



MEMORANDUM

DATE: March 23, 2022

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

FROM: John A. Hundt, Housing Development Manager *John A. Hundt*

SUBJECT: Round 15 Gap Financing Program – Notice of Intent to Apply Ranking Projections

Attached are the initial rankings for the Notice of Intent stage of MSHDA's Gap Financing Program for Round 15. As shown in the attached rankings, some \$45.7 million in gap funding was requested from 21 proposals submitted under this 15th Round of the Gap Financing Program. Of those 18 proposals remain in the Round as two have withdrawn.

The attached Notice of Intent to Apply Projections Worksheet includes two tables:

- **Table #1** is based on the applicant's initial projections.
- **Table #2** reflects projections by MSHDA staff that were based on correcting errors or making different assumptions that will need to be considered as an applicant chooses to continue processing or not.

There is currently only enough funding allocation to do the projections of the shaded proposals in Table #2. The sponsors of the unshaded proposals will need to decide if they will be able to get their MSHDA gap funding needs to a level where their proposal is ranked as one of the highest, and whose aggregate total MSHDA gap funding does not exceed the \$11.7 million of funding available under this NOFA. The sponsors of the shaded proposals will need to work to maintain their positions. All applicants choosing to continue to compete for the \$11.7 million must submit a complete Application Submission Phase package to the Authority by June 17, 2022.

Applicants should be aware that development costs are expected to change as MSHDA processes the application based on the Application package to be submitted to MSHDA by the June 17, 2022, deadline. Rankings could change considerably between now and the end of the Application submission process based on changes to things like sources and uses, market study results, and Capital Needs Assessment outcomes. Therefore, although we currently have enough funding to support the shaded proposals, the number of proposals we are able to fund depends on the changes as processing continues.

If you have any questions regarding the above or about these initial projections, please contact John Hundt at (517) 241-7207.

Attachment

Table #1

Proposals / Location / Sponsors			Proforma Data				Ranking Factors		Deficit	Units
Project Name	City	Sponsor Contact	Projected Permanent Tax Exempt Loan	Projected Tax Exempt Construction Loan	Total Gap Funds Needed	Existing Reserves	Net Gap Funding to Hard Debt Ratio	MSHDA Projected Per Unit Gap Funding	Additional Gap Unaccounted For	Total Units
Carriage Towne Place	Ovid	CHN Housing Partners	\$836,193	\$836,193	\$0	\$0	0.00%	\$0		24
Helen Odean Butler Apartments	Detroit	Helen Odean Butler Apts. LDHA LP	\$7,540,817	\$8,011,902	\$0	\$0	0.00%	\$0		97
Keeler Flats 56N	Grand Rapids	Keeler Flats LDHA LP	\$28,547,207	\$37,176,201	\$0	\$0	0.00%	\$0		136
HOM Flats at Comstock	Grand Haven	Magnus Capital Partners, LLC	\$34,231,926	\$27,000,000	\$1,800,000	\$0	5.26%	\$6,742		267
HOM Flats at Highland	Hudsonville	Magnus Capital Partners, LLC	\$28,773,834	\$21,000,000	\$3,400,000	\$0	11.82%	\$16,346		208
Brush Creek Woodside	Lawrence	KBJ Non-Profit Housing	\$4,350,810	\$4,683,389	\$598,158	\$0	13.75%	\$9,063		66
HOM Flats at 28 West Phase 3	Wyoming	Magnus Capital Partners, LLC	\$22,736,019	\$21,000,000	\$3,400,000	\$0	14.95%	\$21,250		160
The Vineyards	St. Joseph	KBJ Non-Profit Housing	\$5,101,608	\$4,963,158	\$813,239	\$0	15.94%	\$15,946		51
12th Forest	Detroit	XYZ-20-02 RPF, LLC	\$11,507,817	\$11,507,817	\$2,171,000	\$0	18.87%	\$36,797		59
Russell Woods 4%	Detroit	Icon Heritage Partners	\$2,717,386	\$3,800,000	\$525,000	\$0	19.32%	\$7,292		72
Perdue Place 4%	Pontiac	Community Housing Network, Inc.	\$2,378,381	\$6,000,000	\$471,925	\$0	19.84%	\$18,151		26
Parkview Apartments 4%	Traverse City	Traverse City Housing Commission	\$1,857,153	\$3,000,000	\$370,000	\$0	19.92%	\$16,087		23
Hammond Road Apartments	Garfield TS	Outlook Development LLC	\$8,852,109	\$12,000,000	\$1,850,000	\$0	20.90%	\$23,125		80
Midvilla Apartments	Middleville	Nate Heyboer	\$13,135,063	\$5,000,000	\$2,750,000	\$0	20.94%	\$18,333		150
Apartments on Stadium	Ann Arbor	Lockwood Development Company, LLC	\$26,874,715	\$25,665,000	\$5,900,000	\$0	21.95%	\$39,333		150
Townline Apartments	Pellston	G.A. Haan Development, LLC	\$1,952,792	\$2,327,500	\$429,614	\$0	22.00%	\$14,320		30
Brownstown Senior Living	Romulus	PIRHL Developers, LLC	\$28,990,648	\$28,990,648	\$6,790,456	\$0	23.42%	\$45,270		150
Holland Senior	Holland	PIRHL Developers, Inc.	\$29,278,334	\$29,278,334	\$6,890,292	\$0	23.53%	\$45,935		150
Clark Commons III	Flint	Clark Commons III LDHA, LLC	\$6,919,763	\$21,882,060	\$4,060,000	\$0	58.67%	\$41,429		98
Carver Apartments	Traverse City	Homestretch NonProfit Housing Corporation	\$850,045	\$850,045	\$581,995	\$0	68.47%	\$58,200		10
The Hive Eastern Market	Detroit	Develop Detroit, Inc.	\$2,764,412	\$10,000,000	\$2,950,000	\$0	106.71%	\$40,411		73
Totals =			\$270,197,032	\$284,972,247	\$45,751,679	\$0			\$0	2,080
Gap Funding Available =					\$11,700,000					

Table #2

Proposals / Location / Sponsors			Proforma Data				Ranking Factors		Deficit	Units
Project Name	City	Sponsor Contact	Projected Permanent Tax Exempt Loan	Projected Tax Exempt Construction Loan	Total Gap Funds Needed	Existing Reserves	Net Gap Funding to Hard Debt Ratio	MSHDA Projected Per Unit Gap Funding	Additional Gap Unaccounted For	Total Units
Hammond Road Apartments	Garfield TS	Outlook Development LLC	\$9,376,041	\$9,940,979	\$1,340,000	\$0	0.00%	\$16,750	\$0	80
Helen Odean Butler Apartments	Detroit	Helen Odean Butler Apts. LDHA LP	\$7,540,817	\$8,041,627	\$772,240	\$772,240	0.00%	\$0	\$0	97
HOM Flats at Comstock	Grand Haven	Magnus Capital Partners, LLC	\$32,068,851	\$32,068,851	\$3,817,728	\$0	5.77%	\$14,299	\$0	267
HOM Flats at Highland	Hudsonville	Magnus Capital Partners, LLC	\$27,328,363	\$27,328,363	\$3,816,741	\$0	6.22%	\$18,350	\$0	208
HOM Flats at 28 West Phase 3	Wyoming	Magnus Capital Partners, LLC	\$22,056,697	\$22,056,697	\$3,400,000	\$0	7.71%	\$21,250	\$0	160
12th Forest	Detroit	XYZ-20-02 RPF, LLC	\$8,745,398	\$8,745,398	\$3,806,272	\$0	11.15%	\$64,513	\$0	59
The Vineyards	St. Joseph	KBJ Non-Profit Housing	\$5,041,802	\$5,041,802	\$675,688	\$0	13.40%	\$13,249	\$0	51
The Hive Eastern Market	Detroit	Develop Detroit, Inc.	\$6,400,393	\$10,658,897	\$998,885	\$0	13.61%	\$13,683	\$0	73
Brush Creek Woodside	Lawrence	KBJ Non-Profit Housing	\$4,288,954	\$4,539,565	\$658,065	\$0	15.34%	\$9,971	\$0	66
Apartments on Stadium	Ann Arbor	Lockwood Development Company, LLC	\$27,332,121	\$27,332,121	\$5,188,339	\$0	16.98%	\$34,589	\$0	150
Brownstown Senior Living	Romulus	PIRHL Developers, LLC	\$28,755,269	\$28,755,269	\$7,222,339	\$0	17.13%	\$48,149	\$0	150
Clark Commons III	Flint	Clark Commons III LDHA, LLC	\$8,204,577	\$21,641,786	\$1,798,540	\$0	19.92%	\$18,352	\$0	98
Carriage Towne Place	Ovid	CHN Housing Partners	\$366,339	\$1,008,197	\$158,250	\$85,111	19.96%	\$3,047	\$248,297	24
Parkview Apartments 4%	Traverse City	Traverse City Housing Commission	\$1,654,087	\$2,600,000	\$330,817	\$0	20.00%	\$14,383	\$0	23
Keeler Flats 56N	Grand Rapids	Keeler Flats LDHA LP	\$20,691,217	\$31,877,563	\$4,552,068	\$0	20.00%	\$33,471	\$0	136
Midvilla Apartments	Middleville	Nate Heyboer	\$11,850,534	\$13,669,824	\$2,370,107	\$0	20.00%	\$15,801	\$1,600,980	150
Carver Apartments	Traverse City	Homestretch NonProfit Housing Corporation	\$603,149	\$1,362,748	\$120,630	\$0	20.00%	\$12,063	\$238,147	10
Townline Apartments	Pellston	G.A. Haan Development, LLC	\$1,709,701	\$2,404,771	\$379,490	\$37,528	20.00%	\$11,399	\$374,390	30
Totals =			\$224,014,310	\$259,074,458	\$41,406,199	\$894,879			\$2,461,814	1,832
Shaded Totals =			\$89,410,354	\$95,680,519	\$11,752,099	\$772,240			\$0	799
Available Gap Funding Sources =					\$11,700,000					
Remaining Balance =					-\$52,099					