



## MEMORANDUM

DATE: July 15, 2024

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

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

SUBJECT: **UPDATE #2:** Round 18 Gap Financing Program – Notice of Intent to Apply Ranking Projections

Since the first updated rankings on June 26<sup>th</sup>, we have the following three changes to report:

1. The Lakewood Square proposal has been moved from the Acquisition Rehab category to the New Construction Urban Area category, because it is a vacant gut rehab transaction.
2. The Country Glen proposal was under the Rural New Construction category but is an existing rehabilitation and is therefore being moved to the Acquisition Rehab category.
3. The sponsor of the HOM Flats at Clover proposal withdrew their application.

Reminder, due to the late posting of the initial rankings, proposals will be given until July 31, 2024, to submit their request for their Market Studies, and the Capital Needs Assessments (CNA) where required. Applicants that need an extension of the September 2, 2024, deadline to submit the full Application should contact MSHDA staff and they will be given additional time.

These **updated** initial rankings are broken down into the following four areas MSHDA made the resources available:

1. Acquisition/Rehabilitation
2. New Construction / Rural Areas
2. New Construction / Urban Areas

As the Round 18 program update stated, \$8 million will be available for Strategic Developments. This may include, but is not limited to, applications that demonstrate transformative neighborhood revitalization, and/or unique financial funding and leveraging opportunities, and/or the opportunity to promote significant job growth in proximity to such housing, and/or projects representing a new and strategic partnership supporting an emerging developer. Decisions on whether proposals will be funded from the strategic category will be made at a later date. Should MSHDA decide not to allocate all the funding in the Strategic Category, it may be distributed to the remaining three categories or carried forward to a future round.

\$31.9 million is available at this time for the non-strategic categories. Based on the attached projections, there are currently enough gap dollars to fund the shaded proposals within the first three tables. 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 can be ranked competitively. The sponsors of the shaded proposals will need to work to maintain their positions. All applicants

choosing to continue to compete for the \$31.9 million must submit a complete Application Submission Phase package to the Authority by September 2, 2024.

Applicants should be aware that development costs are expected to change as MSHDA begins processing the Application package due to more refined data/information concerning sources and uses, market study results, and Capital Needs Assessment outcomes. Therefore, the attached rankings are projections at this time and are subject to change as the complete application is submitted and processing continues.

If you have any questions regarding the above or about these initial projections, please contact John Hundt at (517) 388-6121.

Attachment

Table #1

Round 18 NOFA Pipeline - Notice of Intent to Apply Projections									
Acquisition Rehab Transactions									
Proposals / Location / Sponsors			Proforma Data				Ranking Factors		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	Total Units
Bishop Co-op	Wyandotte	CSI Support and Development Services	\$14,124,525	\$19,936,449	\$1,343,088	\$0	9.51%	\$6,852	196
<b>Country Glen</b>	<b>Howell</b>	<b>Real Estate Asset Development LLC</b>	<b>\$1,398,321</b>	<b>\$2,012,656</b>	<b>\$249,800</b>	<b>\$0</b>	<b>17.86%</b>	<b>\$7,806</b>	<b>32</b>
Karley Square	Detroit	John Stanley, Inc. (Saki Middleton)	\$2,506,948	\$2,853,498	\$500,000	\$0	19.94%	\$16,667	30
Chesterfield Apartments	Detroit	Cass Corridor Neighborhood Development Corp.	\$1,555,533	\$2,405,106	\$311,107	\$0	20.00%	\$12,963	24
Kingston Arms	Detroit	Develop Detroit	\$1,351,309	\$9,000,000	\$304,580	\$0	22.54%	\$12,691	24
The Collection in Detroit	Detroit	MHT Housing, Inc.	\$4,786,622	\$8,297,877	\$1,200,550	\$0	25.08%	\$14,822	81
Madison Manor	Madison Heights	National Church Residences	\$5,255,117	\$8,828,799	\$1,341,423	\$0	25.53%	\$16,561	81
Whitedell Apartments	Detroit	Whitedell Apartments LDHA LLC	\$1,787,659	\$6,481,674	\$810,000	\$0	45.31%	\$19,286	42
920 on the Park	Troy	Preservation of Affordable Housing, LLC	\$14,464,644	\$32,234,122	\$6,904,945	\$0	47.74%	\$23,328	296
Sparta Townhomes	Sparta	Solter Development, LLC	\$4,064,087	\$5,245,759	\$2,156,394	\$0	53.06%	\$44,925	48
Oakland Woods 4	Pontiac	Presbyterian Villages of Michigan	\$7,428,056	\$21,156,306	\$5,308,284	\$0	71.46%	\$24,575	216
3375 N. Linden Road, (Pine Gardens)	Mt. Morris Township	Lockwood Development LLC	\$5,827,565	\$9,679,953	\$5,233,102	\$0	89.80%	\$41,533	126
Houghton Housing	Houghton	Houghton Housing Commission	\$1,799,838	\$6,272,485	\$1,718,769	\$0	95.50%	\$31,829	54
13325 La Salle Blvd.	Detroit	Cinnaire Solutions Corporation	\$604,869	\$4,883,695	\$1,356,648	\$0	224.29%	\$84,791	16
Sheridan Court & The Wellesley	Detroit	Cinnaire Solutions Corporation	\$3,321,845	\$13,295,008	\$9,119,739	\$0	274.54%	\$76,636	119

Totals =	\$70,276,938	\$152,583,387	\$37,858,429	1385
Gap Funding Available =			\$3,000,000	
Shaded Proposals =	\$19,585,327	\$27,207,709	\$2,708,575	306
Remaining Balance =			\$291,425	

Table #2

Round 18 NOFA Pipeline - Notice of Intent to Apply Projections									
New Construction / Rural Areas									
Proposals / Location / Sponsors			Proforma Data				Ranking Factors		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	Total Units
HOM Flats at River Street Senior	Otsego	Magnus Capital Partners, LLC	\$23,872,270	\$32,132,280	\$9,500,000	\$0	39.80%	\$34,173	278
Bethel Green - Oceloa Township	Osceola Township	CSIG Development Company LLC	\$15,963,872	\$23,003,418	\$8,809,635	\$0	55.18%	\$69,367	127
10686 52nd Ave.	Allendale Township	Lockwood Development LLC	\$14,336,091	\$22,233,121	\$9,255,208	\$0	64.56%	\$64,272	144
Kingsley Crossing	Kingley	Wallick-Hendy Development, LLC	\$6,248,874	\$10,885,500	\$6,992,328	\$0	111.90%	\$87,404	80
Munising Marketplace	Munising	Renovare Development, LLC	\$2,362,566	\$11,646,942	\$9,531,128	\$0	403.42%	\$194,513	49
Crossroads II	Reed City	Ginosko Development Company	\$1,725,423	\$18,426,807	\$17,905,872	\$0	1037.77%	\$186,520	96

Totals =	\$205,062,972	\$423,494,842	\$141,307,034	774
Gap Funding Available =			\$11,500,000	
Shaded Proposals =	\$164,426,146	\$337,299,054	\$9,500,000	278
Remaining Balance =			\$2,000,000	

Table #3

Round 18 NOFA Pipeline - Notice of Intent to Apply Projections									
New Construction / Urban Areas									
Proposals / Location / Sponsors			Proforma Data				Ranking Factors		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	Total Units
The Buffalo Ridge	New Buffalo	The Buffalo Ridge, LLC (Jeff Dombrowski)	\$10,278,730	\$56,617,411	\$0	\$0	0.00%	\$0	224
VOA St. Mary 4%	Detroit	Volunteers of America Michigan (VOA MI)	\$799,953	\$4,427,400	\$229,227	\$0	28.66%	\$13,483.94	17
El Morda Apartments	Detroit	Dexter Corner LLC	\$1,918,274	\$3,870,000	\$568,677	\$0	29.65%	\$22,747	25
Wesson Avenue Apartments	Detroit	MiSide Housing dba Southwest Housing Solutions C	\$2,178,911	\$8,059,123	\$719,951	\$0	33.04%	\$22,498.47	32
<b>Lakewood Square</b>	<b>Detroit</b>	<b>Lakewood Square LDHA LP</b>	<b>\$2,295,051</b>	<b>\$6,750,000</b>	<b>\$1,086,248</b>	<b>\$0</b>	<b>47.33%</b>	<b>\$31,948</b>	<b>34</b>
Woodruff's Landing Affordable Housing	Ypsilanti Township	Uba Brio Living Services/United Methodist Retirement	\$2,080,245	\$5,118,065	\$1,134,663	\$0	54.54%	\$29,859.55	38
HOM Flats at Jenkins	Wyoming	Magnus Capital Partners, LLC	\$10,718,595	\$13,240,468	\$6,090,000	\$0	56.82%	\$82,297	74
3695 S. State Street	Ann Arbor	Lockwood Development LLC	\$7,581,613	\$11,217,939	\$4,361,005	\$0	57.52%	\$54,513	80
Broadway Park Apartments	Ann Arbor	Ethos Development Partners, LLC	\$3,169,010	\$5,850,000	\$1,869,716	\$0	59.00%	\$84,987	22
Skyview at Lee	Detroit	Ethos Development Partners, LLC	\$3,609,378	\$11,100,000	\$2,233,933	\$0	61.89%	\$34,368.20	65
900 Tuscola 4%	Detroit	Peter Procidia	\$3,095,783	\$10,110,864	\$2,572,949	\$0	83.11%	\$64,324	40
Turner North - Old Town Lansing	Lansing	Develop Detroit, Inc.	\$6,802,452	\$12,610,702	\$6,523,467	\$0	95.90%	\$81,543	80
Carpenter Avenue Apartments	Detroit	MHT Housing, Inc.	\$4,623,306	\$14,729,441	\$4,608,756	\$0	99.69%	\$64,011	72
Chestnut Estates	Pontiac	Chestnut Estates LLC	\$8,800,354	\$16,450,000	\$8,782,027	\$0	99.79%	\$78,411	112
Cutter Place	Grand Rapids	Samaritas	\$3,070,865	\$6,955,975	\$3,525,206	\$0	114.80%	\$51,841	68
400 E. Third St.	Royal Oak	Lockwood Development LLC	\$5,364,824	\$13,431,904	\$6,338,078	\$0	118.14%	\$121,886	52
SouthWest Detroit Center for Youth & Families	Detroit	Ginosko Development Company	\$7,934,379	\$19,756,972	\$10,534,110	\$0	132.77%	\$97,538	108
12020 Dexter-Elmhurst Project	Detroit	Central Detroit Christian CDC	\$2,531,417	\$8,623,147	\$3,826,284	\$0	151.15%	\$91,102	42
Parkview Live-Work	Detroit	Cinnaire Solutions Corporation	\$2,371,029	\$10,086,787	\$3,709,182	\$0	156.44%	\$77,275	48
Brianwood Gardens	Ann Arbor	Ginosko Development Company	\$26,508,909	\$54,016,684	\$44,014,937	\$0	166.04%	\$176,060	250
Burbank School Apartments (4%)	Detroit	Cinnaire Solutions Corporation	\$585,099	\$7,189,744	\$979,669	\$0	167.44%	\$34,988	28
4% Westland	Westland	Presbyterian Villages of Michigan	\$708,606	\$11,000,000	\$1,209,771	\$0	170.73%	\$14,233	85
Commons at Harbor 31	Muskegon	Great Lakes Capital LLC	\$3,413,771	\$12,421,090	\$6,337,048	\$0	185.63%	\$70,412	90
Felician Sisters Senior Living Apartments	Livonia	MHT Housing, Inc.	\$4,837,640	\$16,407,190	\$10,040,013	\$0	207.54%	\$130,390	77
Bridge 1	Detroit	The Community Builders, Inc.	\$1,564,649	\$7,280,000	\$3,514,415	\$0	224.61%	\$121,187	29
Faith Clinic Commons	Detroit	Ginosko Development Company	\$1,505,668	\$5,541,644	\$3,845,637	\$0	255.41%	\$147,909	26
Rucker Lane Apartments	Detroit	Ginosko Development Company	\$1,184,650	\$4,534,472	\$3,082,050	\$0	260.17%	\$171,225	18
Woodward Lane	Detroit	Ginosko Development Company	\$3,385,728	\$12,721,433	\$9,217,269	\$0	272.24%	\$177,255	52
Citadel Commons	Detroit	Ginosko Development Company	\$2,391,271	\$7,579,179	\$6,733,701	\$0	281.60%	\$210,428	32
Hicks Harbor Apartments	Detroit	Ginosko Development Company	\$1,710,930	\$6,565,653	\$4,842,964	\$0	283.06%	\$166,999	29
Project T Benton Harbor - Phase 3	Benton Harbor	Renovare Development, LLC	\$1,812,421	\$8,110,681	\$5,232,188	\$0	288.67%	\$134,159	39
Lincoln Commons	Detroit	Ginosko Development Company	\$1,788,563	\$8,208,092	\$5,936,277	\$0	331.90%	\$164,897	36
Mathis Manor	Detroit	Ginosko Development Company	\$1,115,454	\$5,925,078	\$4,547,408	\$0	407.67%	\$227,370	20
Belle Isle Heights	Detroit	Ginosko Development Company	\$2,030,349	\$9,167,041	\$8,460,118	\$0	416.68%	\$235,003	36
Villages of Parkside Phase IA and IB	Detroit	Ginosko Development Company	\$4,455,521	\$27,462,660	\$20,069,569	\$0	450.44%	\$133,797	150
Stewart Townhomes	Midland	Ginosko Development Company	\$2,058,731	\$11,822,334	\$11,011,000	\$0	534.84%	\$323,853	34
Blueprint Springs	Detroit	Ginosko Development Company	\$276,954	\$3,539,754	\$4,690,937	\$0	1693.76%	\$521,215	9
Genesis HOPE Phase II	Detroit	Cinnaire Solutions Corporation	\$156,836	\$6,696,593	\$3,844,065	\$0	2451.01%	\$132,554	29

Totals =	\$150,715,989	\$465,195,520	\$226,322,515	2302
Gap Funding Available =			\$14,900,000	
Shaded Proposals =	\$27,572,642	\$52,682,995	\$14,189,771	300
Remaining Balance =			\$710,229	

Overall Totals =	\$497,286,573	\$1,180,896,903	\$452,198,368	4,461
Overall Gap Funding Available =			\$31,900,000	
Overall Gap of Shaded Proposals =	\$211,584,115	\$417,189,758	\$26,398,346	884
Overall Remaining Balance =			\$5,501,654	