



## MEMORANDUM

DATE: July 7, 2023

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

FROM: John A. Hundt, Housing Development Manager

SUBJECT: Round 17 Gap Financing Program – **“Updated”** - Notice of Intent to Apply Ranking Projections

**This update is to correct an error in the previous initial rankings in which the Highland Park Housing Commission proposal was listed under the New Construction transaction Table 1, when as an existing transaction it should have been placed within Table 4, the Acquisition Rehab Transactions Section. The correction did not negatively affect the rankings of the previously shaded transactions, as all previously shaded remain so. With this change, we were able to add the 1723 W. Grand Boulevard transaction to the one of the shaded proposals under Table 1.**

Attached are the **updated** initial rankings for the Notice of Intent stage of MSHDA's Gap Financing Program for Round 17. Forty-nine applications were submitted, with requests totaling over \$189 million for the \$60 million made available. Of those, 43 proposals remain in the Round as six have withdrawn or were not accepted.

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

1. New Construction/Urban Areas/Lower Peninsula
2. New Construction/Rural/Lower Peninsula
3. New Construction/Rural/Upper Peninsula
4. Acquisition Rehab

There is currently only enough funding allocation to do the projections of the shaded proposals in within the four 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 is ranked as one of the highest, and whose aggregate total MSHDA gap funding does not exceed the \$60 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 \$60 million must submit a complete Application Submission Phase package to the Authority by September 4, 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 September 4, 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) 388-6121.

Attachment

Table #1

Round 17 NOFA Pipeline - Notice of Intent to Apply Rankings - "MSHDA Projections"										
New Construction / Urban Area / Lower Peninsula Transactions										
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
Higginbotham School Development	Detroit	URGE Development Group	\$5,905,405	\$17,130,338	\$1,453,076		24.61%	\$14,531	\$0	100
Union at Stadium Blvd	Ann Arbor	Union Development Holdings, LLC	\$26,373,360	\$27,687,840	\$10,101,892		38.30%	\$59,423	\$0	170
HOM Flats at 24 East	Holland	Magnus Capital Partners	\$24,980,906	\$31,000,000	\$13,054,233		52.26%	\$64,625	\$0	202
HOM Flats at 28 West Phase 3	Wyoming	Magnus Capital Partners	\$30,721,094	\$37,500,000	\$16,473,608		53.62%	\$64,857	\$0	254
Preserve on Ash III	Detroit	The Community Builders, Inc.	\$4,345,931	\$15,297,267	\$3,397,049		78.17%	\$56,617	\$0	60
GenesisHOPE Phase I	Detroit	GenesisHOPE Village Phase 1 LDHA, LLC	\$1,890,017	\$6,115,231	\$1,719,049		86.38%	\$55,453	\$0	31
Grandmont Rosedale Park Collective I	Detroit	Grandmont Rosedale Park Collective, LLC	\$1,177,301	\$10,373,656	\$1,250,000		106.18%	\$29,762	\$0	42
Gracious Houses	Grand Haven	RW Properties LLC	\$4,204,376	\$7,776,163	\$4,705,134		111.91%	\$61,106	\$0	77
Taylor Senior	Taylor	Taylor Properties Enterprises, Inc.	\$8,262,706	\$16,047,952	\$9,842,898		119.12%	\$98,429	\$0	100
Riverview 220	Lansing	Lansing Housing Commission	\$4,978,558	\$12,750,000	\$5,952,518		119.56%	\$94,484	\$0	63
1309 Madison	Grand Rapids	ICCF Nonprofit Housing Corporation	\$3,530,129	\$9,059,881	\$5,497,952		155.74%	\$109,959	\$0	50
Piety Hill 2 (Kingston Place)	Detroit	Central Detroit Christian CDC	\$1,851,727	\$8,788,575	\$2,995,854		161.79%	\$69,671	\$0	43
1723 W. Grand Boulevard	Detroit	Ginosko Development Company	\$761,924	\$1,915,874	\$1,235,205		162.12%	\$68,623	\$0	18
Union at Silver Station	Kentwood	Union Development Holdings, LLC	\$8,450,364	\$16,122,048	\$14,447,025		170.96%	\$96,314	\$0	150
CCF Farmington Housing	Farmington Hills	Chaddean Community Foundation (Martin	\$5,239,253	\$12,085,103	\$9,499,659		181.32%	\$94,997	\$0	100
East Jefferson YMCA	Detroit	Ginosko Development Company	\$1,533,760	\$5,202,157	\$2,793,171		182.11%	\$84,642	\$0	33
Helmer Lofts	Jackson	MHT Housing, Inc.	\$1,600,324	\$7,273,975	\$3,212,858		200.76%	\$69,845	\$0	46
Royal Oak Cottages I	Royal Oak	Royal Oak Cottages I LDHA, LLC	\$1,249,420	\$3,828,000	\$2,628,405		210.37%	\$164,275	\$0	16
Royal Oak Cottages II	Royal Oak	Royal Oak Cottages I LDHA, LLC	\$1,249,420	\$3,828,000	\$2,628,405		210.37%	\$164,275	\$0	16
Warren and Trumbull	Detroit	Cinnaire Solutions Corporation	\$593,599	\$4,822,148	\$1,688,329		284.42%	\$64,936	\$0	26
8434 East Jefferson	Detroit	Ginosko Development Company	\$3,710,811	\$13,745,807	\$11,741,500		316.41%	\$123,595	\$0	95
7850 Phase V	Detroit	Ginosko Development Company	\$1,246,234	\$5,070,779	\$5,100,000		409.20%	\$154,545	\$0	33
Boston Square Together I	Grand Rapids	Boston Square Together I Manager LLC	\$154,636	\$11,403,325	\$9,411,414		6086.17%	\$209,143	\$0	45
Totals =			\$144,111,345	\$286,824,119	\$140,829,234				\$0	1770
Gap Funding Available =					\$37,500,000					
Shaded Proposals =			\$54,872,747	\$111,132,896	\$36,700,157					
Remaining Balance =					\$799,843					

Table #2

Round 17 NOFA Pipeline - Notice of Intent to Apply Rankings - "MSHDA Projections"										
New Construction / Rural / Lower Peninsula Transactions										
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
HOM Flats at West Randall	Coopersville	Magnus Capital Partners	\$5,514,088	\$8,200,000	\$3,898,282		70.70%	\$64,971	\$0	60
Totals =			\$5,514,088	\$8,200,000	\$3,898,282				\$0	60
Gap Funding Available =					\$10,000,000					
Remaining Balance =					\$6,101,718					

Table #3

Round 17 NOFA Pipeline - Notice of Intent to Apply Rankings - "MSHDA Projections"										
New Construction / Rural / Upper Peninsula Transactions										
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
N/A										
Totals =			\$0	\$0	\$0				\$0	0
Gap Funding Available =					\$5,000,000					
Remaining Balance =										

Table 4

Round 17 NOFA Pipeline - Notice of Intent to Apply Rankings - "MSHDA Projections"										
Acquisition Rehab Transactions										
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
Highland Park Housing Commission	Highland Park	MHT Housing, Inc.	\$5,116,286	\$10,984,625	\$604,202		11.81%	\$3,684	\$0	164
Russell Woods 4%	Detroit	Icon Heritage Partners	\$2,268,138	\$6,955,471	\$400,000		17.64%	\$9,524	\$0	124
River Rouge Housing Commission 2	River Rouge	RAD Conversion Specialists, LLC	\$6,622,476	\$10,425,632	\$1,333,868		20.14%	\$10,757	\$0	39
Villa Esperanza	Wyoming	Dwelling Place of Grand Rapids, NPHC	\$2,706,954	\$4,708,000	\$596,849		22.05%	\$15,304	\$0	60
Sandhill Manor Apartments	Houghton Lake	PK Companies LLC	\$1,866,181	\$3,225,000	\$437,295		23.43%	\$7,288	\$0	18
Elm Dale Apartments	Grand Rapids	Dwelling Place of Grand Rapids, NPHC	\$1,208,557	\$2,413,000	\$283,550		23.46%	\$15,753	\$0	38
Lawton Apartments	Detroit	Dwelling Detroit	\$2,297,348	\$3,831,860	\$600,000		26.12%	\$15,789	\$0	32
Westbury Apartments	Wayland	PK Companies LLC	\$1,232,916	\$2,400,000	\$374,309		30.36%	\$11,697	\$0	84
River Rouge Housing Commission 1	River Rouge	RAD Conversion Specialists, LLC	\$3,748,550	\$7,406,360	\$1,531,773		40.86%	\$18,235	\$0	46
Delaware Manor	Grand Rapids	KBJ Non-Profit Housing	\$3,610,025	\$5,100,913	\$1,677,564		46.47%	\$36,469	\$0	96
Setters Pointe I & II	Coopersville	Ginosko Development Company	\$6,761,517	\$10,831,372	\$4,382,737	\$1,215,348	46.84%	\$45,654	\$0	144
Vanderbilt Townhomes	Mt. Morris	Dwelling Detroit	\$5,540,882	\$13,000,000	\$3,300,000		59.56%	\$22,917	\$0	81
Madison Manor	Madison Heights	National Church Residences	\$4,257,480	\$9,000,000	\$2,872,461		67.47%	\$35,462	\$0	39
Crossroads Apartments	Reed City	Ginosko Development Company	\$1,703,742	\$3,146,102	\$1,215,010	\$26,914	69.73%	\$31,154	\$0	40
Mystic View	Pullman	MHT Housing, Inc.	\$1,896,596	\$4,552,103	\$3,034,643	\$29,006	120.23%	\$75,866	\$0	175
Springview Tower	Battle Creek	Ginosko Development Company	\$5,320,797	\$11,128,922	\$7,091,051	\$375,000	126.22%	\$40,520	\$0	28
Woodworth Square	Bad Axe	Innovative Housing Development Corporat	\$871,014	\$2,336,000	\$2,213,632	\$135,808	158.19%	\$79,058	\$0	70
Peterboro Place Apartments	Detroit	Peterboro Partners, GP, LLC	\$2,404,379	\$7,881,538	\$5,362,124		223.01%	\$76,602	\$0	88
White Pines Apartments	Harrison	Ginosko Development Company	\$1,034,627	\$6,780,096	\$6,508,038	\$812,242	364.25%	\$73,955	\$0	70
Totals =			\$60,468,465	\$126,107,594	\$43,819,106				\$0	1408
Gap Funding Available =					\$12,500,000					
Shaded Proposals =			\$37,438,948	\$68,282,233	\$12,222,147					
Remaining Balance =					\$277,853					

## Withdrawn/Rejected

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
St. Paul Manor	Detroit	Develop Detroit, Inc.	\$1,540,129	\$6,311,878	\$462,039		30.00%	\$12,159	\$0	38
Kingston Arms	Detroit	Develop Detroit	\$1,722,786	\$6,212,034	\$344,557		20.00%	\$14,357	\$0	24
Wellspring LDHA, LP	Southfield	N. Maple Rd. Senior Apartments, LDHA, L	\$7,178,200	\$12,799,000	\$9,796,669		136.48%	\$163,278	\$0	60
Beacon Housing I	Pontiac	South Oakland Shelter	\$940,424	\$6,534,357	\$2,065,060		219.59%	\$51,627	\$0	40
Fellowship Estates East	Detroit	HG Residential Concept, LLC			\$0		#DIV/0!	#DIV/0!	\$0	0
Fellowship Estates West	Detroit	HG Residential Concept, LLC			\$0		#DIV/0!	#DIV/0!	\$0	0