



## MEMORANDUM

DATE: September 19, 2019

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

FROM: John A. Hundt, Housing Development Manager

SUBJECT: Round 11 HOME/MRF Gap Financing Program – Corrected Notice of Intent to Apply Projections

Attached are the corrected preliminary rankings for the Notice of Intent stage of MSHDA's HOME/MRF Gap Financing Program for Round 11. As shown in the attached rankings, over \$71 million in gap funding was requested from proposals submitted under the 11<sup>th</sup> Round of the Gap Financing Program. This corrected version adds one proposal to the list (Carriage Place), which mistakenly chose their funding entry as a Level One Review. In addition, ranking now includes Table #4 which lists the two proposals eligible for the CHDO set aside.

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

- **Table #1** is based on the applicant's initial projections.
- **Table #2** reflects projections after any adjustments made 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.
- **Table #3** reflects projections after any adjustments made by MSHDA that have a soft to hard debt ratio of 20% or less. As long as these proposals are able to maintain the ratio of 20% or less, they will be funded outside of the Gap Funding Program allocation.
- **Table #4** reflects the projects after any adjustments made by MSHDA that are eligible for the HOME CHDO set aside.

Therefore, in addition to providing approximately \$10.5 million in funding from the NOFA to the projects with the best ranking, MSHDA would also provide additional resources to those projects with a ratio of less than 20%. Applicants of the unshaded proposals in Table #2 are invited to submit a full application will need to see if they are able to improve their position in a way to achieve and maintain a soft to hard debt ratio to a level where their proposal is ranked as one of the best and be able to fit within the \$10.5 million of funding available under this NOFA.

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 November 15, 2019 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 a proposal may not currently rank at the top, the applicant will have the opportunity to improve the position of the application in the rankings.

If you have any questions regarding the above or about Preliminary Assessment Projections, please contact John Hundt at (517) 241-7207.

Corrected Attachment

Table #1

Round 11 NOFA Pipeline - Notice of Intent to Apply Rankings - "Sponsor Projections"													
Proposals / Location / Sponsors			Proforma Data					Ranking Factors			Units		
Project Name	City	Sponsor Contact	Projected Tax			Total Mortgage Resource Funds	Total HOME	Total Gap Funds Needed	Existing Reserves	Overall Gap to Hard Debt Ratio	Net Gap Funding to Hard Debt Ratio	MSHDA Projected Per Unit Gap Funding	Total Units
			Projected Permanent Tax Exempt Loan	Exempt Construction Loan	Total Mortgage Resource Funds								
Union Suites at Michael	Wyoming	Nick Lovelace	\$9,478,612	\$9,478,612	\$842,500	\$842,500	\$1,685,000		17.78%	17.78%	\$16,850	100	
Pine Village of Meridian Township	Meridian Township	Cypress Partners	\$19,821,966	\$19,821,966	\$1,900,000	\$1,900,000	\$3,800,000		19.17%	19.17%	\$28,571	133	
Evergreen Regency Townhomes	Flint	Wallick-Hendy Development Company, LL	\$15,500,003	\$15,500,003	\$3,084,500	\$0	\$3,084,500		19.90%	19.90%	\$8,451	365	
Hartland Senior Living	Hartland	PIRHL Developers, LLC	\$29,097,743	\$29,097,743	\$2,895,428	\$2,895,428	\$5,790,856		19.90%	19.90%	\$39,663	146	
Pine Village of Madison Heights	Madison Heights	Cypress Partners	\$18,818,619	\$18,818,619	\$1,880,000	\$1,880,000	\$3,760,000		19.98%	19.98%	\$28,271	133	
Palmer Park Four	Detroit	Brandon Hodges - Platform	\$8,622,114	\$11,301,000	\$862,000	\$862,000	\$1,724,000		20.00%	20.00%	\$11,972	144	
Savannah-Wilshire	Detroit	Savannah-Wilshire LDHA, LP	\$1,941,852	\$3,203,360	\$0	\$388,370	\$388,370		20.00%	20.00%	\$9,709	40	
New Center Village - Lee Crest	Detroit	MRK Partners Inc.	\$14,946,538	\$41,970,000	\$0	\$2,989,308	\$2,989,308		20.00%	20.00%	\$24,911	120	
2818 Port Sheldon	Hudsonville	PS Equities Inc.	\$6,979,590	\$6,979,590	\$700,000	\$700,000	\$1,400,000		20.06%	20.06%	\$20,290	69	
440 Burdick	Kalamazoo	PS Equities Inc.	\$4,191,086	\$4,191,086	\$440,000	\$440,000	\$880,000		21.00%	21.00%	\$11,000	80	
Pine Oak	Wyoming	Craftsmen Development, LLC	\$4,898,448	\$5,482,000	\$1,970,347	\$563,947	\$2,534,294	\$1,357,508	51.74%	24.02%	\$9,266	127	
Hubbard Vernor	Detroit	Southwest Detroit Business Association, In	\$1,331,672	\$4,250,000	\$335,000	\$0	\$335,000		25.16%	25.16%	\$11,964	28	
530 Rose Street	Kalamazoo	PS Equities Inc.	\$4,649,426	\$4,649,426	\$600,000	\$600,000	\$1,200,000		25.81%	25.81%	\$20,000	60	
Greenbriar	Greenville	Hope Network Housing Development	\$1,821,544	\$2,785,251	\$0	\$485,000	\$485,000		26.63%	26.63%	\$12,125	40	
12191 Felch Street	Holland	Magnus Capital Partners	\$11,520,813	\$11,520,813	\$1,600,000	\$1,600,000	\$3,200,000		27.78%	27.78%	\$31,683	101	
Mt. Vernon Park	Lansing	Lansing Housing Commission	\$8,260,183	\$12,475,000	\$1,147,519	\$1,147,519	\$2,295,038		27.78%	27.78%	\$16,393	140	
825 Portage	Kalamazoo	PS Equities Inc.	\$6,052,390	\$6,052,390	\$875,000	\$875,000	\$1,750,000		28.91%	28.91%	\$17,500	100	
Peerless Flats	Grand Haven	River Caddis Development, LLC	\$6,878,060	\$6,878,060	\$1,028,250	\$1,028,250	\$2,056,500		29.90%	29.90%	\$34,275	60	
Grand Monroe	Grand Rapids	PK development Group LLC	\$17,000,001	\$17,000,001	\$2,550,000	\$2,550,000	\$5,100,000		30.00%	30.00%	\$33,775	151	
Apple Ridge Apartments II	Kalamazoo	MHT Housing, Inc.	\$3,243,699	\$3,436,018	\$490,000	\$490,000	\$980,000		30.21%	30.21%	\$17,500	56	
Wellspring		Southwest Housing Solutions	\$6,363,404	\$6,363,404	\$1,000,000	\$1,000,000	\$2,000,000		31.43%	31.43%	\$25,000	80	
Pine Ridge Apartments	Marquette	Marquette Housing Commission	\$4,494,631	\$8,112,620	\$758,349	\$758,349	\$1,516,698		33.74%	33.74%	\$10,834	140	
Lake Superior Village	Marquette	Marquette Housing Commission	\$5,545,698	\$10,791,318	\$936,977	\$936,977	\$1,873,954		33.79%	33.79%	\$16,017	117	
Whetstone	Marquette	Craftsmen Development, LLC	\$7,420,081	\$7,420,081	\$1,317,838	\$1,317,838	\$2,635,676		35.52%	35.52%	\$19,669	134	
St. Paul Manor II	Detroit	Church of Messiah Housing	\$4,557,027	\$6,264,455	\$911,526	\$756,007	\$1,667,533		36.59%	36.59%	\$19,390	86	
Attwood Gardens	Wayne	Wallick-Hendy Development, LLC	\$5,100,006	\$9,500,000	\$1,940,000	\$100,000	\$2,040,000		40.00%	40.00%	\$20,400	100	
Carriage Place	Pontiac	Pontiac Housing Commission	\$11,214,084	\$14,250,000	\$0	\$4,500,000	\$4,500,000		40.13%	40.13%	\$19,231	234	
Van Dyke Apartments	Sterling Heights	Chaldean Community Foundation	\$13,278,758	\$13,449,401	\$3,440,176	\$2,000,000	\$5,440,176		40.97%	40.97%	\$40,298	135	
Cliffview	Rochester Hills	Higgins Group, LLC	\$6,417,000	\$8,565,000	\$1,476,000	\$1,476,000	\$2,952,000		46.00%	46.00%	\$23,429	126	
Brentwood	Belding	Hope Network Housing Development	\$2,307,254	\$3,318,623	\$680,000	\$680,000	\$1,360,000		58.94%	58.94%	\$27,200	50	
<b>Totals =</b>			<b>\$261,752,302</b>	<b>\$322,925,840</b>	<b>\$35,661,410</b>	<b>\$35,762,493</b>	<b>\$71,423,903</b>	<b>\$1,357,508</b>				<b>3,395</b>	
<b>Gap Funding Available =</b>					<b>\$4,500,000</b>	<b>\$6,000,000</b>	<b>\$10,500,000</b>						

Table #2

Round 11 NOFA Pipeline - Notice of Intent to Apply Rankings - "MSHDA Projections"												
Proposals / Location / Sponsors			Proforma Data						Ranking Factors		Units	
Project Name	City	Sponsor Contact	Projected	Projected Tax	Total Mortgage	Total HOME	Total Gap Funds Needed	Existing Reserves	Overall Gap to Hard Debt Ratio	Net Gap	MSHDA	Total Units
			Permanent Tax Exempt Loan	Exempt Construction Loan	Resource Funds					Funding to Hard Debt Ratio	Projected Per Unit Gap Funding	
Lake Superior Village	Marquette	Marquette Housing Commission	\$5,743,452	\$10,727,072	\$616,440	\$616,440	\$1,232,880		21.47%	21.47%	\$10,537	117
Pine Village of Meridian Township	Meridian Township	Cypress Partners	\$18,843,346	\$18,843,346	\$2,045,285	\$2,045,286	\$4,090,571		21.71%	21.71%	\$30,756	133
2818 Port Sheldon	Hudsonville	PS Equities Inc.	\$6,635,385	\$6,635,385	\$721,972	\$721,973	\$1,443,945		21.76%	21.76%	\$20,927	69
440 Burdick	Kalamazoo	PS Equities Inc.	\$4,148,296	\$9,027,674	\$463,308	\$463,307	\$926,615		22.34%	22.34%	\$11,583	80
Greenbriar	Greenville	Hope Network Housing Development	\$1,821,531	\$2,880,442	\$0	\$430,000	\$430,000		23.61%	23.61%	\$10,750	40
Pine Oak	Wyoming	Craftsmen Development, LLC	\$4,898,448	\$5,536,493	\$1,677,175	\$850,000	\$2,527,175	\$1,357,508	51.59%	23.88%	\$9,210	127
Brentwood	Belding	Hope Network Housing Development	\$2,346,364	\$3,356,941	\$0	\$591,000	\$591,000		25.19%	25.19%	\$11,820	50
Mt. Vernon Park	Lansing	Lansing Housing Commission	\$7,898,515	\$12,214,231	\$994,853	\$994,854	\$1,989,707		25.19%	25.19%	\$14,212	140
Pine Village of Madison Heights	Madison Heights	Cypress Partners	\$17,728,954	\$17,728,954	\$2,313,442	\$2,313,442	\$4,626,884		26.10%	26.10%	\$34,789	133
12191 Felch Street	Holland	Magnus Capital Partners	\$11,520,931	\$11,520,931	\$1,680,190	\$1,680,191	\$3,360,381		29.17%	29.17%	\$33,271	151
Grand Monroe	Grand Rapids	PK development Group LLC	\$17,000,001	\$17,000,001	\$2,550,000	\$2,550,000	\$5,100,000		30.00%	30.00%	\$33,775	101
Palmer Park Four	Detroit	Brandon Hodges - Platform	\$8,951,506	\$11,160,629	\$1,375,000	\$1,375,000	\$2,750,000		30.72%	30.72%	\$19,097	144
Apple Ridge Apartments II	Kalamazoo	MHT Housing, Inc.	\$3,378,512	\$3,438,777	\$521,925	\$521,925	\$1,043,850		30.90%	30.90%	\$18,640	56
825 Portage	Kalamazoo	PS Equities Inc.	\$5,975,477	\$8,672,192	\$939,022	\$939,021	\$1,878,043		31.43%	31.43%	\$18,780	100
Whetstone	Marquette	Craftsmen Development, LLC	\$7,508,899	\$7,508,899	\$1,372,412	\$1,035,000	\$2,407,412		32.06%	32.06%	\$17,966	134
530 Rose Street	Kalamazoo	PS Equities Inc.	\$4,405,143	\$5,270,497	\$725,622	\$725,621	\$1,451,243		32.94%	32.94%	\$24,187	60
Evergreen Regency Townhomes	Flint	Wallick-Hendy Development Company, LL	\$17,866,491	\$19,389,947	\$3,215,594	\$3,215,593	\$6,431,187		36.00%	36.00%	\$17,620	365
St. Paul Manor II	Detroit	Church of Messiah Housing	\$4,507,027	\$6,264,455	\$911,526	\$756,007	\$1,567,533		36.59%	36.59%	\$19,390	86
Van Dyke Apartments	Sterling Heights	Chaldean Community Foundation	\$13,554,582	\$13,554,582	\$2,499,317	\$2,499,317	\$4,998,634		36.88%	36.88%	\$37,027	135
Peerless Flats	Grand Haven	River Caddis Development, LLC	\$6,247,074	\$6,247,074	\$1,270,244	\$1,270,244	\$2,540,488		40.67%	40.67%	\$42,341	60
Cliffview	Rochester Hills	Higgins Group, LLC	\$6,710,669	\$7,742,375	\$1,539,215	\$1,207,914	\$2,747,129		40.94%	40.94%	\$21,803	126
New Center Village - Lee Crest	Detroit	MRK Partners Inc.	\$12,405,804	\$17,943,607	\$2,827,389	\$2,827,389	\$5,654,778		45.58%	45.58%	\$47,123	120
Carriage Place	Pontiac	Pontiac Housing Commission	\$9,992,515	\$14,408,091	\$0	\$5,778,781	\$5,778,781		57.83%	57.83%	\$24,696	234
Attwood Gardens	Wayne	Wallick-Hendy Development, LLC	\$4,481,551	\$7,130,118	\$1,325,905	\$1,325,905	\$2,651,810		59.17%	59.17%	\$26,518	100
Totals =			\$204,620,473	\$244,202,713	\$31,585,836	\$36,734,210	\$68,320,046	\$1,357,508				2,861
Shaded Totals =					\$3,847,005	\$4,868,006	\$8,715,011					
Available Gap Funding Sources =					\$4,500,000	\$6,000,000	\$10,500,000					
Remaining Balance =							\$1,784,989					

Table #3

Round 11 NOFA - Notice of Intent to Apply Rankings < 20% Soft to Hard Debt Ratio - "MSHDA Projections"												
Proposals / Location / Sponsors			Proforma Data						Ranking Factors		Units	
Project Name	City	Sponsor Contact	Projected	Projected Tax	Total Mortgage	Total HOME	Total Gap Funds Needed	Existing Reserves	Overall Gap to Hard Debt Ratio	Net Gap	MSHDA	Total Units
			Permanent Tax Exempt Loan	Exempt Construction Loan	Resource Funds					Funding to Hard Debt Ratio	Projected Per Unit Gap Funding	
Pine Ridge Apartments	Marquette	Marquette Housing Commission	\$4,717,780	\$8,027,616	\$444,910	\$444,911	\$889,821		18.86%	18.86%	\$6,356	140
Hartland Senior Living	Hartland	PIRHL Developers, LLC	\$29,021,560	\$29,021,560	\$2,772,915	\$2,772,914	\$5,545,829		19.11%	19.11%	\$37,985	146
Union Suites at Michael	Wyoming	Nick Lovelace	\$9,278,703	\$9,278,703	\$892,906	\$892,906	\$1,785,812		19.25%	19.25%	\$17,858	100
Hubbard Vernor	Detroit	Southwest Detroit Business Association, In	\$1,471,433	\$4,266,066	\$0	\$300,000	\$300,000		20.39%	20.39%	\$10,714	28
Totals =			\$44,489,476	\$50,593,945	\$4,110,731	\$4,410,731	\$8,521,462					

Table #4

Round 11 NOFA Pipeline - Notice of Intent to Apply Rankings - CHDO Set Aside												
Proposals / Location / Sponsors			Proforma Data						Ranking Factors		Deficit	Units
Project Name	City	Sponsor Contact	Projected	Projected Tax	Total Mortgage	Total HOME	Total Gap Funds Needed	Existing Reserves	Overall Gap to Hard Debt Ratio	Net Gap	MSHDA	Total Units
			Permanent Tax Exempt Loan	Exempt Construction Loan	Resource Funds					Funding to Hard Debt Ratio	Projected Per Unit Gap Funding	
Savannah-Wilshire	Detroit	Savannah-Wilshire LDHA, LP	\$859,449	\$3,935,868	\$0	\$859,449	\$859,449		100.00%	100.00%	\$21,486	40
Wellspring		Southwest Housing Solutions	\$3,034,058	\$7,339,176	\$0	\$3,034,058	\$3,034,058		100%	100%	\$37,926	80