



MEMORANDUM

DATE: October 6, 2022

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

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

SUBJECT: Round 16 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 16. As shown in the attached rankings, some \$20.2 million in gap funding was requested from 13 proposals submitted under this 16th Round of the Gap Financing Program. Of those 11 proposals remain in the Round as two have withdrawn.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 \$18 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 \$18 million must submit a complete Application Submission Phase package to the Authority by January 6, 2023.

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 January 6, 2023, 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	Total Gap Funds Needed	Net Gap	MSHDA	Additional Gap Unaccounted For	Total Units
			Permanent Tax Exempt Loan		Funding to Hard Debt Ratio	Projected Per Unit Gap Funding		
Woodworth Square	Bad Axe	Innovative Housing Development Corpora	\$810,981	\$700,000	0.00%	\$25,000	\$0	28
Keeler Flats 56N	Grand Rapids	Keeler Flats LDHA LP	\$19,366,808	\$386,852	2.00%	\$2,845	\$0	136
Union at A2	Ann Arbor	Kyle Bach	\$43,603,089	\$4,201,272	9.64%	\$16,411	\$0	256
HOM Flats at 28 West Phase 3	Wyoming	Magnus Capital Partners, LLC	\$33,019,514	\$4,000,000	12.11%	\$16,667	\$0	240
Samaritas Affordable Living of Rochester Hills	Rochester Hills	Samaritas	\$15,095,969	\$1,880,033	12.45%	\$12,618	\$0	149
HOM Flats at 24 East Phase	Holland	Magnus Capital Partners	\$27,128,770	\$3,400,000	12.53%	\$17,801	\$0	191
Phillip C Dean	Lansing	Communities First, Inc.	\$2,862,763	\$425,000	14.85%	\$8,854	\$0	48
The Preserve on Ash II (4%)	Detroit	The Community Builders, Inc.	\$6,926,965	\$1,259,370	18.18%	\$13,839	\$0	91
Martin Gardens	Detroit	Martin Garden of Detroit LDHA LP	\$2,508,593	\$600,000	23.92%	\$12,000	\$0	50
Elmdale Apartments	Grand Rapids	Dwelling Place of Grand Rapids, NPHC	\$836,406	\$233,644	27.93%	\$12,980	\$0	18
Bay Park North and South Towers	East Tawas	East Tawas Housing Commission	\$3,407,535	\$997,287	29.27%	\$11,733	\$0	85
Villa Esperanza	Wyoming	Dwelling Place of Grand Rapids, NPHC	\$1,836,921	\$551,076	30.00%	\$14,130	\$0	39
Madison Manor	Madison Heights	National Church Residences	\$5,190,000	\$1,557,000	30.00%	\$19,222	\$0	81

Totals = \$162,594,314 \$20,191,534 \$0 1,412
 Gap Funding Available = \$18,000,000

Table #2

Proposals / Location / Sponsors			Proforma Data		Ranking Factors		Deficit	Units
Project Name	City	Sponsor Contact	Projected	Total Gap Funds Needed	Net Gap	MSHDA	Additional Gap Unaccounted For	Total Units
			Permanent Tax Exempt Loan		Funding to Hard Debt Ratio	Projected Per Unit Gap Funding		
Keeler Flats 56N	Grand Rapids	Keeler Flats LDHA LP	\$15,979,478	\$0	0.00%	\$0	\$0	143
Woodworth Square	Bad Axe	Innovative Housing Development Corpora	\$683,634	\$987,382	2.43%	\$30,543	\$567,058	28
HOM Flats at 24 East Phase	Holland	Magnus Capital Partners	\$24,810,796	\$3,400,000	9.82%	\$17,801	\$0	191
HOM Flats at 28 West Phase 3	Wyoming	Magnus Capital Partners, LLC	\$30,848,023	\$4,000,000	12.97%	\$16,667	\$0	240
Union at A2	Ann Arbor	Kyle Bach	\$38,928,674	\$9,547,225	14.60%	\$38,189	\$0	250
Madison Manor	Madison Heights	National Church Residences	\$4,375,871	\$1,798,918	16.73%	\$22,209	\$0	81
Samaritas Affordable Living of Rochester Hills	Rochester Hills	Samaritas	\$12,843,958	\$2,186,933	17.03%	\$14,677	\$0	149
Phillip C Dean	Lansing	Communities First, Inc.	\$2,351,548	\$790,000	26.17%	\$12,821	\$0	48
Martin Gardens	Detroit	Martin Garden of Detroit LDHA LP	\$2,200,713	\$615,000	27.95%	\$12,300	\$0	50
Bay Park North and South Towers	East Tawas	East Tawas Housing Commission	\$3,094,571	\$990,000	29.99%	\$11,647	\$0	85
The Preserve on Ash II (4%)	Detroit	The Community Builders, Inc.	\$2,753,322	\$825,997	30.00%	\$13,767	\$0	60

Totals = \$138,870,588 \$25,141,455 \$567,058 1,325
 Shaded Totals = \$111,250,605 \$17,934,607 \$567,058 852
 Available Gap Funding Sources = \$18,000,000
 Remaining Balance = \$65,393