Wayne County

Resolution Authorizing Mortgage Loan, **Orchestra Tower, MSHDA Development No. 1650-2**, City of Detroit, Wayne County

CLOSED SESSION:

None.

DISCUSSION ISSUES:

None.

REMARKS:

Chairperson

Executive Director

REPORTS:

- | | |
|-------|---|
| Tab 1 | Delegated Action Reports |
| Tab 2 | Current and Historical Homeownership Data |
| Tab 3 | Monthly Homeownership Production Report |
| Tab 4 | MI 10K DPA Monthly Statistics (Map) |
| Tab 5 | 2026 Board Calendar |

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Minutes of Regular Authority Meeting
December 18, 2025 | 10:00 A.M.

**AUTHORITY MEMBER(S) PRESENT:
LANSING**

John Groen for Susan Corbin
Regina Bell
Jonathan Bradford
Jennifer Grau
Michele Wildman

**AUTHORITY MEMBER(S) PRESENT:
DETROIT**

Kevin Smith for Rachael Eubanks

**AUTHORITY MEMBER(S) PRESENT:
TRAVERSE CITY**

Warren Call

AUTHORITY MEMBER(S) ABSENT:

Evangelina Hernandez¹

ATTENDEES PRESENT IN LANSING:

Amy Hovey, MSHDA
Clarence Stone, MSHDA
Lisa Ward, MSHDA
Mark Whitaker, MSHDA
Mary Cook, MSHDA
Geoffrey Ehnis-Clark, MSHDA
Katie Bach, MSHDA
Lisa Kemmis, MSHDA
Megan Spitz, MSHDA
Tim Klont, MSHDA
Jeff Sykes, MSHDA
Chad Benson, MSHDA
Tiffany King, MSHDA
Chris Hall, MSHDA
Tonya Joy, MSHDA
Daphne Wells, MSHDA

Elizabeth Rademacher, MSHDA
Elizabeth Faulkner, MSHDA
Karen Gagnon, MSHDA
Marcel Jackson, MSHDA
Britney Jerzowski, MSHDA
John Hundt, MSHDA
Nathan Thelen, MSHDA
Jason Hubbard, Stifel Public Finance

ATTENDEES PRESENT IN DETROIT:

Sherry Hicks, MSHDA
Taura Brown, Detroit Eviction Defense
Tammy Griggs

ATTENDEES PRESENT IN TRAVERSE CITY:

Tony Lentych, MSHDA

ATTENDEES ON MICROSOFT TEAMS:

Jacob Albert, MSHDA
Debra Andrews, MSHDA

David Allen, MSHDA
Nicole Beagle, MSHDA

¹ Ms. Hernandez submitted her resignation from the MSHDA Board effective December 12, 2025. The Authority is currently awaiting acceptance of the resignation.

Yolanda Bennett, MSHDA
Matthew Bergeon, MSHDA
Diana Bitely, MSHDA
Jennifer Bowman, MSHDA
Abby Brooks, MSHDA
Cassandra Brown, MSHDA
Debbie Brown, MSHDA
Josh Campbell, MSHDA
Christy Capelin, MSHDA
Megan Castro, MSHDA
Tonya Coon, MSHDA
Camellia Crowell, MSHDA
Mason Crozier, MSHDA
James Davis, MSHDA
Kristopher Downing, MSHDA
Jacob Eccleston, MSHDA
Kathy Evans, MSHDA
Jason Fedewa, MSHDA
Jeffrey Fedewa, MSHDA
Edwin Harlin, MSHDA
Kara Hart-Negrich, MSHDA
Dawn Hengesbach, MSHDA
Zach Herrmann, MSHDA
Jonathan Hilliker, MSHDA
Adam Holcomb, MSHDA
Tyler Hull, MSHDA
Angela Hull, MSHDA
Charlotte Johnson, MSHDA
Tonia Kaczmarczyk, MSHDA
Joe Kelly, MSHDA
Laurie Kelly, MSHDA
Christina Kenney, MSHDA
Sandra Kimball, MSHDA
Scott Kindinger, MSHDA
Laura King, MSHDA
Ashley Kreiner, MSHDA
Daniel Lince, MSHDA
Kevin Louis, MSHDA
Amber Martin, MSHDA
Tiffany Matthews, MSHDA

Thomas McKee, MSHDA
Jennifer McNeely, MSHDA
Trenton Mitchell, MSHDA
Frank Mostek, MSHDA
Ange Muhire, MSHDA
Michael Naberhuis, MSHDA
Deborah Neumann, MSHDA
Mark O'Neill, MSHDA
Jillian Pearson, MSHDA
Damon Pline, MSHDA
Tera Poag, MSHDA
Cisco Potts, MSHDA
Shaun Prince, MSHDA
Morgan Quinney-Naval, MSHDA
Jaclyn Schafer, MSHDA
Nicholas Shattuck, MSHDA
Michael Shelden, MSHDA
Christopher Shultz, MSHDA
Matthew Smith, MSHDA
John Swift, MSHDA
Sherry Thelen, MSHDA
Andrea Torres, MSHDA
Rochell Thompson, MSHDA
Katy VanHouten, MSHDA
Michael Vollick, MSHDA
Karen Waite, MSHDA
Justin Wieber, MSHDA
Eboni Williams, MSHDA
Likwa Williams, MSHDA
Hilary Vigil, Office of Attorney General
Michael Fobbe, Office of Attorney General
John Millhouse, Office of Attorney General
Joseph Popek, Office of Attorney General
Craig W. Hammond, Dickenson-Wright
Michael Stefanko, Ginosko
Eric Hufnagel
Zachary Rowe
Claire Simpson
Jared Lutz

Four additional members of the public participated via the Conference Line: Conference ID: 385 197 578#. Chairperson John Groen opened the meeting at 10:00 am. A quorum was established with the presence of Mr. Groen, Regina Bell, Jonathan Bradford, Warren Call, Jennifer Grau, and Kevin Smith. Michele Wildman arrived at 10:02am. Members were physically present in Lansing, Detroit and Traverse City.

PUBLIC COMMENTS:

Mr. Groen proceeded to request public comments from participants both in-person and via Microsoft Teams.

Comments were provided by Ms. Taura Brown and Ms. Tammy Griggs from the Detroit office. Mr. Zachary Rowe provided comments via Microsoft Teams.

MEETING ANNOUNCEMENTS:

The Chair noted there were two Goldenrods. The first was for Tab G, (Resolution Authorizing Professional Services Contractor for Lansing Office) to correct the number of bids and clarify the scope of work services. The second was for Tab H, AHEPA II, to update the Sources and Uses in the Staff Report.

APPROVAL OF AGENDA:

Kevin Smith moved approval of **Tab A** (Agenda). Jennifer Grau supported. The agenda was approved.

VOTING ITEMS:

Consent Agenda (Tabs B– G):

Jonathan Bradford moved approval of the Consent Agenda. Regina Bell supported. The Consent Agenda was approved.

The Consent Agenda included the following items:

- Tab B Minutes – November 20, 2025, Board Meeting
- Tab C Resolution Authorizing Grants from the Michigan Housing and Community Development Fund
- Tab D Resolution Authorizing Grants from the Employer-Assisted Housing Fund
- Tab E Resolution Authorizing Professional Services Contractor for Statewide Housing Plan
- Tab F Resolution Authorizing Professional Services Contracts for Review and Inspection Services with the Inspection Group, Inc., HCS Michigan, Inc., Simto, LLC, and Michigan Housing Compliance, LLC
- Tab G Resolution Authorizing Professional Services Contractor for Lansing Office

REGULAR VOTING ITEMS:

Clarence Stone, Chief Legal Affairs Officer, and Craig Hammond, Bond Counsel with Dickinson Wright, presented **Tab H**, Michigan State Housing Development Authority Resolution Authorizing Issuance and Sale of Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2026 (**AHEPA II Apartments Project**) to Finance a Loan to Omega 2024 Limited Dividend Housing Association Limited Partnership so as to Enable the Borrower to Acquire, Rehabilitate and Equip a Certain Multifamily Rental Housing Facility, Authorizing the Execution of the Bond Purchase Agreement, the Loan Agreement and the Trust Indenture Securing the Bonds, and Determining and Authorizing Other Matters Relative Thereto and Resolution Authorizing Loan, **AHEPA II, MSHDA No. 44c-223**, Harrison Township, Macomb County. Mr. Stone and Mr. Hammond reviewed the documents as detailed in the board docket.

John Millhouse of the Attorney General’s Office confirmed that the table documents and the resolutions in **Tab H** were acceptable for the Board’s action.

Jennifer Grau moved to approve **Tab H**. Michele Wildman supported. The following Roll Call was taken for **Tab H**:

John Groen	Yes
Regina Bell	Yes
Jonathan Bradford	Yes
Warren Call	Yes
Jennifer Grau	Yes
Kevin Smith	Yes
Michele Wildman	Yes
Evangelina Hernandez	Absent

There were seven “yes” votes. The resolutions were approved.

CHAIR’S REPORT:

The Chair did not have any remarks.

EXECUTIVE DIRECTOR’S REPORT:

Director Hovey noted that Evangelina Hernandez resigned her position on the MSHDA board. She thanked her, as well as all other Authority members, for their service. She also thanked those who provided public comment and confirmed that staff would follow up with them.

After the Executive Director’s Report, Mr. Groen announced the following reports were included in the docket: (**Tab 1**) Financial Report – Quarter and Year to Date Ended September 30, 2025; (**Tab 2**) Current and Historical Homeownership Data; (**Tab 3**) Monthly Homeownership Production

Report; **(Tab 4)** MI 10K DPA Monthly Statistics (Map); **(Tab 5)** 2025 Board Calendar; and, **(Tab 6)** 2026 Board Calendar.

Mr. Groen stated that the next regular board meeting would be on January 22, 2026. He then requested a motion to adjourn the meeting. John Groen moved to adjourn, and Regina Bell supported. The meeting adjourned at 10:25 a.m.

REVIEWED:

/s/ Lisa Ward

Lisa Ward

/s/ Clarence L. Stone, Jr.

Clarence L. Stone, Jr.



M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director *Amy Hovey*

DATE: January 22, 2026

RE: Housing and Community Development Fund—Approval of Grants Listed in Schedule A and Schedule B and Notice of CDBG List of Commitments Provided as Attachment A of Schedule A

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the “Authority”) adopt a resolution that authorizes the approval of the following grants, loans and dedicated allocations to be funded by the Michigan Housing and Community Development Fund (“HCDF”):

- The Implementation of the Statewide Housing Plan Program grants (“Statewide Housing Plan Program Grants”) listed in Schedule A of this Memorandum.
- The Housing Production and Preservation, Capacity Building, Innovation & Strategic Opportunities grants (“HPPCBISO Grants”) listed in Schedule B of this Memorandum. (The Statewide Housing Plan Program Grants and the HPPCBISO Grants are collectively referred to as the “HCDF Grants.”)

If approved by the Authority, the total amounts of HCDF proceeds used to fund the HCDF Grants listed in the attached schedules will be as follows:

- The Statewide Housing Plan Program Grants listed in Schedule A will not exceed \$1,682,500.
- The HPPCBISO Grants listed in Schedule B will not exceed \$1,500,000.

EXECUTIVE SUMMARY:

Public Act 346 of 1966, Part 125.1458a, charges the Authority with administering the Michigan Housing and Community Development Fund for the purpose of developing and coordinating public and private resources to meet the affordable housing needs of low income, very low income, and extremely low-income households and to revitalize downtown areas and adjacent neighborhoods in Michigan.

Effective February 13, 2024, the Michigan Legislature appropriated to the Authority, pursuant to Public Act 4 of 2023 (“2023 PA 4”),¹ beginning with the 2022-2023 state fiscal year through the 2024-2025 state fiscal year, up to \$50 million, if available, to the HCDF Program. On September

¹ 2023 PA 4 amends Public Act 281 of 1967, at MCL 206.695(1) et. seq.

19, 2024, the Authority approved the FY2025 - FY2026 HCDF Allocation Plan in order to program the use of HCDF funds. Effective October 7, 2025, the Michigan Legislature appropriated to the Authority, pursuant to Public Act 22 of 2025 (“2025 PA 22”)², for state fiscal year 2025-2026, \$50 million to the HCDF Program. The Statewide Housing Plan Program Grants identified in Schedule A and the HPPCBISO Grants identified in Schedule B will be funded under the HCDF Program from the 2025 PA 22 appropriation.

The HCDF Grants have been evaluated by Authority staff for compliance with the HCDF Allocation Plan and requirements, and the evaluations have been reviewed and approved by review committees comprised of Authority supervisory staff. The proposed HCDF Grants have been found to be acceptable for Authority approval. The Statewide Housing Plan Program Grants and the HPPCBISO Grants will be subject to the terms and conditions required for (a) HCDF funds as appropriate and (b) the execution of grant agreements and disbursement of the HCDF Grants. The HPPCBISO Loans will be subject to the terms and conditions required for (a) HCDF loans as appropriate and (b) the execution of loan documents, including a Regulatory Agreement, and disbursement of the HCDF Loans.

The Housing and Urban Development Community Development Block Grant program (“CDBG”) requires MSHDA to provide notice of formal obligation and commitment of CDBG funds as is outlined in 24 CFR 91.115: Citizen Participation Plan. As HCDF funds have been approved as matching funds for projects requesting CDBG funds and to ensure timely public notice of the formal obligation and commitment of those CDBG funds, the CDBG List of Commitments has been provided as Attachment A to Schedule A. The commitment of CDBG funds for the grants listed in Attachment A do not require Board approval.

ADVANCING THE AUTHORITY’S MISSION:

The proposed HCDF Grants will serve to expand access to affordable and attainable housing, address ongoing housing hardships of Michigan residents and support Michigan’s Statewide Housing Plan implementation and priorities that address the housing needs of Michigan residents.

Providing Attachment A to Schedule A will timely meet the CDBG public notice requirements for the formal obligation and commitment of CDBG funds that will serve to expand access to affordable and attainable housing and address ongoing housing hardships of Michigan residents.

REGIONAL HOUSING PARTNERSHIPS:

The proposed HCDF Grants support the goals of the regional housing partnerships.

RESIDENT IMPACT:

None.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.

² Act No. 22, Public Acts of 2025, effective Oct. 7, 2025, 2025 Mich. Pub. Acts 22

SCHEDULE A
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
HOUSING AND COMMUNITY DEVELOPMENT FUNDS (HCDF)
2025 PUBLIC ACT 22 FUNDS
IMPLEMENTATION OF THE STATEWIDE HOUSING PLAN PROGRAM
January 22, 2026 GRANTEE LIST

NAME OF GRANTEE	AMOUNT OF HCDF GRANT	REGION	LOCATION FOR SCOPE OF WORK	SCOPE OF WORK	HOMEOWNER/H OMEBUYER	RENTAL	TERM OF GRANT
Lake Huron Regional Development Corporation	\$420,000	E	Alpena/Presque Isle	New Unit	4	0	February 1, 2026 - January 31, 2028
Saginaw Shiawassee Habitat for Humanity	\$400,000	H	Shiawassee	Occupied Rehab	20	0	February 1, 2026 - January 31, 2028
Village of Peck	\$262,500	H	Sanilac	Occupied Rehab	0	10	February 1, 2026 - January 31, 2028
Shiawassee County Land Bank	\$500,000	H	Shiawassee	Occupied Rehab	0	14	February 1, 2026 - January 31, 2028
STRIDE INVESTMENT GROUP	\$100,000	M	Macomb	Unoccupied Rehab	1	0	February 1, 2026 - January 31, 2028
Total Approvals Requested	\$1,682,500				25	24	

Attachment A

MSHDA CDBG List of Commitments

Budget Summary

Sources	Allocation	MSHDA Admin Set Aside	Committed	Balance
2022 CDBG	\$ 20,000,000	\$ 600,000	\$ 19,234,880	\$ 165,120
2023 CDBG	\$ 30,000,000	\$ 900,000	\$ 29,060,856	\$ 39,144
2024 CDBG	\$ 30,000,000	\$ 900,000	\$ 26,761,617	\$ 2,338,383

Key Code Reference Tables

Activity Name	Activity Code
Homeowner Rehab	HMR
Reconstruction	REC
Unoccupied Rental Rehab	URR
Housing Infrastructure	INF
Manufactured Housing	MAN

Status Code	Description
1	Set up in IDIS, PY 2022
2	Set up in IDIS, PY 2023
3	Set up in IGX; grant executed
4	Designation Memo executed; ready for set up in IGX
5	Designation Memo executed; UGLG addressing pre-conditions
6	Designation Memo drafted, not fully executed

List of Commitments

Grant Portfolio	Region	Source of Funds	Activity	Total Project	Status
Albion, City of	J	2022 CDBG	HMR	\$ 500,000	1. Funded - IDIS 22
Alcona County	E	2022 CDBG	HMR	\$ 236,000	1. Funded - IDIS 22
Barry County	F	2022 CDBG	HMR	\$ 236,000	1. Funded - IDIS 22
Berrien County Land Bank Authority	J	2022 CDBG	HMR	\$ 472,000	1. Funded - IDIS 22
Bridgeport Charter Township	G	2022 CDBG	HMR	\$ 472,000	1. Funded - IDIS 22
Buchanan, City of	J	2022 CDBG	HMR	\$ 300,000	1. Funded - IDIS 22
Buena Vista Township	G	2022 CDBG	HMR	\$ 472,000	1. Funded - IDIS 22
Charlevoix County	D	2022 CDBG	HMR/REC	\$ 500,000	1. Funded - IDIS 22
Charlevoix, City of	D	2022 CDBG	HMR	\$ 354,000	1. Funded - IDIS 22
Charlotte, City of	I	2022 CDBG	HMR	\$ 236,000	1. Funded - IDIS 22
Charter Township of Meridian	I	2022 CDBG	HMR	\$ 480,000	1. Funded - IDIS 22
City of Adrian	K	2022 CDBG	HMR	\$ 472,000	1. Funded - IDIS 22
City of Gaylord	E	2022 CDBG	REC	\$ 236,000	1. Funded - IDIS 22
City of Ionia	F	2022 CDBG	HMR	\$ 283,200	1. Funded - IDIS 22
City of Ironwood	A	2022 CDBG	HMR	\$ 188,800	1. Funded - IDIS 22
City of Lapeer	H	2022 CDBG	HMR	\$ 236,000	1. Funded - IDIS 22
City of Manistee	D	2022 CDBG	HMR	\$ 500,000	1. Funded - IDIS 22
City of Morenci*	K	2022 CDBG	HMR	\$ 354,000	1. Funded - IDIS 22
City of Owosso	H	2022 CDBG	HMR	\$ 454,300	1. Funded - IDIS 22
City of Stanton	F	2022 CDBG	HMR	\$ 472,000	1. Funded - IDIS 22
County of Iosco	E	2022 CDBG	HMR	\$ 500,000	1. Funded - IDIS 22
County of Marquette	B	2022 CDBG	HMR	\$ 500,000	1. Funded - IDIS 22
Delta Charter Township	I	2022 CDBG	HMR	\$ 500,000	1. Funded - IDIS 22
Dowagiac, City of	J	2022 CDBG	HMR	\$ 500,000	1. Funded - IDIS 22
Emmet County	D	2022 CDBG	HMR	\$ 300,000	1. Funded - IDIS 22
Gladwin County	G	2022 CDBG	HMR	\$ 472,000	1. Funded - IDIS 22
Ingham County	I	2022 CDBG	HMR	\$ 425,000	1. Funded - IDIS 22
Lake Odessa, Village of	F	2022 CDBG	HMR	\$ 188,800	1. Funded - IDIS 22
Lapeer County	H	2022 CDBG	HMR	\$ 500,000	1. Funded - IDIS 22
Lenawee County*	K	2022 CDBG	HMR	\$ 450,000	1. Funded - IDIS 22
Marcellus, Village of	J	2022 CDBG	HMR	\$ 483,000	1. Funded - IDIS 22
Marquette County Land Bank	B	2022 CDBG	REC	\$ 233,050	1. Funded - IDIS 22
Mason County	F	2022 CDBG	HMR	\$ 236,000	1. Funded - IDIS 22
Mason County	F	2022 CDBG	HMR	\$ 500,000	1. Funded - IDIS 22
Mason County*	F	2022 CDBG	HMR	\$ 472,000	1. Funded - IDIS 22
Mt Pleasant, City of	G	2022 CDBG	HMR	\$ 499,730	1. Funded - IDIS 22
Newaygo County	F	2022 CDBG	HMR	\$ 472,000	1. Funded - IDIS 22
Osceola County	F	2022 CDBG	HMR	\$ 295,000	1. Funded - IDIS 22
Petoskey, City of	D	2022 CDBG	HMR	\$ 500,000	1. Funded - IDIS 22
Sanilac County	H	2022 CDBG	HMR	\$ 500,000	1. Funded - IDIS 22
Springfield, City of	J	2022 CDBG	HMR	\$ 250,000	1. Funded - IDIS 22
Tecumseh, City of	K	2022 CDBG	HMR	\$ 160,000	1. Funded - IDIS 22
Village of Cassopolis	J	2022 CDBG	HMR	\$ 500,000	1. Funded - IDIS 22
Village of Saranac*	F	2022 CDBG	HMR	\$ 450,000	1. Funded - IDIS 22
Wheeler Township*	G	2022 CDBG	HMR	\$ 450,000	1. Funded - IDIS 22
Barry County	F	2023 CDBG	HMR	\$ 354,000	2. Funded - IDIS 23
City of Bessemer	A	2023 CDBG	HMR	\$ 160,000	2. Funded - IDIS 23
City of Charlotte	I	2023 CDBG	HMR	\$ 358,720	2. Funded - IDIS 23
City of Evart	F	2023 CDBG	URR	\$ 826,000	2. Funded - IDIS 23
City of Gobles	J	2023 CDBG	HMR	\$ 400,000	2. Funded - IDIS 23
City of Morenci	K	2023 CDBG	HMR	\$ 826,000	2. Funded - IDIS 23
City of Owosso	H	2023 CDBG	HMR	\$ 472,000	2. Funded - IDIS 23
City of Saint Louis	G	2023 CDBG	HMR	\$ 400,000	2. Funded - IDIS 23
City of South Haven	J	2023 CDBG	HMR	\$ 400,000	2. Funded - IDIS 23
Lawrence Township	J	2023 CDBG	HMR	\$ 472,000	2. Funded - IDIS 23

Key Code Reference Tables

Activity Name	Activity Code
Homeowner Rehab	HMR
Reconstruction	REC
Unoccupied Rental Rehab	URR
Housing Infrastructure	INF
Manufactured Housing	MAN

Status Code	Description
1	Set up in IDIS, PY 2022
2	Set up in IDIS, PY 2023
3	Set up in IGX; grant executed
4	Designation Memo executed; ready for set up in IGX
5	Designation Memo executed; UGLG addressing pre-conditions
6	Designation Memo drafted, not fully executed

List of Commitments

Grant Portfolio	Region	Source of Funds	Activity	Total Project	Status
Lenawee County	K	2023 CDBG	HMR	\$ 1,050,000	2. Funded - IDIS 23
Mason County	F	2023 CDBG	HMR	\$ 1,028,000	2. Funded - IDIS 23
St. Joseph County	J	2023 CDBG	HMR	\$ 300,000	2. Funded - IDIS 23
Village of Calumet	A	2023 CDBG	HMR	\$ 400,000	2. Funded - IDIS 23
Village of Cass City	H	2023 CDBG	HMR	\$ 235,730	2. Funded - IDIS 23
Village of Clinton	K	2023 CDBG	HMR	\$ 94,400	2. Funded - IDIS 23
Village of Lawrence	J	2023 CDBG	HMR	\$ 472,000	2. Funded - IDIS 23
Village of Marcellus	J	2023 CDBG	HMR	\$ 484,960	2. Funded - IDIS 23
Village of Peck	H	2023 CDBG	HMR	\$ 791,780	2. Funded - IDIS 23
Village of Saranac	F	2023 CDBG	HMR	\$ 1,050,000	2. Funded - IDIS 23
Wheeler Township	G	2023 CDBG	HMR	\$ 1,050,000	2. Funded - IDIS 23
Arlington Township	J	2023 CDBG	HMR	\$ 400,000	3. Funded - IGX
Berrien County Land Bank Authority	J	2023 CDBG	HMR	\$ 708,000	3. Funded - IGX
City of Bangor	J	2023 CDBG	HMR	\$ 400,000	3. Funded - IGX
City of Dowagiac	J	2023 CDBG	HMR	\$ 400,000	3. Funded - IGX
City of Three Rivers	J	2023 CDBG	HMR	\$ 472,000	3. Funded - IGX
City of Three Rivers	J	2024 CDBG	HMR	\$ 280,800	3. Funded - IGX
County of Iosco	E	2023 CDBG	HMR	\$ 400,000	3. Funded - IGX
Grand Traverse County Land Bank Authority	D	2023 CDBG	HMR	\$ 472,000	3. Funded - IGX
Osceola County	F	2023 CDBG	HMR	\$ 295,000	3. Funded - IGX
Village of Edwardsburg	J	2023 CDBG	HMR	\$ 400,000	3. Funded - IGX
Village of Paw Paw	J	2023 CDBG	HMR	\$ 472,000	3. Funded - IGX
Buena Vista Township	G	2023 CDBG	MAN	\$ 1,050,000	4. Des Memo - Pre Conditions Met
City of Cadillac	D	2024 CDBG	INF	\$ 873,200	4. Des Memo - Pre Conditions Met
City of Durand	H	2023 CDBG	INF	\$ 1,500,000	4. Des Memo - Pre Conditions Met
City of Houghton	A	2024 CDBG	INF	\$ 600,000	4. Des Memo - Pre Conditions Met
City Of Yale	H	2023 CDBG	HMR	\$ 283,200	4. Des Memo - Pre Conditions Met
City of Yale	H	2024 CDBG	HMR	\$ 660,800	4. Des Memo - Pre Conditions Met
Garfield Charter Township	D	2024 CDBG	INF	\$ 1,168,037	4. Des Memo - Pre Conditions Met
Gladwin County	G	2023 CDBG	HMR	\$ 400,000	4. Des Memo - Pre Conditions Met
Shiawassee County	H	2024 CDBG	INF	\$ 619,500	4. Des Memo - Pre Conditions Met
Shiawassee County Land Bank	H	2024 CDBG	INF	\$ 700,000	4. Des Memo - Pre Conditions Met
Spaulding Township	G	2023 CDBG	HMR	\$ 354,000	4. Des Memo - Pre Conditions Met
Tuscola County	H	2022 CDBG	HMR	\$ 500,000	4. Des Memo - Pre Conditions Met
Van Buren County	J	2023 CDBG	HMR	\$ 472,000	4. Des Memo - Pre Conditions Met
Village of Bancroft	H	2022 CDBG	HMR	\$ 472,000	4. Des Memo - Pre Conditions Met
Village of Brooklyn	K	2023 CDBG	HMR	\$ 472,000	4. Des Memo - Pre Conditions Met
Village of Decatur	J	2023 CDBG	HMR	\$ 472,000	4. Des Memo - Pre Conditions Met
Alger County	B	2024 CDBG	HMR	\$ 400,000	5. Des Memo
Cass County Land Bank Authority	J	2023 CDBG	HMR	\$ 1,500,000	5. Des Memo
City of Albion	J	2024 CDBG	URR	\$ 1,100,000	5. Des Memo
City of Eaton Rapids	I	2024 CDBG	INF	\$ 1,500,000	5. Des Memo
City of Hastings	F	2023 CDBG	HMR	\$ 354,000	5. Des Memo
City of Laingsburg	H	2024 CDBG	INF	\$ 1,499,780	5. Des Memo
City of Owosso	H	2022 CDBG	HMR	\$ 472,000	5. Des Memo
City of Rogers City	E	2023 CDBG	INF	\$ 1,500,000	5. Des Memo
Covert Township	J	2023 CDBG	HMR	\$ 400,000	5. Des Memo
Marcellus Twp	J	2023 CDBG	HMR	\$ 236,000	5. Des Memo
Tilden Township	B	2024 CDBG	INF	\$ 442,500	5. Des Memo
Village of Hillman	E	2024 CDBG	INF	\$ 1,500,000	5. Des Memo
Village of L'anse	A	2023 CDBG	URR	\$ 519,200	5. Des Memo
Calhoun County Land Bank Authority	J	2023 CDBG	HMR/REC	\$ 1,500,000	6. Des Memo - In Process
City of Allegan	F	2024 CDBG	URR	\$ 1,180,000	6. Des Memo - In Process
City of Caro	H	2024 CDBG	URR/HMR	\$ 1,500,000	6. Des Memo - In Process
City of Hancock	A	2024 CDBG	URR	\$ 300,000	6. Des Memo - In Process
City of Lapeer	H	2024 CDBG	URR	\$ 826,000	6. Des Memo - In Process
Lake County Land Bank	F	2024 CDBG	HMR/URR/MAN	\$ 695,000	6. Des Memo - In Process
Meridian Charter Township	I	2023 CDBG	URR	\$ 1,131,866	6. Des Memo - In Process
Village of Cassopolis	J	2023 CDBG	HMR	\$ 472,000	6. Des Memo - In Process
Village of Fowlerville	K	2024 CDBG	URR	\$ 1,500,000	6. Des Memo - In Process
Village of Honor	D	2023 CDBG	HMR	\$ 400,000	6. Des Memo - In Process
Village of Pinckney	K	2024 CDBG	URR	\$ 1,416,000	6. Des Memo - In Process
Whole Home Repair Program	-	2024 CDBG	HMR	\$ 8,000,000	*Pending HUD TA Contract Completion and LOI #3 Funding Determinations

SCHEDULE B
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
HOUSING AND COMMUNITY DEVELOPMENT FUNDS (HCDF)
2025 PUBLIC ACT 22 FUNDS
HCDF HOUSING PRODUCTION AND PRESERVATION, CAPACITY BUILDING, INNOVATION & STRATEGIC OPPORTUNITIES
JANUARY 22, 2206 GRANTEE LIST

NAME OF GRANTEE	AMOUNT	STATEWIDE HOUSING PLAN REGION	LOCATION FOR SCOPE OF WORK	SCOPE OF WORK	TERM OF GRANT/LOAN
NAME OF GRANTEE	AMOUNT OF HCDF	STATEWIDE HOUSING PLAN REGION	LOCATION FOR SCOPE OF WORK	SCOPE OF WORK	TERM OF GRANT
Zone 32 Phase II, LLC	\$ 1,500,000	Region J	Kalamazoo, MI	Missing Middle funding to develop 36 multifamily new construction rental housing units serving Missing Middle households below 120% AMI. 10 year affordability period.	February 1, 2026 - January 31, 2028
Total Approvals Requested	\$ 1,500,000				

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION AUTHORIZING GRANTS FROM THE MICHIGAN HOUSING AND
COMMUNITY DEVELOPMENT FUND**

January 22, 2026

WHEREAS, Section 58a of Public Act 346 of 1966, as amended (the "Act") creates and establishes the Michigan Housing and Community Development Fund (the "HCDF") under the jurisdiction and control of the Michigan State Housing Development Authority (the "Authority"); and

WHEREAS, Section 58b(2) of the Act provides that the Authority will identify, select, and make financing available, in any amounts as the Authority determines, from the HCDF for housing for low income, very low income, and extremely low income households and for projects located in a downtown area or adjacent neighborhood, to Section 58(2)(d) defined eligible applicants for Section 58b(3) eligible projects and Section 58c eligible activities; and

WHEREAS, effective October 7, 2025, the Michigan Legislature appropriated to the Authority, pursuant to Public Act 22 of 2025 ("2025 PA 22"), for state fiscal year 2025-2026, \$50 million to the HCDF Program; and

WHEREAS, September 19, 2024, the Authority approved the FY2025 - FY2026 HCDF Allocation Plan in order to program the use of HCDF funds; and

WHEREAS, Authority staff and the Chief Executive Officer and Executive Director have reviewed the Statewide Housing Plan Program grant proposals listed in Schedule A ("Statewide Housing Plan Program Grants") and recommend that the Authority adopt a resolution authorizing the funding of Statewide Housing Plan Program Grants listed in Schedule A with HCDF proceeds as described in the accompanying memorandum; and

WHEREAS, Authority staff and the Chief Executive Officer and Executive Director have reviewed the Housing Production and Preservation, Capacity Building, Innovation & Strategic Opportunities grant proposals listed in Schedule B ("HPPCBISO Grants") and recommend that the Authority adopt a resolution authorizing the funding of HPPCBISO Grants listed in Schedule B with HCDF proceeds as described in the accompanying memorandum; and

WHEREAS, the Statewide Housing Plan Program Grants and HPPCBISO Grants heretofore described will be hereafter collectively referred to as the "HCDF Grant(s)"; and

WHEREAS, the Authority concurs in the recommendation.

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

1. That the Authority hereby determines that:
 - a. the HCDF Grants shall be expended for one or more of the eligible activities outlined in the Authority's Act and permitted under Rule 125.190 of the Authority's

General Rules; and

- b. in the event that housing units are created or improved with HCDF Grant proceeds, at least twenty percent (20%) of the units in the housing project to be acquired, constructed, rehabilitated, or preserved with HCDF funds are set aside for Low Income Households, as defined by the Act and Rule 191 of the Authority's General Rules.
2. That the HCDF Grants are authorized to be used for the purposes and in the amounts set forth in the accompanying memorandum, subject to the conditions contained therein and to the execution of a Grant Agreement, Regulatory Agreement, or other loan documents as appropriate between the Authority and HCDF recipients listed in Schedules A, B, and E that shall include the following:
 - a. a provision pursuant to Section 58d(a) providing that the owner and manager agree not to evict a tenant without just cause, as defined in MCL 125.694a;
 - b. a provision pursuant to Section 58d(b) providing for the recapture or de-obligation of some or all of the HCDF funds for any reasons specified in Rule 125.196(4) of the Authority's General Rules; and
 - c. performance metrics and reporting requirements as required by HCDF guidelines.
3. That, if an advance or any portion of any HCDF Grant is not used for the intended purpose due to conditions that make it impossible to use as stated herein, or if the grantee/recipient fails to use all or any portion of the HCDF Grant funds, any unused HCDF Grant proceeds that have been disbursed will be returned to the Authority immediately. All HCDF Grant proceeds that have not been used for approved HCDF purposes within two (2) years of the date of this Resolution will be recaptured by the Authority and returned to the Authority's HCDF Fund.
6. That the Chief Executive Officer and Executive Director, the Chief Financial Officer, the Director of Finance, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Operating Officer, or any person duly appointed and acting in that capacity (each an "Authorized Officer") are each authorized to modify the terms of the HCDF Grants or take such action as, in the discretion of the Authorized Officer, may be necessary to assure the administration of the HCDF Grants is in compliance with the Consolidated Act, the Act and the General Rules of the Authority, and to effectuate the proposals set forth in the accompanying memorandum. To ensure the efficient use of HCDF funds, an Authorized Officer is authorized to substitute a HCDF Grant with funds from an alternate, duly authorized funding source.




MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director 

DATE: January 22, 2026

RE: Asset Management – Loan Modification – Big Bend Apartments, MSHDA No. 1054

RECOMMENDATION:

I recommend the Michigan State Housing Development Authority (the “Authority”) approve the sale of Big Bend Apartments, MSHDA No. 1054, and approve the assumption of the existing mortgage loan by the proposed purchaser, Big Bend Apartments Limited Dividend Housing Association, LLC. In addition, I recommend approval of a loan modification to extend the existing maturity date to June 1, 2053, and re-amortize the remaining mortgage balance over the period beginning on the date of closing and ending on June 1, 2053.

EXECUTIVE SUMMARY:

Big Bend Apartments (the “Development”) is a one-hundred-twenty-eight (128) unit family development located in the City of Kalamazoo, Kalamazoo County, Michigan. The Development contains eighty-six (86) two-bedroom units, and forty-two (42) three-bedroom units. The Development was constructed in 2004 using financing from the Authority’s TEAM lending program, which includes a tax-exempt bond loan and an allocation of 4% Low Income Housing Tax Credits (“LIHTC”).

In November 2025, the Authority received a request from the Kalamazoo Township Housing Partner Limited Dividend Housing Association Limited Partnership (the “Seller”) for approval to sell the Development to Big Bend Apartments Limited Dividend Housing Association, LLC (the “Buyer”) and for the Buyer to assume the mortgage loan. In addition, a request was made by the Buyer to modify the terms of the mortgage loan. As part of the proposed modification of the mortgage loan, deferred interest of approximately \$426,288 will be paid in full to the Authority at closing. The principal balance of the mortgage will be paid down from the current balance of \$7,169,324 to a new balance of approximately \$4,100,000. The remaining \$4,100,000 balance will be re-amortized over a period of approximately 27 years, starting on the date of closing and ending on June 1, 2053.

ADVANCING THE AUTHORITY'S MISSION:

The sale, assumption and modification will allow the Development to maintain self-sustaining operations and reduce the Authority's financial risk by reducing the amount of debt per unit associated with the property.

MUNICIPAL SUPPORT:

Municipal support has not been requested as part of the sale, assumption and modification request.

COMMUNITY ENGAGEMENT/IMPACT:

The community will be impacted through the preservation of affordable housing units. The units will remain affordable as set forth in recorded Authority regulatory agreement through the original maturity date of October 1, 2039, or for any longer period during which the Authority's loan remains outstanding.

RESIDENT IMPACT:

No residents will be displaced due to this transaction.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.



ACTION REPORT

DATE:	<u>January 22, 2026</u>
ASSET MANAGER:	<u>Shaun Prince</u>
MSHDA #:	<u>1054</u>
DEVELOPMENT NAME:	<u>Big Bend Apartments</u>
LOCATION:	<u>2210 Gull Road Kalamazoo, MI 4901</u>
CUT-OFF DATE:	<u>November 1, 2004</u>
ASSIGNED ATTORNEY:	<u>TBD</u>
MANAGEMENT AGENT:	<u>Michigan Asset Group, LLC</u>
MANAGING GENERAL PARTNER:	<u>Fram Kalamazoo, LLC</u>
LIMITED PARTNER:	<u>Big Bend Acquisitions, LLC</u>

RECOMMENDATION:

I recommend approval of the sale of Big Bend Apartments by Kalamazoo Township Housing Partner Limited Dividend Housing Association Limited Partnership (“Kalamazoo Township Housing Partner LDHA LP”) and assumption of the mortgage loan on the development by Big Bend Apartments Limited Dividend Housing Association, LLC (“Big Bend Apartments LDHA, LLC”). In addition, I recommend the Michigan State Housing Development Authority (the “Authority”) approve a loan modification to extend the maturity date of the existing mortgage loan and re-amortize the balance over approximately 27 years, starting at the date of closing of this transaction, and with the new maturity date not later than June 1, 2053, which would add approximately 13.6 years to the existing mortgage loan maturity date.

I. BACKGROUND:

Big Bend Apartments (the “Development”) is a 128-unit family development located in Kalamazoo. The Development consists of 86 two-bedroom units and 42 three-bedroom units in 16 two-story buildings.

Big Bend was newly constructed in 2004 and financed through the Authority’s TEAM Lending tax-exempt bond financing program. Prior to final close, the Development struggled with lease-up and operating expenses. Because of the difficulty, ownership was unable to final close without a concurrent loan modification. In 2009, the Board approved a 130-month principal deferral along with a 0.5% interest rate reduction during a workout period, which ended December 31, 2019.

In December 2024, the Authority approved a waiver of the prepayment prohibition for the mortgage loan of the Development.

In November 2025, the Authority was notified of the current ownership’s intent to sell the Development. According to the terms of the sale, Kalamazoo Township Housing Partner LDHA LP will sell the property to Big Bend Apartments LDHA, LLC. Under this proposal, the proposed owner will pay consideration of \$9,200,000, less outstanding debt, to the

outgoing partners for their partnership interests. In return, the outgoing partners will repay all deferred interest on the existing mortgage loan, which as of the date of this report is \$426,288. The proposed owner will assume the existing mortgage loan in the present principal amount of \$7,169,324, but will make a one-time principal payment to bring the balance down to \$4,100,000, and the Authority will then re-amortize the remaining balance over approximately 27 years, starting at the date of the closing of this transaction, and ending June 1, 2053.

Michigan Asset Group, LLC, is the current Management Agent; however, the proposed owner indicated an intention to manage the site with a related company, MGM Property Management, LLC. The incoming owner has been made aware that the development must be managed by an Authority approved management agent as long as any Authority financing remains outstanding. The incoming owner is currently reviewing and completing the New Management Agent Application. This transaction falls under Section IV, part A of the Authority Resale Policy.

II. CURRENT FINANCIAL CONDITION:

- A. The Development currently has 22 vacant units, with an economic vacancy of 22.64%.
- B. Liquidity has decreased from (\$4,913) in October 2025 to (\$63,730) in October 2025.
- C. The Development currently has \$62,581 in receivables, of which \$44,656 are over 30 days old.
- D. The Development currently has \$152,066 in payables, of which \$33,283 are over 30 days old.

III. SUMMARY OF PROPOSAL:

- A. In accordance with the Procedures and Requirements for Transfers Involving Authority-Financed Developments ("Authority Resale Policy"), Section IV (A), adopted by the Authority on April 21, 2022, this transaction may be approved by the Authority Board, after review by the Asset Review Committee if all requirements necessary for approval of the proposed transfer have been met.
- B. Under this proposal, Kalamazoo Township Housing Partners LDHA, LP, will sell the development to Big Bend Apartments LDHA, LLC. Big Bend Apartments LDHA, LLC consists of a general partner, Morse Real Estate Investments, LLC (0.01%) and several limited partners, Kevin Mark Morse (43.78%), Joseph Carollo (38.47%), Carol M. Kietzke (5.92%), Jeffrey M. Morse (5.92%), and John D. McFadden (5.90%).
- C. The proposed owner will pay consideration of \$9,200,000, less outstanding debt, to the exiting owner for the sale of the property.
- D. The proposed owner will assume the existing Authority loan but will pay the existing mortgage loan balance down to approximately \$4,100,000 at the time of closing.
- E. The Interest Rate will remain at 5.5%.
- F. The outgoing owner will repay all deferred interest on the existing loan at the sale closing, currently \$426,288.
- G. The existing mortgage loan will be re-amortized over approximately 27 years, starting on the 1st day of the month after the present closing occurs, with a maturity date not later than June 1, 2053, adding approximately 13.6 years to the existing mortgage loan maturity date.
- H. Principal and interest payments will be adjusted to reflect the new reduced balance, and it will be fully amortizing through the new maturity date. The current monthly principal and interest payment is approximately \$44,304 per month; after the re-amortization the new monthly principal and interest payment are anticipated to be

- approximately \$24,111 per month, resulting in monthly savings of approximately \$20,193 or \$242,316 annually.
- I. As long as any Authority financing remains outstanding the direct lending affordability restrictions will remain in place.
 - J. As long as any Authority financing remains outstanding the development must be managed by an Authority approved management agent.
 - K. The waiver of prepayment prohibition approved by the Authority on January 23, 2025, will remain valid should the Buyer decide to prepay the mortgage loan any time prior to October 1, 2039.
 - L. If the Buyer decides to prepay the mortgage after October 1, 2039, they will be required to pay the 1% prepayment penalty, but they will not be required to pay lost spread. If the mortgage is no longer outstanding the direct lending affordability restrictions will be discharged after October 1, 2039.
 - M. Authority staff have reviewed the proposed transfer for compliance with State and Federal rules and regulations, along with reviewing mortgage servicing statements, Monthly Income and Expenditure Reports, the Annual Certified Audit, the Annual Physical Inspection and the Capital Needs Assessment. No issues have been identified for this property.
 - N. Section IV(A) of the Authority Resale Policy states that a fee of \$15,000 will be charged for the review and authorization of the proposed transfer. The \$1,000 deposit has not yet been received.

IV. CURRENT DEVELOPMENT STATUS:

Program Type:	TEAM / LIHTC
Original Mortgage Balance:	\$8,250,000
Current Mortgage Balance:	\$7,169,324
Payment Status:	Current
Current Interest Rate:	5.50%
Deferred Interest Balance:	\$426,287
LIHTC Initial Comp End Date:	December 31, 2019
LIHTC Ext Use End Date:	December 31, 2034

Vacancy: 22 Units are Vacant
Economic Vacancy: 22.64%

Reserve and Escrow Balances as of December 11, 2025:

Replacement Reserve:	\$ 51,691
ORC Escrow:	\$ 91
Operating Assurance Escrow:	\$ 398,027
Operating Deficit Escrow:	\$ 228,260

Financial Status:

Liquidity:	\$ (63,730)
One Month's Rent Potential:	\$ 165,586

Prior Authority Action:

- March 26, 2003 – Resolution determining loan feasibility and authorizing modification to Mortgage Loan terms
- January 28, 2009 – Resolution authorizing modification to Mortgage Loan
- January 23, 2025 – Resolution authorizing prepayment of Mortgage Loan.

V. RENT SCHEDULE:

Bedroom	# Units	# Units Vacant	Current Rents	Utility Allowance
2 BD 60%	86	11	\$1,241	\$143
3 BD 60%	42	11	\$1,401	\$198
TOTAL	186	22		

VI. CHANGES IN PARTNERSHIP ENTITY:

Current:		Proposed:	
Mortgagor:		Mortgagor:	
Kalamazoo Township Housing Partners LDHA, LP		Big Bend Apartments LDHA, LLC	
General Partner:		General Partner:	
Fram Kalamazoo, LLC	0.01%	Morse Real Estate Investments, LLC	0.01%
Limited Partner:		Limited Partner:	
Big Bend Acquisitions, LLC	99.99%	Kevin Mark Morse	43.78%
		Joseph Carollo	38.47%
		Carol M. Kietzke	5.92%
		Jeffery M. Morse	5.92%
		John D. McFadden	5.90%

VII. SPECIAL CONDITIONS AND/OR REQUIREMENTS:

- A. The parties must provide assignments, partnership amendments, attorney opinions, and such other documents as are deemed necessary by the Chief Legal Affairs officer to effectuate the terms and conditions outlined in this report.
- B. The ownership transfer cannot take place until the balance of the \$15,000 has been paid.

APPROVED:

/s/ Matt Bergeon 1/15/26
Matt Bergeon
Director of Asset Management Date

/s/ Tony Lentych 1/15/26
Anthony Lentych
Chief Housing Investment Officer Date

/s/ Clarence L. Stone, Jr. 1/15/26
Clarence L. Stone, Jr.
Chief Legal Affairs Officer Date

/s/ Amy Hovey 1/15/26
Amy Hovey
Chief Executive Officer and Executive Director Date

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION AUTHORIZING SALE OF
BIG BEND APARTMENTS, MSHDA DEVELOPMENT NO. 1054
CITY OF KALAMAZOO, KALAMAZOO COUNTY**

January 22, 2026

WHEREAS, the Michigan State Housing Development Authority (the "Authority") made a mortgage loan (the "Mortgage Loan") to Kalamazoo Township Housing Partner Limited Dividend Housing Association Limited Partnership (the "Mortgagor") for the acquisition and construction or rehabilitation of Big Bend Apartments, MSHDA Development No. 1054 (the "Development"); and

WHEREAS, the Mortgagor has requested the approval of the Authority for the transfer of ownership of the Development, as well as requesting that the purchaser be allowed to assume the obligations under the Mortgage Loan, and that the amortization period and term of the Mortgage Loan be modified; and

WHEREAS, pursuant to Section IV.A. of the Authority's policy entitled "Procedures and Requirements for Transfers Involving Authority-Financed Developments" adopted on April 21, 2022 (the "Resale Policy"), such transfers require a full review by staff and the approval of the Authority; and

WHEREAS, Authority staff have reviewed the proposed transfer and determined that the requirements of the Resale Policy have been met, and that assignment, assumption, and modification of the Mortgage Loan will further the Authority's mission by not only maintaining the Development as affordable housing in Kalamazoo County, but will help ensure a longer time period of affordability; and

WHEREAS, the Chief Executive Officer and Executive Director has recommended that the Authority approve the sale of the Development, and the assignment, assumption and modification of the Mortgage Loan, in accordance with the terms and conditions set forth in the accompanying Action Report dated January 22, 2026 (the "Action Report"); and

WHEREAS, the Authority concurs in the recommendation of the Chief Executive Officer and Executive Director.

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

1. The Authority hereby approves the sale of the Development in accordance with the requirements of Section IV.A. of the Resale Policy, subject to the conditions set forth in the accompanying Action Report.
2. The Chief Executive Officer and Executive Director, the Chief Financial Officer, the Chief Legal Affairs Officer, the Director of Legal Transactions, the Director of In-House Legal Services, the Chief Housing Investment Officer, the Director of Finance, or any person duly authorized to act in the foregoing capacities, are each hereby authorized to take any

further action or waive any condition that, in the discretion of the Authorized Officer, is necessary to effectuate the proposal as set forth in the Action Report.



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director

DATE: January 22, 2026

RE: Asset Management – Prepayment – Saw Mill Creek II, MSHDA #1007

RECOMMENDATION:

I recommend the Michigan State Housing Development Authority (the “Authority”) approve a waiver of the prepayment prohibition for the mortgage loan on Saw Mill Creek II, MSHDA #1007.

EXECUTIVE SUMMARY:

Saw Mill Creek II (the “Development”) is a 24-unit family development located in the Village of Vicksburg, Kalamazoo County, Michigan. The Development consists of eight (8) one-bedroom units and sixteen (16) two-bedroom units. The Development is financed under the Authority’s HOME TEAM Advantage program, which includes a tax-exempt bond loan and a subordinate HOME loan from the Authority, and 4% Low-Income Housing Tax Credits.

Saw Mill Creek II Limited Dividend Housing Association Limited Partnership (the “Owner”) is seeking permission to prepay the Authority’s mortgage loans. Since the Development is ineligible for prepayment of the tax-exempt bond loan until October 1, 2037, the Authority will require this prepayment to be revenue neutral to the Authority. In addition, the Development will be required to keep all income and rent restrictions associated with the Authority’s mortgage loans in place until October 1, 2037.

ADVANCING THE AUTHORITY’S MISSION:

The term of affordability will not be affected by this transaction, and the Development will remain affordable until October 1, 2037.

COMMUNITY IMPACT:

The community will be impacted through the preservation of affordable housing units. The units will remain affordable through October 1, 2037.

RESIDENT IMPACT:

No residents will be displaced due to the prepayment.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

The Owner will pay a prepayment penalty, and other costs related to the prepayment, so that this prepayment will be revenue neutral to the Authority.



ACTION REPORT

DATE:	<u>January 22, 2026</u>
ASSET MANAGER:	<u>Sandra Kimball</u>
MSHDA #:	<u>1007</u>
DEVELOPMENT NAME:	<u>Saw Mill Creek II</u>
LOCATION:	<u>201 W Highway Vicksburg, MI 49097</u>
MORTGAGE CUTOFF DATE:	<u>October 6, 2003</u>
ASSIGNED ATTORNEY:	<u>Margaret Meyers</u>
MANAGEMENT AGENT:	<u>Collander Commercial</u>
GENERAL PARTNER:	<u>Raymond T. Cato Christopher R. Cato</u>
LIMITED PARTNER:	<u>Raymond T. Cato</u>

RECOMMENDATION:

I recommend approval for the waiver of the prepayment prohibition for the first mortgage loan on Saw Mill Creek II Apartments, MSHDA# 1007.

I. BACKGROUND:

Saw Mill Creek II Apartments is a 24-unit family development (the "Development") located in the Village of Vicksburg, Michigan. The Development has 8 one-bedroom and 16 two-bedroom units. It was built in 2002 under the Authority's HOME Team Advantage program, which includes a tax-exempt bond loan and a subordinate HOME loan from the Authority, and 4% Low-Income Housing Tax Credits ("LIHTC"). It is the second phase of a two-phase development, situated directly behind Phase I. Saw Mill Creek II has no public road frontage or space for a leasing office and has an ingress/egress easement to access the property. The office space and staff at Phase I are used to market and lease space at Phase II.

Saw Mill Creek II Limited Dividend Housing Association Limited Partnership (the "Owner") is seeking permission from the Michigan State Housing Development Authority ("Authority" or "MSHDA") to prepay the tax-exempt bond first mortgage loan ("Mortgage Loan"). The Development's Mortgage Loan is ineligible for prepayment until the loan maturity date, October 1, 2037, unless approval is granted by the Authority. To make this transaction revenue neutral to the Authority, the owner is required to pay a lost interest spread fee. The projected payoff date is February 28, 2026. In conjunction with the payoff of the first mortgage loan, ownership also intends to pay off the HOME loan from the Authority as part of this transaction. The HOME loan is eligible for prepayment and does not require action by the Authority to allow prepayment.

As a condition of the waiver of prepayment prohibition, the Authority regulatory agreement will be amended and remain in effect until the original maturity date, October 1, 2037. After that date, the Authority regulatory agreement will be discharged. The LIHTC regulatory agreement will not be affected by this transaction. The Development completed the Qualified Contract process and is currently in the 3-year tenant protection period

ending November 11, 2028. No residents will be displaced due to the prepayment of the Authority's loans.

II. CURRENT FINANCIAL CONDITION:

- A. The Development currently has 2 vacant units (8.3%) with an economic vacancy of 9.92%
- B. The liquidity decreased from (\$41,661) in October 2024 to (\$64,024) in October 2025.
- C. The Development currently has \$6,550 in receivables of which \$2,013 are over 30 days.
- D. The Development currently has \$78,315 in payables, of which \$76,433 are over 30 days.

III. SUMMARY OF PROPOSAL:

- A. The Authority has received a request from the Owner for approval to prepay the Authority's Mortgage Loan, which requires a waiver of prepayment prohibition.
- B. As a condition of the prepayment ownership has agreed to pay lost interest spread, which is expected to be approximately \$9,513 based on a projected payoff date of February 28, 2026. Lost interest spread varies depending on financial market conditions; the exact amount will be determined on the day of the prepayment.
- C. After the Mortgage Loan and the HOME loan are paid in full the Authority mortgages will be discharged.
- D. The Authority regulatory agreement will remain in effect until the original mortgage prepayment eligibility date of October 1, 2037, but it will be amended to reduce the level of monitoring required by the Authority. Upon mortgage payoff, the Development will be monitored in the same manner as a LIHTC-only property. After October 1, 2037, the Authority regulatory agreement will be discharged.
- E. The development completed the Qualified Contract process and is currently in the 3-year tenant protection period ending November 11, 2028.
- F. No residents will be displaced due to the prepayment of the Authority's Mortgage Loan.
- G. Authority staff have verified that no open conditions exist related to the Development for either Owner or agent.

IV. CURRENT DEVELOPMENT STATUS:

Program Type:	HOME Team Advantage (LIHTC / Tax-Exempt Bond / HOME)
Original 1 st Mortgage Loan Amount:	\$1,135,000
Current 1 st Mortgage Loan Balance:	\$593,692
Interest Rate:	4.5%
Maturity Date:	October 1, 2037
Original HOME Loan Amount:	\$85,500
Current HOME Loan Balance:	\$85,500
HOME Interest Rate:	0%
Maturity Date:	July 24, 2031
LIHTC Initial Comp End Date:	December 31, 2022
LIHTC Extended Comp End Date:	N/A
Qualified Contract Release Date:	November 12, 2025
3-Year Tenant Protection Period End Date:	November 11, 2028

Vacancy: 2 Units are Vacant
 Economic Vacancy: 9.92%

Reserve and Escrow Balances as of September 23, 2025:

Replacement Reserve: \$ 102,954
 ORC Escrow: \$ 7,325

Financial Status:

Liquidity: \$ (64,024
 One Month's Rent Potential: \$ 16,351

Prior Authority Action:

- June 27, 2001 – Resolution determining mortgage loan feasibility and authorizing mortgage loan.
- October 24, 2007 – Resolution authorizing modification to mortgage loan

V. RENT SCHEDULE:

Bedroom	# Units	# Units Vacant	Current Rents	Utility Allowance
1 BD / 30%	2	0	\$365	\$53
1 BD / 60%	6	1	\$661	\$53
2 BD / 30%	1	0	\$424	\$70
2 BD / 60%	15	1	\$729	\$70
TOTAL	24	2		

VI. SPECIAL CONDITIONS AND/OR REQUIREMENTS:

- The parties must provide assignments, partnership amendments, attorney opinions, and such other documents as are deemed necessary by the Chief Legal Affairs Officer to effectuate the terms and conditions outlined in this report.
- Any penalties and/or fees will be paid prior to or upon payoff of the outstanding mortgage loan.

APPROVED:

/s/ Matt Bergeon

Matt Bergeon
Director of Asset Management

1/14/26

Date

/s/ Tony Lentych

Tony Lentych
Chief Housing Investment Officer

1/14/26

Date

/s/ Clarence L. Stone, Jr.

Clarence L. Stone, Jr.
Chief Legal Affairs Officer

1/14/26

Date

/s/ Amy Hovey

Amy Hovey
Chief Executive Officer and Executive Director

1/14/26

Date

DRAFT

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
RESOLUTION AUTHORIZING WAIVER OF MORTGAGE LOAN
PREPAYMENT PROHIBITION**

**SAW MILL CREEK II, MSHDA DEVELOPMENT NO. 1007
VILLAGE OF VICKSBURG, KALAMAZOO COUNTY**

January 22, 2026

WHEREAS, the Michigan State Housing Development Authority (the "Authority") made a mortgage loan (the "Mortgage Loan") to Saw Mill Creek II Limited Dividend Housing Association Limited Partnership (the "Mortgagor") for the acquisition and construction of Saw Mill Creek II, MSHDA Development No. 1007 (the "Development"); and

WHEREAS, the Mortgage Loan documents for such Development currently prohibit prepayment of the Mortgage Loan; and

WHEREAS, the Mortgagor has requested that the Authority waive the prepayment prohibition and allow a payoff of the Mortgage Loan for the reasons set forth in the accompanying Action Report dated January 22, 2026 (the "Action Report"); and

WHEREAS, the Chief Executive Director and Executive Director recommends that the Authority waive the prepayment prohibition and allow the prepayment of the Mortgage Loan, subject to compliance with the terms and conditions set forth in the Action Report; and

WHEREAS, the Authority concurs in the recommendation of the Chief Executive Officer and Executive Director.

NOW, THEREFORE, the Michigan State Housing Development Authority resolves as follows:

1. The Authority hereby approves the prepayment of the Mortgage Loan, subject to the terms and conditions described in the accompanying Action Report.
2. The Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly appointed to act in that capacity, are each hereby authorized to (a) consent to a modification of the terms and conditions set forth in the attached Action Report, as he or she shall deem advisable and appropriate, and (b) enter into such agreements as may be necessary or appropriate to effectuate the prepayment transaction, including without limitation discharges, releases, swap termination agreements and amended regulatory agreements.




MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director 

DATE: January 22, 2026

RE: Asset Management – REO Sale – Trinity Village I & II, MSHDA Nos. 1412 and 1415

RECOMMENDATION:

I recommend the Michigan State Housing Development Authority (the “Authority”) accept the offer from T. William Fox Investments LLC (“Fox”) to purchase Trinity Village I and Trinity Village II for a total of \$2,400,000.

EXECUTIVE SUMMARY:

Trinity Village I and Trinity Village II (the “Development”) are adjacent properties that have been Real Estate Owned (REO) since February 11, 2019. The Development consists of 60 family units (30 per phase) located in the City of Muskegon, Muskegon County. The Development was financed under the Authority’s Neighborhood Preservation Program (NPP) with tax-exempt bond loans, HOME loans and 4% Low-Income Housing Tax Credits (LIHTC).

The Development has struggled financially for most of its existence. In 2018 the Authority initiated the foreclosure process, and a Sheriff’s sale was held on December 14, 2018. Soon after the Sheriff’s sale the owner waived its right to redemption, and the Authority became the owner on February 11, 2019. Due to the depressed real estate market at the time and a desire to improve occupancy, financial conditions, and physical conditions, the Development has been held for several years with no attempt to market.

Now that operations at the Development have significantly improved as well as the real estate market, it is prudent to market the Development for sale before additional capital expenditures are required. The Development was marketed for sale starting in the fall of 2025. The Authority received 4 initial offers and 3 final offers. The final offers range from \$2,050,000 - \$2,400,000. The \$2,400,000 bid from Fox is tied for the highest offer and includes the best continued affordability restrictions. Fox has committed to restricting 100% of the units (60 units) to 60% AMI for 7 years or until the Development receives a new LIHTC award, whichever occurs first. Fox has also agreed not to raise rents on existing residents in the 12 affordable units (household income must be 50% of area median income or less) by more than 5% annually for 7 years or until a new LIHTC award is received, whichever occurs first.

ADVANCING THE AUTHORITY'S MISSION:

The proposed buyer has committed to restricting all 60 units to 60% AMI for the lesser of seven years or until a new LIHTC award is received, which would preserve affordability for not less than 30 more years. Fox has also agreed not to raise rents by more than 5% annually for all current tenants in the affordable units (12 units) for seven years or until a new LIHTC award is received, whichever occurs first.

MUNICIPAL SUPPORT:

No municipal support has been requested as part of the sale.

COMMUNITY IMPACT:

The community will benefit from 100% of the units remaining affordable after the sale.

RESIDENT IMPACT:

Low-income residents will have their rent increased by no more than 5% annually due to the sale.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.



ACTION REPORT

DATE:	<u>January 22, 2026</u>
ASSET MANAGER:	<u>Kathy Evans</u>
MSHDA #:	<u>1412 (fka: 9013) & 1415 (fka: 9017)</u>
DEVELOPMENT NAME:	<u>Trinity Village I and II</u>
LOCATION:	<u>2250 Valley Street Muskegon, MI 49444</u>
FINAL CLOSING DATE:	<u>TVI = July 1, 1994 TVII = July 1, 1995</u>
ASSIGNED ATTORNEY:	<u>Kara Hart-Negrich</u>
MANAGEMENT AGENT:	<u>KMG Management</u>
MANAGING GENERAL PARTNER (S):	<u>MSHDA Real Estate Owned</u>

RECOMMENDATION:

I recommend that the Authority accept the offer from T. William Fox Investments LLC or an entity to be formed ("Fox") to purchase Trinity Village I and Trinity Village II for a total of \$2,400,000.

I. BACKGROUND:

Trinity Village I ("TVI") and Trinity Village II ("TVII") are adjacent properties that became Real Estate Owned ("REO") February 11, 2019. Located in Muskegon, the combined property consists of six – two story buildings split equally between two phases for a total of 60 units (30 per phase). Visually the phases appear as one property on a shared parcel of land though they are not connected by a common road or parking lot. They have separate financials but generally operate as one property with expenses such as site staff, lawn care and snow removal shared 50/50. There is no community building, but they share an office located in a TVII unit.

Both sites were originally financed under the Neighborhood Preservation Program ("NPP") with tax-exempt bonds layered with Low-Income Housing Tax Credits ("LIHTC") and HOME funds. In 1999, the Authority approved an operational subsidy for TVII of \$12,000 per year, retroactive to January 1995, to correct an underwriting error and enable the development to operate as projected in the commitment pro-forma.

With a number of deeply targeted units at 30% of area median income "(AMI)" under NPP, the property struggled to produce sufficient income to cover expenses. In January 2011, the limited partner exited, transferring its interest to the general partner, Trinity Village Non-Profit Housing Corporation. TVI and TVII (together, the Development") continued to struggle financially for several years. As physical needs arose, reserves were nearly depleted, the former owner declined to provide additional funds and instructed the management agent to redirect funds to the physical needs versus mortgage payments.

Once the mortgage loan became three months delinquent, the Attorney General's office was engaged to proceed with foreclosure and a Sheriff's sale occurred on December 14, 2018. Subsequently, the owner waived their right to redemption, making the Authority owner on February 11, 2019.

Both phases had received HOME funding from the Authority, however, TVI had completed the affordability period prior to foreclosure. TVII was required to maintain HOME affordability until August 26, 2022, to avoid a HOME recapture. The LIHTC requirements for both sites were terminated by the deed in lieu of foreclosure, subject to the 3-year Tenant Protection Period ("TPP") which ended December 14, 2021. The NPP restrictions also ended with the foreclosure, but to honor the Authority's mission, a minimum of 20% of the units (12 units) were restricted to households at 50% of AMI. During the Authority holding period, the NPP restriction of 30% of AMI no longer had to be imposed, thereby improving the income stream which was critical to financially stabilize the Development. The 30% of AMI tenants that were in place were able to renew their leases annually at 30% AMI rents. Currently, twelve units are restricted to 50% of AMI or less, and 8 of those are transitioning from 30% AMI to 50% AMI through attrition.

Since becoming REO, the goal was to wait out the TVII HOME requirements and stabilize the property. At the time of foreclosure, the vacancy rate was 11.7% with several down units, and the property had a negative reputation due to crime and deferred maintenance. The managing agent, KMG, was doing a good job overall but due to a non-contributing owner and depleted funds, they were constrained from addressing notable issues. Upon takeover, the Authority opted to retain KMG as they had been very communicative with Authority staff regarding their concerns pre-foreclosure and had taken steps to protect residents to the best of their ability. KMG has proven to be a good fit at the Development, as they have neighboring sites that can share staff when needed but also have stable regional staff that residents trust. Once post-foreclosure funds were available, KMG quickly addressed physical needs to get units leased and improve security, which significantly reduced crime. For several years now, the site has held a positive reputation and good resident retention. The property remains stable. If it is held longer, the Authority could face \$400,000+ in physical needs (e.g.: parking lots, windows, siding etc.) over the next two years.

Because of layout, size and common operations, it was determined it is best to sell TVI and TV II as one property. Newmark Affordable Housing Advisors ("Newmark") marketed the Development for several weeks, receiving four initial offers ranging from \$1,900,000-\$2,400,000. After discussing with Authority staff, Newmark went back to the top bidders to solicit best and final offers. This resulted in three final offers with bids ranging from \$2,050,000 - \$2,400,000.

Two bidders offered \$2,400,000, however, the offer from Fox included a plan for more affordable units going forward. Fox has committed to keeping 100% of the units at 60% AMI for 7 years or until syndication with new LIHTC. Fox is utilizing bridge financing through Cinnaire with a plan to seek a new LIHTC syndication within 3 years. Fox further committed to not increasing rents beyond 5% annually for the existing 30%-50% tenants (12 units). Based on Fox's proposal, there will be few initial physical changes, but major renovations are expected as a result of the LIHTC syndication.

II. CURRENT FINANCIAL CONDITION:

- A. Currently there is 1 vacant unit and the office unit (3.3%) between both properties.
- B. To date, the sites have required \$344,646 in Authority general fund draws primarily needed in the first year of Authority ownership to cover operations, and more recently for roof replacement.
- C. The Development has \$8,829 in receivables, of which \$2,007 are over 30 days.
- D. The Development has \$4,935 in payables, of which \$144 are over 30 days.

III. SUMMARY OF PROPOSAL:

- A. Fox has made a cash offer of \$2,400,000 with a \$90,000 earnest money deposit.
 - 1. The \$90,000 deposit is refundable until expiration of the inspection period (i.e., 30 days after signing the purchase agreement) at which point it is non-refundable.
 - 2. Closing to occur within 30 days following expiration of the inspection period.
 - 3. Purchaser will have one 30-day extension of the due diligence period if necessary.
 - 4. Both parties will have one 30-day closing extension option available.
- B. Fox has committed to keeping 100% of the units at 60% AMI for 7 years or until syndication with new LIHTC. Fox also committed not to displace existing residents in the 12 affordable units, by agreeing not to raise their rents by more than 5% annually for 7 years or until syndication with new LIHTC, whichever occurs first.
- C. Fox is utilizing bridge financing through Cinnaire with a plan to seek a new LIHTC syndication within 3 years. Based on Fox's plan, there will be few initial physical changes, but major renovations are expected as a result of the LIHTC syndication.
- D. Newmark will receive a brokerage fee equal to 2.5% of the gross sale price, which equates to \$60,000 to be paid at closing from sales proceeds.
- E. Authority-held reserves and all operating cash will be retained by the Authority.

IV. CURRENT DEVELOPMENT STATUS:

Program Types:	NPP / LIHTC / HOME
Current Restrictions:	20% of the units at 50% AMI or less (ends upon sale) 3-year TPP ended 12/14/2021 HOME affordability periods ended 2/11/2019 (TVI) and 8/26/2022 (TVII)
Original Loan Amounts:	See Breakeven Calculation Below

Vacancy: 2 Units are Vacant
Economic Vacancy 5.43%

Reserve and Escrow Balances as of December 16, 2025:

	Trinity Village I	Trinity Village II
Replacement Reserve	\$ 665	\$ 2,319
Excess Income	\$ 60,062	\$40,432
Insurance Escrow	\$ 13,335	\$13,315
ORC	\$ 10,902	\$ 6,687
TOTAL	\$ 84,964	\$62,753

Financial Status:

One Month's Rent Potential: \$33,986 (TVI) and \$34,048 (TVII)

Prior Authority Action:

- TV I – None
- TV II – February 24, 1999 - Resolution Authorizing Operational Subsidy

V. RENT SCHEDULE:

Bedroom	# Units	# Units Vacant	Current Rents	Utility Allowance
1 Bd – 30% to 50%	2	0	\$315-\$542	\$99
2 Bd – 30% to 50%	4	0	\$273-\$430	\$109 (TVI) \$115 (TVII)
3 Bd – 30% to 50%	2	0	\$331-\$577	\$128 (TVI) \$164 (TVII)
1 Bd – 50%	0	0	\$709-\$711	\$99
2 Bd – 50%	4	0	\$856-\$862	\$109 (TVI) \$115 (TVII)
3 Bd – 50%	0	0	\$958-\$994	\$128 (TVI) \$164 (TVII)
1 Bd Market	9	0	\$1,075	
1 Bd Mkt – Office	1	1	\$1,075	
2 Bd Market	28	1	\$1,180	
3 Bd Market	10	0	\$1,400	
TOTAL	60	2		

VI. PROPOSED SALE BREAKEVEN CALCULATION

Breakeven Calculation - Trinity Village I		Loan Loss	
TV I - 1 st Loan Debt at Foreclosure (Incl Int & fees):	\$ 247,934	Reserved	\$0
TV I - HOME Debt at Foreclosure:	\$ 933,888	Actual Loss	(\$26,488)
TV I - TOTAL DEBT AT FORECLOSURE	\$1,181,882	Difference	(\$26,488)
Plus General Fund Draws	\$ 162,606		
Less Captured Escrows & Operating Income	(\$ 150,000)	Est. as of 12-15-25	
Total Carrying Costs	\$1,194,488		
SALE PRICE	(\$1,200,000)	Half of \$2.4M	
Less Closing Costs	(\$ 32,000)	Half of the 2.5% + Title Co	
NET	(\$ 26,488)		
Breakeven Calculation – Trinity Village II		Loan Loss	
1 st Loan Debt Owed at Foreclosure (Incl Int & fees):	\$ 683,036	Reserved	\$100,000
Small Size Loan: at Foreclosure:	\$ 343,750	Actual	(\$343,989)
HOME Debt at Foreclosure:	\$ 481,163	Difference	(\$243,989)
TV II - TOTAL DEBT AT FORECLOSURE	\$1,507,949		
Plus General Fund Draws	\$ 182,040		
Less Captured Escrows & Operating Income	(\$ 118,000)	Est. as of 12-15-25	
Total Carrying Costs	\$1,571,989		
SALE PRICE	(\$1,200,000)	Half of \$2.4M	
Less Closing Costs	(\$ 32,000)	Half of the 2.5% + Title Co	
NET	(\$ 343,989)		

APPROVED:

<u>/s/ Matt Bergeon</u> Matt Bergeon Director of Asset Management	<u>1/14/26</u> Date
<u>/s/ Tony Lentych</u> Anthony Lentych Chief Housing Investment Officer	<u>1/14/26</u> Date
<u>/s/ Clarence L. Stone, Jr.</u> Clarence L. Stone, Jr. Chief Legal Affairs Officer	<u>1/14/26</u> Date
<u>/s/ Amy Hovey</u> Amy Hovey Chief Executive Officer and Executive Director	<u>1/14/26</u> Date

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION AUTHORIZING SALE OF DEVELOPMENT
TRINITY VILLAGE I & II, MSHDA DEVELOPMENT NOS. 1412 AND 1415
CITY OF MUSKEGON, MUSKEGON COUNTY**

January 22, 2026

WHEREAS, the Authority authorized mortgage loans (the "Mortgage Loans") for the acquisition and construction of Trinity Village I & II, MSHDA Development Nos. 1412 and 1415 (together, the "Development"), on November 12, 1992, and February 17, 1994, respectively; and

WHEREAS, the Development experienced significant operational and financial difficulties for a number of years, and the mortgagor ceased making payments on the Mortgage Loans; and

WHEREAS, the Authority foreclosed the Mortgage Loans and received a Sheriff's Deed to the Development on December 14, 2018, and the period of redemption expired on June 14, 2019; and

WHEREAS, the Authority's commercial broker, Newmark Affordable Housing Advisors, solicited bids in connection with the possible sale of the Development, and the Authority has received a letter of intent from T. William Fox Investments LLC (the "Purchaser") to purchase the Development on the terms set forth in the accompanying Action Report; and

WHEREAS, the Chief Executive Officer and Executive Director is recommending that the Authority accept the letter of intent and approve the sale of the Development in accordance with the terms and conditions set forth in the accompanying Action Report; and

WHEREAS, the Authority concurs in the recommendation of the Chief Executive Officer and Executive Director.

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

1. The Authority hereby approves the sale of Trinity Village I & II, MSHDA Development Nos. 1412 and 1415, to T. William Fox Investments LLC or another entity to be formed or controlled by the Purchaser, in accordance with the terms and conditions described in the accompanying Action Report.
2. The Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly appointed to act in that capacity, are each hereby authorized to (a) consent to a modification of the terms and conditions set forth in the attached Action Report, as he or she shall deem advisable and appropriate, and (b) execute such deeds, assignments, agreements and other closing documents as may be necessary or appropriate to effectuate the sale of the Development.




MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director 

DATE: January 22, 2026

RE: Midway Square Townhomes, Development No. 44c-240 (the "Development")

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt an inducement resolution with respect to the project described in the attached report.

PROJECT SUMMARY:

MSHDA No.:	44c-240
Development Name:	Midway Square Townhomes
Development Location:	City of Flint, Genesee County
Sponsor:	Ginosko Development Company
Borrower:	Midway Square Preservation II Limited Dividend Housing Association, LLC
Number of Units:	166 family units
Construction Method:	Acquisition and Rehabilitation
Financing Program:	Limited Obligation Revenue Bonds or Notes issued under Section 44c
Total Development Cost:	\$38,391,732 (estimated)
Aggregate Basis:	\$33,275,719
Total Loan Amount:	\$19,805,296 (59.52% of aggregate basis)
Private Placement:	During the construction phase, Fifth Third Bank, NA (the "Governmental Note Purchaser") will purchase the governmental notes as "a qualified institutional buyer" or "an accredited investor" defined under Rule 144A of the Securities Act of 1933 for "qualified institutional buyer" or Section 501 of Regulation D promulgated under the Securities Act of 1933 for "accredited investors".
Credit Enhancement:	During the permanent phase, Standby Credit Enhancement

Agreement issued by Freddie Mac under the Freddie Mac's TEL Program
Commitment Fee: 2.0% of the Loan amount

EXECUTIVE SUMMARY:

Ginosko Development Company (the "Sponsor") proposes to acquire and rehabilitate the Development, which consists of 166 affordable family housing units located in the City of Flint, Genessee County, Michigan. The Development will be acquired and rehabilitated using construction and permanent loans financed with the proceeds of notes issued pursuant to Section 44c of the Authority's enabling act. The Development, as proposed, meets the requirements of Section 44c, and repayment of the notes will be reasonably secure, based on (a) the Governmental Note Purchaser's qualification as a qualified institutional buyer or accredited investor, (b) its review of this transaction, and (c) its representation to the Authority that repayment of the bonds or notes is reasonably secure. Additionally, the repayment of the bonds or the notes will be reasonably secure due to the Standby Credit Enhancement Agreement issued under Freddie Mac's TEL Program.

The private placement structure allows the bonds to be purchased by a qualified institutional buyer or an accredited investor that has the knowledge and experience to evaluate the risks of purchasing limited obligation bonds and is acceptable to the Authority.

I am recommending Board approval for the following reasons:

- The Developer's application satisfies the requirements for the issuance of an inducement resolution under Section 44c of the Authority's Act and the Amended and Restated Pass-Through Bond Program statement.
- 166 units of family housing will be rehabilitated in the City of Flint.
- The repayment of the limited obligation notes will be reasonably secure based on the private placement structure during the construction phase and the proposed collateral during the permanent phase.

ADVANCING THE AUTHORITY'S MISSION:

- Approving an inducement resolution will allow this proposal to incur costs necessary for acquiring and rehabilitating the Development.
- 166 units will be reserved for tenants at 60% of Area Median Income. In addition, ten percent (10%) of the units must be targeted to households whose incomes are at or below 40% of Area Median Income.
- Additional details are provided on page 2 of the Staff Report.
- The Development receives Section 8 subsidy on all 166 units; the subsidy will be preserved and extended for twenty (20) years for this new financing.
- Affordable housing in the City of Flint will be preserved.

MUNICIPAL SUPPORT:

- The City of Flint supports the acquisition and rehabilitation of the Development as evidenced by a letter of support.

COMMUNITY IMPACT:

- It is anticipated that the construction or rehabilitation of the Development will create 108 temporary construction jobs.
- The community will be invited to engage in a virtual public hearing (TEFRA Hearing) regarding the bond or note funding.
- Residents will be invited to participate in a Preconstruction meeting where they will be informed of the project, have their questions answered and be able to provide their input to the anticipated renovations, including voicing concerns about their current apartments, the need for different project amenities, and other operational challenges that can be addressed during the rehabilitation.

RESIDENT IMPACT:

- The residents will benefit from a comprehensive rehabilitation of the Development.
- Immediate and long-term capital needs of the Development will be addressed.
- If it becomes necessary, moving assistance will be provided to affected residents when an appropriate temporary unit is identified, and when rehabilitation of a unit appropriate for the family is completed.
- All rehabilitation projects will be started and completed on the same day. Work will not begin before 8:00 a.m., and will stop by 5:00 p.m., except for extraordinary circumstances.
- Lodging and meals for daily displaced residents will be coordinated by the site staff and the cost of such lodging and meals will be paid from the development budget. Rehabilitation of the remaining unit types will be started and completed on the same day.
- Tenants choosing to spend the day at the property will be directed to a hospitality area where beverages and snacks will be available. Food coupons will be provided for meals if the displacement lasts for more than four hours.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

Project is in jeopardy of losing its HAP contract without this acquisition/rehab of the property which is being purchased out of receivership. The Development Team is working closely with HUD administrators to ensure the timeline HAP Bifurcation and Assignment/Assumption in conjunction with this LIHTC project.

The Authority's notes will be privately placed with the Governmental Note Purchasers under the Private Placement Sub-Program during the construction period. The Loan may later convert to the permanent phase, if all conditions of conversion are met. Upon conversion, Freddie Mac or its seller/servicer will purchase the Authority's notes, and Freddie Mac will provide credit enhancement under the Credit Enhancement Sub-Program during the permanent period.



AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM

INDUCEMENT RESOLUTION STAFF REPORT

January 22, 2026

RECOMMENDATION:

Adopt an inducement resolution with respect to the project described in this report.

ISSUES, POLICY CONSIDERATIONS AND RELATED ACTIONS:

Project is in jeopardy of losing its HAP contract without this acquisition/rehab of the property which is being purchased out of receivership. The Development Team is working closely with HUD administrators to ensure the timeline HAP Bifurcation and Assignment/Assumption in conjunction with this LIHTC project.

The Authority's notes will be privately placed with the Governmental Note Purchasers (defined below) under the Private Placement Sub-Program during the construction period. The Loan may later convert to the permanent phase, if all conditions of conversion are met. Upon conversion, Freddie Mac or its seller/servicer will purchase the Authority's notes, and Freddie Mac will provide credit enhancement under the Credit Enhancement Sub-Program during the permanent period.

PROJECT SUMMARY:

MSHDA No.:	44c-240
Development Name:	Midway Square Townhomes
Development Location:	City of Flint, Genesee County
Sponsor:	Ginosko Development Company
Borrower:	Midway Square Preservation II Limited Dividend Housing Association, LLC
Number of Units:	166 family units
Construction Method:	Acquisition and Rehabilitation
Financing Program:	Limited Obligation Revenue Bonds or Notes issued under Section 44c
Total Development Cost:	\$38,391,732 (estimated)
Aggregate Basis:	\$33,275,719
Total Loan Amount:	\$19,805,296 (59.52% of aggregate basis)
Private Placement:	During the construction phase, Fifth Third Bank, NA (the "Governmental Note Purchaser") will purchase the governmental notes as "a qualified institutional buyer" or "an accredited investor"

**Inducement Resolution Staff Report
#44c-240, Midway Square Townhomes
City of Flint, Genessee County
January 22, 2026**

defined under Rule 144A of the Securities Act of 1933 for “qualified institutional buyer” or Section 501 of Regulation D promulgated under the Securities Act of 1933 for “accredited investors.”

Credit Enhancement : During the permanent phase, Standby Credit Enhancement Agreement issued under the Freddie Mac TEL Program

Commitment Fee: 2.0% of the Loan Amount

The material contained in this staff report is submitted to the Authority for information purposes only. The Authority does not underwrite Pass-Through loans. To the extent that any information contained herein conflicts with the documents relating to the sale of the Authority’s notes (“Governmental Notes”) and the making of the loan, the latter documents shall control.

PROGRAM DESCRIPTION:

Section 44c of Public Act 346 of 1966, as amended (the "Act"), authorizes the Authority to issue notes or bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The notes or bonds are "limited obligations" of the Authority with the security limited to the assets of the borrower, the project itself, private placement, and the credit enhancement and cash collateral arranged by the borrower. These are generally referred to as "Pass Through" notes or bonds.

On July 17, 2025, the Authority re-authorized the Amended and Restated Pass-Through Bond Program, increasing the maximum allocation to \$400 million in tax-exempt bond volume cap. This program imposes minimum rent and income targeting requirements of either 40% of the units at 60% of area median income or 20% of the units at 50% of area median income and limits the volume cap allocation available per project and per sponsor. In addition, at least 10% of the affordable units must be targeted to households whose income is at or below 40% of area median income. It also requires limited market and environmental reviews, compliance with state EEO requirements and establishes a cap on the distributions of cash made to the owner.

Borrowers may qualify for a pass-through loan with the option of Authority-approved credit enhancement or a private placement structure. A borrower may select a private placement structure in lieu of credit enhancement if the proposed investor and transaction structure are acceptable to the Authority.

The private placement structure allows the bonds to be purchased by a qualified institutional buyer or an accredited investor that has the knowledge and experience to evaluate the risks of purchasing limited obligation bonds and that is acceptable to the Authority. The Private Placement Program Statement imposes the following requirements in transaction documents:

1. Bonds must be initially sold only to purchasers that are “qualified institutional buyers” as generally defined under Rule 144A of the Securities Act of 1933 or “accredited investors” as generally defined under Section 501 of Regulation D promulgated under the Securities Act of 1933 (each, an “Investor”). In each case, an investor letter (“Investor Letter”) acceptable to the Authority must be delivered to the Authority at the initial bond closing that will include in part the following:

- a. The Investor has sufficient knowledge and experience in business and financial matters in general and investments such as these bonds to evaluate their risks and merits. The Investor has concluded and represents to the Authority that repayment of the bonds is reasonably secure.
 - b. The Investor is able to bear the economic risk of, and an entire loss of, an investment in the bonds.
 - c. The Investor is purchasing the bonds for its own account for investment purposes and has no present intention to resell or distribute such bonds; provided, however, that the Investor may, with the Authority's written consent, transfer its interest to a single investor that is a qualified institutional buyer or an accredited investor.
 - d. The Investor has not relied on information provided by the Authority.
 - e. The Investor acknowledges that any transfer of an ownership interest in the bonds shall be conditioned upon delivery to the Authority of an investor letter that confirms the foregoing with respect to the transferee.
2. The offering materials/disclosure documents, if any, must prominently indicate that bonds can only be sold to qualified institutional buyers or accredited investors.
 3. The face of each bond must contain a legend stating that such bond can only be sold to qualified institutional buyers or accredited investors, as applicable. The bond documents must contain provisions that restrict the ability to transfer the bonds to only qualified institutional buyers or accredited investors.
 4. Bonds must be sold in minimum denominations of \$25,000 or greater.

PROPOSAL SUMMARY:

The Borrower proposes to acquire and rehabilitate 166 family apartment units on a site in the City of Flint. All of the units in the Development, will be targeted to households with incomes at or below 60% of area median income, utilizing the new Multifamily Tax Subsidy Projects ("MTSP") income limits. At least 10% of the total units (19 units) must be more deeply targeted to households with incomes at or below 40% of area median income, using the MTSP limits. All 166 units receive project-based Section 8 rental subsidy from the U.S. Department of Housing and Urban Development under a contract that will be renewed for twenty years in conjunction with the note closing.

Authority staff has received and reviewed commitments for the proposed credit enhancements and has determined that, if the proposed credit enhancements are delivered as set forth in the commitments, repayment of the Authority's Governmental Notes will be reasonably secure.

CONDITIONS:

1. Income Limits:

The Borrower must enter into a Regulatory Agreement with the Authority requiring that 100% of the units in the Development must be rented or available for rental by tenants whose income does not exceed the 60% income limit for Multifamily Tax Subsidy Projects

as determined by HUD with respect to projects financed pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), as further amended by the Housing and Economic Recovery Act of 2008 (P.L. 110-289) ("MTSP Limits"), adjusted for family size. Of those units, 19 units must be rented or available for rental by tenants whose income does not exceed the 40% MTSP Limit, adjusted for family size. These occupancy restrictions shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority's Governmental Notes remain outstanding, but in no event for less than the period of time required by the terms of the Low Income Housing Tax Credit ("LIHTC") Regulatory Agreement or the period required by Section 142(d) of the Code.

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

2. Limitations on Rental Rates:

The Regulatory Agreement must also require that the monthly Total Housing Expense (contract rent plus tenant-paid utilities) on all of the units in the Development, except for the manager's unit unless the manager's unit is later converted to rental use, may not exceed 30% of 1/12 of the 60% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. In addition, the Total Housing Expense for 19 units in the Development may not exceed 30% of 1/12 of the 40% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. These limitations on rental rates shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority's Governmental Notes remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement, known as the Extended Use Period (the "EUP").

For purposes of determining whether or not the rents paid by the tenants of the Development are within the required limits set forth in this Section 2, the amount of any Section 8 rental subsidy paid on behalf of a tenant with respect to any unit shall not be considered as rent paid by the tenant.

3. Covenant Running with the Land:

The Borrower must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the obligations to be issued to finance the 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 50 percent of the residential units in the project are occupied, the first day on which no Governmental Notes 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 "Qualified Project Period"). Additionally, during the Qualified Project Period, the minimum set-aside requirements of the Code must be maintained, namely, at least forty percent (40%) of the units in the Development must be occupied or

held available for occupancy by individuals whose income is lower than the MTSP Limits 60% income limit, adjusted for family size. 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.

4. Limitation on Return on Equity:

The Borrower must agree that its return on equity will be limited to 12% for the first 12-month period following substantial completion of the Development, with annual 1% increases thereafter until reaching a maximum of 25%, and to submit an annual financial statement evidencing its eligibility for return no later than 90 days after the close of the Borrower's fiscal year. The Borrower's return is fully cumulative. The amount of the Borrower's equity will be determined by the Authority.

5. Note and Tax Credit Requirements:

At the closing, the Borrower must enter into a Project Loan Agreement- TEL (Immediate) and a Project Loan Agreement (Gap Loan), which provide that all cash proceeds of the credit enhancement will be deposited with the fiscal agent for the Governmental Notes and shall be held and invested by the fiscal agent in accordance with the Funding Loan Agreements. The Borrower must certify in writing to the sources and uses involved in the financing of the Development and must also provide the Authority with an opinion of tax counsel, a Useful Life Certificate prepared by Borrower's accountants, and/or other evidence, as determined by the Authority's Chief Legal Affairs Officer, that respectively confirm that the structure of the transaction will permit the Borrower to claim the LIHTC 4% credit.

6. Loan Agreement; Indemnification; Compliance Monitoring and Reporting Requirements:

. In each Project Loan Agreement, the Borrower must agree to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of the financing, construction, ownership, or operation of the Development or from the violation of any environmental laws. The Borrower must also agree to provide the Authority on or before September 1 of each year with a report in a form acceptable to the Authority, including such information as is required by Section 44c of the Act. The Borrower must also agree to participate in compliance monitoring activities relative to the Governmental Notes and the tax credits allocated to the Development, as required by the Authority's Compliance Monitoring staff, and to pay an annual compliance monitoring fee not to exceed 0.25% of the outstanding principal amount of the Governmental Notes. The form and substance of the Loan Agreements must be acceptable to the Authority's Chief Legal Affairs Officer.

7. Closing and Organizational Documents:

Prior to closing of the Governmental Notes, the Borrower must submit all of the documents relating to the sale of the limited obligation Governmental Notes and the making of the loan, including title and survey matters, and its organizational documents. All documents must be in compliance with the Authority's Act and acceptable to the Michigan Attorney General, the Authority's Bond counsel and the Authority's Chief Legal Affairs Officer.

8. Credit Enhancement:

Prior to the authorization of a commitment for issuance of the Governmental Notes, the Borrower must submit a definitive commitment that the credit enhancement will be provided. The proposed credit enhancement instrument, the cash collateral and any other additional security offered to the Authority must be acceptable to the Chief Financial Officer and the Chief Legal Affairs Officer.

9. Private Placement:

Prior to the authorization of a commitment for issuance of the Notes, the Borrower must submit a definitive commitment for the purchase of the bonds by the Governmental Note Purchaser that includes representations that (i) the Governmental Note Purchaser is either a qualified institutional buyer or an accredited investor and (ii) the Governmental Note Purchaser has concluded that repayment of the bonds is reasonably secure.

At the Note closing, the Governmental Note Purchaser must provide an "Investor Letter" (described above) in form and substance acceptable to the Authority.

10. Financing Participants:

Prior to the authorization of a commitment for issuance of the Governmental Notes, the Chief Financial Officer and the Chief Legal Affairs Officer must have determined that the proposed development team members are acceptable.

11. Equal Employment Opportunity:

At the closing, the Borrower and the general contractor must include the Authority's form Appendix to Construction Contract with the Construction Contract that is acceptable to the Authority's Chief Legal Affairs Officer.

DEVELOPMENT TEAM AND PROJECT INFORMATION:

Sponsor and Borrower:

- 1. Sponsor:** Ginosko Development Company
41800 W. Eleven Mile Road, Suite 209
Novi, Michigan 48375
- Contact:** Nathan Keup
- Phone:** (248) 513-4900

**Inducement Resolution Staff Report
#44c-240, Midway Square Townhomes
City of Flint, Genessee County
January 22, 2026**

2. Borrower: Midway Square Preservation II Limited Dividend Housing Association, LLC

Credit Enhancement:

The sponsor proposes a Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL Program and cash collateral provided by the Borrower's equity investor and/or equity bridge loan proceeds.

Construction Funding Lender: Fifth Third Bank, NA

Permanent Funding Lender: Bellwether Enterprise Real Estate Capital, LLC

Bond Counsel: Hawkins Delafield & Wood LLP (*John Renken*)

Fiscal Agent: The Huntington National Bank (*TBD*)

Credit Enhancement Provider: Federal Home Loan Mortgage Corporation (Freddie Mac)
Fifth Third Bank, NA (*TBD*)

Other Members of the Development Team:

Equity Partner:	Enterprise Community Partners, Inc. (<i>Michael Rossi</i>)
Borrower's Counsel:	Honigman, LLP (<i>Steven Rypma</i>)
Borrower's Accountant:	Dauby O'Conner & Zaleski, LLC (<i>Kenny Dennison</i>)
Contractor:	Ginosko Construction, LLC (<i>Kenne Currie</i>)
Property Management:	KMG Prestige (<i>Paul Spencer</i>)
Architect:	Hooker DeJong, Inc. (<i>Rob Gustafson</i>)
Environmental:	Triterra, LLC (<i>Shawn Shadley</i>)

Sources and Uses of Funds:

Construction Sources

TE Construction Loan	19,805,296
Seller's Note	12,307,587
Deferred Developer Fee	1,587,334
LIHTC Equity	4,691,515

Total Construction Sources **38,391,732**

Permanent Sources

GSE (FNMA/FDMC) Perm Loan	9,687,701
Interim Income from Operations	1,056,546
Seller's Note	12,307,287
Solar ITC Equity	1,432,291
LIHTC Equity	12,320,573
Deferred Developer Fee	1,587,334

Total Permanent Sources **38,391,732**

**Inducement Resolution Staff Report
#44c-240, Midway Square Townhomes
City of Flint, Genessee County
January 22, 2026**

Uses

Land	498,000
Building Acquisition	13,009,287
Site Work	2,613,600
Construction Costs	13,009,549
Professional Fees	451,628
Interim Construction Costs	2,008,820
Other Costs	724,051
Syndication Costs	50,000
Developer Fees	3,994,143
Project Reserves	2,032,654
Total Uses	38,391,732

APPROVALS:

<i>/s/ Jeffrey Sykes</i>	1/14/26
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Jeffrey Sykes, Chief Financial Officer	Date

<i>/s/ Chad Benson</i>	1/14/26
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Chad Benson, Director of Development	Date

<i>/s/ Clarence L. Stone, Jr.</i>	1/14/26
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Clarence L. Stone, Jr., Chief Legal Affairs Officer	Date

<i>/s/ Amy Hovey</i>	1/14/26
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Amy Hovey, Chief Executive Officer and Executive Director	Date

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**INDUCEMENT RESOLUTION
MIDWAY SQUARE TOWNHOMES
CITY OF FLINT, GENESEE COUNTY
MSHDA No. 44c-240**

January 22, 2026

WHEREAS, Ginosko Development Company (the "Applicant"), desires to acquire and substantially rehab a multifamily housing facility (the "Project") in the City of Flint, Genesee County, Michigan; and

WHEREAS, the Applicant has applied to the Michigan State Housing Development Authority (the "Authority") for one or more loans in the aggregate amount of Nineteen Million Eight Hundred Five Thousand Two Hundred Ninety-Six Dollars (\$19,805,296) (the "Loan") pursuant to Section 44c of Act No. 346 of the Public Acts of 1966, as amended (the "Act"), to be made to Midway Square Preservation II Limited Dividend Housing Association, LLC or an eligible borrower entity to be formed under the Act (the "Borrower"), to finance the acquisition, rehabilitation and equipping of the Project, which constitutes a housing project as defined in the Act; and

WHEREAS, the Applicant has advised that the cost of the Project will not exceed Thirty-Eight Million Three Hundred Ninety-One Thousand Seven Hundred Thirty-Two Dollars (\$38,391,732); and

WHEREAS, the Act authorizes the Authority to loan monies to limited dividend housing associations for the construction and long-term financing of multifamily housing projects and to obtain the monies for such loans by the issuance of bonds or notes in compliance with and pursuant to the terms and provisions of the Act; and

WHEREAS, it is necessary to assure the Applicant that the Authority intends to issue bonds or notes (the "Governmental Notes") upon meeting the requirements of the Act and the terms and conditions of this Resolution, it being the intent and purpose of the Authority in adopting this Resolution to provide the necessary official action with respect to the Governmental Notes as will meet the requirements of the Internal Revenue Code and the regulations promulgated in connection therewith.

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

1. In order to comply with Treasury Regulation Section 1.150-2, the Authority makes the following declarations:
 - (a) The Authority reasonably expects to authorize the Loan for the purpose of reimbursing the Borrower for the costs of and/or financing the acquisition and equipping of the Project as further described in the Borrower's application, and the terms of the Inducement Resolution Staff Report attached hereto and incorporated herein;

- (b) The Loan shall not be used to reimburse the Borrower for expenditures earlier than the date on which the Borrower pays such expenditures and not later than the date that is eighteen months after the later of (i) the date on which the Borrower has paid the expenditure, or (ii) the date on which the Project is placed in service, but in no event more than three (3) years after the expenditure is paid. All reimbursement of expenditures shall follow the procedures described in Treasury Regulation Section 1.150-2(d);
 - (c) No Loan proceeds paid to reimburse the Borrower for expenditures incurred in the acquisition and equipping of the Project shall be used in a manner described in Treasury Regulation Section 1.150-2(h) with respect to abusive use of such proceeds;
 - (d) The costs to be reimbursed must be "capital expenditures" as defined in Treasury Regulation Section 1.150-1(b), which are costs of a type that are properly chargeable to a capital account under Federal Income Tax principles; and
 - (e) The maximum amount of the Loan to the Borrower shall not exceed Twelve Million One Hundred Eighty-Six Thousand Two Hundred Seventy-Five Dollars (\$12,186,275).
2. The Authority expects to authorize the Loan to the Borrower, subject to the Borrower's meeting the requirements of the Act, including without limitation, the requirements of Section 44c of the Act, the Authority's Amended and Restated Pass-Through Bond Program and the terms and conditions hereinafter set forth.
 3. The Borrower shall submit a commitment from the proposed issuer of a credit enhancement with respect to the Governmental Notes in a form and amount sufficient to assure the Authority that repayment of the Governmental Notes issued will be reasonably secure.
 4. The Borrower shall be obligated to make loan repayment in an amount sufficient to pay the principal, interest and premium, if any, of the Governmental Notes, establish appropriate reserves, and pay costs and expenses relating to the issuance of the Governmental Notes and the making of the Loan.
 5. The Authority's obligation to make the Loan shall be conditioned upon the ability of the Authority to issue, sell and deliver the Governmental Notes.
 6. The Loan shall be evidenced by a loan agreement and secured by such instruments as are in form and substance satisfactory to the Authority, the Department of Attorney General of the State of Michigan and bond counsel to the Authority, which shall include such additional security as may be required by the purchaser of the Governmental Notes.
 7. Subject to compliance with the terms and conditions of this Resolution and any subsequent Resolution authorizing the Authority's loan commitment with respect to the Project, the Authority will authorize, pursuant to one or more Authorizing Resolutions of the Authority, the issuance of the Governmental Notes in an aggregate principal amount not exceeding Nineteen Million Eight Hundred Five Thousand Two Hundred Ninety-Six Dollars (\$19,805,296) for the purposes of making the Loan and funding the reserves and costs associated with the issuance and administration of the Governmental Notes as

aforesaid, and will enter into one or more loan agreements and related documents with the Borrower, which proceedings shall be subject to the approval of the Department of Attorney General of the State of Michigan, bond counsel to the Authority and the Michigan Department of Treasury.

8. The Governmental Notes shall not be general obligations of the Authority but shall be payable as to principal, premium, if any, and interest solely from the proceeds of the payments to be made by or on behalf of the Borrower to the Authority (or to a trustee appointed by the Authority pursuant to the Authorizing Resolution), as provided in the Authorizing Resolution. The agreements relating to the Loan and the issuance of the Governmental Notes shall contain such provisions as will be necessary to make absolutely clear and certain that under no circumstances will the Governmental Notes or this Resolution be a debt of the State of Michigan, nor will the State of Michigan be liable on the Governmental Notes.
9. All costs and expenses involved in the authorization, issuance, sale and delivery of the Governmental Notes and in the making of the Loan, including the fees and disbursements of bond counsel, shall be paid from the Governmental Notes proceeds or by the Borrower and the proceedings and agreements relating thereto, as hereafter adopted and undertaken, shall so provide.
10. The Chief Executive Officer and Executive Director, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance, or any person duly authorized to act in such capacity (each an "Authorized Officer"), or any one of them acting alone, are hereby authorized and directed to initiate the proceedings described in this Resolution and to enter into negotiations, subject to the approval of the Authority, with a Governmental Notes purchaser for the sale of the Governmental Notes by the Authority.
11. Bond counsel to the Authority and the Department of Attorney General of the State of Michigan are authorized and directed to prepare and submit to the appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of the Governmental Notes and to make applications on behalf of the Authority to the United States Internal Revenue Service and to other governmental agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of the Governmental Notes. Any Authorized Officer is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. All costs and expenses pertaining to the above matter shall be paid from the Governmental Notes proceeds or by the Borrower.
12. Issuance of the Governmental Notes shall be subject to the conditions contained in the Inducement Resolution Staff Report accompanying this Resolution including but not limited to the conditions that the Governmental Notes must be sold initially to a purchaser that is a qualified institutional buyer or an accredited investor and that the purchaser must deliver an investor letter at closing that complies with the Authority's Amended and Restated Pass-Through Bond Program Statement for Private Placements and the accompanying staff report.
13. All resolutions and parts of resolutions that conflict with the provisions of this Resolution are hereby rescinded.

14. This Resolution does not constitute a commitment of the Authority to loan funds under Section 44c(6) of the Act and does not serve as a reservation or allocation of bonding capability.
15. The Authority hereby determines that the likely benefit of the Project to the community or the proposed residents of the Project merits the use of Authority limited obligation bonds or notes as a financing source for the proposed acquisition and rehabilitation of the Project.
16. This Resolution shall take effect immediately.



M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director

DATE: January 22, 2026

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 single-family mortgage loans.

EXECUTIVE SUMMARY:

From time to time, the Authority utilizes General Operating funds or other funds for the purchase of single-family mortgage loans. 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 intends to reimburse itself with proceeds from a future bond sale, it must state its intent to do so within 60 days of the purchase of the mortgages. The attached resolution will fulfill the IRS requirement.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.

DRAFT

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

January 22, 2026

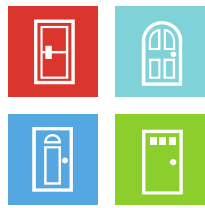
WHEREAS, the members of the Michigan State Housing Development Authority (the "Authority") propose to authorize the issuance of tax-exempt qualified mortgage bonds pursuant to Internal Revenue Code Section 143 in one or more series (the "Bonds") pursuant to the General Resolution Authorizing the Issuance 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 single-family 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, with 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 Single-Family Mortgage Loans (the "Reimbursement Resolution") is adopted as follows:

- Section 1. The maximum principal amount of the Bonds expected to be issued is \$1,200,000,000.
- 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.



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director

DATE: January 22, 2026

RE: The Meadows; MSHDA Development No. 44c-237

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") 1) adopt a resolution authorizing the issuance of a loan (the "Loan") with respect to the project described in the attached report; and 2) adopt a resolution authorizing the issuance of bonds or notes, the proceeds of which will finance the Loan.

PROJECT SUMMARY:

MSHDA No.:	44c-237
Development Name:	The Meadows
Development Location:	City of Roseville, Macomb County
Eligible Distressed Area:	Yes
Sponsor:	Standard Acq Rehab LLC
Borrower:	Standard Meadows Limited Dividend Housing Association Limited Partnership
Number of Units:	124 family units (124 affordable units)
No. of Accessible Units:	6 accessible units (4.86% of total units)
Construction Method:	Acquisition and Substantial Rehabilitation
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds and Notes issued under Section 44c
Total Development Cost:	\$33,283,592 (estimated)
Total Loan Amount:	\$20,270,000 (66.11% of aggregate basis)
Credit Enhancement:	Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL (Immediate) Program
Commitment Fee:	2% of Loan amount

EXECUTIVE SUMMARY:

The Borrower, Standard Meadows Limited Dividend Housing Association Limited Partnership, an affiliate of Standard Acq Rehab LLC (the "Sponsor") proposes to acquire and rehabilitate an existing 124 family unit development (the "Development") located in the City of Roseville, Macomb County using a construction loan from the Authority financed with the proceeds of notes or bonds issued for the Development pursuant to Section 44c of the Authority's enabling act. The Sponsor has a history of successfully operating affordable housing in Michigan and in the Midwest. The Sponsor has ownership interest in 14 affordable housing developments in the Midwest, and over 100 affordable housing developments nationally. The Development, as proposed, meets the requirements of Section 44c, and repayment of the notes or bonds will be reasonably secure based on a Freddie Mac Standby Credit Enhancement Agreement issued under Freddie Mac's TEL Program.

I am recommending Board approval for the following reasons:

- The Developer's application satisfies the requirements for the issuance of a commitment resolution under Section 44c of the Authority's Act and the Amended and Restated Pass-Through Program Statement adopted July 17, 2025.
- An affordable housing development in the Roseville community will be rehabilitated.
- The repayment of the limited obligation bonds and notes will be reasonably secure based on the proposed collateral.

ADVANCING THE AUTHORITY'S MISSION:

- The development is comprised of 124 units, including 13 two-bedroom units that will be targeted to households at or below 40% of area median income; and 2 one-bedroom, 87 two-bedroom and 22 three-bedroom units that will be targeted to households with incomes at or below 60% of area median income. Additional details are provided on page 2 of the Staff Report.
- The Development supports the following Statewide Housing Plan Region I goals:
 - Goal 4.1: Increase the supply of the full spectrum of housing that is affordable and attainable to Michigan residents;
 - Goal 6.3: Increase the quality of rental housing; and
 - Goal 8.4: Assist Michigan residents to increase housing stability through financial literacy and wealth-building. (Through resident services).

MUNICIPAL SUPPORT:

- The City of Roseville supports the development and has granted a payment in lieu of taxes under the Act.

COMMUNITY ENGAGEMENT/IMPACT:

- It is anticipated that the construction or rehabilitation of the Development will create 1 permanent job and 12 temporary construction-related jobs.
- The community was invited to engage in a public hearing (TEFRA Hearing) regarding the bond or note funding.

RESIDENT IMPACT:

- The tenants will benefit from a comprehensive rehabilitation of the Development.

- Immediate and long-term capital needs of the Development will be addressed.
- Around the time of closing, Property Manager will distribute notices to tenants of the planned renovation. Additionally, a 60-Day Notice with estimated renovation start date(s) will be given to tenants. After the notices have been provided to the tenants, Property Manager will schedule a project-wide resident meeting for introductions and to discuss the proposed renovation plan and schedule. Within 30 days and one week before start of construction commencement, Property Manager will issue reminder notices to all residents.
- The unit renovations will be phased-in based upon the number of units being renovated at any given time, with each phase expected to be completed in 7-10 business days. The work will be completed between the hours of 8:00 am and 5:00 pm.
- Existing units will be “remodeled” or “rehabilitated” including “updates” to resident units, common spaces, and exterior envelope and grounds. Work will include improvements to the interior and exterior, new flooring, energy-efficient appliances, water heaters, upgraded HVAC systems and plumbing, fixtures, energy efficient windows and exterior doors and roof repairs.

The Development will include the following amenities:

- Fitness center
- Business center
- Community laundry room
- New playground
- Enhanced landscaping
- New exterior LED lighting

All Development units will include the following amenities:

- Luxury vinyl plank flooring
- Energy-efficient stainless-steel kitchen appliances
- Modern lighting
- New kitchen cabinetry, quartz countertops, sinks and faucets
- New bathroom vanities, countertops, fixtures and towel bars
- If it becomes necessary, moving assistance will be provided to affected residents when an appropriate temporary unit is identified, and when rehabilitation of a unit appropriate for the family is completed.
- The clubhouse and some of the Project’s vacant units will be converted to hospitality suites for tenants to use while they are out of their units during the day.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.



AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM

TAX-EXEMPT LOAN COMMITMENT STAFF REPORT

January 22, 2026

RECOMMENDATION:

Adopt a resolution authorizing the issuance of a tax-exempt loan commitment with respect to the project described in this report and authorizing the issuance of a governmental note, the proceeds of which will finance the loan.

PROJECT SUMMARY

MSHDA No.:	44c-237
Development Name:	The Meadows
Development Location:	City of Roseville, Macomb County
Eligible Distressed Area:	Yes
Sponsor:	Standard Acq Rehab LLC
Borrower:	Standard Meadows Limited Dividend Housing Association Limited Partnership
Number of Units:	124 Family Units (124 affordable units)
Number of Accessible Units:	6 accessible units (4.86%)
Construction Method:	Acquisition and Substantial Rehabilitation
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds or Notes issued under Section 44c
Total Development Cost:	\$33,283,592 (estimated)
Aggregate Basis:	\$30,662,640
Total Loan Amount:	\$20,270,000 (66.11% of aggregate basis)
Credit Enhancement:	Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL (Immediate) Program.
Commitment Fee:	2.0% of the Loan Amount

The material contained in this staff report is submitted to the Authority for information only. The Authority does not underwrite Pass-Through Bond loans. To the extent that any information contained herein conflicts with the documents relating to the sale of the notes or bonds and the making of the loan, the latter documents shall control.

PROGRAM DESCRIPTION:

Section 44c of Public Act 346 of 1966, as amended (the "Act"), authorizes the Authority to issue notes and bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The notes and bonds are "limited obligations" of the Authority with the security limited to the assets of the borrower, the project itself, and the credit enhancement arranged by the borrower. These are generally referred to as "Pass-Through" notes and bonds.

On July 17, 2025, the Authority re-authorized the Amended and Restated Pass-Through Bond Program, with a maximum allocation of \$400 million in tax-exempt bond volume cap. This program imposes rent and income targeting requirements of either 40% of the units at 60% of area median income or 20% of the units at 50% of area median income and limits the bond allocation available per sponsor. At least ten percent (10%) of the Development's units must be more deeply targeted to households whose income is at or below the 40% MTSP Limit. It also requires limited market and environmental reviews and establishes a cap on the distributions of cash made to the owner.

PROPOSAL SUMMARY:

The Borrower proposes to acquire and rehabilitate 124 family apartment units on a site located at 31860 Nardelli Lane in the City of Roseville, Macomb County. 100% of the units in the development will be restricted to households with incomes at or below 60% of area median income, utilizing the new income limits for Multifamily Tax Subsidy Projects ("MTSP") as determined by HUD with respect to projects financed pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), as further amended by the Housing and Economic Recovery Act of 2008 (P.L. 110-289) ("MTSP Limits"). At least ten percent (10%) of the units (13 units) in the development will be more restricted to households with incomes at or below 40% of area median income, using the MTSP Limits.

Authority staff has received and reviewed a commitment for the proposed credit enhancement and has determined that, if the proposed credit enhancement is delivered as set forth in the commitment, repayment of the Authority's notes or bonds will be reasonably secure.

The Qualified Allocation Plan's requirement for Type C design features for all units with first floor living spaces has been waived for this application because it is a preservation project due to the existing site conditions of The Meadows Apartments, including step entries into most units and rearrangement of bathroom fixtures, it would be infeasible and cost-prohibitive to convert all units with first floor living space to Type C units.

CONDITIONS:

1. Income Limits:

The Borrower must enter into a Regulatory Agreement with the Authority requiring that 100% of the units in the Development (2 one-bedroom, 100 two-bedroom and 22 three-bedroom apartments) must be rented or available for rental by tenants whose income does not exceed the 60% MTSP Limit, adjusted for family size. Of these units, 13 units

(13 two-bedroom apartments) must be rented or available for rental by tenants whose income does not exceed the 40% MTSP Limit, adjusted for family size. These occupancy restrictions shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority obligations to be issued to finance the acquisition and construction or rehabilitation of the Development (the "Note(s)" or "Bonds") remain outstanding, but in no event for less than the period of time required by the terms of the Low Income Housing Tax Credit ("LIHTC") Regulatory Agreement or the period required by Section 142(d) of the Code.

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

2. Limitations on Rental Rates:

The Regulatory Agreement must also require that the monthly Total Housing Expense (contract rent plus tenant-paid utilities) on 100% of the units in the Development may not exceed 30% of 1/12 of the 60% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for the more deeply targeted units in the Development (13 units) may not exceed 30% of 1/12 of the 40% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. These limitations on rental rates shall be contained in a covenant running with the land and shall remain in effect for the period that the Note remains outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement or the period required by Section 142(d) of the Code

3. Covenant Running with the Land:

The Borrower must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the Notes. 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 fifty percent (50%) of the residential units in the project are occupied, the first day on which no Notes 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 "Qualified Project Period"). Additionally, during the Qualified Project Period, the minimum set-aside requirements of the Code must be maintained, namely, forty percent (40%) or more of the units in the Development must be occupied or held available for occupancy by individuals whose income is sixty percent (60%) or less of area median gross income. 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.

4. Limitation on Return on Equity:

The Borrower must agree that its return on equity will be limited to twelve percent (12%) for the first 12-month period following substantial completion of the Development, with annual one percent (1%) increases thereafter, and to submit an annual financial statement evidencing its eligibility for return no later than 90 days after the close of the Borrower's fiscal year. The Borrower's return is fully cumulative. The amount of the Borrower's equity will be determined by the Authority.

5. Funding Loan Agreement, Note Obligations and Tax Credit Requirements:

At the closing, the Authority will enter into a Funding Loan Agreement- TEL (Immediate) with Berkeley Point Capital LLC, d/b/a Newmark., as Initial Funding Lender, and Argent Institutional Trust Company, as Fiscal Agent, pursuant to which the Authority Note will be issued. The Borrower must certify in writing to the sources and uses involved in the financing of the Development and must also provide the Authority with an opinion of tax counsel, a Useful Life Certificate prepared by the Borrower's accountants and/or such other evidence, as determined by the Authority's Chief Legal Affairs Officer, that respectively confirm that the structure of the transaction will permit the Borrower to claim the LIHTC 4% credit.

6. Project Loan Agreement; Indemnification; Compliance Monitoring and Reporting Requirements:

At the closing, the Borrower must enter into a Project Loan Agreement- TEL (Immediate) with the Authority and the Fiscal Agent pursuant to which the Project Note will be issued by the Borrower. A Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL (Immediate) program will credit enhance the Project Note. In the Project Loan Agreement, the Borrower must agree to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of the financing, construction, ownership, or operation of the Development, or from the violation of any environmental laws. The Borrower must also agree to provide the Authority on or before September 1 of each year with a report in a form acceptable to the Authority, including such information as is required by Section 44c of the Act. The Borrower must also agree to participate in compliance monitoring activities relative to the Notes or Bonds and the tax credits allocated to the Development, as required by the Authority's Compliance Monitoring staff, and to pay an annual compliance monitoring fee not to exceed 0.25% of the outstanding principal amount of the Note. The form and substance of the Funding Loan Agreement, the Project Loan Agreement, and related documents must be acceptable to the Authority's Chief Legal Affairs Officer.

7. Closing and Organizational Documents:

Prior to closing of the Note, the Borrower must submit all of the documents relating to the sale of the limited obligation Note and the making of the loan, including title and survey matters, and its organizational documents. All documents must be in compliance with the

Authority's Act and acceptable to the Michigan Attorney General, the Authority's Bond counsel and the Authority's Chief Legal Affairs Officer.

8. Equal Employment Opportunity:

At Bond closing, the Borrower and the general contractor must include the Authority's form Appendix to Construction Contract with the Construction Contract that is acceptable to the Authority's Chief Legal Affairs Officer.

9. LIHTC Regulatory Agreement:

Following the Placed in Service Date, the Borrower must enter into an LIHTC Regulatory Agreement in a form required by the Authority.

DEVELOPMENT TEAM AND PROJECT INFORMATION:

Sponsor and Borrower:

- 1. Sponsor:** Standard Acq Rehab LLC
31899 Del Obispo Street, Suite 150
San Juan Capistrano, CA 92675
Contact: Bradley C. Martinson
Phone: (312) 493-9365
- 2. Borrower:** Standard Meadows Limited Dividend Housing Association
Limited Partnership

Bond Counsel: Hawkins Delafield & Wood LLP (John Renken & Alexis Harrington)

Bond Trustee: Argent Institutional Trust Company (John Alexander)

Other Members of the Development Team:

Equity Partner: Aegon (Gary Howe)
Borrower Counsel: Honigman (Steve Rypma)
Rutan & Tucker LLP (Bryan Wilbert)
Borrower Accountant: Dauby O'Connor & Zalenski, a limited liability company
(Chris Thompson)
Contractor: APEX CFM LLC (Tyler Weinrich)
Property Management: KMG Prestige, Inc. (Karen Mead)
Architect: Nexus Architecture and Design Inc. (James Benjamin)

Sources and Uses of Funds:

Loan Commitment Staff Report
#44c-237, The Meadows
City of Roseville, Macomb County
January 22, 2026

SOURCES OF FUNDS	AMOUNT
Freddie Mac TEL Immediate	\$20,270,000
Income From Operations	\$2,416,303
LIHTC Equity Contribution	\$9,373,240
Deferred Developer Fee	\$1,224,049
Total Sources	\$33,283,592

USES OF FUNDS	AMOUNT
Land	\$2,073,750
Building Acquisition	\$11,811,750
Site Work	\$770,595
Construction Costs	\$8,660,408
Professional Fees	\$501,277
Interim Construction Costs	\$2,416,303
Other Costs	\$2,466,865
Syndication Costs	\$82,500
Developer Fee	\$3,364,927
Project Reserves	\$1,135,217
Total Uses	\$33,283,592

Total Sources and Uses of Funds: \$33,283,592

APPROVALS:

Jeffrey Sykes, Chief Financial Officer	Date
/s/ Chad Benson	1/15/26
Chad Benson, Director of Development	Date
/s/ Clarence L. Stone, Jr.	1/15/26
Clarence L. Stone, Jr., Chief Legal Affairs Officer	Date
/s/ Amy Hovey	1/15/26
Amy Hovey, Chief Executive Officer and Executive Director	Date

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY RESOLUTION
AUTHORIZING DELIVERY OF
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
MULTIFAMILY HOUSING REVENUE NOTES OR BONDS RELATING TO
THE MEADOWS
TO FINANCE A LOAN OR LOANS TO
STANDARD MEADOWS LIMITED DIVIDEND HOUSING
ASSOCIATION LIMITED PARTNERSHIP,
SO AS TO ENABLE THE BORROWER TO ACQUIRE, REHABILITATE AND EQUIP
A CERTAIN MULTIFAMILY RENTAL HOUSING FACILITY,
AUTHORIZING THE EXECUTION AND DELIVERY OF
CERTAIN FINANCING DOCUMENTS, AND
DETERMINING AND AUTHORIZING OTHER MATTERS RELATIVE THERETO

January 22, 2026

WHEREAS, the Michigan State Housing Development Authority (the “Authority”) is authorized by Act 346, Michigan Public Acts, 1966, as amended (the “Act”), to issue notes and bonds for the purpose of making loans to limited dividend housing associations (as defined in the Act) to provide long-term financing for multifamily housing projects (as defined in the Act); and

WHEREAS, Standard Meadows Limited Dividend Housing Association Limited Partnership, a limited partnership duly organized and validly existing under the laws of the State of Michigan (the “Borrower”), is a limited dividend housing association (as defined in the Act); and

WHEREAS, the Borrower has applied to the Authority for one or more loans in a maximum amount of \$20,270,000 to finance the costs of acquiring, rehabilitating and equipping a certain multifamily housing development, known as The Meadows, located in the City of Roseville, Macomb County, Michigan (the “Project”); and

WHEREAS, the Authority proposes to issue one or more Multifamily Housing Revenue Notes dated the date of delivery (the “Governmental Note”), in an aggregate principal amount not to exceed \$20,270,000 pursuant to this Resolution, the Funding Loan Agreement – TEL (Immediate), dated as of February 1, 2026 (the “Funding Loan Agreement”), among the Authority, Berkeley Point Capital LLC, d/b/a Newmark (the “Initial Funding Lender”) and Argent Institutional Trust Company (the “Fiscal Agent”), to obtain funds to lend to the Borrower, pursuant to a Project Loan Agreement – TEL (Immediate), dated as of February 1, 2026 (the “Project Loan Agreement”), among the Authority, the Fiscal Agent and the Borrower, to finance the costs of acquiring, rehabilitating and equipping the Project, as evidenced by one or more project notes dated the date of delivery (the “Project Note”) from the Borrower to the Authority, and assigned by the Authority to the Fiscal Agent; and

WHEREAS, the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“Freddie Mac”) has agreed to provide a standby credit

enhancement agreement dated as of the date of delivery (the “Standby Credit Enhancement Agreement”) to the Fiscal Agent, which will serve as a credit enhancement for the loan made pursuant to the Project Loan Agreement; and

WHEREAS, prior to the delivery of the Governmental Note relating to the Funding Loan Agreement, Freddie Mac, will deliver a commitment to the Initial Funding Lender, whereby Freddie Mac agrees to purchase the related loan upon satisfaction of the conditions set forth in the aforementioned commitment with the Initial Funding Lender; and

WHEREAS, the Authority has determined that making the loan or loans requested by the Borrower and delivering the Governmental Note, as hereinafter provided, will promote and serve the intended purposes of, and in all respects will conform to the provisions and requirements of, the Act and the rules of the Authority; and

WHEREAS, pursuant to Section 27(l) of the Act, the Authority proposes to delegate to the Chief Executive Officer and Executive Director, the Chief Financial Officer, the Director of Finance, the Chief Legal Affairs Officer, the Director of Legal Transactions, the Director of In-House Legal Services, the Chairperson or the Vice Chairperson of the Authority or any person duly authorized to act in such capacity (each hereinafter individually referred to as an “Authorized Officer”) the power to determine certain terms and conditions of the Governmental Note, subject to the limitations established herein.

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

SECTION 1. Delivery of the Governmental Note; Limited Obligation. For the purpose of making the loan or loans requested by the Borrower and thereby assisting in the financing of the acquisition, rehabilitation, and equipping of the Project, the delivery of the Governmental Note in an aggregate principal amount not to exceed \$20,270,000 is authorized.

The Governmental Note shall be substantially as set forth in the Funding Loan Agreement; shall be dated the date of delivery; and shall bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their dated date.

The Governmental Note shall be delivered pursuant to this Resolution and the Funding Loan Agreement, in substantially the forms on file with the Chief Executive Officer and Executive Director, with such changes as may be acceptable to an Authorized Officer of the Authority.

The Governmental Note and the interest obligation thereon shall never constitute a debt or general obligation of the State of Michigan or the Authority within the meaning of any constitutional or statutory provision or limitation, and shall never constitute nor give rise to a charge against the general credit or taxing powers of the State of Michigan or the general funds or assets of the Authority (including funds relating to other Authority loans or activities) but shall be limited obligations, and not general obligations, of the Authority payable solely from those certain revenues derived from the Project Loan Agreement, the Project Note and otherwise as provided in the Funding Loan Agreement. The Authority hereby approves the Standby Credit Enhancement Agreement and determines that repayment of the Governmental Note will be reasonably secure.

SECTION 2. Application of Proceeds of the Governmental Note. Immediately upon the receipt thereof, the proceeds of the Governmental Note shall be deposited in the applicable funds and accounts created pursuant to the Funding Loan Agreement, as provided therein.

SECTION 3. No Capital Reserve Requirement. The Governmental Note shall not be secured by the capital reserve capital account of the Authority.

SECTION 4. Form of the Governmental Note. The form of the Governmental Note shall be substantially in the form attached to the Funding Loan Agreement, with such appropriate changes, omissions and insertions as are permitted or required by such agreement or by subsequent action of an Authorized Officer.

SECTION 5. Execution of the Governmental Note. The Governmental Note shall bear the manual or facsimile signature of the Chairperson or Chief Executive Officer and Executive Director of the Authority, shall have the official seal of the Authority (or a facsimile thereof) impressed or imprinted thereon, and shall be authenticated by the manual signature of an authorized signer of the Fiscal Agent.

SECTION 6. Approval of the Regulatory Agreement. The form of a Regulatory Agreement, dated as of February 1, 2026 (the "Regulatory Agreement"), between the Authority and the Borrower, on file with the Chief Executive Officer and Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, is hereby approved.

SECTION 7. Approval of Funding Loan Agreement and Project Loan Agreement. The form of the Funding Loan Agreement and the form of the Project Loan Agreement on file with the Chief Executive Officer and Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 8. Approval of the Project Note. The form of the Project Note by the Borrower in favor of the Authority, on file with the Chief Executive Officer and Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 9. Execution and/or Delivery of the Funding Loan Agreement, the Project Loan Agreement, the Project Note and the Regulatory Agreement and Changes Therein. Each Authorized Officer is severally authorized to execute, seal in his or her discretion, deliver, and/or accept delivery, as appropriate, of the Funding Loan Agreement, the Project Loan Agreement, the Project Note (and the endorsement thereof) and the Regulatory Agreement in substantially the forms approved, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority.

SECTION 10. Details of the Governmental Note. The Governmental Note shall be delivered by the Authority to the Initial Funding Lender pursuant to the Funding Loan Agreement, subject to the following conditions:

- a) The aggregate maximum principal amount of the Governmental Note shall not exceed \$20,270,000.
- b) The initial interest rate on any Governmental Note shall not exceed 8.00% per annum.
- c) The maximum interest rate shall not exceed 12.00% per annum.
- d) The maximum principal amount coming due on any Governmental Note in any calendar year shall not exceed \$20,270,000.
- e) The Governmental Note shall have a stated maturity that is not later than the 20th anniversary of the date of their original issuance.
- f) The Governmental Note shall be subject to payment as set forth the Funding Loan Agreement on file with the Chief Executive Officer and Executive Director.
- g) Prior to delivery of the Governmental Note, the Authority shall have received all fees provided in Section 44c of the Act.

The Governmental Note shall be delivered to the Initial Funding Lender pursuant to the Funding Loan Agreement, upon receipt of payment therefor and upon delivery to the Fiscal Agent of each of the following:

- A. A certified copy of this Resolution.
- B. An executed counterpart of the Funding Loan Agreement.
- C. An executed counterpart of the Governmental Note.
- D. An executed counterpart of the Project Loan Agreement.
- E. An executed counterpart of the Project Note.
- F. An executed counterpart of the Regulatory Agreement.
- G. An opinion or opinions of Hawkins Delafield & Wood LLP, as bond counsel to the Authority (“Bond Counsel”), dated as of the date of delivery of the Governmental Note, in form acceptable to the Chief Legal Affairs Officer and the Attorney General of the State of Michigan (the “Attorney General”).
- H. An opinion or opinions of the Attorney General dated as of the date of the delivery of the Governmental Note, in form acceptable to the Chief Legal Affairs Officer.

I. An opinion or opinions of legal counsel for the Borrower, dated as of the date of delivery of the Governmental Note, in form acceptable to the Chief Legal Affairs Officer, Bond Counsel and the Attorney General.

J. A certificate or certificates dated the date of the delivery of the Governmental Note made by the Authority, based upon a certificate or certificates of similar import from the Borrower and upon certain use and occupancy restrictions relating to the Project in recordable form, to the effect that the proceeds of the Governmental Note will be used, and the Project will be operated, in a manner consistent with the requirements of the Internal Revenue Code of 1986, as amended, and the arbitrage regulations of the United States Department of Treasury.

K. Such additional certificates, instruments, opinions of counsel and other documents as the Initial Funding Lender, the Fiscal Agent, Bond Counsel or the Attorney General may reasonably deem necessary or desirable to evidence the truth and accuracy on the date of delivery of the Governmental Note, of the representations and warranties set forth in the Funding Loan Agreement, the Project Loan Agreement, and such other matters as the Initial Funding Lender, the Bond Counsel, the Borrower or the Attorney General may reasonably request.

SECTION 11. Approval of Filings and Submissions with Other Governmental Agents. Each Authorized Officer is severally authorized on behalf of the Authority to apply for such rulings, orders and approvals and file or submit such elections or other documents to any governmental agency in order that the Governmental Note may be validly issued and the interest on such notes may be exempt from federal income taxation. Applications for any such rulings, orders, approvals or elections previously submitted on behalf of the Authority are hereby ratified and confirmed.

SECTION 12. Authorization of Other Documents and Actions. An Authorized Officer, as well as counsel to the Authority, and each of them, are hereby authorized to execute and deliver such other certificates, documents, instruments, and opinions and other papers and to take such other actions as may be required by the Funding Loan Agreement, the Project Loan Agreement, or as may be necessary or convenient to effectuate the delivery of the Governmental Note and the closing of the loans.

SECTION 13. Appointment of Trustee/Fiscal Agent. Argent Institutional Trust Company is hereby appointed Fiscal Agent under the Funding Loan Agreement.

SECTION 14. Appointment of Servicer. The appointment of Berkeley Point Capital LLC, d/b/a Newmark as Servicer as described in the Funding Loan Agreement is hereby approved.

SECTION 15. Conflict. All resolutions and parts of resolutions or other proceedings of the Authority in conflict herewith are repealed to the extent of such conflict.

SECTION 16. Effectiveness. This Resolution shall become effective upon adoption. If the Governmental Note is not delivered on or before April 30, 2026, the authority granted by this Resolution shall lapse. In the event such delivery occurs later than February 28, 2026, all references to February 1, 2026 herein may be permissibly changed to the first of the month preceding the delivery of the Governmental Note.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING LOAN
THE MEADOWS, MSHDA NO. 44C-237
~~LANSING, INGHAM COUNTY~~
CITY OF ROSEVILLE, MACOMB COUNTY

January 22, 2026

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 (the "Act"), to make loans to qualified nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, limited dividend housing associations, mobile home park corporations, and certain public bodies or agencies; and

WHEREAS, an application (the "Application") has been filed with the Authority by Standard Acq Rehab LLC (the "Applicant") for loan in an amount not to exceed Twenty Million Two Hundred Seventy Thousand Dollars (\$20,270,000) (the "Loan") for the acquisition, rehabilitation and equipping of a housing project having an estimated Total Development Cost of Thirty Three Million Two Hundred Seventy-Seven Thousand Eight Hundred Eighty-Five Dollars (\$33,277,885), to be known as The Meadows (the "Development"), located in the City of Roseville, Macomb County, Michigan and to be owned by Standard Meadows Limited Dividend Housing Association Limited Partnership (the "Borrower"); and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and her recommendation with respect thereto; and

WHEREAS, the Authority has reviewed the Application and the recommendations of the Chief Executive Officer and Executive Director and, on the basis of the Application and such recommendation, has made determinations that:

- (a) The Borrower is an eligible applicant;
- (b) The proposed housing project is eligible for financing under Section 44c of the Act;
- (c) The Borrower has submitted evidence of a commitment to issue a credit enhancement in a form and amount sufficient to assure the Authority that its loan to the Borrower is reasonably secure;
- (d) The Borrower has agreed to compensate, as it considers appropriate and at no cost to the Authority, any underwriters, trustees, counsel, and other professionals as are necessary to complete the financing of the proposed housing project;
- (e) The Borrower has paid to the Authority its nonrefundable application fee;
- (f) The amount of the loan authorized hereby is consistent with the requirements of the Act as to the maximum limitation of loan amount; and

- (g) Use of the bond authority from the State uniform volume cap for the project will not impair the ability of the Authority to carry out programs or finance housing developments or housing units which are targeted to lower income persons.

WHEREAS, Sections 82 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 a housing project.

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 Loan Commitment Staff Report dated January 22, 2026, and attached hereto (the "Commitment Report").

2. The Loan be and hereby is authorized and the Chief Executive Officer and Executive Director, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly authorized to act in such capacity (each an "Authorized Officer"), or any one of them acting alone, are authorized to issue to the Applicant and the Borrower the Authority's loan commitment (the "Commitment") for the financing of the proposed housing project, with the Loan to have an initial principal amount not to exceed Twenty Million Two Hundred Seventy Thousand Dollars (\$20,270,000), to have a term not to exceed twenty (20) years *or* not longer than February 1, 2046, and to bear interest at an initial interest rate not to exceed eight percent (8%) per annum and a maximum rate not to exceed twelve percent (12%) per annum. Any Authorized Officer is authorized to modify or waive any condition or provision contained in the Commitment.

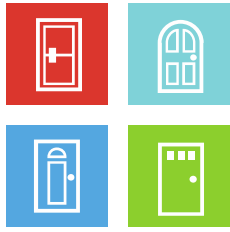
3. This Resolution and issuance of the Commitment are based on the information obtained from the Applicant. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or changes in any materially adverse respect, this Resolution, together with the Commitment issued pursuant hereto may, at the option of an Authorized Officer, be rescinded.

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

5. Availability of funds for financing the Loan for the proposed housing project is subject to availability of State uniform volume cap to the Authority for the notes and the Authority's ability to sell its limited obligation notes in the amount and at a rate or rates of interest and at a sufficient length of maturity, as determined by the Chief Executive Officer and Executive Director, necessary to make the Loan.

6. In accordance with Sections 93(b) and 44c(12) of the Act, the maximum reasonable and proper rate of return on the investment in the Development be and it hereby is determined to be 12 percent for the first 12 months of operation of the Development following substantial completion. The allowable rate of return shall be increased by 1 percent for each 12-month period after the first 12 months. Any return less than the allowable rate in any preceding period may be received in any subsequent period on a cumulative basis.

7. The Loan shall be subject to, and the Commitment shall contain, the conditions set forth in the Commitment Report attached hereto, which conditions are hereby incorporated by reference as if fully set forth herein.




MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director 

DATE: January 22, 2026

RE: Pinebrook Manor; MSHDA Development No. 44c-238

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") 1) adopt a resolution authorizing the issuance of a loan (the "Loan") with respect to the project described in the attached report; and 2) adopt a resolution authorizing the issuance of bonds or notes, the proceeds of which will finance the Loan.

PROJECT SUMMARY:

MSHDA No.:	44c-238
Development Name:	Pinebrook Manor
Development Location:	City of Lansing, Ingham County
Eligible Distressed Area:	Yes
Sponsor:	Standard Acq Rehab LLC
Borrower:	Standard Pinebrook Limited Dividend Housing Association Limited Partnership
Number of Units:	136 family units
Number of Accessible Units:	0 accessible units
Construction Method:	Acquisition and Substantial Rehabilitation
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds and Notes issued under Section 44c
Total Development Cost:	\$34,921,748
Total Loan Amount:	Not to exceed \$20,842,000 (65.07% of aggregate basis)
Credit Enhancement:	Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac TEL (Immediate) Program
Commitment Fee	2.0% of the Loan Amount

EXECUTIVE SUMMARY:

The Borrower, Standard Pinebrook Limited Dividend Housing Association Limited Partnership, an affiliate of Standard Acq Rehab LLC (the "Sponsor"), proposes to acquire and rehabilitate an existing 136 family unit development (the "Development") located in the City of Lansing, Ingham County using a construction loan from the Authority financed with the proceeds of notes or bonds issued for the Development pursuant to Section 44c of the Authority's enabling act. The Sponsor has a history of successfully operating affordable housing in Michigan and in the Midwest. The Sponsor has ownership interest in 14 affordable housing developments in the Midwest, and over 100 affordable housing developments nationally. The Development, as proposed, meets the requirements of Section 44c, and repayment of the notes or bonds will be reasonably secure based on a Freddie Mac Standby Credit Enhancement Agreement issued under Freddie Mac's TEL Program.

I am recommending Board approval for the following reasons:

- The Developer's application satisfies the requirements for the issuance of a commitment resolution under Section 44c of the Authority's Act and the Amended and Restated Pass-Through Program Statement adopted July 17, 2025.
- An affordable housing development in the Lansing community will be rehabilitated.
- The repayment of the limited obligation bonds and notes will be reasonably secure based on the proposed collateral.

ADVANCING THE AUTHORITY'S MISSION:

- The development is comprised of 136 units, including 7 two-bedroom and 7 three-bedroom units that will be targeted to households at or below 40% of area median income; and 61 two-bedroom and 61 three-bedroom units that will be targeted to households with incomes at or below 60% of area median income. Additional details are provided on page 2 of the Staff Report.
- The Development supports the following Statewide Housing Plan Region I goals:
 - Goal 3.2: Increase access to stable and affordable quality housing options for households with extremely low incomes.
 - Goal 4.4: Increase the rehabilitation and/or preservation of housing stock.
 - Goal 6.3: Increase the quality of rental housing.

MUNICIPAL SUPPORT:

- Municipal Support is demonstrated by the City of Lansing authorizing the payment in lieu of taxes under the Act for the Development.

COMMUNITY ENGAGEMENT/IMPACT:

- It is anticipated that the construction or rehabilitation of the Development will create 1 permanent jobs and 12 temporary construction-related jobs.
- The community was invited to engage in a public hearing (TEFRA Hearing) regarding the bond or note funding.
- The Sponsor will hold a meeting with residents and other interested community members to discuss the rehabilitation of the Development post-closing.

RESIDENT IMPACT:

- The residents will benefit from a comprehensive rehabilitation of the Development.
- Immediate and long-term capital needs of the Development will be addressed.
- Around the time of closing, the property manager will distribute notices to tenants of the planned renovation. Additionally, a 60-Day Notice with estimated renovation start dates will be given to tenants. After the notices have been provided to the tenants, the property manager will schedule a project-wide resident meeting for introductions and to discuss the proposed renovation plan and schedule. Within 30 days and one week before start of construction commencement, the property manager will issue reminder notices to all residents.
- The unit renovations will be phased-in based upon the number of units being renovated at any given time, with each phase expected to be completed in 7-10 business days. The work will be completed between the hours of 8:00 am and 5:00 pm.
- Existing units will be “remodeled” or “rehabilitated” including “updates” to resident units, common spaces, and exterior envelope and grounds. Work will include improvements to:
 - Kitchen cabinetry, quartz countertops, sinks and faucets
 - Energy-efficient stainless-steel kitchen appliances
 - Modern lighting
 - Bathroom vanities, countertops, fixtures and towel bars
 - Updated Flooring
 - Replacement of unit water heaters and HVAC systems
 - Replacement of plumbing lines
 - Roofing, façade renovation, concrete and asphalt repair
 - Landscaping, signage, and exterior lighting
- Due to all residential units being two-story duplexes elevated above grade, with no ground-floor living space or accessible route to the unit entries, fully compliant mobility-accessible units are infeasible.
- The Development will include the following amenities:
 - Clubhouse Building
 - Community laundry room
 - New playground
 - Community Grilling Area
 - New Security Camera System
 - Enhanced landscaping
 - New exterior LED lighting

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.



AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM

TAX-EXEMPT LOAN COMMITMENT STAFF REPORT

January 22, 2026

RECOMMENDATION:

Adopt a resolution authorizing the issuance of a tax-exempt loan commitment with respect to the project described in this report and authorizing the issuance of a governmental note, the proceeds of which will finance the loan.

PROJECT SUMMARY

MSHDA No.:	44c-238
Development Name:	Pinebrook Manor
Development Location:	City of Lansing, Ingham County
Eligible Distressed Area:	Yes
Sponsor:	Standard Acq Rehab LLC
Borrower:	Standard Pinebrook Limited Dividend Housing Association Limited Partnership
Number of Units:	136 Family Units
Construction Method:	Acquisition and Substantial Rehabilitation
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds and Notes issued under Section 44c
Total Development Cost:	\$34,921,748 (estimated)
Aggregate Basis:	\$32,031,737
Total Loan Amount:	Not to exceed \$20,842,000 (65.07% of aggregate basis)
Credit Enhancement:	Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac TEL (Immediate) Program
Commitment Fee:	2.0% of the Loan Amount

The material contained in this staff report is submitted to the Authority for information only. The Authority does not underwrite Pass-Through Bond loans. To the extent that any information contained herein conflicts with the documents relating to the sale of the notes or bonds and the making of the loan, the latter documents shall control.

PROGRAM DESCRIPTION:

Section 44c of Public Act 346 of 1966, as amended (the "Act"), authorizes the Authority to issue notes and bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The notes and bonds are "limited obligations" of the Authority with the security limited to the assets of the borrower, the project itself, and the credit enhancement arranged by the borrower. These are generally referred to as "Pass-Through" notes and bonds.

On July 17, 2025, the Authority re-authorized the Amended and Restated Pass-Through Bond Program, with a maximum allocation of \$400 million in tax-exempt bond volume cap. This program imposes rent and income targeting requirements of either 40% of the units at 60% of area median income or 20% of the units at 50% of area median income and limits the bond allocation available per sponsor. At least ten percent (10%) of the Development's units must be more deeply targeted to households whose income is at or below the 40% MTSP Limit. It also requires limited market and environmental reviews and establishes a cap on the distributions of cash made to the owner.

PROPOSAL SUMMARY:

The Borrower proposes to acquire and rehabilitate 136 family apartment units on a site located at 3618 West Miller Road in the City of Lansing, Ingham County. 100% of the units in the development will be restricted to households with incomes at or below 60% of area median income, utilizing the new income limits for Multifamily Tax Subsidy Projects ("MTSP") as determined by HUD with respect to projects financed pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), as further amended by the Housing and Economic Recovery Act of 2008 (P.L. 110-289) ("MTSP Limits"). At least ten percent (10%) of the units (14 units) in the development will be more restricted to households with incomes at or below 40% of area median income, using the MTSP Limits.

Authority staff has received and reviewed a commitment for the proposed credit enhancement and has determined that, if the proposed credit enhancement is delivered as set forth in the commitment, repayment of the Authority's notes or bonds will be reasonably secure.

CONDITIONS:

1. Income Limits:

The Borrower must enter into a Regulatory Agreement with the Authority requiring that 100% of the units in the Development (68 two-bedroom and 68 three-bedroom apartments) must be rented or available for rental by tenants whose income does not exceed the 60% MTSP Limit, adjusted for family size. Of these units, 14 units (7 two-bedroom and 7 three-bedroom apartments) must be rented or available for rental by tenants whose income does not exceed the 40% MTSP Limit, adjusted for family size. These occupancy restrictions shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority obligations to be issued to finance the acquisition and construction or rehabilitation of the Development (the "Note(s)" or "Bonds") remain outstanding, but in no event for less than the period of time required by

the terms of the Low Income Housing Tax Credit ("LIHTC") Regulatory Agreement or the period required by Section 142(d) of the Code.

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

2. Limitations on Rental Rates:

The Regulatory Agreement must also require that the monthly Total Housing Expense (contract rent plus tenant-paid utilities) on 100% of the units in the Development may not exceed 30% of 1/12 of the 60% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for the more deeply targeted units in the Development (14 units) may not exceed 30% of 1/12 of the 40% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. These limitations on rental rates shall be contained in a covenant running with the land and shall remain in effect for the period that the Note remains outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement or the period required by Section 142(d) of the Code

3. Covenant Running with the Land:

The Borrower must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the Notes. 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 fifty percent (50%) of the residential units in the project are occupied, the first day on which no Notes 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 "Qualified Project Period"). Additionally, during the Qualified Project Period, the minimum set-aside requirements of the Code must be maintained, namely, forty percent (40%) or more of the units in the Development must be occupied or held available for occupancy by individuals whose income is sixty percent (60%) or less of area median gross income. 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.

4. Limitation on Return on Equity:

The Borrower must agree that its return on equity will be limited to twelve percent (12%) for the first 12-month period following substantial completion of the Development, with annual one percent (1%) increases thereafter, and to submit an annual financial statement

evidencing its eligibility for return no later than 90 days after the close of the Borrower's fiscal year. The Borrower's return is fully cumulative. The amount of the Borrower's equity will be determined by the Authority.

5. Funding Loan Agreement, Note Obligations and Tax Credit Requirements:

At the closing, the Authority will enter into a Funding Loan Agreement- TEL (Immediate) with CBRE Capital Markets, Inc., as Initial Funding Lender, and Argent Institutional Trust Company, as Fiscal Agent, pursuant to which the Authority Note will be issued. The Borrower must certify in writing to the sources and uses involved in the financing of the Development and must also provide the Authority with an opinion of tax counsel, a Useful Life Certificate prepared by the Borrower's accountants and/or such other evidence, as determined by the Authority's Chief Legal Affairs Officer, that respectively confirm that the structure of the transaction will permit the Borrower to claim the LIHTC 4% credit.

6. Project Loan Agreement; Indemnification; Compliance Monitoring and Reporting Requirements:

At the closing, the Borrower must enter into a Project Loan Agreement- TEL (Immediate) with the Authority and the Fiscal Agent pursuant to which the Project Note will be issued by the Borrower. A Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL (Immediate) program will credit enhance the Project Note. In the Project Loan Agreement, the Borrower must agree to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of the financing, construction, ownership, or operation of the Development, or from the violation of any environmental laws. The Borrower must also agree to provide the Authority on or before September 1 of each year with a report in a form acceptable to the Authority, including such information as is required by Section 44c of the Act. The Borrower must also agree to participate in compliance monitoring activities relative to the Notes or Bonds and the tax credits allocated to the Development, as required by the Authority's Compliance Monitoring staff, and to pay an annual compliance monitoring fee not to exceed 0.25% of the outstanding principal amount of the Note. The form and substance of the Funding Loan Agreement, the Project Loan Agreement, and related documents must be acceptable to the Authority's Chief Legal Affairs Officer.

7. Closing and Organizational Documents:

Prior to closing of the Note, the Borrower must submit all of the documents relating to the sale of the limited obligation Note and the making of the loan, including title and survey matters, and its organizational documents. All documents must be in compliance with the Authority's Act and acceptable to the Michigan Attorney General, the Authority's Bond counsel and the Authority's Chief Legal Affairs Officer.

8. Equal Employment Opportunity:

At Bond closing, the Borrower and the general contractor must include the Authority's form Appendix to Construction Contract with the Construction Contract that is acceptable to the Authority's Chief Legal Affairs Officer.

9. **LIHTC Regulatory Agreement:**

Following the Placed in Service Date, the Borrower must enter into an LIHTC Regulatory Agreement in a form required by the Authority.

DEVELOPMENT TEAM AND PROJECT INFORMATION:

Sponsor and Borrower:

1. **Sponsor:** Standard Acq Rehab LLC
31899 Del Obispo Street, Suite 150
San Juan Capistrano, CA 92675
Contact: Bradley C. Martinson
Phone: (312) 493-9365
2. **Borrower:** Standard Pinebrook Limited Dividend Housing Association Limited Partnership

Bond Counsel: Hawkins Delafield & Wood LLP (John Renken & Alexis Harrington)

Bond Trustee: Argent Institutional Trust Company (John Alexander)

Other Members of the Development Team:

Equity Partner: Cinnaire (Ben Stehouwer)
Borrower Counsel: Rutan & Tucker LLP (Bryan Wilbert)
Honigman LLP (Steve Rypma)
Borrower Accountant: Dauby O'Connor & Zalenski, LLC (Chris Thompson)
Contractor: APEX CFM LLC (Tyler Weinrich)
Property Management: KMG Prestige, Inc. (Karen Mead)
Architect: Nexus Architecture and Design Inc. (James Benjamin)

Sources and Uses of Funds:

SOURCES OF FUNDS

Freddie TEL Note	\$20,842,000
LIHTC Equity Contribution	\$10,107,325
Deferred Developer Fee	\$1,455,980
Net Operating Income	\$2,516,443

TOTAL SOURCES **\$ 34,921,748**

USES OF FUNDS

Land Acquisition Cost	\$1,368,416
Building Acquisition Cost	\$10,907,084
Construction	\$12,571,925
Professional Fees	\$568,339
Interim Construction Costs	\$2,516,443
Permanent Financing	\$745,260
Other Costs	\$1,390,864
Syndication Costs	\$85,000
Developer Fees	\$3,681,248
Project Reserves	\$1,087,169

TOTAL USES **\$ 34,921,748**

APPROVALS:

<i>/s/ Jeffrey Sykes</i>	1/14/26
Jeffrey Sykes, Chief Financial Officer	Date

<i>/s/ Clarence L. Stone, Jr.</i>	1/14/26
Clarence L. Stone, Jr., Chief Legal Affairs Officer	Date

<i>/s/ Chad Benson</i>	1/14/26
Chad Benson, Director of Development	Date

<i>/s/ Amy Hovey</i>	1/14/26
Amy Hovey, Chief Executive Officer and Executive Director	Date

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY RESOLUTION
AUTHORIZING DELIVERY OF
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
MULTIFAMILY HOUSING REVENUE NOTES OR BONDS RELATING TO
PINEBROOK MANOR
TO FINANCE A LOAN OR LOANS TO
STANDARD PINEBROOK LIMITED DIVIDEND HOUSING
ASSOCIATION LIMITED PARTNERSHIP,
SO AS TO ENABLE THE BORROWER TO ACQUIRE, REHABILITATE AND EQUIP
A CERTAIN MULTIFAMILY RENTAL HOUSING FACILITY,
AUTHORIZING THE EXECUTION AND DELIVERY OF
CERTAIN FINANCING DOCUMENTS, AND
DETERMINING AND AUTHORIZING OTHER MATTERS RELATIVE THERETO

January 22, 2026

WHEREAS, the Michigan State Housing Development Authority (the “Authority”) is authorized by Act 346, Michigan Public Acts, 1966, as amended (the “Act”), to issue notes and bonds for the purpose of making loans to limited dividend housing associations (as defined in the Act) to provide long-term financing for multifamily housing projects (as defined in the Act); and

WHEREAS, Standard Pinebrook Limited Dividend Housing Association Limited Partnership, a limited partnership duly organized and validly existing under the laws of the State of Michigan (the “Borrower”), is a limited dividend housing association (as defined in the Act); and

WHEREAS, the Borrower has applied to the Authority for one or more loans in a maximum amount of \$20,842,000 to finance the costs of acquiring, rehabilitating and equipping a certain multifamily housing development, known as Pinebrook Manor, located in the City of Lansing, Ingham County, Michigan (the “Project”); and

WHEREAS, the Authority proposes to issue one or more Multifamily Housing Revenue Notes dated the date of delivery (the “Governmental Note”), in an aggregate principal amount not to exceed \$20,842,000 pursuant to this Resolution, the Funding Loan Agreement – TEL (Immediate), dated as of February 1, 2026 (the “Funding Loan Agreement”), among the Authority, CBRE Capital Markets, Inc. (the “Initial Funding Lender”) and Argent Institutional Trust Company (the “Fiscal Agent”), to obtain funds to lend to the Borrower, pursuant to a Project Loan Agreement – TEL (Immediate), dated as of February 1, 2026 (the “Project Loan Agreement”), among the Authority, the Fiscal Agent and the Borrower, to finance the costs of acquiring, rehabilitating and equipping the Project, as evidenced by one or more project notes dated the date of delivery (the “Project Note”) from the Borrower to the Authority, and assigned by the Authority to the Fiscal Agent; and

WHEREAS, the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“Freddie Mac”) has agreed to provide a standby credit enhancement agreement dated as of the date of delivery (the “Standby Credit Enhancement”

Agreement”) to the Fiscal Agent, which will serve as a credit enhancement for the loan made pursuant to the Project Loan Agreement; and

WHEREAS, prior to the delivery of the Governmental Note relating to the Funding Loan Agreement, Freddie Mac, will deliver a commitment to the Initial Funding Lender, whereby Freddie Mac agrees to purchase the related loan upon satisfaction of the conditions set forth in the aforementioned commitment with the Initial Funding Lender; and

WHEREAS, the Authority has determined that making the loan or loans requested by the Borrower and delivering the Governmental Note, as hereinafter provided, will promote and serve the intended purposes of, and in all respects will conform to the provisions and requirements of, the Act and the rules of the Authority; and

WHEREAS, pursuant to Section 27(l) of the Act, the Authority proposes to delegate to the Chief Executive Officer and Executive Director, the Chief Financial Officer, the Director of Finance, the Chief Legal Affairs Officer, the Director of Legal Transactions, the Director of In-House Legal Services, the Chairperson or the Vice Chairperson of the Authority or any person duly authorized to act in such capacity (each hereinafter individually referred to as an “Authorized Officer”) the power to determine certain terms and conditions of the Governmental Note, subject to the limitations established herein.

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

SECTION 1. Delivery of the Governmental Note; Limited Obligation. For the purpose of making the loan or loans requested by the Borrower and thereby assisting in the financing of the acquisition, rehabilitation, and equipping of the Project, the delivery of the Governmental Note in an aggregate principal amount not to exceed \$20,842,000 is authorized.

The Governmental Note shall be substantially as set forth in the Funding Loan Agreement; shall be dated the date of delivery; and shall bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their dated date.

The Governmental Note shall be delivered pursuant to this Resolution and the Funding Loan Agreement, in substantially the forms on file with the Chief Executive Officer and Executive Director, with such changes as may be acceptable to an Authorized Officer of the Authority.

The Governmental Note and the interest obligation thereon shall never constitute a debt or general obligation of the State of Michigan or the Authority within the meaning of any constitutional or statutory provision or limitation, and shall never constitute nor give rise to a charge against the general credit or taxing powers of the State of Michigan or the general funds or assets of the Authority (including funds relating to other Authority loans or activities) but shall be limited obligations, and not general obligations, of the Authority payable solely from those certain revenues derived from the Project Loan Agreement, the Project Note and otherwise as provided in the Funding Loan Agreement. The Authority hereby approves the Standby Credit Enhancement Agreement and determines that repayment of the Governmental Note will be reasonably secure.

SECTION 2. Application of Proceeds of the Governmental Note. Immediately upon the receipt thereof, the proceeds of the Governmental Note shall be deposited in the applicable funds and accounts created pursuant to the Funding Loan Agreement, as provided therein.

SECTION 3. No Capital Reserve Requirement. The Governmental Note shall not be secured by the capital reserve capital account of the Authority.

SECTION 4. Form of the Governmental Note. The form of the Governmental Note shall be substantially in the form attached to the Funding Loan Agreement, with such appropriate changes, omissions and insertions as are permitted or required by such agreement or by subsequent action of an Authorized Officer.

SECTION 5. Execution of the Governmental Note. The Governmental Note shall bear the manual or facsimile signature of the Chairperson or Chief Executive Officer and Executive Director of the Authority, shall have the official seal of the Authority (or a facsimile thereof) impressed or imprinted thereon, and shall be authenticated by the manual signature of an authorized signer of the Fiscal Agent.

SECTION 6. Approval of the Regulatory Agreement. The form of a Regulatory Agreement, dated as of February 1, 2026 (the "Regulatory Agreement"), between the Authority and the Borrower, on file with the Chief Executive Officer and Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, is hereby approved.

SECTION 7. Approval of Funding Loan Agreement and Project Loan Agreement. The form of the Funding Loan Agreement and the form of the Project Loan Agreement on file with the Chief Executive Officer and Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 8. Approval of the Project Note. The form of the Project Note by the Borrower in favor of the Authority, on file with the Chief Executive Officer and Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 9. Execution and/or Delivery of the Funding Loan Agreement, the Project Loan Agreement, the Project Note and the Regulatory Agreement and Changes Therein. Each Authorized Officer is severally authorized to execute, seal in his or her discretion, deliver, and/or accept delivery, as appropriate, of the Funding Loan Agreement, the Project Loan Agreement, the Project Note (and the endorsement thereof) and the Regulatory Agreement in substantially the forms approved, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority.

SECTION 10. Details of the Governmental Note. The Governmental Note shall be delivered by the Authority to the Initial Funding Lender pursuant to the Funding Loan Agreement, subject to the following conditions:

- a) The aggregate maximum principal amount of the Governmental Note shall not exceed \$20,842,000.
- b) The initial interest rate on any Governmental Note shall not exceed 8.00% per annum.
- c) The maximum interest rate shall not exceed 12.00% per annum.
- d) The maximum principal amount coming due on any Governmental Note in any calendar year shall not exceed \$20,842,000.
- e) The Governmental Note shall have a stated maturity that is not later than the [20th] anniversary of the date of their original issuance.
- f) The Governmental Note shall be subject to payment as set forth the Funding Loan Agreement on file with the Chief Executive Officer and Executive Director.
- g) Prior to delivery of the Governmental Note, the Authority shall have received all fees provided in Section 44c of the Act.

The Governmental Note shall be delivered to the Initial Funding Lender pursuant to the Funding Loan Agreement, upon receipt of payment therefor and upon delivery to the Fiscal Agent of each of the following:

- A. A certified copy of this Resolution.
- B. An executed counterpart of the Funding Loan Agreement.
- C. An executed counterpart of the Governmental Note.
- D. An executed counterpart of the Project Loan Agreement.
- E. An executed counterpart of the Project Note.
- F. An executed counterpart of the Regulatory Agreement.
- G. An opinion or opinions of Hawkins Delafield & Wood LLP, as bond counsel to the Authority (“Bond Counsel”), dated as of the date of delivery of the Governmental Note, in form acceptable to the Chief Legal Affairs Officer and the Attorney General of the State of Michigan (the “Attorney General”).
- H. An opinion or opinions of the Attorney General dated as of the date of the delivery of the Governmental Note, in form acceptable to the Chief Legal Affairs Officer.

I. An opinion or opinions of legal counsel for the Borrower, dated as of the date of delivery of the Governmental Note, in form acceptable to the Chief Legal Affairs Officer, Bond Counsel and the Attorney General.

J. A certificate or certificates dated the date of the delivery of the Governmental Note made by the Authority, based upon a certificate or certificates of similar import from the Borrower and upon certain use and occupancy restrictions relating to the Project in recordable form, to the effect that the proceeds of the Governmental Note will be used, and the Project will be operated, in a manner consistent with the requirements of the Internal Revenue Code of 1986, as amended, and the arbitrage regulations of the United States Department of Treasury.

K. Such additional certificates, instruments, opinions of counsel and other documents as the Initial Funding Lender, the Fiscal Agent, Bond Counsel or the Attorney General may reasonably deem necessary or desirable to evidence the truth and accuracy on the date of delivery of the Governmental Note, of the representations and warranties set forth in the Funding Loan Agreement, the Project Loan Agreement, and such other matters as the Initial Funding Lender, the Bond Counsel, the Borrower or the Attorney General may reasonably request.

SECTION 11. Approval of Filings and Submissions with Other Governmental Agents. Each Authorized Officer is severally authorized on behalf of the Authority to apply for such rulings, orders and approvals and file or submit such elections or other documents to any governmental agency in order that the Governmental Note may be validly issued and the interest on such notes may be exempt from federal income taxation. Applications for any such rulings, orders, approvals or elections previously submitted on behalf of the Authority are hereby ratified and confirmed.

SECTION 12. Authorization of Other Documents and Actions. An Authorized Officer, as well as counsel to the Authority, and each of them, are hereby authorized to execute and deliver such other certificates, documents, instruments, and opinions and other papers and to take such other actions as may be required by the Funding Loan Agreement, the Project Loan Agreement, or as may be necessary or convenient to effectuate the delivery of the Governmental Note and the closing of the loans.

SECTION 13. Appointment of Trustee/Fiscal Agent. Argent Institutional Trust Company is hereby appointed Fiscal Agent under the Funding Loan Agreement.

SECTION 14. Appointment of Servicer. The appointment of CBRE Capital Markets, Inc. as Servicer as described in the Funding Loan Agreement is hereby approved.

SECTION 15. Conflict. All resolutions and parts of resolutions or other proceedings of the Authority in conflict herewith are repealed to the extent of such conflict.

SECTION 16. Effectiveness. This Resolution shall become effective upon adoption. If the Governmental Note is not delivered on or before April 30, 2026, the authority granted by this Resolution shall lapse. In the event such delivery occurs later than February 28, 2026, all references to February 1, 2026 herein may be permissibly changed to the first of the month preceding the delivery of the Governmental Note.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION AUTHORIZING LOAN
PINEBROOK MANOR, MSHDA NO. 44C-238
LANSING, INGHAM COUNTY**

January 22, 2026

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 (the "Act"), to make loans to qualified nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, limited dividend housing associations, mobile home park corporations, and certain public bodies or agencies; and

WHEREAS, an application (the "Application") has been filed with the Authority by Standard Acq Rehab LLC (the "Applicant") for loan in an amount not to exceed Twenty Million Eight Hundred Forty-Two Thousand Dollars (\$20,842,000)(the "Loan") for the acquisition, rehabilitation and equipping of a housing project having an estimated Total Development Cost of Thirty-Four Million Nine Hundred Twenty-One Thousand Seven Hundred Forty-Eight Dollars (\$34,921,748), to be known as Pinebrook Manor (the "Development"), located in the City of Lansing, Ingham County, Michigan and to be owned by Standard Pinebrook Limited Dividend Housing Association Limited Partnership (the "Borrower"); and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and her recommendation with respect thereto; and

WHEREAS, the Authority has reviewed the Application and the recommendations of the Chief Executive Officer and Executive Director and, on the basis of the Application and such recommendation, has made determinations that:

- (a) The Borrower is an eligible applicant;
- (b) The proposed housing project is eligible for financing under Section 44c of the Act;
- (c) The Borrower has submitted evidence of a commitment to issue a credit enhancement in a form and amount sufficient to assure the Authority that its loan to the Borrower is reasonably secure;
- (d) The Borrower has agreed to compensate, as it considers appropriate and at no cost to the Authority, any underwriters, trustees, counsel, and other professionals as are necessary to complete the financing of the proposed housing project;
- (e) The Borrower has paid to the Authority its nonrefundable application fee;
- (f) The amount of the loan authorized hereby is consistent with the requirements of the Act as to the maximum limitation of loan amount; and
- (g) Use of the bond authority from the State uniform volume cap for the project will not

impair the ability of the Authority to carry out programs or finance housing developments or housing units which are targeted to lower income persons.

WHEREAS, Sections 82 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 a housing project.

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 Loan Commitment Staff Report dated January 22, 2026, and attached hereto (the "Commitment Report").

2. The Loan be and hereby is authorized and the Chief Executive Officer and Executive Director, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly authorized to act in such capacity (each an "Authorized Officer"), or any one of them acting alone, are authorized to issue to the Applicant and the Borrower the Authority's loan commitment (the "Commitment") for the financing of the proposed housing project, with the Loan to have an initial principal amount not to exceed Twenty Million Eight Hundred Forty-Two Thousand Dollars (\$20,842,000), to have a term not to exceed twenty (20) years, and to bear interest at an initial interest rate not to exceed eight percent (8%) per annum and a maximum rate not to exceed twelve percent (12%) per annum. Any Authorized Officer is authorized to modify or waive any condition or provision contained in the Commitment.

3. This Resolution and issuance of the Commitment are based on the information obtained from the Applicant. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or changes in any materially adverse respect, this Resolution, together with the Commitment issued pursuant hereto may, at the option of an Authorized Officer, be rescinded.

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

5. Availability of funds for financing the Loan for the proposed housing project is subject to availability of State uniform volume cap to the Authority for the notes and the Authority's ability to sell its limited obligation notes in the amount and at a rate or rates of interest and at a sufficient length of maturity, as determined by the Chief Executive Officer and Executive Director, necessary to make the Loan.

6. In accordance with Sections 93(b) and 44c(12) of the Act, the maximum reasonable and proper rate of return on the investment in the Development be and it hereby is determined to be 12 percent for the first 12 months of operation of the Development following substantial completion. The allowable rate of return shall be increased by 1 percent for each 12-month period after the first 12 months. Any return less than the allowable rate in any preceding period may be received in any subsequent period on a cumulative basis.

7. The Loan shall be subject to, and the Commitment shall contain, the conditions set forth in the Commitment Report attached hereto, which conditions are hereby incorporated by reference as if fully set forth herein.



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director

DATE: January 22, 2026

RE: Orchestra Tower, Development No. 1650-2

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt resolutions that 1) determine Mortgage Loan Feasibility as to the following proposal, 2) authorize tax-exempt bond construction and permanent mortgage loans in the amounts set forth below, and 3) authorize the Chief Executive Officer and 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 Mortgage Loan Commitment/Feasibility Staff Report dated January 22, 2026.

PROJECT SUMMARY:

MSHDA No:	1650-2
Development Name:	Orchestra Tower
Development Location:	City of Detroit, Wayne County
Sponsor:	Painia Development Corporation
Mortgagor:	Orchestra Tower Limited Dividend Housing Association Limited Partnership
Number of Units (Affordable and Market Rate):	248
Number of Units Designated for Accessible Use:	18
Occupancy Rate:	85%
Total Development Cost:	\$63,196,222
TE Bond Construction Loan:	\$43,200,000
TE Bond Permanent Loan:	\$26,778,376
Other Funds:	
City of Detroit Loans:	\$4,164,500
Income from Operations:	\$2,527,022
Sponsor Note:	\$6,364,000
Deferred Developer Fee:	\$2,370,603
LIHTC Equity	\$20,991,721

EXECUTIVE SUMMARY:

Orchestra Tower (the "Development") is an acquisition/rehabilitation development project that will preserve 248 units of existing affordable senior housing located at 3501 Woodward Avenue in Detroit. Orchestra Tower is an 11-story building that was constructed in 1976 and consists of 101 studio units and 147 one-bedroom units. The building was originally financed using a HUD insured mortgage. In 2001, it received a low-income housing tax credit ("LIHTC") award from the Authority and a rehabilitation was completed. 213 of the units are currently subsidized with a "new regulation" Section 8 Housing Assistance Payments Contract ("HAP") with those residents paying no more than 30% of their income on rent and utilities.

Painia Development Corporation (the "Sponsor") proposes to substantially rehabilitate all 248 units and common areas of the Development. In addition to upgrades and replacements to the units, a comprehensive update of the major building systems, elevators, apartment interiors, unit appliances, common areas, windows, roofing, building exteriors, and site work will also be included in the rehabilitation. The project team anticipates that it will address all immediate needs identified in a recent capital needs assessment.

Following the rehabilitation, Orchestra Tower will remain a 100% affordable senior multifamily apartment building. Income restrictions will vary based on the applicable LIHTC, HUD and City of Detroit HOME use restrictions and related regulatory agreements, but all units will serve households at or below 60% of the Area Median Income. No tenants will be permanently displaced from the property due to the proposed rehabilitation, with some temporary relocation assistance being offered.

ADVANCING THE AUTHORITY'S MISSION:

Orchestra Tower is located in Region O of the Statewide Housing Plan Regional Housing Partnerships, and this development supports the following goals of the Region O Action Plan:

- Goal 4.1-- increase the supply of the full spectrum of housing that is affordable and attainable to Michigan residents.
- Goal 4.4 -- increase the rehabilitation and/or preservation of housing stock.

MUNICIPAL SUPPORT:

- The Development will receive a 1% PILOT from the City of Detroit.
- The City of Detroit will make loans totaling \$4,164,500, which include \$2,609,545 in Affordable Housing Development and Preservation Funds, \$1,350,897 in Community Development Block Grant funds, and \$205,058 in City HOME funds.

RESIDENT IMPACT:

No tenants will be permanently displaced from the property due to the proposed rehabilitation. Temporary relocation assistance will be offered, and the Development owner will partner with a relocation consultant who will work closely with the development team and residents to ensure their successful temporary relocation.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

The following design waiver requests from the Sponsor have been reviewed and Authority staff are recommending approval:

- Specific Design Standards - Common Space, Community Rooms. Seeking a waiver to substitute the range/oven requirement with one self-cleaning single oven and two microwaves.
- Electrical Lighting – Bedroom Lighting. Seeking to waive the requirement that each bedroom should have a ceiling mounted light fixture.
- Electrical Lighting – Balcony and Patio Lighting. Seeking to waive the requirement that balconies and patios have a switched light.
- Electrical Alarm and Detection Systems – Emergency Call or Medical Alert. Seeking to waive the requirement that an emergency call system shall be installed in all buildings designed for senior residents.
- Carpet – Seeking waiver for the use of LVT throughout the units. Partially approved. Carpeting must be used in all bedrooms.
- Accessibility Improvements: Seeking to waive the requirement to upgrade 5% of the units to meet the Type A accessibility guidelines.
- Seeking a waiver to eliminate the dishwasher requirement.
- Seeking a waiver to eliminate the requirement that a task light be installed over the kitchen sink. Waiver was approved with the condition that if future electrical upgrades are performed, a task light must be added. (Note: the electric item waivers were approved because an electrical engineer determined that the existing service cannot support additional loads while meeting current safety standards)

The following design waiver requests from the Sponsor have been reviewed and denied by Authority staff:

- Site Work – Dumpster Enclosure and Gate. Seeking a waiver of the dumpster enclosure and gate requirement.

The building is currently at only 85% occupancy levels as the Sponsor has been holding units vacant in anticipation of the rehabilitation to take place. With 100% of the units receiving rental assistance, a vacancy loss of 5% or less is anticipated.



MORTGAGE LOAN FEASIBILITY/COMMITMENT STAFF REPORT

January 22, 2026

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt resolutions that 1) determine Mortgage Loan Feasibility as to the following proposal, 2) authorize tax-exempt bond construction and permanent mortgage loans in the amounts set forth in this report, and 3) authorize the Chief Executive Officer and 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.

MSHDA No.:	1650-2
Development Name:	Orchestra Tower
Development Location:	City of Detroit, Wayne County
Sponsor:	Painia Development Corporation
Mortgagor:	Orchestra Tower Limited Dividend Housing Association Limited Partnership
TE Bond Construction Loan:	\$43,200,000 (68.36% of TDC)
TE Bond Permanent Loan:	\$26,778,376
Total Development Cost:	\$63,196,222
Mortgage Amortization and Term:	40 years for the tax-exempt bond loan
Interest Rate:	6.00% for the tax-exempt bond loan
Program:	Tax-Exempt Bond Program
Number of Units:	248 elderly units of rehabilitation
Accessible Units:	18
Unit Configuration:	101 studio units and 147 one-bedroom units
Builder:	O'Brien Construction Company
Syndicator:	NEF
Date Application Received:	September 12, 2024
HDO:	Karen Waite

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:

The following design waiver requests from the sponsor have been reviewed and Authority staff is recommending approval:

- Specific Design Standards - Common Space, Community Rooms. Seeking a waiver to substitute the range/oven requirement with one self-cleaning single oven and two

microwaves.

- Electrical Lighting – Bedroom Lighting. Seeking to waive the requirement that each bedroom should have a ceiling mounted light fixture.
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The building is currently at only 85% occupancy levels as the sponsor has been holding units vacant in anticipation of the rehabilitation to take place. With 100% of the units receiving rental assistance moving forward, a vacancy loss of 5% or less is anticipated.

EXECUTIVE SUMMARY:

Orchestra Tower (the "Development") is an acquisition/rehabilitation development project that will preserve 248 units of existing affordable senior housing located at 3501 Woodward Avenue in Detroit. Orchestra Tower is an 11-story building that was constructed in 1976 and consists of 101 studio units and 147 one-bedroom units. The building was originally financed using a HUD insured mortgage. In 2001, it received a low-income housing tax credit ("LIHTC") award from the Authority and a rehabilitation was completed. 213 of the units are currently subsidized with a "new regulation" Section 8 Housing Assistance Payments Contract ("HAP") with those residents paying no more than 30% of their income on rent and utilities.

Painia Development Corporation (the "Sponsor") proposes to substantially rehabilitate all 248 units and common areas of the Development. In addition to upgrades and replacements to the units, a comprehensive update of the major building systems, elevators, apartment interiors, unit appliances, common areas, windows, roofing, building exteriors, and site work will also be included in the rehabilitation. The project team anticipates that it will address all immediate needs identified in a recent capital needs assessment.

Following the rehabilitation, Orchestra Tower will remain a 100% affordable senior multifamily apartment building. Income restrictions will vary based on the applicable LIHTC, HUD and City of Detroit HOME use restrictions and related regulatory agreements, but all units will serve

Mortgage Loan Feasibility/Commitment Staff Report
Orchestra Tower, MSHDA No. 1650-2
City of Detroit, Wayne County
January 22, 2026

households at or below 60% of the Area Median Income ("AMI"). No tenants will be permanently displaced from the property due to the proposed rehabilitation. Temporary relocation assistance will be offered, and the Development owner will partner with a relocation consultant who will work closely with the development team and residents to ensure their successful temporary relocation. The budget for temporary tenant relocation costs has been set at \$372,000.

The acquisition and rehabilitation of the Development is planned to be primarily financed with Tax-exempt Bond Financing from the Authority, 4% LIHTC equity, a City of Detroit HOME loan, Affordable Housing Development and Preservation Funds ("AHDPF") and Community Development Block Grant ("CDBG") funds from the City of Detroit, a Sponsor Loan, income from ongoing operations and Deferred Developer Fee.

The project team has been able to obtain substantial rent increases for the Development, as a result of a Mark-Up-to-Market renewal of the existing Section 8 HAP Contract in 2016. The recently completed Rent Comparable Study reflects that there should be a substantial increase in the contract rents for the transferred rental subsidy. Further, the Project has been awarded 35 project-based vouchers ("PBVs") by the Pontiac Housing Commission.

The Sponsor is a family owned and operated organization that was founded in 1977. Over the past 40 years, the firm has developed and preserved over 2,000 housing units. The Sponsor has experience in affordable housing as well as mixed-income and market rate properties. The Sponsor has developed new construction properties in several Michigan communities including Coldwater, Sturgis, Comstock, Alma, and Clare, as well as Detroit and Flint. Additionally, it has completed several preservation projects throughout the City of Detroit.

Structure of the Transaction and Funding:

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

- A tax-exempt bond construction loan (the "Mortgage Loan") will be provided by the Authority in the amount of \$43,200,000 at 6.00% interest with a 25-month term (an 18-month construction term and a 7-month rent-up period), which will be used to bridge an extended equity pay-in period. Payments of interest only will be required during the construction loan. The principal balance of the construction loan must be reduced to the permanent loan amount on the first day of the month following the month in which the 25-month construction loan term expires or such later date as is established by an Authorized Officer of the Authority (the "Permanent Financing Date").
- A permanent Mortgage Loan will be provided by the Authority in the amount of \$26,778,376. The permanent loan amount 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 is based on a 1.15 debt service coverage ratio, an annual interest rate of 6.00%, with a fully amortizing term of 40 years commencing on the Permanent Financing Date. The permanent Mortgage Loan will be in **First Position**.

Mortgage Loan Feasibility/Commitment Staff Report
Orchestra Tower, MSHDA No. 1650-2
City of Detroit, Wayne County
January 22, 2026

- The City of Detroit will make loans totaling \$4,164,500, utilizing \$2,609,545 in AHDPF, \$1,350,897 in CDBG funds, and \$204,058 in City of Detroit HOME funds. These loans will be in **Second Position**. See Special Condition No. 4.
- The Sponsor is providing a loan in the amount of \$6,364,000. See Special Condition No. 3.
- Equity support comes from an investment related to the 4% LIHTC in the estimated amount of \$20,991,721.
- The Development has been awarded thirty-five (35) PBVs from the Pontiac Housing Commission.
- The existing HAP Contract for 213 units will, subject to HUD approval, be transferred to the new owner and will continue to provide deep subsidy assistance for all of the HAP-assisted units.
- Income from operations will be used as a source of funding to make interest only payments and the tax and insurance payments during the construction period in the amount of \$2,527,022.
- The Sponsor has agreed to defer \$2,370,603 of the developer fee to fill the remaining funding gap.
- An amount equal to one month's gross rent potential will be funded in the Development's operating account.
- An operating assurance reserve ("OAR") 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 will be 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 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 syndicator reserve in the amount of \$667,505 will be required by the equity investor for an increase to the Operating Assurance Reserve. This reserve will be held and controlled pursuant to the terms of the Mortgagor's Amended and Restated Limited Partnership Agreement. See Special Condition No. 2.

Scope of Rehabilitation:

The following improvements to the property are included in the Scope of Work:

- Replace flooring in units

- Replace kitchen cabinets and countertops
- Replace appliances in 50% of units
- Replace windows
- Paint all unit interiors
- Replace bathroom vanities
- Replace bathtub enclosures
- Replace toilets and medicine cabinets
- Refurbish elevators
- Replace roof
- Replace sidewalks
- Replace perimeter fence
- Replace trash compactor
- Replace boilers
- Replace fire alarm control panel
- Replace exterior doors

Affordability Requirements:

The Authority’s tax-exempt bond regulatory agreement will require that all the dwelling units in the property remain occupied by households with incomes at or below 60% of the Multifamily Tax Subsidy Project (“MTSP”) income limit, adjusted for family size. The number of restricted units is controlled by the number of eligible households in place at closing, estimated to be 100% of the units. All 248 units will be further restricted to the income limits required by the HAP and PBV HAP Contracts.

Protections for Existing Residents:

The preservation and renovation of the Development will not result in a rent increase for the existing tenants. There will be no permanent tenant displacement as a result of this transaction.

Site Selection:

The site has been reviewed by Authority Staff and the Authority’s Manager of the Office of Market Research.

Market Evaluation:

The unit mix as well as the amenities package and rent levels have been approved by the Manager of the Office of Market Research.

Valuation of the Property:

An appraisal dated November 24, 2025, estimates the value of the residential portion of the Development at \$23,000,000.

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 six percent (6%) 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 (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 248 units of this proposal are as follows:

- a. 1 unit has been designated as a Low-HOME unit by the City of Detroit and during the Period of Affordability required under the HOME program (40 years) must be available for occupancy by households whose incomes do not exceed the Low HOME income limit as published by HUD, adjusted for family size.
- b. 213 units (66 studio units and 147 one-bedroom units) must be occupied or available for occupancy by households whose incomes do not exceed the income limits in 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.
- c. 35 units (35 studio units) must be occupied or available for occupancy by households whose incomes do not exceed the income limits in the PBV HAP Contract for so long as the PBV HAP Contract between the Mortgagor and the Pontiac Housing Commission is in effect (including extensions and renewals), or for such longer period as determined by HUD.
- d. 248 units (101 studio units and 147 one-bedroom units) must be available for occupancy by households whose incomes do not exceed the MTSP 60% income limits, adjusted for family size, until the 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.

The Authority is not responsible for the compliance monitoring or oversight of the occupancy or the regulations applicable to the City of Detroit HOME and Pontiac Housing Commission PBV units described above.

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 248 units is subject to the following limitations:

- a. During the Period of Affordability required under the HOME program (40 years), the Total Housing Expense for the 1 Low-HOME unit may not exceed the "Low-HOME Rent Limit" for the unit established and published annually by HUD.
- b. So long as the HAP Contract remains in effect, the Mortgagor agrees to establish and maintain rents ("Contract Rents") for all HAP-assisted units (66 one-bedroom units, and 147 two-bedroom units) that comply with the rent levels established by the HAP Contract and that do not exceed the rent levels approved by HUD.
- c. So long as the PBV HAP Contract remains in effect, the Mortgagor agrees to establish and maintain rents ("Contract Rents") for all PBV HAP-assisted units (35 studio units) that comply with the rent levels established by the PBV HAP Contract and that do not exceed the rent levels approved by HUD.
- d. The Total Housing Expense for all 248 units (101 studio units, and 147 one-bedroom units), may not exceed one-twelfth ($1/12^{\text{th}}$) of 30% of the 60% MTSP limit, adjusted for family size. 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.

The Authority is not responsible for the compliance monitoring or oversight of the City of Detroit HOME or Pontiac Housing Commission PBV rents charged for or the regulations applicable to these units.

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

The Mortgagor must further agree that rental increases for any units that do not receive Section 8 subsidy will be limited to not more than 5% for any resident household during any 12-month period.

Exceptions to these limitations may be granted by the Authority's Director of Asset Management for extraordinary increases in project operating expenses (exclusive of limited dividend payments) or mortgage loan increases to fund cost overruns pursuant to the Authority's policy on 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 by the Authority's Division of Asset Management.

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, the 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.

6. Operating Assurance Reserve:

At Initial Closing, the Mortgagor shall fund an operating assurance reserve ("OAR") in the amount equal to 4 months of estimated Development operating expenses, including vacancy loss (estimated to be \$1,335,010). 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.

7. Replacement Reserve:

At Initial Closing, the Mortgagor must establish a replacement reserve fund ("Replacement Reserve") with an initial deposit in an amount of \$1,037,200 (\$4,182 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.

8. New Regulation Residual Receipt Reserve (NR4)

The NR4 accounts are established to hold excess income, or residual receipts, generated by a New Regulation Section 8 Development. Residual receipts may be used to offset the Housing Assistance Payments payable by HUD under the HAP Contract for the development.

9. One Month's Gross Rent Potential:

At Initial Closing, the Mortgagor shall deposit an amount equal to one month's gross rent potential (\$354,770) 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 Chief Legal

Affairs Officer.

12. Trade Payment Breakdown:

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

13. Section 3 Requirements:

Prior to Mortgage Loan Commitment, the general contractor must agree to comply with all federal Section 3 hiring requirements. The general contractor must provide a copy of the contractor's "Section 3 Hiring Plan" approved by the City of Detroit, if requested by the Authority. In addition, the general contractor must agree to adhere to follow-up reporting requirements as established by the City of Detroit. The Authority is not responsible for Section 3 compliance, monitoring, or oversight, which will be performed by the City of Detroit.

14. Equal Opportunity and Fair Housing:

Prior to Mortgage Loan Commitment, the management and marketing agent must provide a copy of the Affirmative Fair Housing Marketing Plan approved by the City of Detroit, if requested by the Authority.

In addition, prior to Mortgage Loan Commitment the general contractor must provide a copy of the contractor's "Equal Opportunity Plan" approved by the City of Detroit, if requested by the Authority.

15. Davis-Bacon and Cross Cutting Federal Requirements:

The general contractor will be required to comply with all federal prevailing wage requirements, the requirements of the Davis-Bacon and Related Acts, and other applicable federal regulations as required under the terms of the City's HOME Program, and the Pontiac Housing Commission's Housing Choice Voucher Program, however, all necessary documentation and all monitoring and oversight will be handled by the City of Detroit.

16. 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).

17. 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 Chief Legal Affairs Officer.

18. Title Insurance Commitment and Survey:

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

Additionally, prior to Mortgage Loan Commitment, the Mortgagor must provide a surveyor's certificate of facts together with an ALTA survey certified to the 2021 minimum standards, and that appropriately reflects all easements, rights of way, and other issues noted on the title insurance commitment. All documents must be acceptable to the Chief Legal Affairs Officer.

19. 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 Chief Legal Affairs Officer.

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.

20. Designation of Authority Funds:

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

21. 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

22. 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 a performance completion guaranty and operating deficit 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.

All guarantors must be organized under Michigan law or registered to do business in Michigan.

23. 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.

24. 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 Chief Legal Affairs Officer.

25. Section 8 Required Approvals - HUD and the Authority:

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 Chief Legal Affairs Officer. 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 as required under the Regulatory Agreement.

26. HAP Extension:

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

27. PBV AHAP and HAP:

Prior to Initial Closing, the Pontiac Housing Commission and the Mortgagor must enter into an Agreement to enter into a PBV Housing Assistance Payments (AHAP) contract. The AHAP must be acceptable to the Authority's Director of Development. The executed PBV Housing Assistance Payments (HAP) Contract between the Pontiac Housing Commission and the Mortgagor with a term and rent levels acceptable to the Director of Development must be submitted prior to final closing.

28. 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.

29. 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.

30. Uniform Relocation Act Compliance:

If the Development is occupied at Initial Closing and any occupants of the Development will be displaced and/or relocated as a result of the rehabilitation of the Development, then the Mortgagor and/or the Sponsor shall ensure compliance with all requirements of the Uniform Relocation Act and implementing regulations as set forth in 24 CFR Part 42 and 49 CFR Part 24, as well as 24 CFR §570.606. Such compliance shall be at the Mortgagor's or Sponsor's sole cost and expense. Prior to Final Closing, the Mortgagor must submit documentation that it has complied with all requirements of the Uniform Relocation Act. This documentation must be found acceptable by HUD.

Special Conditions:

1. Legal Requirements:

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

- a. Prior to Initial Closing, the Michigan Attorney General's Office must complete its review of the transaction and provide the Chief Legal Affairs Officer its recommendation.
- b. Any other documentation as required by the Chief Legal Affairs Officer, including acceptable evidence of insurance, permits, licenses, zoning approvals, utility availability, payment and performance bonds and other closing requirements.

2. Syndicator Reserve:

The Mortgagor shall fund a syndicator held reserve ("Syndicator Reserve") with a one-time deposit in the amount of \$667,505 paid from equity proceeds according to the terms of the Mortgagor's limited partnership agreement. The Syndicator Reserve shall be controlled by the syndicator. The purpose of this reserve will be to fund the additional two-months of Operating Assurance Reserve.

3. Sponsor Loan:

Prior to Mortgage Loan Commitment, the Mortgagor must submit substantially final documents evidencing the Sponsor loan acceptable to the Authority's Chief Legal Affairs

Officer and Director of Development. The Sponsor loan must:

- a) not be secured by a lien on the Development or any of the Development's property, funds or assets of any kind;
- b) be payable solely from approved Limited Dividend payments, and not from other development funds;
- c) be expressly subordinate to all Authority mortgage loans; and
- d) have a loan term not less than the longest term of all Authority mortgage loans.

At or prior to Initial Closing, the final, executed Sponsor loan documents must become effective and initial funding of the loan must be made in an amount approved by the Director of Development.

4. Local HOME and Other Loans:

Prior to Mortgage Loan Commitment, the Mortgagor must submit substantially final documents evidencing the City of Detroit's HOME, CDBG and AHDPF Loans and a funding schedule acceptable to the Authority's Chief Legal Affairs Officer and Director of Development.

At or prior to Initial Closing, the final, executed City of Detroit Loan documents must become effective and initial funding of the loan must be made in an amount approved by the Director of Development. The City of Detroit, the Authority and the Mortgagor must enter into a subordination and intercreditor agreement in form and substance acceptable to the Chief Legal Affairs Officer.

5. Management Agent Approval:

Prior to Initial Closing, the proposed management agent must apply to and become MSHDA qualified.

DEVELOPMENT TEAM AND SITE INFORMATION

I. MORTGAGOR:

Orchestra Tower Limited Dividend Housing Association Limited Partnership

II. GUARANTOR(S):

A. Guarantor #1:

Name:	Painia Development Corporation
Address:	28 West Adams, Suite 900 Detroit, MI 48226

III. DEVELOPMENT TEAM ANALYSIS:

A. Sponsor:

Mortgage Loan Feasibility/Commitment Staff Report
Orchestra Tower, MSHDA No. 1650-2
City of Detroit, Wayne County
January 22, 2026

Name: Painia Development Corporation
Address: 28 West Adams, Suite 900
Detroit, MI 48226

Individuals Assigned: Freddie DuBose
Telephone: 313-268-3148
E-mail: freddie.dubose@1stcityllc.com

1. **Experience:** The Sponsor has experience working on Authority-financed developments.
2. **Interest in the Mortgagor and Members:** 00.01% = Orchestra Tower, LLC (the general partner). 99.99%. NEF Assignment Corporation.

B. Architect:

Name: Fusco, Schaffer & Pappas Inc.
Address: 550 East Nine Mile Road
Ferndale, MI 48220

Individual Assigned: James Pappas
Telephone: 248-543-4100
E-Mail: jpappas@fsparch.com

1. **Experience:** Architect has previous experience with Authority-financed developments.
2. **Architect's License:** License number 1301029064, exp. 04/01/2027.

C. Attorney:

Name: Clark Hill PLC
Address: 215 South Washington Square, Suite 200
Lansing, MI 48893

Individual Assigned: Ted Rozeboom
Telephone: 517-318-3019
E-Mail: trozeboom@clarkhill.com

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

D. Builder:

Name: O'Brien Construction Company
Address: 966 Livernois
Troy, MI 48083

Individual Assigned: David Vivio
Telephone: 248-334-2470
E-mail: dvivio@obrienc.com

1. **Experience:** The firm has previous experience in constructing Authority-financed developments.
2. **State Licensing Board Registration:** License number 2102195384, with an expiration date of 05/31/2026.

E. Management and Marketing Agent:

Name: 1st City, LLC
Address: 28 West Adams, Suite 900
Detroit, MI 48226

Individual Assigned: Freddie DuBose
Telephone: 313-268-3148
E-mail: freddie.dubose@1stcityllc.com

1. **Experience:** This firm has previous experience managing Authority-financed developments, but must again apply to become MSHDA qualified before closing.

F. Development Team Recommendation: Go recommended.

IV. SITE DATA:

A. Land Control/Purchase Price:
\$23,000,000

B. Site Location:
3501 Woodward Avenue, 68 Stimson Street, 48201

C. Size of Site:
1.85 Acres

D. Density:
High density

E. Physical Description:

1. **Present Use:** 100% affordable elderly multifamily apartment building with 248 units.
2. **Existing Structures:** 11-story building constructed in 1976.
3. **Relocation Requirements:**

There will be some temporary tenant displacement on a daily basis as a result of this transaction. The Mortgagor will partner with a relocation consultant who will work closely with the development team and residents to ensure successful temporary relocation. The budget for the temporary tenant relocation costs has been set at \$372,000. It is anticipated that all residents will be displaced on a daily basis for a period of up to 15 days while crews work to rehabilitate their unit, between the hours of 8:00 a.m. and 5:00 p.m. In the event of extenuating circumstances, if a resident cannot return to their unit at the end of the day, then they will be provided with accommodations at a replacement unit onsite or a nearby hotel.

- a. Zoning: SD2 – Special Development District

F. Contiguous Land Use:

- 1. North: Commercial
- 2. South: Multifamily residential
- 3. East: Commercial, multifamily residential
- 4. West: Commercial

G. Tax Information:

The project will receive a 1% PILOT from the City of Detroit.

H. Utilities: DTE = Gas and electricity. City of Detroit = Water/sewer.

I. Community Facilities:

- 1. Shopping:
Cass Corridor’s Midtown Market is located 0.7 miles northwest of the project. Marcus Market is located 0.9 miles northwest of the project. Whole Foods is located 0.2 miles northwest of the project. ALDI is located 5 miles north of the project. Detroit One Coney Island restaurant is located directly across Stimson Street, in the Woodward West building.
- 2. Recreation:
Little Caesars Arena, home of the Detroit Pistons, is located 2 miles south of the project. Comerica Park, home of the Detroit Tigers, and Ford Field, home of the Detroit Lions, are located approximately 3 miles south of the project, just south of I-75.
- 3. Public Transportation:
A public transportation bus stop is located alongside the project on Woodward Avenue.
- 4. Road Systems

Mortgage Loan Feasibility/Commitment Staff Report
Orchestra Tower, MSHDA No. 1650-2
City of Detroit, Wayne County
January 22, 2026

The project borders Woodward Avenue, a main thoroughfare in Detroit. M-10 is located approximately one mile west of the project, I-75 is located a mile southeast of the project, and I-94 is located 3 miles north of the project.

5. **Medical Services and other Nearby Amenities:**
The neighborhood includes the main campus of Henry Ford Hospital, which is located on the north side of W. Grand Blvd., west of M-10. Henry Ford Hospital campus is an 800+ bed hospital and research complex. The existing campus includes an area of 34 acres and Henry Ford Hospital is a prominent landowner in the area owning both vacant land and vacant buildings.
6. **Description of Surrounding Neighborhood:**
Land uses within the market are comprised of retail, office, industrial and residential uses. Retail, commercial, residential, and institutional uses (such as the campus of Wayne State University) are concentrated between M-10 and I-75. Industrial uses are more prevalent west of M-10 and east of I-75. Industrial uses typically reflect older high density uses commonly built at the beginning of the 20th century. Retail, commercial, and residential uses typically reflect high density mixed use, multi-story uses.
7. **Local Community Expenditures Apparent:**
A new market-rate community, Woodward West, is located directly across the street from the project. The approximate 300-acre area south of W Grand Blvd, west of M-10 is referred to as Henry Ford's South Campus. In the fall of 2015, a plan for a new \$120-\$150 million cancer center was released. In December 2016 Detroit businessman Mort Harris donated \$20 million to the center, which is called the Brigitte Harris Cancer Pavilion. Groundbreaking occurred in 2017 and the building is now complete. In February 2017, the Detroit Pistons announced they would partner with Henry Ford Hospital to build a new practice facility and corporate headquarters. The new facility recently opened just east of M-10 between W Grand Blvd and I-94. Other existing major developments include the Fisher Building, an approximate 500,000 SF office building and the campus of Wayne State University. Wayne State University is a public research university with approximately 27,000 students. The campus contains over 200 acres in Midtown Detroit. An additional development is The Boulevard, a 231-unit multi-family development which opened in 2019 on the north side of W. Grand Blvd., east of M-10. These developments, and other small-scale developments, are contributing to the continued revitalization of the neighborhood.
8. **Indication of Local Support:**
The City of Detroit awarded the project \$204,058 in Local HOME funds. The City of Detroit will make additional loans totaling \$3,960,442 in all, utilizing \$2,609,545 in Affordable Housing Development and Preservation Funds (AHDPF), and \$1,350,897 in Community Development Block Grant (CDBG) funds. The project will receive a 1% PILOT from the City of Detroit.

V. ENVIRONMENTAL FACTORS:

A Phase I Environmental Site Assessment was submitted to the Authority and has been reviewed by the Authority's Environmental Manager. (See Standard Condition No. 17).

VI. 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.

VII. MARKET SUMMARY:

The Market study has been reviewed by the Authority's Manager of the Office of Market Research and found to be acceptable. The Authority's Manager of the Office of Market Research has reviewed and approved the unit mix, rental structure, and unit amenities.

VIII. EQUAL OPPORTUNITY AND FAIR HOUSING:

The contractor's EEO Plan is currently being reviewed and must be approved by the Authority's Chief Construction Manager prior to initial closing. The management and marketing agent's Affirmative Fair Housing Marketing Plan has been approved.

IX. 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.

X. 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.

XI. DEVELOPMENT SCHEDULING:

A. Mortgage Loan Commitment:	January 2026
B. Initial Closing and Disbursement:	April 2026
C. Construction Completion:	October 2027
D. Cut-Off Date:	April 2028

XII. ATTACHMENTS:

A. Development Proforma

Mortgage Loan Feasibility/Commitment Staff Report
Orchestra Tower, MSHDA No. 1650-2
City of Detroit, Wayne County
January 22, 2026

APPROVALS:

/s/ Chad Benson	1/16/26
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Chad Benson Director of Development	Date
/s/ Tony Lentych	1/16/26
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Tony Lentych Chief Housing Investment Officer	Date
/s/ Clarence L. Stone, Jr.	1/16/26
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Clarence L. Stone, Jr. Chief Legal Affairs Officer	Date
/s/ Amy Hovey	1/16/26
<hr/>	
Amy Hovey Chief Executive Officer and Executive Director	Date

Development Orchestra Tower MSHDA Loan
 Financing Tax Exempt
 MSHDA No. 1650-2
 Step Commitment
 Date 01/22/2026
 Type Acquisition/Rehab

Instructions

Income Limits for	Wayne County						(Effective April 1, 2024)
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	
30% of area median	20,160	23,040	25,920	28,770	31,080	33,390	
40% of area median	26,880	30,720	34,560	38,360	41,440	44,520	
50% of area median	33,600	38,400	43,200	47,950	51,800	55,650	
60% of area median	40,320	46,080	51,840	57,540	62,160	66,780	

Rental Income

Unit	No. of Units	Unit Type	Bedrooms	Baths	Net Sq. Ft.	Contract Rent	Utilities	Total Housing Expense	Gross 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
60% Area Median Income Units																	
Yes Section 8 PBRA																	
Senior Occupancy (existing HAP to be transferred-renewed mark-up-to-market)																	
A	66	Apartment	0	1.0	447	1,275	0	1,275	1,009,800	23.7%	26.6%	29,502	20.5%	29,502		1,008	TC Rent
B	147	Apartment	1	1.0	673	1,600	0	1,600	2,822,400	66.3%	59.3%	98,931	68.7%	98,931	Low HOME	1,080	TC Rent
									3,832,200	90.0%	85.9%	128,433	89.1%	128,433			
									0	0.0%	0.0%	0	0.0%	0			

60% Area Median Income Units																	
Yes Local PHA Project Based Voucher Units																	
Senior Occupancy (new PHC PBVs)																	
A	35	Apartment	0	1.0	447	1,012	0	1,012	425,040	10.0%	14.1%	15,645	10.9%	15,645		1,008	TC Rent
B	0	Apartment	1	1.0	673	0	0	0	0	0.0%	0.0%	0	0.0%	0		1,080	TC Rent
												144,078		144,078			

Total Revenue Units	248	Gross Rent Potential						4,257,240	HOME Units SF/Total Units SF						68.7%	Within Range	
Manager Units	0	Average Monthly Rent						1,431	# HOME Units/# Total Units						59.3%	Within Range	
Income Average	60.00%	Gross Square Footage						144,078									
Set Aside	100.00%																

Annual Non-Rental Income

Misc. and Interest	9,000
Laundry	4,000
Carports	
Other:	
Other:	
	13,000

Utility Allowances

	Owner-Paid	Owner-Paid	Owner-Paid	Owner-Paid	Owner-Paid	Total	Override
	Electricity	A/C	Gas	Water/Sewer	Other		
A						0	
B						0	
C						0	
D						0	
E						0	
F						0	
G						0	
H						0	

Total Income	Annual	Monthly
Rental Income	4,257,240	354,770
Non-Rental Income	13,000	1,083
Total Project Revenue	4,270,240	355,853

Development **Orchestra Tower MSHDA Loan**
 Financing **Tax Exempt**
 MSHDA No. **1650-2**
 Step **Commitment**
 Date **01/22/2026**
 Type **Acquisition/Rehab**

Mortgage Assumptions:
 Debt Coverage Ratio **1.15**
 Mortgage Interest Rate **6.000% constr Loan**
 Pay Rate **6.000% perm loan**
 Mortgage Term **40 years**
 Income from Operations **Yes**

Instructions

Total Development Income Potential

	<u>Per Unit</u>	<u>Total</u>
Annual Rental Income	17,166	4,257,240
Annual Non-Rental Income	52	13,000
Total Project Revenue	17,219	4,270,240

Total Development Expenses

Vacancy Loss	5.00% of annual rent potential	858	212,862
Management Fee	667 per unit per year	667	165,416
Administration		1,476	366,140
Project-paid Fuel		194	48,000
Common Electricity		677	168,000
Water and Sewer		706	175,000
Operating and Maintenance		2,950	731,520
Real Estate Taxes		0	
Payment in Lieu of Taxes (PILOT)	1.00% Applied to: All Units	147	36,534
Insurance		950	235,600
Replacement Reserve	300 per unit per year	300	74,400
Pontiac Housing Commission PBV Administration (50pupm)		85	21,000
Other: City HOME Loan Payment		10	2,500

Initial Inflation Factor	Beginning in Year	Future Inflation Factor
2.0%	6	2.0%
2.0%	6	2.0%
Future Vacancy		
	4	5.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	6	3.0%
3.0%	6	3.0%
3.0%	1	3.0%
5.0%	1	5.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%

	% of Revenue		
Total Expenses	52.39%	9,020	2,236,972
Base Net Operating Income		8,199	2,033,268
Part A Mortgage Payment	41.40%	7,129	1,768,059
Part A Mortgage		107,977	26,778,376
Non MSHDA Financing Mortgage Payment		0	
Non MSHDA Financing Type:		0	
Base Project Cash Flow (excludes ODR)	6.21%	1,069	265,209

Override

Instructions

	Per Unit	Total	% in Basis	Included in Tax Credit Basis	Included in Historic TC Basis
TOTAL DEVELOPMENT COSTS					
Acquisition					
Land	14,637	3,630,000	0%	0	0
Existing Buildings	78,105	19,370,000	100%	19,370,000	0
Other: Reserves			0%	0	0
Subtotal	92,742	23,000,000			
Construction/Rehabilitation					
Off Site Improvements	0		100%	0	0
On-site Improvements	523	129,693	100%	129,693	0
Landscaping and Irrigation	0		100%	0	0
Structures	70,254	17,423,058	100%	17,423,058	17,423,058
Community Building and/or Maintenance Facility	0		100%	0	0
Construction not in Tax Credit basis (i.e. Carports and Commercial Space)	0		0%	0	0
General Requirements % of Contract 6.00%	4,247	1,053,165	100%	1,053,165	1,053,165
Builder Overhead % of Contract 2.00%	1,500	372,118	100%	372,118	372,118
Builder Profit % of Contract 6.00%	4,591	1,138,682	100%	1,138,682	1,138,682
Bond Premium, Tap Fees, Cost Cert.	1,213	300,793	100%	300,793	300,793
Other:	0		100%	0	0
Subtotal	82,329	20,417,509			
15% of acquisition and \$15,000/unit test: met					
Professional Fees					
Design Architect Fees	3,102	769,200	100%	769,200	769,200
Supervisory Architect Fees	725	179,800	100%	179,800	179,800
Landscape Architect Fees	0		100%	0	0
Engineering/Survey	101	25,000	100%	25,000	25,000
Legal Fees	706	175,000	100%	175,000	175,000
Interior Design Fees	0		100%	0	0
Other:	0		100%	0	0
Subtotal	4,633	1,149,000			
Interim Construction Costs					
Property & Casualty Insurance	1,008	250,000	100%	250,000	250,000
Construction Loan Interest	11,422	2,832,666	72%	2,683,318	2,039,520
Title Work	605	150,000	100%	150,000	0
Construction Taxes	446	110,604	100%	110,604	110,604
Permits	766	190,000	100%	190,000	190,000
Other: Green Certificate/Accounting	242	60,000	100%	60,000	60,000
Subtotal	14,489	3,593,270			
Permanent Financing					
Loan Commitment Fee to MSHDA	2%	3,484	40%	345,600	345,600
Other:	0		100%	0	0
Subtotal	3,484	864,000			
Other Costs (In Basis)					
Application Fee	8	2,000	100%	2,000	2,000
Market Study	26	6,500	100%	6,500	6,500
Environmental Studies	302	75,000	100%	75,000	75,000
Cost Certification	60	15,000	100%	15,000	15,000
Equipment and Furnishings	660	163,749	100%	163,749	0
Temporary Tenant Relocation	1,500	372,000	50%	186,000	186,000
Construction Contingency	8,233	2,041,751	100%	2,041,751	2,041,751
Appraisal and C.N.A.	81	20,000	100%	20,000	20,000
Other: City of Detroit Legal Fees	161	40,000	100%	40,000	40,000
Subtotal	11,032	2,735,999			
Other Costs (NOT In Basis)					
Start-up and Organization	161	40,000	0%	0	0
Tax Credit Fees (based on 2022 QAP)	168,409	679	0%	0	0
Compliance Monitoring Fee (based on 2022 QAP)	475	117,800	0%	0	0
Marketing Expense	0		0%	0	0
Syndication Legal Fees	302	75,000	0%	0	0
Rent Up Allowance	7.0 months	4,419	0%	0	0
Other:	0	1,095,988	0%	0	0
Subtotal	6,037	1,497,197			

Summary of Acquisition Price		As of November 30, 2025	
Attributed to Land	3,630,000	1st Mortgage Pay-off Cosmopolitan	4,163,492
Attributed to Existing Structure:	19,370,000	Subordinate City HOME Loan	4,164,500
Other: Reserves	0	Subordinate LOC (LP Purchase)	8,170,542
Fixed Price to Seller	23,000,000	Accrued Fees + Operating Loan	568,822
			0
		Premium/(Deficit) vs Existing Debt	5,932,644

Appraised Value		Value As of: November 24, 2025	
"Encumbered As-Is" value as determined by appraisal:			23,000,000
LESS Fixed Price to the Seller:			23,000,000
Surplus/(Gap)	Within Range	Override	0

	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 Cash	5,383	1,335,010	0%	0	0
Replacement Reserve		Required	4,182	1,037,220	0%	0	0
Operating Deficit Reserve		Not Required	0	0	0%	0	0
Rent Subsidy Reserve			0	0	0%	0	0
Syndicator Held Reserve			2,692	667,505	0%	0	0
Rent Lag Escrow			0	0	0%	0	0
Tax and Insurance Escrows			0	0	0%	0	0
Other:			0	0	0%	0	0
Other:			0	0	0%	0	0
Subtotal			12,257	3,039,735			
Miscellaneous							
Deposit to Development Operating Account (1MGRP Required)			1,431	354,770	0%	0	0
Other (Not in Basis):			0	0	0%	0	0
Other (In Basis):			0	0	100%	0	0
Other (In Basis):			0	0	100%	0	0
Subtotal			1,431	354,770			
Total Acquisition Costs			92,742	23,000,000			
Total Construction Hard Costs			82,329	20,417,509			
Total Non-Construction ("Soft") Costs			53,363	13,233,971			
Developer Overhead and Fee							
Maximum	6,544,742		26,390	6,544,742	100%	6,544,742	6,544,742
7.5% of Acquisition/Project Reserves		Override		5% Attribution Test			
15% of All Other Development Costs				met			
Total Development Cost			254,823	63,196,222			

		OAR	
	Funded Yr	4 Month OAR	
Operating Assurance Reserv	1,335,010	1,335,010	
Replacement Reserve	1,037,220		
Operating Deficit Reserve	0		
Rent Subsidy Reserve	0		
Syndicator Held Reserve	667,505		
Rent Lag Escrow	0		
Tax and Insurance Escrows	0		
Other:	0		
Other:	0		
Subtotal	3,039,735		
Deposit to Development Operating Account (1MGRP Required)	354,770		
Other (Not in Basis):	0		
Other (In Basis):	0		
Other (In Basis):	0		
Subtotal	354,770		
Total Acquisition Costs	92,742	23,000,000	
Total Construction Hard Costs	82,329	20,417,509	
Total Non-Construction ("Soft") Costs	53,363	13,233,971	
Developer Overhead and Fee			
Maximum	6,544,742		26,390
7.5% of Acquisition/Project Reserves		Override	5% Attribution Test
15% of All Other Development Costs			met
Total Development Cost	254,823	63,196,222	
TOTAL DEVELOPMENT SOURCES			
MSHDA Permanent Mortgage	42.37%	107,977	26,778,376
Conventional/Other Mortgage	0.00%	0	0
Equity Contribution From Tax Credit Syndication	33.22%	84,644	20,991,721
MSHDA NSP Funds	0.00%	0	0
MSHDA HOME	0.00%	0	0
MSHDA Mortgage Resource Funds	0.00%	0	0
MSHDA TCAP	0.00%	0	0
MSHDA Housing Trust Funds	0.00%	0	0
MSHDA CERA	0.00%	0	0
MSHDA HOME-ARP	0.00%	0	0
MSHDA HCDF	0.00%	0	0
Local HOME	0.00%	0	0
Income from Operations	5.00%	12,737	2,527,022
City of Detroit Loans (HOME, AHD&PF, and CDBG)	6.59%	16,792	4,164,500
Transferred Reserves:	0.00%	0	0
Other: Sponsor Note (net sales proceeds)	10.07%	25,661	6,364,000
Other:	0.00%	0	0
Deferred Developer Fee	3.75%	9,559	2,370,603
Total Permanent Sources			63,196,222
Sources Equal Uses?			
Surplus/(Gap)		Balanced	0
MSHDA Construction Loan			
Construction Loan Rate	6.00%	68.36%	174,194
Repaid from equity prior to final closing			16,421,624
Eligible Basis for LIHTC/TCAP			
Acquisition	20,520,000	Acquisition	820,800
Construction	43,291,004	Construction	1,731,640
Acquisition Credit %	4.00%	Total Yr Credit	2,552,440
Rehab/New Const Credit %	4.00%	Equity Price	\$0.8225
Qualified Percentage	100.00%	Equity Effective Price	\$0.8225
QCT/DDA Basis Boost	130%	Equity Contribution	20,991,721
Historic?	No		
Existing Reserve Analysis			
DCE Interest:		Current Owner's Reserves:	0
Insurance:		Reserves Transferred in to Project	0
Taxes:		Tax/Ins Escrows transferred to project	0
Rep. Reserve:	0		
ORC:			
DCE Principal:			
Other:			

Initial Owner's Equity Calculation	
Equity Contribution from Tax Credit Syndication	20,991,721
Brownfield Equity	
Historic Tax Credit Equity	
General Partner Capital Contributions	
Other Equity Sources	
New Owner's Equity	20,991,721

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION DETERMINING MORTGAGE LOAN FEASIBILITY
ORCHESTRA TOWER, MSHDA DEVELOPMENT NO. 1650-2
CITY OF DETROIT, WAYNE COUNTY**

January 22, 2026

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 (the "Act"), to make mortgage loans to qualified non-profit housing corporations, consumer housing cooperatives and limited dividend housing corporations and associations; and

WHEREAS, an Application for Mortgage Loan Feasibility has been filed with the Authority by Painia Development Corporation (the "Applicant") for a multifamily housing project to be located in City of Detroit, Wayne County, Michigan, having a total estimated replacement cost of Sixty-Three Million One Hundred Ninety-Six Thousand Two Hundred Twenty-Two Dollars (\$63,196,222) and a total estimated maximum mortgage loan amount of Forty-Three Million Two Hundred Thousand Dollars (\$43,200,000) (hereinafter referred to as the "Application"); and

WHEREAS, a housing association to be formed by the Applicant may become eligible to receive a Mortgage Loan from the Authority under the provisions of the Act and the Authority's General Rules; and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and her recommendation with respect thereto; and

WHEREAS, the Authority has considered the Application in the light of the Authority's project mortgage loan feasibility evaluation factors.

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

1. The following determinations be and they hereby are made:
 - a. 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.
 - b. The Applicant is reasonably expected to be able to achieve successful completion of the proposed housing project.
 - c. The proposed housing project will meet a social need in the area in which it is to be located.
 - d. A mortgage loan, or a mortgage loan not made by the Authority that is a federally-aided mortgage, can reasonably be anticipated to be obtained to

provide financing for the proposed housing project.

- e. The proposed housing project is a feasible housing project.
- f. The Authority expects to allocate to the financing of the proposed housing project proceeds of its bonds issued or to be issued for multifamily housing projects a maximum principal amount not to exceed Forty-Seven Million Two Hundred Thousand Dollars (\$47,200,000).

2. The proposed housing project be and it is hereby determined to be feasible for a mortgage loan on the terms and conditions set forth in the Mortgage Loan Feasibility/Commitment Report of the Authority Staff presented to the meeting, subject to any and all applicable determinations and evaluations issued or made with respect to the proposed housing project by other governmental agencies or instrumentalities or other entities concerning the effects of the proposed housing project on the environment as evaluated pursuant to the federal National Environmental Policy Act of 1969, as amended, and the regulations issued pursuant thereto as set forth in 24 CFR Part 58.

3. The determination of feasibility is based on the information obtained from the Applicant and the assumption that all factors necessary for the successful construction and operation of the proposed 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 feasibility determination resolution may, at the option of the Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly authorized to act in any of the foregoing capacities (each an "Authorized Officer"), be immediately rescinded.

4. Neither this determination of feasibility nor the execution prior to closing of any documents requested to facilitate processing of a proposed mortgage loan to be used in connection therewith constitutes a promise or covenant by the Authority that it will make a Mortgage Loan to the Applicant.

5. This determination of Mortgage Loan Feasibility is conditioned upon the availability of financing to the Authority. The Authority does not covenant that funds are or will be available for the financing of the subject proposed housing development.

6. The Mortgage Loan Feasibility determination is subject to the conditions set forth in the Mortgage Loan Feasibility/Commitment Staff Report dated January 22, 2026, which conditions are hereby incorporated by reference as if fully set forth herein.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION AUTHORIZING MORTGAGE LOAN
ORCHESTRA TOWER, MSHDA DEVELOPMENT NO. 1650-2
CITY OF DETROIT, WAYNE COUNTY**

January 22, 2026

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 Painia Development Corporation (the "Applicant") for a construction mortgage loan in the amount of Forty-Three Million Two Hundred Thousand Dollars (\$43,200,000) and a permanent mortgage loan in the amount of Twenty-Six Million Seven Hundred Seventy-Eight Thousand Three Hundred Seventy-Six Dollars (\$26,778,376), for the construction and permanent financing of a multi-family housing project having an estimated total development cost of Sixty-Three Million One Hundred Ninety-Six Thousand Two Hundred Twenty-Two Dollars (\$63,196,222)), to be known as Orchestra Tower, located in the City of Detroit, Wayne County, Michigan, and to be owned by Orchestra Tower Limited Dividend Housing Association Limited Partnership (the "Mortgagor"); and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and her recommendation with respect thereto; and

WHEREAS, the Authority has reviewed the Application and the recommendation of the Chief Executive Officer and 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.

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 of the Mortgage Loan Commitment hereinafter authorized to be issued to the Applicant and the Mortgagor.

2. A mortgage loan (the "Mortgage Loan") be and it hereby is authorized and the Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance 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 the Authority's Mortgage Loan Commitment (the "Commitment") for the construction financing of the proposed housing project in an amount not to exceed Forty-Three Million Two Hundred Thousand Dollars (\$43,200,000), and permanent financing in an amount not to exceed Twenty-Six Million Seven Hundred Seventy-Eight Thousand Three Hundred Seventy-Six Dollars (\$26,778,376), and to have a term of forty (40) years after amortization of principal commences and to bear interest at a rate of six percent (6.00%) 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 Forty-Seven Million Two Hundred Thousand Dollars (\$47,200,000). Any Authorized Officer is hereby authorized to modify or waive any condition or provision contained in the Commitment.

3. The 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 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 commitment issued pursuant hereto may, at the option of an Authorized Officer, be rescinded.

4. 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 loan 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.

5. 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 Chief Executive Officer and 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.

6. 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 six percent (6%) 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 of the Housing Assistance Payments Contract or any other federal subsidy, the rate of return shall not exceed twenty-five percent (25%) of the Mortgagor's equity, as determined by the Authority.

7. The Mortgage Loan shall be subject to, and the Commitment shall contain, the conditions set forth in the Mortgage Loan Feasibility/Commitment Staff Report dated January 22, 2026 (the "Staff Report"), which conditions are hereby incorporated by reference as if fully set forth herein.

8. The Authority hereby waives the design requirements recommended for waiver in the Staff Report, requiring that the Development meet the MSHDA Multifamily Standards of Design as found in the Multifamily Direct Lending Parameters adopted on June 28, 2017.

Delegated Action Report(s)

Homeownership



M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director

DATE: January 22, 2026

RE: Homeownership Summary of Delegated Actions
for the Period October 1, 2025 to December 31, 2025

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 above time period. If activity is indicated, a report on that delegated action is attached.

- I. Loan Activity
 - A. Moderate Rehabilitation Loans N/A
 - B. Mortgage Loan Increases N/A
 - C. Mortgage Loans for MI HOME and CSH N/A
 - D. Small Size and High Security Loans N/A
 - E. Development Fund Loans Under \$250,000 N/A
 - F. Pre-Development Loans N/A
 - G. HOME Funds for MSHDA-Financed Project N/A
 - H. Asset Management N/A
 - I. Homeless Initiatives N/A
 - J. Neighborhood Stabilization Program (NSP) Loans N/A
 - K. Waiver of Prepayment Prohibition N/A

- II. Professional Services Contracts
 - A. Contracts Under \$25,000 N/A
 - B. Homeownership Counseling See attached report
 - C. Technical Assistance Contracts N/A
 - D. Environmental Consulting Contracts N/A

- III. Work-out for 80/20 Developments N/A

- IV. Grant Activity
 - A. Application for State or Federal Funds N/A
 - B. HOME Grants N/A
 - C. CDBG Grants N/A
 - D. Development Fund Grants Under \$250,000 N/A

October 31, 2025 to December 31, 2025

E. Homeless Initiatives	N/A
F. Neighborhood Stabilization Program (NSP) Grants	N/A
G. Housing Education Program (HEP) Grant	See attached report
H. HUD Housing Counseling Grant	no activity
V. Michigan Affordable Housing Fund Activity	N/A
VI. Disposition of Bankruptcy Lien Stripping Cases	N/A
VII. Acceptance and Approval of HUD Housing Choice Vouchers (HCV)	N/A

REPORT ON DELEGATED ACTIONS

For the period October 1, 2025 to December 31, 2025

Date: January 22, 2026

DELEGATED ACTION

Housing Education Program (HEP)

On **June 12, 2025**, the Authority approved the continuation of MSHDA's Housing Education Program by approving the budgeted amount of \$800,000 for the fiscal year 2025/2026 and delegating to authorize signatories for the Homeownership Division the authority to enter or renew existing contracts.

ACTIVITY

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

Purpose of the Housing Education Program

The Michigan State Housing Development Authority's (MSHDA) Housing Education Program (HEP) aims to provide education and support to clients seeking to purchase or retain their homes. MSHDA's HEP partners with HUD-approved Housing Counseling Agencies across Michigan to ensure that all Michigan residents have access to accurate, unbiased assistance. This support helps individuals make informed decisions about housing, homeownership, and navigating challenges such as foreclosure or eviction.

Services are available to residents in all 83 Michigan counties at little to no cost and are offered in various formats to ensure accessibility, including in-person, virtual, and phone-based counseling.

MSHDA's network of HUD-certified housing counselors provides a comprehensive range of services to help individuals and families address their housing needs and achieve their housing goals. These services include:

1. Pre-Purchase/Homebuying Counseling

- Assisting prospective homebuyers in understanding the homebuying process.
- Helping clients assess affordability, establish budgets, and explore available financing options.
- Educating on mortgage types, down payment assistance programs, and closing procedures.

2. Post-Purchase/Homeownership Counseling

- Supporting new homeowners with budgeting and financial planning.
- Offering guidance on home maintenance and energy efficiency.
- Assisting homeowners in understanding refinancing or accessing equity.

3. Foreclosure Intervention and Default Counseling

- Helping homeowners understand and navigate foreclosure prevention options.
- Assisting in communication with lenders to negotiate loan modifications, repayment plans, or other solutions.

4. Rental Counseling

- Assisting renters in understanding their rights and responsibilities.

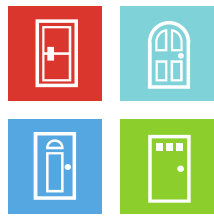
- Providing support in locating affordable rental housing and navigating lease agreements.
- Offering education on eviction prevention and rental assistance programs.
- 5. Financial Capability and Budgeting**
 - Teaching clients how to manage their finances, reduce debt, and improve credit scores.
 - Providing tools and resources for creating sustainable household budgets.
- 6. Reverse Mortgage Counseling**
 - Assisting seniors in understanding reverse mortgages, including eligibility, terms, and risks.
 - Helping clients evaluate if a reverse mortgage is the right option for their financial needs.
- 7. Disaster Recovery Counseling**
 - Supporting individuals and families affected by natural disasters in finding housing assistance.
 - Assisting with applications for disaster relief programs and rebuilding efforts.
- 8. Homelessness Prevention Counseling**
 - Providing resources and strategies to prevent eviction and homelessness.
 - Connecting clients with emergency shelter and supportive housing programs.

These services are delivered with a client-centered approach, focusing on education, empowerment, and long-term housing stability.

MSHDA Housing Education Program (HEP) Counseling Agency Contracts FY 2025/26 - July 1, 2025 to June 30, 2026	EIN #	Contract Amount
Abayomi Community Development Corp.	38-3407865	\$15,000.00
Amandla Community Development Corp..	38-3195198	\$10,000.00
Blue Water Community Action Agency	38-2284121	\$15,000.00
Capital Area Housing Partnership	38-2926892	\$43,000.00
Community Action Agency	38-1803599	\$30,000.00
Community Action House	23-7120670	\$30,000.00
Community Housing Network	38-3372734	\$15,000.00
Genesee County Habitat	38-2899387	\$15,000.00
H.O.M.E. of Mackinac County	38-3142455	\$10,000.00
Habitat for Humanity Michigan	38-2874694	\$45,000.00
Home Repair Services of Kent County	38-2263817	\$30,000.00
ICCF Community Homes	38-1903026	\$30,000.00
Gesher Human Services	38-1358013	\$30,000.00
Kalamazoo Neighborhood Housing	38-2391442	\$43,000.00
Matrix Human Services	38-2056236	\$30,000.00
Michigan State University Extension Office	38-1813239	\$44,000.00
Mid Michigan Community Action Agency	38-6005984	\$9,800.00
Monroe County Opportunity Program	38-3302761	\$30,000.00
TrueNorth Community Services	38-1818068	\$15,000.00
Neighborhood Legal Services	38-1818068	\$10,100.00
Northeast Michigan Community Service Agency, Inc.	38-3395829	\$15,000.00
Northern Homes Community Development Corporation	38-2027389	\$15,000.00
Northwest Michigan Community Action Agency	38-6004876	\$30,000.00
Oakland County	38-6004876	\$15,000.00
Oakland Livingston Human Service Agency	38-2324335	\$30,000.00
Southwest Economic Solutions	38-2415106	\$30,000.00
Wayne Metropolitan Community Action Agency	38-1976979	\$30,100.00
		\$665,000.00

Delegated Action Report(s)

Rental Assistance and Homeless Solutions




MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director 

DATE: January 22, 2026

RE: Rental Assistance and Homeless Solutions Summary of Delegated Actions for the Period October 1, 2025 – December 31, 2025

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 above time. 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. Michigan Affordable Housing Fund Activity No Activity
- VI. Disposition of Bankruptcy Lien Stripping Cases No Activity
- VII. Acceptance and Approval of HUD Housing Choice Vouchers (HCV) No Activity

**Michigan State Housing Development Authority
Grants Awarded 10/01/2025 thru 12/31/2025**

<u>County</u>	<u>Grant Number</u>	<u>Organization Name & Address</u>	<u>Grant Amount</u>
Allegan 10/01/2025	HML-2026-6489-ESM	Allegan County Community Mental Health Services 540 Jenner Drive Allegan MI 49010	\$113,924
Alpena 10/01/2025	HML-2025-103-ESF	Northeast Michigan Community Service Agency, Inc. 2569 US 23 South Alpena MI 49707	\$354,285
Barry 10/01/2025	HML-2026-1313-ESM	Barry County United Way 231 S Broadway St Hastings, MI 49058-1835	\$25,903
Berrien 10/01/2025	HML-2026-144-ESM	Southwest Michigan Community Action Agency 185 E Main St, Suite 303 Benton Harbor, MI 49022	\$160,321
Berrien 10/01/2025	HML-2026-5336-ESM	Emergency Shelter Services, Inc. 185 E Main, Ste 103 Benton Harbor, MI 49022	\$235,450
Branch 10/01/2025	HML-2026-9984-ESM	Coldwater Housing Commission, a Non-Profit Corporation 60 South Clay Street Coldwater MI 49036	\$91,785
Calhoun 10/01/2025	HML-2026-101-ESM	Neighborhoods Incorporated of Battle Creek 47 N. Washington Avenue Battle Creek MI 49037	\$128,201
Calhoun 10/01/2025	HML-2026-101-ESM-02	Neighborhoods Incorporated of Battle Creek 47 N. Washington Avenue Battle Creek MI 49037	\$167,513
Chippewa 10/01/2025	HML-2026-12-ESM	Chippewa-Luce-Mackinac Community Action Human Resource Authority, Inc. 524 Ashmun Street Sault Ste Marie, MI 49783	\$81,915
Clare 10/01/2025	HML-2025-92-ESF	Mid Michigan Community Action Agency, Inc. 1574 E Washington Rd Farwell MI 48622	\$403,327
Delta 10/01/2025	HML-2026-52-ESM	MDS-CAA/HRA, Inc. 507 First Ave. Escanaba, MI 49829-0000	\$100,168

Eaton 10/01/2025	HML-2026-675-ESM	Housing Services Mid Michigan 319 South Cochran Avenue Charlotte, MI 48813-0746	\$166,404
Eaton 10/01/2025	HML-2026-675-ESM-02	Housing Services Mid Michigan 319 South Cochran Avenue Charlotte, MI 48813-0746	\$80,691
Genesee 10/01/2025	HML-2025-10791-ESF	United Way of Genesee County 111 E Court St Ste. 3A Flint, MI 48502	\$267,332
Gogebic 10/01/2025	HML-2026-188-ESM	Gogebic-Ontonagon Community Action Agency 100 S Mill Street Bessemer MI 49911	\$48,482
Grand Traverse 10/01/2025	HML-2026-107-ESM	Northwest Michigan Community Action Agency, Inc. 3963 Three Mile Road Traverse City MI 49686	\$439,450
Ingham 10/01/2025	HML-2025-384-ESF	City of Lansing FINANCE DEPARTMENT – 8TH FLOOR ATTN: CONTROLLER, 124 W. MICHIGAN AVE Lansing MI 48922-1224	\$543,406
Ingham 10/01/2025	HML-2026-5506-ESM	Department of Health and Human Services Grand Tower Bldg, 11th Floor Lansing MI 48909	\$700,000
Ingham 10/01/2025	HML-2026-5506-SP-04	Department of Health and Human Services Grand Tower Bldg, 11th Floor Lansing MI 48909	\$150,000
Ionia 10/01/2025	HML-2026-45-ESM	EightCAP, Inc. 5827 Orleans Road Orleans, MI 48865	\$466,943
Jackson 10/01/2025	HML-2026-268-ESM	Community Action Agency 1214 Greenwood Ave Jackson, MI 49203	\$90,389
Jackson 10/01/2025	HML-2026-268-ESM-02	Community Action Agency 1214 Greenwood Ave Jackson, MI 49203	\$269,356
Kalamazoo 10/01/2025	HML-2025-5395-ESF	Housing Resources, Inc., of Kalamazoo County 643 W. Crosstown Parkway Kalamazoo MI 49008	\$517,240
Kent 10/01/2025	HML-2025-1148-ESF-02	Heart of West Michigan United Way 118 Commerce SW Grand Rapids, MI 49503-4106	\$400,232

Kent 10/01/2025	HML-2026-1148-ESM	Heart of West Michigan United Way 118 Commerce SW Grand Rapids, MI 49503-4106	\$17,304
Lenawee 10/01/2025	HML-2026-201-ESM	Lenawee Emergency and Affordable Housing Corporation 307 E. Church Street Adrian MI 49721-2903	\$123,680
Macomb 10/01/2025	HML-2025-386-ESF	County of Macomb 21885 Dunham Rd, Suite 15 Clinton Township, MI 48036	\$791,540
Marquette 10/01/2025	HML-2025-224-ESF	Alger-Marquette Community Action Board 1125 Commerce Drive Marquette MI 49855-8630	\$279,106
Midland 10/01/2025	HML-2026-93-ESM	Midland Area Homes, Inc. 205 S Saginaw Rd Midland, MI 48640	\$80,329
Monroe 10/01/2025	HML-2026-96-ESM	Monroe County Opportunity Program 1140 South Telegraph Road Monroe MI 48161	\$194,255
Newaygo 10/01/2025	HML-2026-334-ESM	TrueNorth Community Services 6308 S. Warner Ave Fremont, MI 49412	\$294,821
Newaygo 10/01/2025	HML-2026-334-ESM-02	TrueNorth Community Services 6308 S. Warner Ave Fremont, MI 49412	\$302,536
Oakland 10/01/2025	HML-2025-6483-ESF	Alliance for Housing Oakland County Continuum of Care 1 North Saginaw, Suite 208 Pontiac MI 48342	\$635,100
Oakland 10/01/2025	HML-2026-113-ESM	Oakland Livingston Human Service Agency 196 Cesar E Chavez Ave Pontiac MI 48342	\$105,141
Oakland 10/17/2025	HML-2024-5279-PSHSS-02	South Oakland Shelter 46156 Woodward Ave Pontiac, MI 48342	\$171,429
Ottawa 10/01/2025	HML-2025-5826-ESF	Ottawa County 12251 James Street, Suite 300 Holland, MI 49424	\$278,945
Saginaw 10/01/2025	HML-2025-6016-ESF	United Way of Saginaw County 1840 N. Michigan Ave Saginaw, MI 48602	\$208,078

St. Clair 10/01/2025	HML-2026-270-ESM	Blue Water Community Action 3403 Lapeer Road Port Huron, MI 48060	\$221,989
Tuscola 10/01/2025	HML-2025-69-ESF	Human Development Commission 429 Montague Avenue Caro, MI 48723	\$255,156
Washtenaw 10/01/2025	HML-2026-783-ESM	Washtenaw County 220 N Main Street Ann Arbor, MI 48104-1413	\$477,296
Wayne 10/01/2025	HML-2025-543-ESF	Wayne Metropolitan Community Action Agency 7310 Woodward Ave, Suite 800 Detroit, MI 48202	\$531,283
Wayne 10/01/2025	HML-2026-5839-ESM	Homeless Action Network of Detroit 7650 Second Avenue, Suite 225 Detroit, MI 48202	\$250,784
Montcalm 04/03/2025	HML-2024-10515-NCS	Have Mercy 703 S Greenville West Dr. Ste 7-221 Greenville, MI 48838	\$513,094
Ionia 08/01/2025	HML-2025-45-CES-03	EightCAP, Inc. 5827 Orleans Road Orleans, MI 48865	\$63,836
Macomb 08/01/2025	HML-2025-10794-CES	Comprehensive Youth Services, Inc. 2 Crocker Blvd Mount Clemens, MI 48043	\$44,474
Total Grants			45 \$11,842,893.00

Delegated Action Report(s)

Rental Development



M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director *Amy Hovey*

DATE: January 22, 2026

RE: Rental Development Summary of Delegated Actions for the Period October 1, 2025 to December 31, 2025

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 during the above time period. 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.	Michigan Affordable Housing Fund Activity	No Activity
VI.	Disposition of Bankruptcy Lien Stripping Cases	No Activity
VII.	Acceptance and Approval of HUD Housing Choice Vouchers (HCV)	No Activity
VIII.	Tax Increment Financing Program (TIF)	
	A. Approved Workplans	See attached
	B. Approved Brownfield Plans	No Activity

REPORT ON DELEGATED ACTIONS

October 1, 2025 – December 31, 2025

Date: January 22, 2026

DELEGATED ACTION:

Rental Development: Mortgage Loan Increase

Activities:

The Authority agreed to increase the overall loan total for each of the following transactions. The overall total loan increase in each transaction were less than 10% or \$1,500,001.

1. City View and the Square
2. The Collection in Detroit
3. VOA St. Mary 4%
4. VOA St. Mary 9%
5. 1723 W. Grand Boulevard
6. Iroquois Terrace
7. Seneca Terrace

REPORT ON DELEGATED ACTIONS

October 1, 2025 – December 31, 2025

DELEGATED ACTION

Rental Development – Approved Housing Tax Increment Finance Workplans

ACTIVITIES

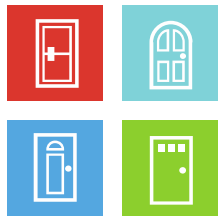
The Authority approved the following Workplans:

1. 10/2/2025 HTIF-25-043 City of Cadillac BRA
Lakelyn Apartments
2. 10/8/2025 HTIF-25-044 Royal Oak BRA
Lincoln Apartments
3. 10/10/2025 HTIF-25-045 Mountcalm County BRA
Tamarack Meadow Homes
4. 10/21/2025 HTIF-25-046 Lansing BRA
603-607 East Michigan Avenue
5. 10/21/2025 HTIF-25-047 Sanilac County BRA
Port Sanilac Wellness and Lofts
6. 10/30/2025 HTIF-25-048 City of Granville BRA
Timber Flats
7. 11/14/2025 HTIF-25-049 Portage BRA
Stanwood Crossings
8. 11/21/2025 HTIF-25-050 City of Marquette BRA
The Chipp Workforce Housing
9. 11/25/2025 HTIF-25-051 City of Zeeland BRA
17 East Main Street
10. 11/25/2025 HTIF-25-052 City of Ferrysburg BRA
Roosevelt Road
11. 11/25/2025 HTIF-25-053 Houghton County BRA
Skyline Commons Redevelopment
12. 12/2/2025 HTIF-25-054 Battle Creek BRA
The Bean Development
13. 12/4/2025 HTIF-25-055 Detroit BRA
20201 Livernois Development

- 14.** 12/9/2025 HTIF-25-056 City of Grand Rapids BRA
Breton Meadows Redevelopment
- 15.** 12/12/2025 HTIF-25-057 Detroit BRA
Arthur Murray Redevelopment
- 16.** 12/23/2025 HTIF-25-058 Grand Traverse County BRA
Gauthier Redevelopment
- 17.** 12/30/2025 HTIF-25-059 City of Marquette BRA
401 West Washington

Delegated Action Report(s)

Office of Housing Solutions



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director

DATE: January 22, 2026

RE: Office of Housing Strategies Summary of Delegated Actions
for the Period October 1, 2025, to December 31, 2025

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 Division of Partnerships and Engagement during the above time period. If activity is indicated, a report on that delegated action is attached.

I. Loan Activity

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

II. Professional Services Contracts

A. Contracts Under \$25,000	N/A
B. Homeownership Counseling	N/A
C. Technical Assistance Contracts	N/A
D. Environmental Consulting Contracts	N/A

III. Work-out for 80/20 Developments

N/A

IV. Grant Activity

A. Application for State or Federal Funds	N/A
B. HOME Grants	N/A

October 31, 2025 to December 31, 2025

C.	CDBG Grants	N/A
D.	Development Fund Grants Under \$250,000	N/A
E.	Homeless Initiatives	N/A
F.	Neighborhood Stabilization Program (NSP) Grants	N/A
G.	Tribal Nations Housing Development Assistance Program	See Attached Report
V.	Michigan Affordable Housing Fund Activity	N/A
VI.	Disposition of Bankruptcy Lien Stripping Cases	N/A
VII.	Acceptance and Approval of HUD Housing Choice Vouchers (HCV)	N/A



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

AMY HOVEY
CHIEF EXECUTIVE OFFICER
AND EXECUTIVE DIRECTOR

Michigan State Housing Development Authority Grants
Awarded October 1, 2025, to December 30, 2025

Funding Source: Housing Development Fund (HDF)
Program Category: Development Fund Grants Under \$250,000

Prepared January 6, 2026

County	Grant Number	Organization Name & Address	Grant Amount
Allegan, Grand Traverse, Ionia, Isabella, Kent, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola, and Ottawa	HDF-2026-10531-COL	Fair Housing Center of West Michigan 20 Hall Street SE Grand Rapids, MI 49507	\$125,000
Wayne, Oakland, and Macomb, and St. Clair	HDF-2026-10530-COL	Fair Housing Center of Metropolitan Detroit 5555 Conner Street, Suite 2244 Detroit, Michigan 48213	\$125,000
Allegan, Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren	HDF-2026-10533-COL	Fair Housing Center of Southwest Michigan 405 West Michigan, Suite 6 Kalamazoo, Michigan 49007	\$125,000
Clinton, Eaton, Hillsdale, Ingham, Jackson, Lenawee, Livingston, Monroe, Shiawassee, and Washtenaw	HDF-2026-10532-COL	Fair Housing Center of Washtenaw County, Inc. P.O. Box 980020 Ypsilanti, Michigan 48198	\$125,000



TRIBAL NATIONS HOUSING DEVELOPMENT ASSISTANCE

Tribal Nations Housing Development Assistance Grant Activity Report

Submitted January 6, 2026

Program Description

The Michigan State Housing Development Authority and the Federal Home Loan Bank of Indianapolis entered into a Tribal Nations Housing Development Assistance Program Agreement in January 2024. This Agreement charges the Authority with establishing a Tribal Nations Housing Development Assistance Program to provide tribal nations in Michigan the finances, knowledge, and technical resources needed to develop affordable housing programs and projects that respond to the needs of their diverse communities. There were five identified disbursements uses: travel scholarships/reimbursement to tribes participating in a training series; project specific, pre-development grants; tribal capacity building technical assistance; project specific, gap subsidies; and a MSHDA admin fee.

Travel Scholarships/Reimbursements

Eight tribal nations and 41 tribal representatives were supported through travel reimbursement totaling \$27,161.54 to participate in three training sessions, conducted by the National American Indian Housing Council (NAIHC) and their technical assistance provider, BeauxSimone Consulting.

Pre-Development Grants

The Pre-Development Grant Program launched on October 16, 2024. The maximum award amount is \$75,000. Eligible applicants include federally recognized Tribal Nations and the affiliates. Eligible activities include marketing feasibility analyses or market studies, appraisal services, environmental assessments, legal services, architectural or engineering design services, costs associated with zoning approvals, engineers' assessment of existing conditions, soil and geotechnical testing, title searches, fees associated with financing applications, and other pre-development costs approved by the Authority.

Tribal Nation	Project Name	Award Amount
Bay Mills Chippewa Indian Community	Wadjuwong Oden Phase 2	\$75,000
Sault Ste. Marie Tribe of Chippewa Indians	Sault Tribe Permanent Supportive Housing	\$75,000
Lac Vieux Desert Band of Lake Superior Chippewa Indians	LVD LIHTC I	\$75,000
Match-E-Be-Nash-She-Wish Band of Pottawatomie Indians	Reno Superior Development	\$75,000
Hannahville Indian Community	Hannahville Indian Community Building Renovation and Repurposing	\$75,000
Saginaw Chippewa Indian Tribe	Owen Property Housing Development	\$75,000
Little River Band of Ottawa Indians	LRBOI Home Ownership Program Development	\$75,000

Gap Financing Subsidies

The Gap Financing Subsidies Program launched on April 28, 2025. The maximum award amount is \$350,000. Eligible applicants include federally recognized Tribal Nations and the affiliates. Eligible activities include occupied and unoccupied unit rehabilitation; new construction for sale or rental; and adaptive reuse for sale and rental.

Tribal Nation	Project Name	Award Amount
Bay Mills Chippewa Indian Community	Waadjiwong Oden Housing Development Project	\$342,138
Lac Vieux Desert Band of Lake Superior Chippewa Indians	LVD LIHTC I	\$350,000

Technical Assistance

Tribal capacity building technical assistance outside of the National American Indian Housing Council (“NAIHC”) is available.

Organization	Project Description	Tribal Nations Assisted	Award Amount
Great Lakes Housing Services	Offered technical assistance for Tribal Nations to access Gap Financing Grants	Sault Ste. Marie Tribe of Chippewa Indians Lac Vieux Desert Band of Lake Superior Chippewa Indians	\$20,000

MSHDA Administrator Fee

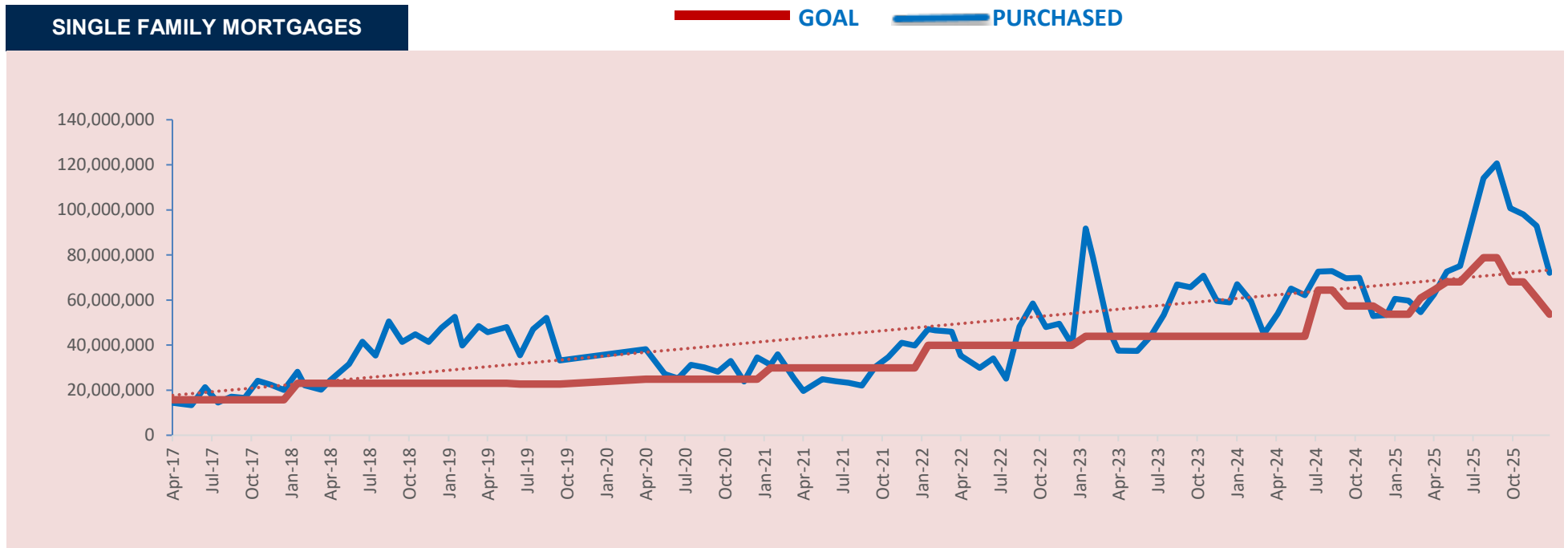
MSHDA requested the administrator fee, totaling \$100,000, in Q2 of 2024.

CURRENT AND HISTORICAL HOMEOWNERSHIP DATA

December 2025



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.



Monthly Homeownership Production Report: DECEMBER 2025

MI HOME Loan Programs

Bond Totals: Snagit Separately

Series /Date	Month	RESERVATIONS	CASES 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											
069	Dec-25	0	\$ -	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	069	\$ 302,442,179.00	\$ 302,442,179.00	\$ 327,155,801.00	\$ 350,000,000.00							
10/30/2024	Nov-25	0	-	0	\$0.00	3	\$284,871.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	169	\$ 24,713,622.00	\$ 24,713,622.00	remaining:	\$ 22,844,199.00							
070	Dec-25	0	-	64	\$9,934,218.00	397	\$62,920,578.00	56	\$8,709,814.00	-4	-\$572,477.00	49	\$8,255,587.00	-117	-\$18,074,700.00	140	\$21,993,197.00	241	\$39,245,605.00	227	\$2,173,411.00	070	\$ 452,375,427.00	\$ 491,621,032.00	\$ 514,640,102.00	\$ 512,314,241.49	
5/6/25	Nov-25	40	6,885,447.00	367	\$59,698,669.00	656	\$106,728,032.00	308	\$49,935,528.00	-6	-\$998,428.00	4	\$395,571.00	-2	-\$270,660.00	397	\$62,920,578.00	563	\$92,869,465.00	483	\$4,626,314.00	170	\$ 20,845,659.00	\$ 23,019,070.00	remaining:	\$ (2,325,860.51)	
071	Dec-25	372	\$62,664,974.00	414	\$68,512,571.00	73	\$11,743,373.00	367	\$61,643,350.00	0	\$0.00	117	\$18,074,700.00	-49	-\$8,155,101.00	300	\$50,455,650.00	208	\$32,850,672.00	194	\$1,874,057.00	071	\$ -	\$ 32,850,672.00	\$ 34,724,729.00	\$ 500,000,000.00	
11/4/25	Nov-25	410	66,087,019.00	112	\$18,465,401.00	0	\$0.00	73	\$11,743,373.00	0	\$0.00	0	\$0.00	-1	-\$110,700.00	73	\$11,743,373.00	0	\$0.00			171	\$ -	\$ 1,874,057.00	remaining:	\$ 50,000,000.00	
256 - DPA	Dec-25	2	\$50,000.00	2	\$50,000.00			2	\$50,000.00	0	\$0.00	0	\$0.00	0	\$0.00					3	\$75,000.00	256	\$ 11,012,523.38	\$ 11,087,523.38	\$ 11,087,523.38	\$13,000,000.00	
256 - DPA	Nov-25	5	\$125,000.00	1	\$25,000.00			5	\$125,000.00	0	\$0.00	0	\$0.00	0	\$0.00					18	\$445,142.00				remaining:	\$1,912,477	
TOTAL	Dec-25	372	\$62,664,974.00	478	\$78,446,789.00	397	\$62,920,578.00	423	\$70,353,164.00	-4	-\$572,477.00	49	\$8,255,587.00	-49	-\$26,229,801.00	440	\$72,448,847.00	449	\$72,096,277.00	424	\$4,122,468.00						

MCC	RESERVATIONS	APPS RECEIVED	COMMITMENTS	CERTIFICATES					
213 MCC	Dec-25	19	\$ 3,871,332.00	18	\$ 3,488,784.00	18	\$ 3,488,784.00	20	\$ 4,056,220.00
12/7/2022	Nov-25	15	\$ 3,107,538.00	6	\$ 1,373,030.00	8	\$ 1,895,730.00	13	\$ 2,761,553.00

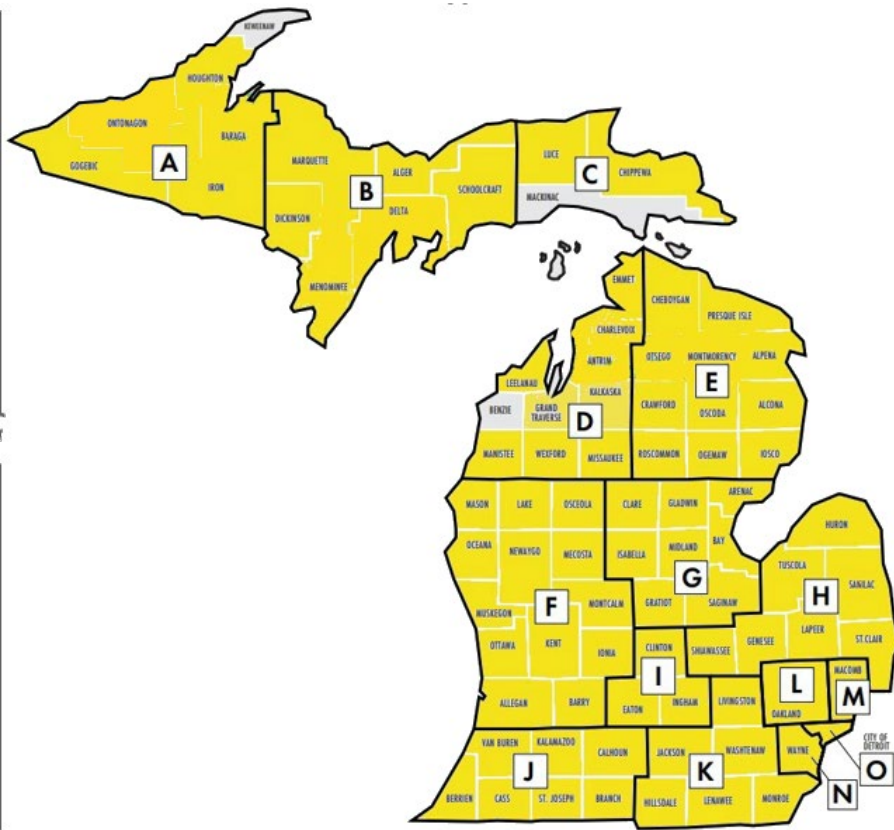
MI 10K DOWN PAYMENT ASSISTANCE PROGRAM

The MI 10K DPA Loan program is a \$10,000 down payment assistance program available throughout the state. The MI 10K DPA Loan must be combined with a MI Home Loan.

December 2025

Loans in 2025	New this month			
County	#	Loan Amt	DPA Amt	Total \$
Alcona	1	\$ 78,000	\$ 10,000	\$ 88,000
Alger				\$ -
Allegan	8	\$ 1,594,614	\$ 75,635	\$ 1,670,249
Alpena	5	\$ 682,275	\$ 50,000	\$ 732,275
Antrim	1	\$ 213,400	\$ 10,000	\$ 223,400
Arenac	1	\$ 166,920	\$ 7,875	\$ 174,795
Baraga				
Barry	3	\$ 668,653	\$ 29,998	\$ 698,651
Bay	9	\$ 1,183,661	\$ 88,543	\$ 1,272,204
Benzie				
Berrien	8	\$ 1,155,325	\$ 77,508	\$ 1,232,833
Branch	3	\$ 458,039	\$ 24,600	\$ 482,639
Calhoun	10	\$ 1,515,584	\$ 90,676	\$ 1,606,260
Cass	3	\$ 622,314	\$ 30,000	\$ 652,314
Charlevoix				\$ -
Cheboygan	1	\$ 117,826	\$ 8,916	\$ 126,742
Chippewa	1	\$ 115,500	\$ 9,700	\$ 125,200
Clare	4	\$ 398,163	\$ 35,850	\$ 434,013
Clinton	2	\$ 270,400	\$ 17,816	\$ 288,216
Crawford	1	\$ 153,947	\$ 10,000	\$ 163,947
Delta	2	\$ 317,000	\$ 20,000	\$ 337,000
Dickinson	3	\$ 395,000	\$ 30,000	\$ 425,000
Eaton	9	\$ 1,749,216	\$ 86,825	\$ 1,836,041
Emmet	1	\$ 161,500	\$ 10,000	\$ 171,500
Genesee	23	\$ 3,280,536	\$ 216,256	\$ 3,496,792
Gladwin	3	\$ 406,809	\$ 29,813	\$ 436,622
Gogebic	2	\$ 180,550	\$ 19,070	\$ 199,620
Grand Traverse	2	\$ 575,736	\$ 20,000	\$ 595,736
Gratiot	2	\$ 293,000	\$ 19,406	\$ 312,406
Hillsdale	2	\$ 283,529	\$ 20,000	\$ 303,529
Houghton	2	\$ 215,200	\$ 20,000	\$ 235,200
Huron	4	\$ 500,899	\$ 37,691	\$ 538,590
Ingham	22	\$ 3,091,869	\$ 215,716	\$ 3,307,585
Ionia	5	\$ 932,699	\$ 48,239	\$ 980,938
Iosco	1	\$ 140,650	\$ 10,000	\$ 150,650
Iron				\$ -
Isabella	1	\$ 141,100	\$ 8,300	\$ 149,400
Jackson	10	\$ 1,200,624	\$ 95,851	\$ 1,296,475
Kalamazoo	9	\$ 1,584,746	\$ 87,180	\$ 1,671,926
Kalkaska				\$ -
Kent	23	\$ 4,949,540	\$ 226,939	\$ 5,176,479
Keweenaw				
Lake	1	\$ 192,307	\$ 10,000	\$ 202,307
Lapeer	2	\$ 426,800	\$ 20,000	\$ 446,800
Leelanau				
Lenawee	4	\$ 547,250	\$ 36,294	\$ 583,544
Livingston	3	\$ 677,081	\$ 30,000	\$ 707,081

Luce				\$	-
Mackinac					
Macomb	35	\$ 5,639,041	\$ 332,784	\$	5,971,825
Manistee	1	\$ 155,200	\$ 10,000	\$	165,200
Marquette	4	\$ 492,825	\$ 39,980	\$	532,805
Mason	1	\$ 216,505	\$ 10,000	\$	226,505
Mecosta	5	\$ 724,272	\$ 48,435	\$	772,707
Menominee					
Midland	7	\$ 938,154	\$ 68,150	\$	1,006,304
Missaukee					
Monroe	8	\$ 1,425,537	\$ 76,436	\$	1,501,973
Montcalm	7	\$ 1,259,185	\$ 68,081	\$	1,327,266
Montmorency	3	\$ 330,511	\$ 30,000	\$	360,511
Muskegon	12	\$ 1,815,201	\$ 112,942	\$	1,928,143
Newaygo	2	\$ 397,053	\$ 18,697	\$	415,750
Oakland	15	\$ 2,522,667	\$ 145,640	\$	2,668,307
Oceana	1	\$ 135,800	\$ 7,602	\$	143,402
Ogemaw	2	\$ 263,320	\$ 20,000	\$	283,320
Ontonagon				\$	-
Osceola				\$	-
Oscoda				\$	-
Otsego	1	\$ 206,654	\$ 10,000	\$	216,654
Ottawa	3	\$ 782,386	\$ 28,845	\$	811,231
Presque Isle	1	\$ 80,713	\$ 9,783	\$	90,496
Roscommon				\$	-
Saginaw	12	\$ 1,159,958	\$ 104,235	\$	1,264,193
Saint Clair	12	\$ 2,028,122	\$ 118,026	\$	2,146,148
Saint Joseph	8	\$ 1,364,505	\$ 80,000	\$	1,444,505
Sanilac	2	\$ 272,350	\$ 19,650	\$	292,000
Schoolcraft	1	\$ 100,000	\$ 10,000	\$	110,000
Shiawassee	5	\$ 738,651	\$ 45,502	\$	784,153
Tuscola	5	\$ 805,968	\$ 50,000	\$	855,968
Van Buren	1	\$ 77,384	\$ 10,000	\$	87,384
Washtenaw	7	\$ 1,528,044	\$ 68,450	\$	1,596,494
Wayne	63	\$ 9,863,070	\$ 609,533	\$	10,472,603
Wexford				\$	-
10K DPA TOTAL	421	\$ 66,961,338	\$ 4,047,468	\$	71,008,806
Total Purchases	449	\$ 72,096,277	\$ 4,112,468	\$	76,208,745
Percentage that used DPA	93.76%	93%	98%		93%



2026 Board Calendar

Voting Items:	Discussion Items:
Intent to Reimburse Resolution	

Voting Items:	Discussion Items:
	FY 2026-2027 PHA Plan
	Single Family Bond Issue

Voting Items:	Discussion Items:
FY 2026-2027 PHA Plan	Rental Bond Issue
Single Family Bond Issue	

Voting Items:	Discussion Items:
Rental Bond Issue	

Voting Items:	Discussion Items:
	FY2026-27 Budget

Voting Items:	Discussion Items:
FY2026-27 Budget	Pass-Through Program

Voting Items:	Discussion Items:
Pass-Through Program	

August

Voting Items:	Discussion Items:
	Single Family Bond Issue

September	
Voting Items:	Discussion Items:
Single Family Bond Issue	

October	
Voting Items:	Discussion Items:
	Board Meeting Schedule for 2027

November	
Voting Items:	Discussion Items:
Board Meeting Schedule for 2027	Audited Year-End 06/30/2026 Financials

December	
Voting Items:	Discussion Items: