Goldenrod
Tab A

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

A G E N D A

February 20, 2025 – 10:00 a.m.

735 East Michigan Avenue, Lansing, Michigan 48912
Cadillac Place, 3028 West Grand River, Room 4-602, Detroit, MI 48202
State Office Building, 701 South Elmwood Avenue, Traverse City, MI 49684
Microsoft Teams Conference Line: 248-509-0316 | Conference ID: 221 650 508#

Roll Call:

Public Comments:

Voting Issues:

Tab A Approval of Agenda

CONSENT AGENDA ITEMS:

Consent Agenda ***(Tabs B through E are Consent Agenda items. They are considered routine and are to be voted on as a single item by the Authority. There will be no separate discussion of these Tabs; any Authority member, however, may remove any Tab or Tabs from the Consent Agenda prior to the vote by notifying the Chair. The remaining Tabs will then be considered on the Consent Agenda. Tabs removed from the Consent Agenda will be discussed individually.)***

Tab B Minutes – January 23, 2025, Board Meeting

Tab C Resolution Authorizing Grants from the Michigan Housing and Community Development Fund

Tab D Resolution Authorizing Contract for Modular Housing Production, Study and Report

Tab E Inducement Resolution **CCF Van Dyke Apartments II**, Sterling Heights, Macomb County, MSHDA No. 44c-226

REGULAR VOTING ITEMS:

Tab F Michigan State Housing Development Authority Resolution Authorizing Issuance And Sale Of Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2025 (**Kalamazoo Community Courtyard Project**) To Finance A Loan To Kalamazoo Community Courtyard Limited Dividend Housing Association Limited Partnership So As To Enable The Borrower To Acquire, Construct And Equip A Certain Multi-Family Rental Housing Facility, Authorizing The Execution Of The Bond

Purchase Agreement, The Loan Agreement And The Trust Indenture Securing The Bonds, And Determining And Authorizing Other Matters Relative Thereto

Resolution Authorizing Loan, **Kalamazoo Community Courtyard, MSHDA No. 44c-222**, City of Kalamazoo, Kalamazoo County

Tab G Michigan State Housing Development Authority Resolution Authorizing Issuance And Sale Of Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2025 (**Lee Plaza Apartments (4%) Project**) To Finance A Loan To Lee Plaza II Limited Dividend Housing Association LLC So As To Enable The Borrower To Acquire, Construct, Rehabilitate And Equip A Certain Multi-Family Rental Housing Facility, Authorizing The Execution Of The Bond Purchase Agreement, The Loan Agreement And The Trust Indenture Securing The Bonds, And Determining And Authorizing Other Matters Relative Thereto

Resolution Authorizing Loan, **Lee Plaza Apartments (4%), MSHDA No. 44c-212**, City of Detroit, Wayne County

Tab H Resolution Authorizing Mortgage Loan Increase, **Russell Woods 4% Senior Living Community**, **MSHDA Development No. 4129**, City of Detroit, Wayne County

~~Tab I Resolution Authorizing Modification to Funding and Servicing Agreement and Implementation of The Greenhouse Gas Reduction Fund ("GGRF") Program~~

Closed Session:

None

Discussion Issues:

None.

Remarks:

Chairperson

Executive Director

Reports:

Tab 1 Draft Annual and 5-Year Public Housing Agency Plans for the Housing Choice Voucher Program

Tab 2 Current and Historical Homeownership Data

Tab 3 Monthly Homeownership Production Report

Tab 4 MI 10K DPA Monthly Statistics (Map)

Tab 5 2025 Board Calendar

DRAFT
Michigan State Housing Development Authority
Minutes of Regular Authority Meeting
January 23, 2025 – 10:00 a.m.

AUTHORITY MEMBER(S) PRESENT: LANSING

John Groen
Jennifer Grau
Rachel Eubanks
Evangeline Hernandez

AUTHORITY MEMBER PRESENT: ABSENT

Regina Bell
Jonathan Bradford

AUTHORITY MEMBER PRESENT: TRAVERSE CITY

Warren Call

ATTENDEES IN DETROIT

Sherry Hicks, MSHDA
Clarence Stone, MSHDA

ATTENDEES IN TRAVERSE CITY

Tony Lentych, MSHDA

ATTENDEES IN LANSING

Jacob Albert, MSHDA
David Allen, MSHDA
Lindsey Baker, MSHDA
Carmen Berry, MSHDA
Diana Bitely, MSHDA
Jennifer Bowman, MSHDA
Debbie Brown, MSHDA
Drew Brown, MSHDA
Christy Capelin, MSHDA
Megan Castro, MSHDA
Julie Chant, MSHDA
Brett Churchill, MSHDA
Latasha Cole, MSHDA
Tonya Coon, MSHDA
Andrea Cottrell, MSHDA
Craig W. Hammond, Dickenson-Wright
Mason Crozier, MSHDA
Amanda Curler, MSHDA
James Davis, MSHDA
Melissa DeBone, MSHDA
Kathryn Evans, MSHDA
Michael Fobbe, AG
Mark Garcia, MSHDA
Pierre-Denise Gilliam, MSHDA
Lily Guiney, Gongwer
Daniel Lince, MSHDA
Kevin Louis, MSHDA
Daniel McConnell, MSHDA
Kendra McCullar, MSHDA
Thomas McKee, MSHDA
Jennifer McNeely, MSHDA
Christine Miller, MSHDA
John Millhouse, AG
Tiffany Mitchell, MSHDA
Trenton Mitchell, MSHDA
Frank Mostek, MSHDA
Ange Muhire, MSHDA
Michael Naberhuis, MSHDA
Kristin Nied, Miller Canfield
Stephanie Oles, MSHDA
Quocshawn Parker, MSHDA
Amy Patterson, AG
Jillian Pearson, MSHDA
Damon Pline, MSHDA
Joseph Popek, AG
Cisco Potts, MSHDA
Shaun Prince, MSHDA
Karmen Robinson, MSHDA

Alan Gillis, MSHDA
Kara Hart-Negrich, MSHDA
Dawn Hengesbach, MSHDA
Zachary Herrmann, MSHDA
Jonathan Hilliker, MSHDA
Amy Hovey, MSHDA
Tyler Hull, MSHDA
Marcel Jackson, MSHDA
Charlotte Johnson, MSHDA
Tonia Kaczmarczyk, MSHDA
Joseph Kelly, MSHDA
Laurie Kelly, MSHDA
Sandra Kimball, MSHDA
Scott Kindinger, MSHDA
Ashley Kreiner, MSHDA
Allecia Lamb-Ridge, MSHDA
Stephanie Latos, MSHDA
Jackie Royale, MSHDA
Jaclyn Schafer, MSHDA
Matthew Schoenherr, MSHDA
Nicholas Shattuck, MSHDA
Catherine Sheets, MSHDA
Michael Shelden, MSHDA
Christopher Shultz, MSHDA
Matthew Smith, MSHDA
Andrew Spitzley, MSHDA
Stacy Thomas, MSHDA
Rochell Thompson, MSHDA
Katy VanHouten, MSHDA
Hilary Vigil, AG
Michael Vollick, MSHDA
Justin Wieber, MSHDA

One additional member of the public participated via the Conference Line: 248-509-0316, Conference ID: 221 650 508#. Chairperson John Groen opened the meeting at 10:01 am. A quorum was established with the presence of Rachael Eubanks, Jennifer Grau, Warren Call and Evangelina Hernandez. Members were physically present in Lansing and Traverse City.

Mr. Groen proceeded to request public comments from participants both in-person and via Microsoft Teams. No comments were received.

Meeting Announcements:

Mr. Goen welcomed our new Board member, Evangelia Hernandez, then noted a goldenrod for **Tab J** (Resolution Declaring Official Intent To Reimburse Expenditures For Financing And Purchasing Mortgage Loans) and the addition of a funding and servicing agreement added to **Tab K** (Resolution Authorizing Finalization and Execution of Funding and Servicing Agreement and Implementation of The Greenhouse Gas Reduction Fund (“GGRF”) Program).

Approval of Agenda:

Rachel Eubanks moved approval of **Tab A** (Agenda). Jennifer Grau supported. The agenda was approved.

Voting Items:

Consent Agenda (Tabs B–F):

Jennifer Grau moved approval of the Consent Agenda. Rachel Eubanks supported. The Consent

Agenda was approved.

The Consent Agenda included the following items:

Tab B Minutes – December 19, 2024, Board Meeting

Tab C Resolution Authorizing Grants from the Michigan Housing and Community Development Fund

Tab D Resolution Authorizing Reallocation of Funds to the MI Neighborhood Program and Program Modification

Tab E Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition **Big Bend Apartments**, **MSHDA Development #1054**, Kalamazoo Township, Kalamazoo County

Tab F Inducement Resolution **The Dean – Apartments at Eastlawn**, City of Midland, Midland County, MSHDA No. #44c-225

Regular Voting Items:

Clarence Stone, Chief Legal Affairs Officer, and Craig Hammond, Bond Counsel for Dickenson-Wright, presented **Tab G**, Resolution Extending Lapse Date for 4401 Rosa Parks Apartment Project: Michigan State Housing Development Authority Resolution Authorizing Issuance And Sale Of Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2025 (**4401 Rosa Parks Apartments Project**) To Finance A Loan To 4401 Rosa Parks 4 Limited Dividend Housing Association Limited Partnership, So As To Enable The Borrower To Acquire, Construct And Equip A Certain Multifamily Rental Housing Facility, Authorizing The Execution Of The Bond Purchase Agreement, The Loan Agreement And The Trust Indenture Securing The Bonds, And Determining And Authorizing Other Matters Relative Thereto. Mr. Stone and Mr. Hammond reviewed the resolutions as detailed in the board docket.

Hilary Vigil of the Attorney General's Office confirmed that the resolution in **Tab G** was acceptable for the Board's action.

Clarence Stone, Chief Legal Affairs Officer, confirmed that the resolution in **Tab G** was acceptable for the Board's action.

Rachel Eubanks moved to approve **Tab G**. Jennifer Grau supported. The following Roll Call was taken for **Tab G:**

Regina Bell	Absent
Jonathan Bradford	Absent
Warren Call	Yes

Jennifer Grau	Yes
Rachael Eubanks	Yes
John Groen	Yes
Evangelia Hernandez	Yes
Michele Wildman	Absent

There were five "yes" votes. The resolutions were approved.

Clarence Stone, Chief Legal Affairs Officer, and Kris Nied, Bond Counsel for Miller Canfield, presented **Tab H**, Resolution Authorizing Loan, **Old Mill Pond Apartments, MSHDA No. 44c-219**, Village of Brooklyn, Jackson County: Michigan State Housing Development Authority Resolution Authorizing Issuance And Sale Of Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2025 (**Old Mill Pond Apartments Project**) To Finance A Loan To Pk Mill Pond Limited Dividend Housing Association Limited Partnership, So As To Enable The Borrower To Acquire, Rehabilitate And Equip A Certain Multi-Family Rental Housing Facility, Authorizing The Execution Of The Bond Purchase Agreement, The Loan Agreement And The Trust Indenture Securing The Bonds, And Determining And Authorizing Other Matters Relative Thereto. Mr. Stone and Ms. Nied reviewed the resolutions as detailed in the board docket.

Hilary Vigil of the Attorney General's Office confirmed that the documents in **Tab H** were acceptable for the Board's action.

Clarence Stone, Chief Legal Affairs Officer, confirmed that the documents in **Tab H** were acceptable for the Board's action.

Rachel Eubanks moved to approve **Tab H**. Evangelina Hernandez supported. The following Roll Call was taken for **Tab H:**

Regina Bell	Absent
Jonathan Bradford	Absent
Warren Call	Yes
Jennifer Grau	Yes
Rachael Eubanks	Yes
John Groen	Yes
Evangelia Hernandez	Yes
Michele Wildman	Absent

There were five "yes" votes. The resolutions were approved.

Clarence Stone, Chief Legal Affairs Officer, and Kris Nied, Bond Counsel for Miller Canfield, presented **Tab I**, Resolution Authorizing Loan, **Westbury Apartments, MSHDA No. 44c-220**, City of Wayland, Allegan County: Michigan State Housing Development Authority Resolution Authorizing Issuance And Sale Of Michigan State Housing Development Authority Multifamily

Housing Revenue Bonds, Series 2025 (**Westbury Apartments Project**) To Finance A Loan To Pk Westbury 32 Limited Dividend Housing Association Limited Partnership, So As To Enable The Borrower To Acquire, Rehabilitate And Equip A Certain Multi-Family Rental Housing Facility, Authorizing The Execution Of The Bond Purchase Agreement, The Loan Agreement And The Trust Indenture Securing The Bonds, And Determining And Authorizing Other Matters Relative Thereto. Mr. Stone and Ms. Nied reviewed the resolutions as detailed in the board docket.

Hilary Vigil of the Attorney General's Office confirmed that the documents in **Tab I** were acceptable for the Board's action.

Clarence Stone, Chief Legal Affairs Officer, confirmed that the documents in **Tab I** were acceptable for the Board's action.

Warren Call moved to approve **Tab I**. Jennifer Grau supported. The following Roll Call was taken for **Tab I:**

Regina Bell	Absent
Jonathan Bradford	Absent
Warren Call	Yes
Jennifer Grau	Yes
Rachael Eubanks	Yes
John Groen	Yes
Evangelia Hernandez	Yes
Michele Wildman	Absent

There were five "yes" votes. The resolutions were approved.

Jeff Sykes, Chief Financial Officer, presented **Tab J**, Resolution Declaring Official Intent to Reimburse Expenditures for Financing and Purchasing Mortgage Loans**.** Mr. Sykes reviewed the documents as detailed in the board docket.

Rachel Eubanks moved to approve **Tab J**. Jennifer Grau supported. The following Roll Call was taken for **Tab J:**

Regina Bell	Absent
Jonathan Bradford	Absent
Warren Call	Yes
Jennifer Grau	Yes
Rachael Eubanks	Yes
John Groen	Yes
Evangelia Hernandez	Yes
Michele Wildman	Absent

There were five "yes" votes. The resolution was approved.

Megan Spitz, Senior Community Development Specialist, presented **Tab K,** Resolution Authorizing Finalization and Execution of Funding and Servicing Agreement and Implementation of The Greenhouse Gas Reduction Fund ("GGRF") Program. Ms. Spitz reviewed the documents as detailed in the board docket.

Rachel Eubanks moved approval of **Tab K**. Evangelina Hernandez supported. The resolutions were approved.

Chair's Report:

None.

Chief Executive Officer/Executive Director's Report:

Timothy Klont, Chief Strategy and Engagement Officer provided an update on the Statewide Housing Plan (Statewide Housing Plan Halfway Point Marked with Celebratory Progress Report). Mr. Klont then shared a video presentation: Statewide Housing Plan Halfway Point Milestones.

After the Executive Officer's Report, Mr. Goen announced the following reports were included in the docket: **(Tab 1)** Delegated Action Reports; **(Tab 2)** Homeownership Production Year End 2024 Report; **(Tab 3)** Current and Historical Homeownership Data; **(Tab 4)** Monthly Homeownership Production Report; **(Tab 5)** MI 10K DPA Monthly Statistics (Map); and **(Tab 6)** 2025 Board Calendar.

Mr. Groen noted that the next regular board meeting would be on February 20, 2025. He then requested a motion to adjourn the meeting. Rachel Eubanks moved to adjourn, and Jennifer Grau supported. The meeting adjourned at 10:44 am.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: February 20, 2025

RE: Housing and Community Development Fund—Approval of Grants Listed in Schedule A

RECOMMENDATION

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt a resolution that authorizes the approval of the following grant funded by the Michigan Housing and Community Development Fund ("HCDF"):

- The Implementation of the Statewide Housing Plan Program grants ("Statewide Housing Plan Program Grants") listed in Schedule A of this Memorandum.

(The Statewide Housing Plan Program Grants are referred to as the "HCDF Grants").

If approved by the Authority, the total amount of HCDF proceeds used to fund the HCDF Grants listed in Schedule A will not exceed $3,415,000.

EXECUTIVE SUMMARY

Public Act 346 of 1966, Part 125.1458a, charges the Authority with administering the Michigan Housing and Community Development Fund ("HCDF") for the purpose of developing and coordinating public and private resources to meet the affordable housing needs of low income, very low income, and extremely low-income households and to revitalize downtown areas and adjacent neighborhoods in Michigan.

Effective February 13, 2024, the Michigan Legislature appropriated to the Authority, pursuant to Public Act 4 of 2023 ("2023 PA 4"),[1] beginning with the 2022-2023 state fiscal year through the 2024-2025 state fiscal year, up to $50 million, if available, to the HCDF Program. On September 19, 2024, the Authority approved the FY2025 - FY2026 HCDF Allocation Plan in order to program the use of HDCF funds. If approved, the Statewide Housing Plan Program Grants identified in Schedule A will be funded under the HCDF Program from the 2023 PA 4 appropriation from either FY24 or FY25 funds.

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[1] 2023 PA 4 amends Public Act 281 of 1967, at MCL 206.695(1) et. seq.

The HCDF Grants have been evaluated by Authority staff for compliance with the HCDF Allocation Plan and requirements, which evaluations have been reviewed and approved by review committees comprised of Authority supervisory staff. The proposed HCDF Grants have been found to be acceptable for Authority approval and will be subject to the terms and conditions required for (a) HCDF funds as appropriate and (b) the execution of grant agreements and disbursement of the HCDF Grants.

ADVANCING THE AUTHORITY'S MISSION

The proposed HCDF Grants will serve to expand access to affordable and attainable housing, address ongoing housing hardships of Michigan residents and support Michigan's Statewide Housing Plan implementation and priorities that address the housing needs of Michigan residents.

REGIONAL HOUSING PARTNERSHIPS

The proposed HCDF Grants support the goals of the regional housing partnerships.

RESIDENT IMPACT

None.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS

None.

SCHEDULE A MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY HOUSING AND COMMUNITY DEVELOPMENT FUNDS (HCDF) 2023 PUBLIC ACT 4 IMPLEMENTATION OF THE STATEWIDE HOUSING PLAN PROGRAM FEBRUARY 20, 2025 GRANTEE LIST							
NAME OF GRANTEE	**AMOUNT OF HCDF GRANT**	**REGION**	**LOCATION FOR SCOPE OF WORK**	**SCOPE OF WORK**	**HOMEOWNER/HOMEBUYER**	**RENTAL**	**TERM OF GRANT**
Mecosta County Habitat for Humanity	$440,000	Region F	Mecosta County	10 Occupied rehab	10	0	March 01, 2025 - February 28, 2027
Visscher Enterprises LLC	$160,000	Region F	Mason County	4 Occupied Rehab	0	4	March 01, 2025 - February 28, 2027
Lesko 916 Real Estate LLC	$200,000	Region G	Saginaw County	12 Occupied Rehab	0	12	March 01, 2025 - February 28, 2027
Saginaw-Shiawassee Habitat for Humanity	$1,100,000	Region G	Saginaw County	10 New Units	10	0	March 01, 2025 - February 28, 2027
Genesee County Land Bank Authority	$825,000	Region H	Genesee County	8 New Units	8	0	March 01, 2025 - February 28, 2027
The Heat and Warmth Fund	$440,000	Region L	Oakland County	25 Occupied Rehab	25	0	March 01, 2025 - February 28, 2027
Live6 Alliance	$250,000	Region O	Wayne County	40 Occupied Rehab	40	0	March 01, 2025 - February 28, 2027
Total Approvals Requested	**$3,415,000**				**93**	**16**	

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING GRANTS FROM THE MICHIGAN HOUSING AND COMMUNITY DEVELOPMENT FUND

February 20, 2025

WHEREAS, Section 58a of Public Act 346 of 1966, as amended (the "Act") creates and establishes the Michigan Housing and Community Development Fund (the "HDCF") under the jurisdiction and control of the Michigan State Housing Development Authority (the "Authority"); and

WHEREAS, Section 58b(2) of the Act provides that the Authority will identify, select, and make financing available, in any amounts as the Authority determines, from the HCDF for housing for low income, very low income, and extremely low income households and for projects located in a downtown area or adjacent neighborhood, to Section 58(2)(d) defined eligible applicants for Section 58b(3) eligible projects and Section 58c eligible activities; and

WHEREAS, effective February 13, 2024, the Michigan Legislature appropriated to the Authority, pursuant to Public Act 4 of 2023 (“2023 PA 4”), amending Public Act 281 of 1967, at MCL 206.695(1) et. seq., beginning with the 2022-2023 state fiscal year through the 2024-2025 state fiscal year, up to $50 million, if available, to the HCDF Program.

WHEREAS, September 19, 2024, the Authority approved the FY2025 - FY2026 HCDF Allocation Plan in order to program the use of HDCF funds; and

WHEREAS, Authority staff and the Chief Executive Officer and Executive Director have reviewed the Statewide Housing Plan Program grant proposals listed in Schedule A (“Statewide Housing Plan Program Grants”) and recommend that the Authority adopt a resolution authorizing the funding of Statewide Housing Plan Program Grants listed in Schedule A with HCDF proceeds as described in the accompanying memorandum; and

WHEREAS, the Authority concurs in the recommendation.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The Authority hereby determines that:

    a. the HCDF Grants shall be expended for one or more of the eligible activities outlined in the Authority's Act and permitted under Rule 125.190 of the Authority's General Rules; and

    b. in the event that housing units are created or improved with HCDF Grants proceeds, at least twenty percent (20%) of the units in the housing project to be acquired, constructed, rehabilitated, or preserved with HCDF Grant funds are set aside for Low Income Households, as defined by the Act and Rule 191 of the Authority's General Rules.

2. The HCDF Grants are authorized to be used for the purposes and in the amounts set forth in the accompanying memorandum, subject to the conditions contained therein and to the execution of a Grant Agreement between the Authority and the grantees listed in Schedules A, that shall include the following:

   a. a provision pursuant to Section 58d(a) providing that the owner and manager agree not to evict a tenant without just cause, as defined in MCL 125.694a;

   b. a provision pursuant to Section 58d(b) providing for the recapture or de-obligation of some or all of the HCDF Grant for any the reasons specified in Rule 125.196(4) of the Authority's General Rules; and

   c. performance metrics and reporting requirements as required by HCDF guidelines.

4. If an advance or any portion of any HCDF Grant is not used for the intended purpose due to conditions that make it impossible to use as stated herein, or if the grantee fails to use all or any portion of the HCDF Grant, any unused HCDF Grant proceeds that have been disbursed will be returned to the Authority immediately. All HCDF Grant proceeds that have not been used for approved HCDF Grant purposes within two (2) years of the date of this Resolution will be recaptured by the Authority and returned to the Authority's HCDF Fund.

5. The Chief Executive Officer and Executive Director, the Chief Financial Officer, the Director of Finance, the Chief Legal Affairs Officer, the Chief Operating Officer, the Director of In-House Legal Services, the Director of Legal Transactions, or any person duly appointed and acting in that capacity (each an "Authorized Officer") are each authorized to modify the terms of the HCDF Grant or take such action as, in the discretion of the Authorized Officer, may be necessary to assure the administration of the Grant is in compliance with the Consolidated Act, the Act and the General Rules of the Authority, and to effectuate the proposals set forth in the accompanying memorandum. To ensure the efficient use of grant funds, an Authorized Officer is authorized to substitute a HCDF grant with a grant from an alternate, duly authorized funding source.

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: February 20, 2025

RE: Contract for Increased Modular Housing Production and Report

RECOMMENDATION

I recommend that the Michigan State Housing Development Authority (the "Authority") approve and execute a one-year contract with Ginosko Modular, with the option to renew for an additional year, to demonstrate increased modular housing production and prepare and deliver a study and report on how modular housing production increases access to affordable housing, improves the supply chain, and other salient lessons learned applicable to the housing industry. Funding for this contract has been appropriated by the Michigan Legislature, for a total amount not to exceed $5,000,000.

EXECUTIVE SUMMARY

The State of Michigan Fiscal Year 2025 General Omnibus budget, SB 747, PA 121 of 2024, includes $5,000,000 in appropriated funding to the Michigan Department of Labor and Economic Opportunity to be "utilized to advance access to affordable housing through grants to increase the production of housing components, including, but not limited to, modular housing components, or to support production methods to lower the cost of housing. Housing industry and supply chain competitive grant applicants shall demonstrate that any funds received under this subsection would increase access to affordable housing or improve the housing supply chain in this state."

The Authority has been charged with awarding and administering this Grant. To ensure that the goals of the budget line item are honored, the Authority is awarding the funds as a contract, fully funded by the Grant, that requires a demonstration of increased modular housing production by producing during the period of the contract and any extension as allowed by the Authority, at least One Hundred Fifty (150) modular units to be purchased and deployed in Michigan by one or more affordable housing projects. Projects with financing commitments from the Authority, prior to the date hereof, will be ineligible to count towards the production requirement. Additionally, preparation by the selected awardee of a study and report on how increased grant funding has increased access to affordable housing, improved the supply chain, and any other salient lessons learned applicable to the housing industry.

Optimum Modular, LLC, a Michigan limited liability company, doing business as Ginosko Modular (the "Awardee"), was selected by a panel following a competitive bid process when a Request for Proposals was released on or about January 9, 2025.

ADVANCING THE AUTHORITY'S MISSION

This contract will satisfy the Legislature's instruction as to the disposition of the FY 2025 budget line item, and the results of the study and report to be provided will inform the Authority on how to better remove barriers to increasing housing supply and affordability.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS

The Awardee will execute a formal contract setting forth the terms, conditions, and expectations of the performance of grant activities and standards for the study and report to address.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING CONTRACT FOR MODULAR HOUSING PRODUCTION, STUDY AND REPORT

February 20, 2025

WHEREAS, the State of Michigan Fiscal Year 2025 General Omnibus budget, SB 747, PA 121 of 2024, (the "Public Act") includes appropriated funding to the Michigan Department of Labor and Economic Opportunity for competitive housing industry and supply chain grants to address the production of housing components, including modular housing components (the "Grant Program"), intended to be allocated to the Michigan State Housing Development Authority ("Authority") to award and administer special grants to intended grantees; and

WHEREAS, the Act authorizes up to a total of Five Million Dollars ($5,000,000) for the Grant Program providing funds for the production of One Hundred Fifty (150) modular housing units (the "Units"), and a study reporting on how such funding has increased access to affordable housing, improved the supply chain, and any other salient lessons learned applicable to the housing industry, as set forth in the accompanying Memorandum; and

WHEREAS, the Public Act provides Grant Program parameters, including eligible applicants, eligible uses and the maximum grant amount, and the Authority will require, pursuant to the terms of a formal contract, the production of the Units and a study and report (the "Report") demonstrating modular housing production support by the grant funding, and providing data and conclusions as to how modular housing production increases access to affordable housing and improves the housing supply chain and any other salient lessons learned applicable to the housing industry; and

WHEREAS, the Authority conducted a competitive bidding process and selected Optimum Modular, LLC, a Michigan limited liability company, doing business as Ginosko Modular (the "Awardee") to engage in the production efforts and to conduct the study and draft the Report as a part of the contract funded by Grant Program; and

WHEREAS, the Authority will enter into a one-year contract with the Awardee, in an amount not to exceed Five Million Dollars ($5,000,000), with the option to renew the term of the contract for an additional year;

WHEREAS, the Program requires the Chief Executive Officer and Executive Director to approve and issue the contract in accordance with the Program Statement and the Public Act; and

WHEREAS, the Authority concurs in the report and recommendation of the Chief Executive Officer and Executive Director.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that it enter into a one-year contract with the Awardee in an amount not to exceed Five Million Dollars ($5,000,000) with the option to renew for an additional year to fulfill the requirements applicable to the Program, to be launched immediately as authorized pursuant to Section 1019 of 121 PA 2024 and authorizes the Chief Executive Officer and Executive Director to approve and issue the contract in accordance with Section 1019 of the Public Act.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: February 20, 2025

RE: CCF Van Dyke Apartments II, Development No. 44c-226 (the "Development')

RECOMMENDATION

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt an inducement resolution with respect to the project described in the attached report.

PROJECT SUMMARY

MSHDA No.:	44c-226
Development Name:	CCF Van Dyke Apartments II
Development Location:	City of Sterling Heights, Macomb County
Sponsor:	Chaldean Community Foundation
Borrower:	CCF Development Grillo Limited Dividend Housing Association LLC
Number of Units:	82 family units
No. of Accessible Units:	5 accessible units
Construction Method:	New Construction
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Total Development Cost:	$31,531,237
Aggregate Basis:	$30,064,050
Total Loan Amount:	$16,380,499 (54.49% of aggregate basis)
Credit Enhancement for Gap Note:	Cash Collateral from Borrower's equity investor and/or proceeds from Michigan Legislative Enhancement Grants
Credit Enhancement for Real Estate Note:	Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL (Immediate) Program

EXECUTIVE SUMMARY

The Chaldean Community Foundation (the "Sponsor") proposes to construct the Development, which consists of 82 affordable housing units located in the City of Sterling Heights, Macomb County, Michigan. The Development will be constructed using a construction and permanent loan financed with the proceeds of notes issued pursuant to Section 44c of the Authority's enabling act. The Development, as proposed, meets the requirements of Section 44c, and repayment of the notes will be reasonably secure based on (1) a Standby Credit Enhancement Agreement issued under Freddie Mac's TEL (Immediate) Program in the amount of the permanent loan, and (2) cash collateral provided by the Borrower's equity investor and/or proceeds from Michigan Legislative Enhancement Grants, to cover the difference between the construction loan and the permanent loan amounts. The cash collateral will be invested in Aaa- or AAA-rated U.S. government-backed money market funds or other top tier investments and will be held by the fiscal agent for the notes.

The Authority will issue two series of notes — "Gap Note" and "Real Estate Note." Two sets of bond documents will be used for the respective Gap and Real Estate Notes.

The Gap Note will cover the difference between the principal amount of the Real Estate Note and the amount of tax-exempt volume cap required to satisfy the fifty percent (50%) test. The Gap Note will be credit enhanced with cash collateral from the Borrower's equity investor and/or an Michigan Legislative Enhancement Grants. The Gap Note will be paid off after construction completion and when the Development is placed in service.

The Real Estate Note will be issued at closing and remain outstanding during the permanent loan term. The Real Estate Note will be credit enhanced by a Standby Credit Enhancement Agreement under Freddie Mac's TEL (Immediate) Program.

The Development is located within Region M of the Statewide Housing Plan Regional Housing Partnerships, and this development supports the following goals of the Region M Action Plan:

- Goal 4.1: Increase the supply of the full spectrum of housing that is affordable and attainable to Macomb County residents, including missing middle, workforce housing, rental housing and preservation/rehabilitation of existing housing stock
- Goal 6.3, increasing the quality of rental housing.

I am recommending Board approval for the following reasons:

- The Sponsor's application satisfies the requirements for the issuance of an inducement resolution under Section 44c of the Authority's Act and the Amended and Restated Pass-Through Bond Program statement.
- Preliminary environmental and marketing reviews meet Authority requirements.
- 82 units of affordable family housing will be newly constructed in the Sterling Heights community.
- The repayment of the limited obligation notes will be reasonably secure based on the proposed collateral.

ADVANCING THE AUTHORITY'S MISSION

- Approving an inducement resolution will allow this proposal to incur costs necessary for acquiring the land and constructing the Development.

- 9 units will be reserved for tenants at not more than 80% of the Area Median Income. 64 units will be reserved for tenants at no more than 60% of Area Median Income. In addition, 9 units must be targeted to households whose income is at or below 40% of Area Median Income.
- Additional details are provided on page 2 of the Staff Report.
- 82 units of affordable housing in the Sterling Heights community will be newly constructed.

MUNICIPAL SUPPORT

- The municipality has expressed support for this project.

COMMUNITY IMPACT

- It is anticipated that the construction or rehabilitation of the Development will create 3 permanent jobs and 80 temporary jobs.

RESIDENT IMPACT

- Low-income residents of the Sterling Heights community will benefit from the construction of new, affordable housing units.
- The Development will include the following amenities:
  - Ceiling fans
  - Coat closets
  - Dishwashers
  - Microwaves
  - Min-blinds
  - Patio/Balconies
  - Self-cleaning ovens
  - Energy efficient appliances
  - Frost-free refrigerators
  - Garbage disposals
  - Air conditioning
  - Elevators
  - Private parking
  - On-site management
  - In-unit laundry
  - Playground
  - Community terrace
  - Outdoor space with walkway

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS

None.

AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM

INDUCEMENT RESOLUTION STAFF REPORT

February 20, 2025

RECOMMENDATION:

Adopt an inducement resolution with respect to the project described in this report.

PROJECT SUMMARY:

MSHDA No.:	44c-226
Development Name:	CCF Van Dyke Apartments II
Development Location:	City of Sterling Heights, Macomb County
Sponsor:	Chaldean Community Foundation
Borrower:	CCF Development Grillo Limited Dividend Housing Association LLC
Number of Units:	82 family units
No. of Accessible Units:	5 accessible units
Construction Method:	New Construction
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Total Development Cost:	$31,531,237 (estimated)
Aggregate Basis:	$30,064,050
Total Loan Amount:	$16,380,499 (54.49% of aggregate basis)
Credit Enhancement for Gap Note:	Cash Collateral from the Borrower's equity investor and/or proceeds from Michigan Legislative Enhancement Grants
Credit Enhancement for Real Estate Note:	Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL (Immediate) Program

The material contained in this staff report is submitted to the Authority for information only. The Authority does not underwrite Pass-Through Bond loans. To the extent that any information contained herein conflicts with the documents relating to the sale of the notes and the making of the loan, the latter documents shall control.

PROGRAM DESCRIPTION:

Section 44c of Public Act 346 of 1966, as amended (the "Act"), authorizes the Authority to issue notes or bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The notes or bonds are "limited obligations" of the Authority with the security limited to the assets of the borrower, the project itself, and the credit enhancement arranged by the borrower. These are generally referred to as "Pass Through" notes or bonds.

On July 18, 2024, the Authority re-authorized the Amended and Restated Pass-Through Bond Program, increasing the maximum allocation to $350 million in tax-exempt bond volume cap. This program imposes minimum rent and income targeting requirements of either 40% of the units at 60% of area median income or 20% of the units at 50% of area median income. At least ten percent (10%) of the Development's units must be more deeply targeted to households whose income is at or below 40% MTSP Limit. The Program sets a limit on the bond allocation available per sponsor. It also requires limited market and environmental reviews, compliance with state EEO requirements and establishes a cap on the distributions of cash made to the owner.

CONDITIONS:

1. **Income Limits:**

The Borrower must enter into a Regulatory Agreement with the Authority requiring units in the Development to be rented or available for rental by tenants whose income does not exceed the limits established for Multifamily Tax Subsidy Projects ("MTSP") as determined by HUD with respect to projects financed pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), as further amended by the Housing and Economic Recovery Act of 2008 (P.L. 110-289) ("MTSP Limits"), adjusted for family size. The Regulatory Agreement will contain the following income restrictions: Nine (9) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 40% MTSP Limit; Sixty-Four (64) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 60% MTSP Limit; and Nine (9) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 80% MTSP Limit, so long as the average income of the restricted units in the Development is no more than the 60% MTSP Limit.

These limitations on household income shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Notes (as defined below) remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement or the period required by Section 142(d) of the Code.

2. **Limitations on Rental Rates:**

The Regulatory Agreement must require that the monthly tenant-paid rent (excluding subsidy) plus tenant-paid utilities (the “Total Housing Expense”) on the Nine (9) deeply-targeted units in the Development may not exceed 30% of 1/12 of the 40% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for Sixty-Four (64) units may not exceed 30% of 1/12 of the 60% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for Nine (9) units may not exceed 30% of 1/12 of the 80% MTSP Limit, assuming occupancy by one and one-half persons per bedroom.

These limitations on rental rates shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Notes (as defined below) remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement or the period required by Section 142(d) of the Code.

3. **Notes; Closing Documents; Organizational Documents:**

Prior to Note closing, the Borrower must submit all of the documents relating to the sale of the obligations to be issued to finance the loan (the "Notes"). The Borrower must also submit for review and approval such information relating to the Development as may be required by the Authority's Chief Legal Affairs Officer, including title and survey matters, and its organizational documents. All documents must be in compliance with the Authority's Act and acceptable to the Michigan Attorney General, the Authority's Bond counsel and the Authority's Chief Legal Affairs Officer.

At the Bond closing, the parties must enter into a Project Loan Agreement and a Funding Loan Agreement for each Note series, which provide that all cash proceeds of the credit enhancement will be deposited with the fiscal agent for the Notes and shall be held and invested by the fiscal agent in accordance with the Funding Loan Agreements. In the Project Loan Agreements, the Borrower must agree to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of the financing, construction, ownership, or operation of the Development, or from the violation of any environmental laws.

4. **Credit Enhancement:**

Prior to the authorization of a commitment for issuance of the Notes, the Borrower must submit definitive commitments that the credit enhancement will be provided. The proposed credit enhancement instruments and any other additional security offered to the Authority must be acceptable to the Chief Financial Officer and the Chief Legal Affairs Officer.

DEVELOPMENT TEAM AND PROJECT INFORMATION:

Sponsor and Borrower:

1.	**Sponsor:**	Chaldean Community Foundation 3601 15 Mile Rd., Sterling Heights, MI 48310
	Contact:	Martin Manna
	Phone:	248-851-1200
2.	**Borrower:**	CCF Development Grillo Limited Dividend Housing Association, LLC

Initial Funding Lender:	CPC Mortgage Company, LLC
Bond Counsel:	Hawkins Delafield & Wood LLP (*John Renken*)
Fiscal Agent:	Huntington National Bank
Credit Enhancement Provider:	Federal Home Loan Mortgage Corporation (Freddie Mac) (TBD) and Cinnaire Lending Corporation (TBD)

Other Members of the Development Team:

Equity Partner:	Cinniare (Ben Stehouwer)
Borrower's Counsel:	Butzel Long (Scott Brinkman)
Borrower's Accountant:	Doeren Mayhew (Chris Tull)
General Contractor:	Ronnisch Construction (Bernd Ronnisch)
Property Manager:	Continental Management (Van Fox)
Architect:	Alexander V. Bogaerts & Assoc., P.C. (Xander Bogaerts)

Sources and Uses of Funds:

CPC Freddie Forward	**$5,845,929**
MSHDA Gap Funds	4,000,000
CCF Legislative Grant (PA 121)	3,000,000
CCF Legislative Grant (PA 119)	4,000,000
GP Equity	100
LIHTC Equity	13,569,761
Deferred Developer Fee	$1,115,447
Total Sources of Funds	**$31,531,237**

Acquisition	$66,000
Site Work	2,986,719
Construction/Rehabilitation	20,625,107
Professional Fees	840,000
Interim Construction Costs	2,136,983
Permanent Financing	218,459
Other Costs	1,281,689
Syndication Costs	55,000
Project Reserves	321,280
Developer Fee	$3,000,000
Total Uses of Funds	**$ 31,531,237**

APPROVALS:

Chad A Benson 2/12/2025

Chad Benson, Director of Development Date

Jeffrey J Sykes 2-12-25

Jeffrey Sykes, Chief Financial Officer Date

Clarence L. Stone, Jr. 2-12-2025

Clarence L. Stone, Jr., Chief Legal Affairs Officer Date

Amy Hovey 02/12/2025

Amy Hovey, Chief Executive Officer and Executive Director Date

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

INDUCEMENT RESOLUTION
CCF VAN DYKE APARTMENTS II
STERLING HEIGHTS, MACOMB COUNTY
MSHDA No. 44c-226

February 20, 2025

WHEREAS, the Chaldean Community Foundation (the "Applicant"), desires to develop a multifamily housing facility (the "Project") in the City of Sterling Heights, Macomb County, Michigan; and

WHEREAS, the Applicant has applied to the Michigan State Housing Development Authority (the "Authority") for a loan in the amount of Sixteen Million Three Hundred Eighty Thousand Four Hundred Ninety-Nine Dollars ($16,380,499) (the "Loan") pursuant to Section 44c of Act No. 346 of the Public Acts of 1966, as amended (the "Act"), to be made to CCF Development Grillo Limited Dividend Housing Association LLC or an eligible borrower entity to be formed under the Act (the "Borrower"), to finance the acquisition, construction or rehabilitation and equipping of the Project, which constitutes a housing project as defined in the Act; and

WHEREAS, the Applicant has advised that the cost of the Project will not exceed Thirty-One Million Five Hundred Thirty-One Thousand Two Hundred Thirty-Seven Dollars ($31,531,237); and

WHEREAS, the Act authorizes the Authority to loan monies to limited dividend housing associations for the construction or rehabilitation and long-term financing of multifamily housing projects and to obtain the monies for such loans by the issuance of bonds or notes in compliance with and pursuant to the terms and provisions of the Act; and

WHEREAS, it is necessary to assure the Applicant that the Authority intends to issue notes or bonds (the "Notes") upon meeting the requirements of the Act and the terms and conditions of this Resolution, it being the intent and purpose of the Authority in adopting this Resolution to provide the necessary official action with respect to the Notes as will meet the requirements of the Internal Revenue Code and the regulations promulgated in connection therewith.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that:

1. In order to comply with Treasury Regulation Section 1.150-2, the Authority makes the following declarations:

    (a) The Authority reasonably expects to authorize the Loan for the purpose of reimbursing the Borrower for the costs of and/or financing the acquisition and equipping of the Project as further described in the Borrower's application, and the terms of the Inducement Resolution Staff Report attached hereto and incorporated herein;

    (b) The Loan shall not be used to reimburse the Borrower for expenditures earlier than the date on which the Borrower pays such expenditures and not later than the date that is eighteen months after the later of (i) the date on which the Borrower has paid the expenditure, or (ii) the date on which the Project is placed in service, but in no event more than three (3) years after the expenditure is paid. All reimbursement of expenditures shall follow the procedures described in Treasury Regulation Section 1.150-2(d);

(c) No Loan proceeds paid to reimburse the Borrower for expenditures incurred in the acquisition and equipping of the Project shall be used in a manner described in Treasury Regulation Section 1.150-2(h) with respect to abusive use of such proceeds;

(d) The costs to be reimbursed must be "capital expenditures" as defined in Treasury Regulation Section 1.150-1(b), which are costs of a type that are properly chargeable to a capital account under Federal Income Tax principles; and

(e) The maximum amount of the Loan to the Borrower shall not exceed Sixteen Million Three Hundred Eighty Thousand Four Hundred Ninety-Nine Dollars ($16,380,499).

2. The Authority expects to authorize the Loan to the Borrower, subject to the Borrower's meeting the requirements of the Act, including without limitation, the requirements of Section 44c of the Act, the Authority's Amended and Restated Pass-Through Bond Program and the terms and conditions hereinafter set forth.

3. The Borrower shall submit commitments from the proposed issuers of credit enhancement with respect to the Notes in forms and amounts sufficient to assure the Authority that repayment of the Notes issued will be reasonably secure.

4. The Borrower shall be obligated to make loan repayment in an amount sufficient to pay the principal, interest and premium, if any, of the Notes, establish appropriate reserves, and pay costs and expenses relating to the issuance of the Notes and the making of the Loan.

5. The Authority's obligation to make the Loan shall be conditioned upon the ability of the Authority to issue, sell and deliver the Notes.

6. The Loan shall be evidenced by a loan agreement and secured by such instruments as are in form and substance satisfactory to the Authority, the Department of Attorney General of the State of Michigan and bond counsel to the Authority, which shall include such additional security as may be required by the purchaser of the Notes.

7. Subject to compliance with the terms and conditions of this Resolution and any subsequent Resolution authorizing the Authority's loan commitment with respect to the Project, the Authority will authorize, pursuant to a Bond Resolution of the Authority, the issuance of the Notes in a principal amount not exceeding Sixteen Million Three Hundred Eighty Thousand Four Hundred Ninety-Nine Dollars ($16,380,499) for the purposes of making the Loan and funding the reserves and costs associated with the issuance and administration of the Notes as aforesaid, and will enter into a loan agreement and related documents with the Borrower, which proceedings shall be subject to the approval of the Department of Attorney General of the State of Michigan, bond counsel to the Authority and the Michigan Department of Treasury.

8. The Notes shall not be general obligations of the Authority but shall be payable as to principal, premium, if any, and interest solely from the proceeds of the payments to be made by or on behalf of the Borrower to the Authority (or to a trustee appointed by the Authority pursuant to the Bond Resolution), as provided in the Bond Resolution. The agreements relating to the Loan and the issuance of the Notes shall contain such provisions as will be necessary to make absolutely clear and certain that under no circumstances will the Notes or this Resolution be a debt of the State of Michigan, nor will the State of Michigan be liable on the Notes.

9. All costs and expenses involved in the authorization, issuance, sale and delivery of the Notes and in the making of the Loan, including the fees and disbursements of bond counsel, shall be paid from Bond proceeds or by the Borrower and the proceedings and agreements relating thereto, as hereafter adopted and undertaken, shall so provide.

10. The Chief Executive Officer and Executive Director, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly authorized to act in such capacity (each an "Authorized Officer"), or any one of them acting alone, are hereby authorized and directed to initiate the proceedings described in this Resolution and to enter into negotiations, subject to the approval of the Authority, with a Bond purchaser for the sale of the Notes by the Authority.

11. Bond counsel to the Authority and the Department of Attorney General of the State of Michigan are authorized and directed to prepare and submit to the appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of the Notes and to make applications on behalf of the Authority to the United States Internal Revenue Service and to other governmental agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of the Notes. Any Authorized Officer is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. All costs and expenses pertaining to the above matter shall be paid from the Bond proceeds or by the Borrower.

12. Issuance of the Notes shall be subject to the conditions contained in the Inducement Resolution Staff Report accompanying this Resolution.

13. All resolutions and parts of resolutions that conflict with the provisions of this Resolution are hereby rescinded.

14. This Resolution does not constitute a commitment of the Authority to loan funds under Section 44c(6) of the Act and does not serve as a reservation or allocation of bonding capability.

15. The Authority hereby determines that the likely benefit of the Project to the community or the proposed residents of the Project merits the use of Authority limited obligation notes as a financing source for the proposed acquisition and construction of the Project.

16. This Resolution shall take effect immediately.

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director

Amy Hovey

DATE: February 20, 2025

RE: Kalamazoo Community Courtyard; MSHDA Development No. 44c-222

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") 1) adopt a resolution authorizing the issuance of a loan (the "Loan") with respect to the project described in the attached report, and 2) adopt a resolution authorizing the issuance of bonds, the proceeds of which will finance the Loan.

PROJECT SUMMARY:

MSHDA No.:	44c-222
Development Name:	Kalamazoo Community Courtyard
Development Location:	City of Kalamazoo, Kalamazoo County
Eligible Distressed Area:	Yes
Sponsor:	MDV Properties GP LLC & Zero Day Inc
Borrower:	Kalamazoo Community Courtyard Limited Dividend Housing Association Limited Partnership
Number of Units:	18 family units and 1 employee unit
Number of Accessible Units:	7 accessible units
Construction Method:	New Construction
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Total Development Cost:	$6,353,875 (estimated)
Total Loan Amount:	Not to exceed $3,500,000 (58.58% of aggregate basis)
Credit Enhancement:	Cash collateral through loans provided by (a) the Kalamazoo Community Foundation and (b) Zero Day, Inc. through the following sources: (i) County of Kalamazoo millage, (ii) City of Kalamazoo HOME Loan, and (iii) City of Kalamazoo ARPA funds.

EXECUTIVE SUMMARY:

MDV Properties GP LLC and Zero Day Inc (the "Sponsors") propose to construct the Development, which consists of 18 affordable housing units plus one (1) employee unit located in the City of Kalamazoo, Kalamazoo County, Michigan. The Development will be constructed using a construction loan financed with the proceeds of a single issue of bonds issued pursuant to Section 44c of the Authority's enabling act. The Development, as proposed, meets the requirements of Section 44c, and repayment of the bonds will be reasonably secure based on cash collateral intended to secure such repayment and held by the trustee for the bonds.

I am recommending Board approval for the following reasons:

- The Sponsor's application satisfies the requirements for the issuance of a commitment resolution under Section 44c of the Authority's Act and the Amended and Restated Pass-Through Program Statement adopted July 18, 2024.
- Preliminary environmental and marketing reviews meet Authority requirements.
- The development team has the capacity and experience to complete the transaction.
- 18 units of affordable family housing will be newly constructed in the Kalamazoo community.
- The development is expected to receive project-based rental subsidy for all 18 affordable housing units.
- The repayment of the limited obligation bonds will be reasonably secure based on the proposed collateral.

ADVANCING THE AUTHORITY'S MISSION:

- The Development will be located in Region F of the Statewide Housing Plan Regional Housing Partnerships, and this development supports the following goals of the Region F Action Plan:
    - Goal 3.2: increase access to stable and affordable quality housing options for households with extremely low incomes.
    - Goal 4.1: increase the supply of the full spectrum of housing that is affordable and attainable to Michigan residents.
- 100% of the 18 affordable units will be reserved for tenants at no more than 60% of Area Median Income. In addition, ten percent (10%) of the units must be targeted to households whose income is at or below 40% of Area Median Income.
- Additional details are provided on page 2 of the Staff Report.
- 18 units of affordable housing in the Kalamazoo area will be newly constructed.

MUNICIPAL SUPPORT:

- The Development has been granted a tax exemption and payment in lieu of taxes under the Act.
- The Development will receive local financial support from the following sources:
    - $1,000,000 from the County of Kalamazoo millage
    - $500,000 from a City of Kalamazoo HOME Loan
    - $700,000 from City of Kalamazoo ARPA funds
    - $2,060,000 from the Kalamazoo Community Foundation

COMMUNITY ENGAGEMENT/IMPACT:

- It is anticipated that the construction of the Development will create 1 permanent job and 25 temporary jobs.
- The community was invited to engage in a virtual public hearing (TEFRA Hearing) regarding the bond funding.

RESIDENT IMPACT:

- Low-income residents of the Kalamazoo community will benefit from the construction of new, affordable housing units.
- The Development will include the following amenities: a private office, an indoor community gathering space, an outdoor gathering space with a playground, and wrap around resident support services provided by the YWCA as well as available accredited employment training opportunities from Zero Day Inc.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM

COMMITMENT STAFF REPORT

February 20, 2025

RECOMMENDATION:

Adopt a resolution authorizing the issuance of a tax-exempt loan commitment with respect to the project described in this report and authorizing the issuance of bonds, the proceeds of which will finance the loan.

PROJECT SUMMARY

MSHDA No.:	44c-222
Development Name:	Kalamazoo Community Courtyard
Development Location:	City of Kalamazoo, Kalamazoo County
Eligible Distressed Area:	Yes
Sponsor:	MDV Properties GP LLC & Zero Day Inc
Borrower:	Kalamazoo Community Courtyard Limited Dividend Housing Association Limited Partnership
Number of Units:	18 family units and 1 employee unit
Number of Accessible Units:	7 accessible units
Construction Method:	New Construction
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Total Development Cost:	$6,353,875 (estimated)
Aggregate Basis:	$5,974,582
Total Loan Amount:	Not to exceed $3,500,000 (58.58% of aggregate basis)
Credit Enhancement:	Cash collateral through loans provided by (a) the Kalamazoo Community Foundation and (b) Zero Day Inc through the following sources: (i) County of Kalamazoo millage, (ii) City of Kalamazoo HOME Loan, and (iii) City of Kalamazoo ARPA funds.
Commitment Fee:	2% of the Loan Amount

The material contained in this staff report is submitted to the Authority for information only. The Authority does not underwrite Pass-Through Bond loans. To the extent that any information contained herein conflicts with the documents relating to the sale of the notes or bonds and the making of the loan, the latter documents shall control.

PROGRAM DESCRIPTION:

Section 44c of Public Act 346 of 1966, as amended (the "Act"), authorizes the Authority to issue notes and bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The bonds are "limited obligations" of the Authority with the security limited to the assets of the borrower, the project itself, and the credit enhancement arranged by the borrower. These are generally referred to as "Pass-Through" bonds.

On July 18, 2024, the Authority re-authorized the Amended and Restated Pass-Through Bond Program, increasing the maximum allocation to $350 million in tax-exempt bond volume cap. This program imposes rent and income targeting requirements of either 40% of the units at 60% of area median income or 20% of the units at 50% of area median income and limits the bond allocation available per project and per sponsor. At least ten percent (10%) of the Development's units must be more deeply targeted to households whose income is at or below the 40% MTSP Limit. It also requires limited market and environmental reviews, compliance with state EEO requirements and establishes a cap on the distributions of cash made to the owner.

PROPOSAL SUMMARY:

The Borrower proposes to construct 18 family affordable housing apartment units plus one (1) employee unit on a site located at 3405 Duke Street, Kalamazoo, Michigan, 49002. 100% of the 18 affordable housing units in the development will be restricted to households with incomes at or below 60% of area median income, utilizing the new income limits for Multifamily Tax Subsidy Projects ("MTSP") as determined by HUD with respect to projects financed pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), as further amended by the Housing and Economic Recovery Act of 2008 (P.L. 110-289) ("MTSP Limits"). At least ten percent (10%) of the units (2 units) in the development will be more restricted to households with incomes at or below 40% of area median income, using the MTSP Limits. (18 units are Permanent Supportive Housing units that are expected to receive project-based vouchers.)

Authority staff has received and reviewed commitments for the proposed credit enhancement and has determined that, if the proposed credit enhancement is delivered as set forth in the commitments, repayment of the Authority's notes or bonds will be reasonably secure.

CONDITIONS:

1. **Income Limits:**

The Borrower must enter into a Regulatory Agreement with the Authority requiring that 100% of the 18 affordable units in the Development (2 one-bedroom, and 16 two-bedroom apartments) must be rented or available for rental by tenants whose income does not exceed the 60% MTSP Limit, adjusted for family size. Of these units, 2 units must be rented or available for rental by tenants whose income does not exceed the 40% MTSP Limit, adjusted for family size. These occupancy restrictions shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority obligations to be issued to finance the acquisition and construction or rehabilitation of the Development (the "Bonds") remain outstanding, but in no event for less than the period of time required by the terms of the Low Income Housing Tax Credit ("LIHTC") Regulatory Agreement or the period required by Section 142(d) of the Code. The employee unit is not subject to income restrictions.

The income of the individuals and the area gross median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of Treasury publishes its requirements, income of individuals shall be determined in accordance with the Section 8 regulations.

2. **Limitations on Rental Rates:**

The Regulatory Agreement must also require that the monthly Total Housing Expense (contract rent plus tenant-paid utilities) on 100% of the 18 affordable units in the Development may not exceed 30% of 1/12 of the 60% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for the more deeply targeted units in the Development (2 units) may not exceed 30% of 1/12 of the 40% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. These limitations on rental rates shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Bonds (as defined below) remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement or the period required by Section 142(d) of the Code. (The United States Department of Housing and Urban Development is expected to issue project-based vouchers for the 18 units.) The employee unit is not subject to rental restrictions.

For purposes of determining whether or not the rents paid by the tenants of the Development are within the required limits set forth in this Section 2, the amount of any Section 8 rental subsidy paid on behalf of a tenant with respect to any unit shall not be considered as rent paid by the tenant.

3. **Covenant Running with the Land:**

The Borrower must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the Bonds. This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after 50 percent of the residential units in the project are occupied, the first day on which no Bonds are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates (the "Qualified Project Period"). Additionally, during the Qualified Project Period, the minimum set-aside requirements of the Code must be maintained, namely, at least forty percent (40%) of the units in the Development must be occupied or held available for occupancy by individuals whose income is lower than the MTSP Limits 60% income limit, adjusted for family size. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, income of the individuals shall be determined in accordance with Section 8 regulations.

4. **Limitation on Return on Equity:**

The Borrower must agree that its return on equity will be limited to 12 percent for the first 12-month period following substantial completion of the Development, with annual one percent increases thereafter, and to submit an annual financial statement evidencing its eligibility for return no later than 90 days after the close of the Borrower's fiscal year. The Borrower's return is fully cumulative. The amount of the Borrower's equity will be determined by the Authority.

5. **Bond and Tax Credit Requirements:**

At the Bond closing, a Trust Indenture must be entered that provides all cash proceeds of the credit enhancement will be deposited with the trustee for the Bonds and will be held and invested by the trustee in accordance with the Trust Indenture. The Borrower must certify in writing to the sources and uses involved in the financing of the Development and must also provide the Authority with an opinion of tax counsel, a Useful Life Certificate prepared by the Borrower's accountants and/or such other evidence, as determined by the Authority's Chief Legal Affairs Officer, that respectively confirm that the structure of the transaction will permit the Borrower to claim the LIHTC 4% credit.

6. **Loan Agreement; Indemnification; Compliance Monitoring and Reporting Requirements:**

At the Bond closing, the Borrower must also enter into a Loan Agreement with the Authority. In the Loan Agreement, the Borrower must agree to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of the financing, construction, ownership, or operation of the Development, or from the violation of any environmental laws. The Borrower must also agree to provide the Authority on or before September 1 of each year with a report in a form acceptable to the Authority, including such information as is required by Section 44c of the Act. The Borrower must also agree to participate in compliance monitoring activities relative to the Bonds and the tax credits allocated to the Development, as required by the Authority's Compliance Monitoring staff, and to pay an annual compliance monitoring fee not to exceed 0.25% of the outstanding principal amount of the Bonds. The form and substance of the Loan Agreement must be acceptable to the Authority's Chief Legal Affairs Officer.

7. **Closing and Organizational Documents:**

Prior to Bond closing, the Borrower must submit all of the documents relating to the sale of the limited obligation bonds and the making of the loan, including title and survey matters, and its organizational documents. All documents must be in compliance with the Authority’s Act and acceptable to the Michigan Attorney General, the Authority's Bond counsel and the Authority’s Chief Legal Affairs Officer.

8. **Equal Employment Opportunity:**

At Bond closing, the Borrower and the general contractor must include the Authority's form Appendix to Construction Contract with the Construction Contract that is acceptable to the Authority's Chief Legal Affairs Officer.

9. **LIHTC Regulatory Agreement:**

Following the Placed in Service Date, the Borrower must enter into an LIHTC Regulatory Agreement in a form required by the Authority.

DEVELOPMENT TEAM AND PROJECT INFORMATION:

Sponsor and Borrower:

1. Sponsor 1: MDV Properties GP LLC
2213 Hunters Pond
Kalamazoo, MI 49048
Contact: Marvin D. Veltkamp
Phone: 269-217-7763

2. Sponsor 2: Zero Day Inc
44 Clark Road N
Battle Creek, MI 49037
Contact: Tim Hunnicutt
Phone: 517-482-5347

3. Borrower: Kalamazoo Community Courtyard Limited Dividend Housing Association Limited Partnership

Credit Enhancement:

The Sponsors will provide cash collateral through loans provided by (a) the Kalamazoo Community Foundation and (b) Zero Day Inc through the following sources: (i) County of Kalamazoo millage, (ii) City of Kalamazoo HOME Loan, and (iii) City of Kalamazoo ARPA funds.

Bond Underwriter: The Sturges Company (Hank Sturges)

Bond Counsel: Dickinson Wright PLLC (Craig Hammond)

Bond Trustee: The Huntington National Bank (John Alexander)

Other Members of the Development Team:

Equity Partner:	Cinnaire (Ben Stehouwer)
Borrower's Counsel:	Mallory, Lapka, Scott & Selin, PLLC (Tom Lapka)
Borrower's Accountant:	Clark Schaefer, Hacket & Co. (Luke Downing)
General Contractor:	Visser Construction LLC (Jeff Scheffers)
Property Manager:	Medallion Management, Inc. (Scott Beltz)
Architect:	Intersect (Bill LaDitka)
Support Services Provider:	YWCA Kalamazoo (Jessica Glynn)

Sources and Uses of Funds:

Kalamazoo Community Foundation	$2,060,000
Kalamazoo County Millage	$1,000,000
Kalamazoo ARPA	$700,000
Kalamazoo HOME	$500,000
LIHTC Equity	$ 1,931,350
Deferred Developer Fee	$162,525
Total Sources of Funds	**$ 6,353,875**
Land	$40,000
Site Work	$258,000
Construction Costs	$4,362,000
Professional Fees	376,500
Interim Construction Costs	$82,800
Other Costs	$77,290
Developer Fees	$1,042,782
Project Reserves	$114,503
Total Uses of Funds	**$6,353,875**

APPROVALS:

Chad A Benson 2/12/2025

Chad Benson, Director of Development Date

Jeffrey J Sykes 2-12-25

Jeffrey Sykes, Chief Financial Officer Date

Clarence L. Stone, Jr. 2-12-2025

Clarence L. Stone, Jr., Chief Legal Affairs Officer Date

Amy Hovey 02/12/2025

Amy Hovey, Chief Executive Officer and Executive Director Date

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING LOAN
KALAMAZOO COMMUNITY COURTYARD, MSHDA No. 44c-222
CITY OF KALAMAZOO, KALAMAZOO COUNTY

February 20, 2025

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized, under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (the "Act"), to make loans to qualified nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, limited dividend housing associations, mobile home park corporations, and certain public bodies or agencies; and

WHEREAS, an application (the "Application") has been filed with the Authority by MDV Properties GP LLC and Zero Day Inc (the "Applicant") for a loan in an amount not to exceed Three Million Five Hundred Thousand Dollars ($3,500,000) (the "Loan") for the acquisition, construction and equipping of a housing project having an estimated Total Development Cost of Six Million Three Hundred Fifty-Three Thousand Eight Hundred Seventy-Five Dollars ($6,353,875), to be known as Kalamazoo Community Courtyard (the "Development"), located in the City of Kalamazoo, Kalamazoo County, Michigan and to be owned by Kalamazoo Community Courtyard Limited Dividend Housing Association Limited Partnership (the "Borrower"); and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and her recommendation with respect thereto; and

WHEREAS, the Authority has reviewed the Application and the recommendations of the Chief Executive Officer and Executive Director and, on the basis of the Application and such recommendation, has made determinations that:

(a) The Borrower is an eligible applicant;

(b) The proposed housing project is eligible for financing under Section 44c of the Act;

(c) The Borrower has submitted evidence of commitments to issue credit enhancement in forms and amounts sufficient to assure the Authority that its loan to the Borrower is reasonably secure;

(d) The Borrower has agreed to compensate, as it considers appropriate and at no cost to the Authority, any underwriters, trustees, counsel, and other professionals as are necessary to complete the financing of the proposed housing project;

(e) The Borrower has paid to the Authority its nonrefundable application fee;

(f) The amount of the loan authorized hereby is consistent with the requirements of the Act as to the maximum limitation of loan amount; and

(g) Use of the bond authority from the State uniform volume cap for the project will not impair the ability of the Authority to carry out programs or finance housing developments or housing units which are targeted to lower income persons.

WHEREAS, Sections 82 and 93 of the Act provide that the Authority shall determine a reasonable and proper rate of return to limited dividend housing corporations and associations on their investment in a housing project.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The Application be and it hereby is approved, subject to the terms and conditions of this Resolution, the Act, the General Rules of the Authority and the Loan Commitment Staff Report dated February 20, 2025, and attached hereto (the “Commitment Report”).

2. A loan (the "Loan") be and it hereby is authorized and Chief Executive Officer and Executive Director, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly authorized to act in such capacity (each an "Authorized Officer"), or any one of them acting alone, are authorized to issue to the Applicant and the Borrower the Authority's loan commitment (the "Commitment") for the construction financing of the proposed housing project, with the Loan to have an initial principal amount not to exceed Three Million Five Hundred Thousand Dollars ($3,500,000), to have a term not longer than May 1, 2028, and to bear interest at a rate not to exceed seven and 00/100 percent (7.00%) per annum. Any Authorized Officer is authorized to modify or waive any condition or provision contained in the Commitment.

3. This Resolution and issuance of the Commitment are based on the information obtained from the Applicant. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or changes in any materially adverse respect, this Resolution, together with the Commitment issued pursuant hereto may, at the option of an Authorized Officer, be rescinded.

4. Notwithstanding passage of this Resolution or execution of any documents in anticipation of the closing of the proposed Loan, no contractual rights to receive the Loan authorized herein shall arise unless and until an Authorized Officer shall have issued the Commitment and the Applicant shall have agreed in writing within fifteen days after receipt thereof, to the terms and conditions contained therein.

5. Availability of funds for financing the Loan of the proposed housing project is subject to the Authority's ability to sell its limited obligation notes or bonds in the amount and at a rate or rates of interest and at a sufficient length of maturity, as determined by the Chief Executive Officer and Executive Director, necessary to make the Loan.

6. In accordance with Sections 93(b) and 44c(12) of the Act, the maximum reasonable and proper rate of return on the investment in the Development be and it hereby is determined to be 12 percent for the first 12 months of operation of the Development following substantial completion. The allowable rate of return shall be increased by 1 percent for each 12-month period after the first 12 months. Any return less than the allowable rate in any preceding period may be received in any subsequent period on a cumulative basis.

7. The Loan shall be subject to, and the Commitment shall contain, the conditions set forth in the Commitment Report attached hereto, which conditions are hereby incorporated by reference as if fully set forth herein.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
RESOLUTION AUTHORIZING ISSUANCE AND SALE OF MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2025 (KALAMAZOO COMMUNITY COURTYARD PROJECT)

TO FINANCE A LOAN TO KALAMAZOO COMMUNITY COURTYARD LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP SO AS TO ENABLE THE BORROWER TO ACQUIRE, CONSTRUCT AND EQUIP A CERTAIN MULTI-FAMILY RENTAL HOUSING FACILITY, AUTHORIZING THE EXECUTION OF THE BOND PURCHASE AGREEMENT, THE LOAN AGREEMENT AND THE TRUST INDENTURE SECURING THE BONDS, AND DETERMINING AND AUTHORIZING OTHER MATTERS RELATIVE THERETO

February 20, 2025

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized by Act 346, Michigan Public Acts, 1966, as amended (the "Act"), to issue bonds for the purpose of making loans to limited dividend housing associations (as defined in the Act) to provide financing for multi-family housing projects (as defined in the Act); and

WHEREAS, Kalamazoo Community Courtyard Limited Dividend Housing Association Limited Partnership, a Michigan limited partnership (the "Borrower"), is a limited dividend housing association (as defined in the Act); and

WHEREAS, the Borrower has applied to the Authority for a loan in a maximum amount of three million five hundred thousand dollars ($3,500,000) to finance the costs of acquiring, constructing, equipping and improving a certain multifamily rental housing facility located in the City of Kalamazoo, Kalamazoo County, Michigan (the "Project"); and

WHEREAS, the Authority proposes to issue its Multifamily Housing Revenue Bonds, Series 2025 (Kalamazoo Community Courtyard Project) in an aggregate principal amount not to exceed $3,500,000 (the "Bonds") pursuant to this Resolution and the Trust Indenture, dated as of April 1, 2025 (the "Indenture"), between the Authority and The Huntington National Bank, as Trustee (the "Trustee"), to obtain funds to lend to the Borrower, pursuant to a Loan Agreement, dated as of April 1, 2025 (the "Loan Agreement"), between the Authority and the Borrower to finance the costs of acquiring, constructing, equipping and improving the Project (the "Loan"); and

WHEREAS, the Authority has determined that making the Loan requested by the Borrower and issuing and selling the Bonds, as hereinafter provided, will promote and serve the intended purposes of, and in all respects will conform to the provisions and requirements of, the Act and the rules of the Authority; and

WHEREAS, pursuant to Section 27(*l*) of the Act, the Authority proposes to delegate to the Chairperson, Vice Chairperson, Chief Executive Officer and Executive Director, Chief Financial Officer, Director of Finance, Chief Legal Affairs Officer, Director of Legal

Transactions and Director of In-House Legal Services of the Authority or any person duly authorized to act in such capacity (each hereinafter individually referred to as an "Authorized Officer") the power to determine certain terms and conditions of the Bonds, subject to the limitations established herein.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority, as follows:

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the Loan requested by the Borrower and thereby assisting in the financing of the acquisition, construction and equipping of the Project, the issuance of the Bonds in an aggregate principal amount not to exceed $3,500,000 is authorized. The Bonds shall be designated "*Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2025 (Kalamazoo Community Courtyard Project),*" shall be issuable only in fully registered form, substantially as set forth in the Indenture; shall be numbered in such manner as determined by the Trustee in order to distinguish each Bond from any other Bond; shall be in Authorized Denominations; shall be dated as of the first day of the month in which the Bonds are issued and shall bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their date.

The Bonds shall be subject to mandatory tender and redemption, and may be transferred and registered, all as provided in the Indenture and the form of the Bonds attached to the Indenture, with such modifications as may be approved by an Authorized Officer.

The Bonds shall be issued pursuant to this Resolution and the Indenture in substantially the form on file with the Chief Executive Officer and Executive Director, with such changes as may be acceptable to an Authorized Officer of the Authority.

The Bonds and the interest obligation thereon shall never constitute a debt or general obligation of the State of Michigan or the Authority within the meaning of any constitutional or statutory provision or limitation, and shall never constitute nor give rise to a charge against the general credit or taxing powers of the State of Michigan or the general funds or assets of the Authority (including funds relating to other Authority loans or activities) but shall be a limited obligation, and not a general obligation, of the Authority payable solely from those certain revenues derived from the Loan Agreement, the Note (as hereinafter defined) and otherwise as provided in the Indenture including moneys and investments on deposit in the Special Funds created under the Indenture (collectively, the "Credit Enhancement"). The Authority hereby approves the Credit Enhancement and determines that repayment of the Bonds thereby will be reasonably secure.

SECTION 2. Application of Proceeds of Bonds. Immediately upon the receipt thereof, the proceeds of the sale of the Bonds shall be deposited in the applicable funds and accounts created pursuant to the Indenture as provided in the Indenture.

SECTION 3. No Capital Reserve Requirement. The Bonds shall not be secured by the capital reserve capital account of the Authority.

SECTION 4. Form of the Bonds. The form of the Bonds shall be substantially in the form attached to the Indenture, with such appropriate changes, omissions and insertions as are permitted or required by the Indenture or by subsequent action of an Authorized Officer.

SECTION 5. Execution of the Bonds. The Bonds shall bear the facsimile signature of the Chairperson or Chief Executive Officer and Executive Director of the Authority, shall have the official seal of the Authority (or a facsimile thereof) impressed or imprinted thereon, and shall be authenticated by the manual signature of an authorized signer of the Trustee.

SECTION 6. Approval of Loan Agreement and Indenture. The form of the Loan Agreement and the form of the Indenture on file with the Chief Executive Officer and Executive Director and on which an Authorized Officer has endorsed the date of adoption of this Resolution, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 7. Approval of the Note and Regulatory Agreement. The form of the promissory note, dated the date thereof (the "Note"), from the Borrower to the Authority, and the Regulatory Agreement, dated as of April 1, 2025 (the "Regulatory Agreement"), between the Authority and the Borrower, each on file with the Chief Executive Officer and Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 8. Bond Purchase Agreement. Each Authorized Officer is severally authorized to negotiate, execute and deliver, on behalf of the Authority, a Bond Purchase Agreement with The Sturges Company (the "Underwriter") in substantially the form on file with the Chief Executive Officer and Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, together with such exhibits or appendices therein as are deemed necessary or desirable by such Authorized Officer and are permitted or required by the Act and otherwise by law.

SECTION 9. Preliminary Official Statement. The Preliminary Official Statement of the Authority with respect to the offering of the Bonds, substantially in the form presented to this meeting, is hereby approved and the distribution thereof by the Underwriter is hereby authorized, with such changes, omissions, insertions and revisions as an Authorized Officer shall deem advisable or appropriate.

SECTION 10. Final Official Statement. The form of Preliminary Official Statement of the Authority, substantially in the form presented to this meeting, is hereby authorized and approved as the final Official Statement of the Authority, with such changes, omissions, insertions and revisions as an Authorized Officer shall deem advisable or appropriate, and such final Official Statement is approved for distribution to the Underwriter.

SECTION 11. Execution and/or Delivery of Loan Agreement, the Note, the Indenture, the Bond Purchase Agreement and the Regulatory Agreement and Changes Therein. Each Authorized Officer is severally authorized to execute, seal in his or her discretion, deliver, and/or accept delivery, as appropriate, of the Loan Agreement, the Note (and the endorsement thereof), the Indenture, the Bond Purchase Agreement and the Regulatory Agreement in substantially the forms approved, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority.

SECTION 12. Sale and Delivery of the Bonds. The Bonds shall be sold by the Authority to the Underwriter pursuant to the Bond Purchase Agreement subject to the following conditions:

a) The maximum principal amount of the Bonds shall not exceed $3,500,000.

b) The initial interest rate on the Bonds shall not exceed 7.00% per annum.

c) The maximum interest rate shall not exceed 7.00% per annum.

d) The maximum principal amount coming due on the Bonds in any calendar year shall not exceed $3,500,000.

e) The Bonds shall have stated maturities that are not later than May 1, 2028.

f) The Bonds shall be subject to mandatory and optional redemption as set forth in the related form of Indenture on file with the Chief Executive Officer and Executive Director.

g) Prior to the delivery of the Bonds, the Authority shall have received all fees provided in Section 44c of the Act.

The Bonds shall be delivered to the Underwriter as provided in the Indenture upon receipt of payment therefor and upon delivery to the Trustee of each of the following:

A. A certified copy of this Resolution.

B. An executed counterpart of the Loan Agreement.

C. An executed counterpart of the Indenture.

D. An executed counterpart of the Bond Purchase Agreement.

E. An executed counterpart of the Note.

F. An executed counterpart of the Regulatory Agreement.

G. A copy of the final Official Statement.

H. An opinion or opinions of Dickinson Wright PLLC, as bond counsel to the Authority ("Bond Counsel"), dated as of the date of issuance of the Bonds, in form acceptable to the Chief Legal Affairs Officer and the Attorney General of the State of Michigan (the "Attorney General").

I. An opinion or opinions of the Attorney General dated as of the date of issuance of the Bonds, in form acceptable to the Chief Legal Affairs Officer.

J. An opinion or opinions of legal counsel for the Borrower, dated as of the date of issuance of the Bonds, in form acceptable to the Chief Legal Affairs Officer, Bond Counsel and the Attorney General.

K. A certificate dated the date of the issuance of the Bonds made by the Authority, based upon a certificate of similar import from the Borrower and upon certain use and occupancy restrictions relating to the Project in recordable form, to the effect that the Bond proceeds will be used, and the Project will be operated, in a manner consistent with the requirements of the Internal Revenue Code of 1986, as amended, and the arbitrage regulations of the United States Department of Treasury.

L. Such additional certificates, instruments, opinions of counsel and other documents as the Underwriter, the Trustee, Bond Counsel or the Attorney General may reasonably deem necessary or desirable to evidence the truth and accuracy on the date of issuance of the Bonds, of the representations and warranties set forth in the Loan Agreement, the Indenture or the Bond Purchase Agreement, and such other matters as the Underwriter, Bond Counsel, the Borrower or the Attorney General may reasonably request.

SECTION 13. <u>Approval of Filings and Submissions with Other Governmental Agents</u>. Each Authorized Officer is severally authorized on behalf of the Authority to apply for such rulings, orders and approvals and file or submit such elections or other documents to any governmental agency in order that the Bonds may be validly issued and the interest on the Bonds may be exempt from federal income taxation. Applications for any such rulings, orders, approvals or elections previously submitted on behalf of the Authority are hereby ratified and confirmed.

SECTION 14. <u>Authorization of Other Documents and Actions</u>. An Authorized Officer, as well as counsel to the Authority, and each of them, are hereby authorized to execute and deliver such other certificates, documents, instruments, and opinions and other papers and to take such other actions as may be required by the Loan Agreement, the Indenture or the Bond Purchase Agreement, or as may be necessary or convenient to effectuate the sale and delivery of the Bonds and the closing of the Loan.

SECTION 15. <u>Appointment of Trustee</u>. The Huntington National Bank is hereby appointed Trustee under the Indenture.

SECTION 16. <u>Conflict</u>. All resolutions and parts of resolutions or other proceedings of the Authority in conflict herewith are repealed to the extent of such conflict.

SECTION 17. <u>Effectiveness</u>. This Resolution shall become effective upon adoption. If the Bonds are not sold and delivered on or before May 31, 2025, the authority granted by this Resolution shall lapse. In the event such sale and delivery occurs later than April 30, 2025, all references to April 1, 2025 herein may be permissibly changed to the month and year reflecting the actual date of delivery of the Bonds.

4914-6870-8105 v2 [9378-290]

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: February 20, 2025

RE: Lee Plaza Apartments (4%), MSHDA Development No. 44c-212

RECOMMENDATION

I recommend that the Michigan State Housing Development Authority (the "Authority") 1) adopt a resolution authorizing the issuance of a loan (the "Loan") with respect to the project described in the attached report, and 2) adopt a resolution authorizing the issuance of bonds, the proceeds of which will finance the Loan.

PROJECT SUMMARY

MSHDA No.:	44c-212
Development Name:	Lee Plaza Apartments (4%)
Development Location:	City of Detroit, Wayne County
Eligible Distressed Area:	Yes
Sponsor:	The Roxbury Group, Ethos Development Partners, and South Oakland Shelter d/b/a Lighthouse MI
Borrower:	Lee Plaza II Limited Dividend Housing Association LLC
Number of Units:	65 elderly units
Number of Accessible Units:	4 accessible units
Construction Method:	Acquisition and Substantial Rehabilitation (vacant historic building)
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Pass-Through Gap PA 5:	$3,900,000
Total Development Cost:	$57,062,186 (estimated)
Aggregate Basis:	$54,058,597
Total Loan Amount:	Not to exceed $30,000,000 (55.50% of aggregate basis)
Credit Enhancement:	Cash collateral through (a) a construction and permanent mortgage loan provided by Key Bank National Association ("KeyBank"), (b) loans from the City of Detroit, and (c) a loan from Invest Detroit Foundation (collectively, the "Credit Enhancement").
Commitment Fee:	1.0% of the Loan Amount

EXECUTIVE SUMMARY

The borrower proposes to acquire, rehabilitate, equip, and improve an existing and vacant 65-unit development (the "Development") located in the City of Detroit, Wayne County using a construction loan from the Authority financed with the proceeds of bonds issued for the Development pursuant to Section 44c of the Authority's enabling act. The Development, as proposed, meets the requirements of Section 44c, and repayment of the bonds will be reasonably secure based on cash collateral intended to secure such repayment, provided through (a) a mortgage loan provided by KeyBank, (b) loans from the City of Detroit, and (c) a loan from Invest Detroit Foundation.

The Development will be subject to a master lease (the "Master Lease") between the Borrower and Lee Plaza II Master Tenant Limited Dividend Housing Association LLC (the "Master Tenant"). The Master Tenant will operate the Development and will lease the apartment units to qualifying tenants. The Master Tenant will make Master Lease Payments to the Borrower under the Master Lease and will contract with the property manager to manage the Development. The Master Lease and the Master Tenant will be subject to the terms of the Bond Regulatory Agreement and other Borrower requirements applicable to the Development.

I am recommending Board approval for the following reasons:

- The Developer's application satisfies the requirements for the issuance of a commitment resolution under Section 44c of the Authority's Act and the Amended and Restated Pass-Through Program Statement adopted July 20, 2023.
- The repayment of the limited obligation bonds will be reasonably secure based on the proposed collateral.
- Forty-six of the 65 units will be covered by a Section 8 contract, and 16 units of the 65 units will be covered by project-based vouchers ("PBV") from the Authority, thereby providing project-based assistance to most of the tenants. Three units are not covered by the Section 8 HAP Contract or PBVs.

ADVANCING THE AUTHORITY'S MISSION

- The Development will be located in Region O of the Statewide Housing Plan Regional Housing Partnerships, and this development supports the following goals of the Region O Action Plan:
    - Goal 3.2: increase access to stable and affordable quality housing options for households with extremely low incomes.
    - Goal 4.1: increase the supply of the full spectrum of housing that is affordable and attainable to Michigan residents.
    - Goal 5.1: equitably expand the supply of affordable and accessible rental units statewide for older adults.
- The development is comprised of 65 units. All 65 units will be targeted to households with incomes at or below 60% of area median income. In addition, 10% of the units (7 units) will be targeted to households with incomes at or below 40% of area median income. Additional details are provided on page 2 of the Staff Report.
- A vacant and historic structure will be rehabilitated and provide affordable senior housing development in the City of Detroit.

MUNICIPAL SUPPORT

- Municipal support is demonstrated by a letter issued July 29, 2024, by the City of Detroit's Housing and Revitalization Department supporting approval of a Payment in Lieu of Taxes ("PILOT") with a final determination subject to the City's Board of Assessor's review and Detroit City Council approval. Pursuant to a revised City of Detroit ordinance dated October 17, 2024, the new service charge for rehabilitations of vacant structures for affordability of up to 60% of area median income is 0.5%.
- Municipal support is demonstrated by the City of Detroit's allocation of $1,909,000 in Urban Development Action Grant funds and $7,559,735 in ARPA and NSP funds to the Development.

COMMUNITY ENGAGEMENT/IMPACT

- It is anticipated that the construction or rehabilitation of the Development will create 4 permanent jobs and 410 temporary construction-related jobs.
- The community was invited to engage in a public hearing ("TEFRA Hearing") regarding the bond funding.
- The Sponsor and the City of Detroit conducted multiple community engagement events in the spring of 2022. These events were held at neighboring Mayflower Missionary Baptist Church and were attended by representatives from nearby neighborhood associations, local residents and nonprofit organizations. The City of Detroit published open invitations for those events and encouraged the public to participate. The Sponsor gave presentations about the history of the property, laid out the plans for revitalizing the Lee Plaza building and developing it into affordable housing, and sought input from residents on potential uses for the main floor common areas. Tours of the property were also provided.

RESIDENT IMPACT

Not applicable—the Development is vacant and requires substantial rehabilitation.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS

- On April 18, 2024, Authority members approved an inducement resolution.
- On August 15, 2024, Authority members approved an authorization and commitment resolution and bond authorizing resolution. Due to a subsequent change in investor and source of credit enhancement, the authorization and commitment resolutions and bond authorizing resolution were amended.
- On December 19, 2024, Authority members approved an authorization and commitment resolution and bond authorizing resolution. Due to a request to increase the amount of the bond loan, the authorization and commitment resolutions and bond authorizing resolution were amended.
- Since December 2024, there has been a revision to the overall planned ownership structure of the proposed Lee Plaza Condominium association, which allows for a significant reallocation of the responsibility of the common elements and limited common elements between the 4% LIHTC and 9% LIHTC transactions. This was precipitated by the need to fill financial gaps in the development project caused by reduced LIHTC equity pricing.
- The reallocation of the common elements resulted in reducing the size of the 9% LIHTC project's development costs and increasing the size of the 4% LIHTC project's costs.

- The revised condo structure allows the development to better leverage tax credit basis for both the LIHTC and Historic Tax Credits on the 4% LIHTC project. There will be substantially more LIHTC basis on the 4% project. The increase of basis on the 4% LIHTC Project is such that the $25.5 million in tax-exempt bonds previously approved is not large enough to meet the 50% Test as well as create the necessary tax-exempt bond sizing buffer, as recommended by the project underwriters.
- The new structure and proposed financial model will result in more LIHTC and Historic Tax Credit Equity to be contributed into the project.
- The additional tax credit equity as well as the new $1,909,000 Urban Development Action Grant loan, secured through the City of Detroit, and other adjustments in project Sources has fully closed the financial gap on the 4% LIHTC Project.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM

LOAN COMMITMENT STAFF REPORT

February 20, 2025

RECOMMENDATION

I recommend that the Michigan State Housing Development Authority (the "Authority") 1) adopt a resolution authorizing the issuance of a loan commitment with respect to the project described in this report, and 2) adopt a resolution authorizing the issuance of bonds, the proceeds of which will finance the Loan.

PROJECT SUMMARY

MSHDA No.:	44c-212
Development Name:	Lee Plaza Apartments (4%)
Development Location:	City of Detroit, Wayne County
Eligible Distressed Area:	Yes
Sponsor:	The Roxbury Group, Ethos Development Partners, and South Oakland Shelter d/b/a Lighthouse MI
Borrower:	Lee Plaza II Limited Dividend Housing Association LLC
Number of Units:	65 Elderly Units
Number of Accessible Units:	4 accessible units
Construction Method:	Acquisition and Substantial Rehabilitation (vacant historic building)
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Pass-Through Gap PA5:	$3,900,000
Total Development Cost:	$57,062,186 (estimated)
Aggregate Basis:	$54,058,597
Total Loan Amount:	Not to exceed $30,000,000 (55.50% of aggregate basis)
Credit Enhancement:	Cash collateral through (a) a construction and permanent mortgage loan provided by Key Bank National Association ("KeyBank"), (b) loans from the City of Detroit, and (c) a loan from Invest Detroit Foundation (collectively, the "Credit Enhancement").
Commitment Fee:	1.0% of the Loan Amount

The material contained in this staff report is submitted to the Authority for information only. The Authority does not underwrite Pass-Through Bond loans. To the extent that any information contained herein conflicts with the documents relating to the sale of the bonds and the making of the loan, the latter documents shall control.

PROGRAM DESCRIPTION

Section 44c of Public Act 346 of 1966, as amended (the "Act"), authorizes the Authority to issue bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The bonds are "limited obligations" of the Authority with the security limited to the assets of the borrower, the project itself, credit enhancement arranged by the borrower, or some combination of the foregoing. These are generally referred to as "Pass-Through" bonds.

On July 20, 2023, the Authority re-authorized the Amended and Restated Pass-Through Bond Program, increasing the maximum allocation to $300 million in tax-exempt bond volume cap. This program imposes rent and income targeting requirements of either 40% at 60% of area median income or 20% at 50% of area median income and limits the bond allocation available per project and per sponsor. In addition, at least ten percent (10%) of the units in the Development must be more deeply targeted to households whose income is at or below 40% of area median income. It also requires limited market and environmental reviews.

On March 16, 2023, the Authority approved a program statement for the Affordable Housing Tax Credit Gap Financing Program (“PA5 Program”). The PA5 Program allocated approximately $57 million to the Pass-Through Bond Program for gap funding that increases the supply of affordable housing throughout the state. This gap funding will take the form of a grant or forgivable loan. The recipient of the grant or forgivable loan may be any entity selected by the applicant, provided, however, if the recipient is an entity other than the owner, the funds must be received by the selected non-owner recipient and contributed or loaned to the owner.

PROPOSAL SUMMARY

The Borrower proposes to acquire and rehabilitate 65 elderly apartment units on a site located at 2240 West Grand Boulevard in the City of Detroit. One hundred percent (100%) of the units (65 units) in the development will be restricted to households with incomes at or below 60% of area median income, utilizing the new income limits for Multifamily Tax Subsidy Projects ("MTSP") as determined by the U.S. Department of Housing and Urban Development (“HUD”) with respect to projects financed pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), as further amended by the Housing and Economic Recovery Act of 2008 (P.L. 110-289) ("MTSP Limits"). At least ten percent (10%) of the units (7 units) in the development will be more restricted to households with incomes at or below 40% of area median income, using the MTSP Limits.

Authority staff has received and reviewed commitments for the proposed Credit Enhancement and has determined that, if the proposed Credit Enhancement is delivered as set forth in the commitments, repayment of the Authority’s bonds will be reasonably secure.

CONDITIONS:

1. **Income Limits:**

   The Borrower must enter into a Regulatory Agreement with the Authority requiring that 100% of the units in the Development (65 units) must be rented or available for rental by tenants whose income does not exceed the 60% MTSP Limit, adjusted for family size. Within the foregoing, 10% of the units (7 units) in the Development must be rented or available for rental by tenants whose income does not exceed the 40% MTSP Limit, adjusted for family size. These occupancy restrictions shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority obligations to be issued to finance the acquisition and construction or rehabilitation of the Development (the “Bonds”) remain outstanding, but in no event for less than the period of time required by the terms of the Low Income Housing Tax Credit ("LIHTC") Regulatory

Agreement, known as the Extended Use Period (the "EUP"), or the period required by Section 142(d) of the Code.

The income of the individuals and the area gross median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of Treasury publishes its requirements, income of individuals shall be determined in accordance with the Section 8 regulations.

Forty-six units will receive a Section 8 Housing Assistance Payment ("HAP") Contract and must be occupied or available for occupancy by households whose incomes do not exceed the income limits in the HAP Contract for so long as the HAP Contract between the Mortgagor and HUD is in effect (including extensions and renewals), or for such longer period as determined by HUD. The Authority is not responsible for the compliance monitoring or oversight of the occupancy or the regulations applicable to the non-MSHDA HAP Contract.

Sixteen units will receive MSHDA project-based vouchers ("PBV"s) and must be occupied or available for occupancy by households whose incomes do not exceed the income limits in the PBV HAP Contract for so long as the HAP Contract between the Mortgagor and the Authority is in effect (including extensions and renewals), or for such longer period as determined by HUD.

To the extent units within the Development are subject to multiple sets of income limits, the most restrictive income limit will apply so long as the applicable term of affordability continues.

The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size.

2. **Limitations on Rental Rates:**

The Regulatory Agreement must also require that the monthly Total Housing Expense (contract rent plus tenant-paid utilities) on 100% of the units (65 units) in the Development may not exceed 30% of 1/12 of the 60% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. Within the foregoing, the Total Housing Expense for 10% of the units in the Development (7 units) may not exceed 30% of 1/12 of the 40% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. These limitations on rental rates shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Bonds (as defined below) remain outstanding, but in no event for less than the EUP or the period of time required by Section 142(d) of the Code.

For purposes of determining whether or not the rents paid by the tenants of the Development are within the required limits set forth in this Section 2, the amount of any

Section 8 rental subsidy paid on behalf of a tenant with respect to any unit shall not be considered as rent paid by the tenant.

The rents to be paid for the 46 units assisted with the non-MSHDA HAP Contract may not exceed the rent limits established and published annually by HUD for the Section 8 Program.

The rents to be paid for the 16 units assisted with a MSHDA PBV HAP Contract may not exceed the rent limits established and published annually by HUD for the PBV Program.

To the extent units within the Development is subject to multiple sets of rent limits, the most restrictive rent limit will apply so long as the applicable term of affordability continues.

3. **Covenant Running with the Land:**

The Borrower must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the Bonds. This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after 50 percent of the residential units in the project are occupied, the first day on which no Bonds are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates (the "Qualified Project Period"). Additionally, during the Qualified Project Period, the minimum set-aside requirements of the Code must be maintained, namely, at least forty percent (40%) of the units in the Development must be occupied or held available for occupancy by individuals whose income is lower than the MTSP Limits 60% income limit, adjusted for family size. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, income of the individuals shall be determined in accordance with Section 8 regulations.

4. **Limitation on Return on Equity:**

The Borrower must agree that its return on equity will be limited to 12 percent (12%) for the first 12-month period following substantial completion of the Development, with annual one percent increases thereafter, and to submit an annual financial statement evidencing its eligibility for return no later than 90 days after the close of the Borrower's fiscal year. The Borrower's return is fully cumulative. The amount of the Borrower's equity will be determined by the Authority.

5. **Bond and Tax Credit Requirements:**

At the Bond closing, the Borrower must enter into a Trust Indenture that provides all cash proceeds of the Credit Enhancement will be deposited with the trustee for the Bonds and will be held and invested by the trustee in accordance with the Trust Indenture. The Borrower must certify in writing to the sources and uses involved in the financing of the

Development and must also provide the Authority with an opinion of tax counsel, a Useful Life Certificate prepared by the Borrower's accountants and/or such other evidence, as determined by the Authority's Chief Legal Affairs Officer, that respectively confirm that the structure of the transaction will permit the Borrower to claim the LIHTC 4% credit.

6. **Loan Agreement; Indemnification; Compliance Monitoring and Reporting Requirements:**

   At the Bond closing, the Borrower must also enter into a Loan Agreement with the Authority. In the Loan Agreement, the Borrower must agree to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of the financing, construction, ownership, or operation of the Development, or from the violation of any environmental laws. The Borrower must also agree to provide the Authority on or before September 1 of each year with a report in a form acceptable to the Authority, including such information as is required by Section 44c of the Act. The Borrower must also agree to participate in compliance monitoring activities relative to the Bonds and the tax credits allocated to the Development, as required by the Authority's Compliance Monitoring staff, and to pay an annual compliance monitoring fee not to exceed 0.25% of the outstanding principal amount of the Bonds. The form and substance of the Loan Agreement must be acceptable to the Authority's Chief Legal Affairs Officer.

7. **Closing and Organizational Documents:**

   Prior to Bond closing, the Borrower must submit all of the documents relating to the sale of the limited obligation bonds and the making of the loan, including title and survey matters, and its organizational documents. All documents must be in compliance with the Authority's Act and acceptable to the Michigan Attorney General, the Authority's Bond counsel and the Authority's Chief Legal Affairs Officer.

8. **Equal Employment Opportunity:**

   Prior to Bond closing, the general contractor must submit an equal employment opportunity plan pursuant to Section 46 of the Act, which must be approved by the Authority's Equal Employment Opportunity Officer. At Bond closing, the Borrower and the general contractor must enter into an agreement regarding the enforcement and monitoring of the plan acceptable to the Authority's Chief Legal Affairs Officer.

9. **Section 3 Requirements**:

   Prior to Bond closing, the general contractor must agree to comply with all federal Section 3 hiring requirements. The general contractor must provide a copy of the contractor's "Section 3 Hiring Plan" approved by the City of Detroit, if requested by the Authority. In addition, the general contractor must agree to adhere to follow-up reporting requirements as established by the City of Detroit. The Authority is not responsible for Section 3 compliance, monitoring, or oversight, which will be performed by the City of Detroit.

10. **Davis-Bacon and Cross-cutting Federal Requirements:**

The general contractor will be required to comply with all federal prevailing wage requirements, the requirements of the Davis-Bacon and Related Acts, and other applicable federal regulations as required under the terms of Project Based Voucher Program.

11. **Environmental Review:**

Prior to Bond closing, the Borrower must address any outstanding environmental issues, in form and substance acceptable to the Authority's Environmental Review Officer.

12. **LIHTC Regulatory Agreement:**

Following the Placed-in-Service Date, the Borrower must enter into an LIHTC Regulatory Agreement in a form required by the Authority.

13. **PA5 Grant:**

At Bond closing, the Borrower must enter into a Grant Agreement (to be acknowledged), Regulatory Agreement, Flows of Funds Agreement, Construction Oversight Agreement, and any other required documents as determined by the Chief Legal Affairs Officer. The form and substance of the documents must be acceptable to the Chief Legal Affairs Officer. In addition, Borrower's selected entity to receive the grant must also sign the Grant Agreement.

15. **AHAP Contract:**

Prior to Bond closing, the Authority and the Borrower must enter into an Agreement to enter into a PBV Agreement to Enter into a Housing Assistance Payment ("AHAP") contract. The AHAP must be acceptable to the Authority's Director of Development. Once construction is complete, and the Authority's and Owner's final completion signoffs have been accepted, and the units pass HUD's National Standard for Physical Inspection of Real Estate ("NSPIRE"), a PBV Housing Assistance Payments ("HAP") Contract will be prepared and executed.

16. **HUD Authority to Use Grant Funds:**

Prior to Mortgage Loan Commitment, the Authority must receive HUD's Authority to Use Grant Funds (HUD 7015.16) in connection with the proposed ARPA and NSP Loans from the City of Detroit or confirmation that the Development is categorically excluded from NEPA review.

17. **Master Tenant and Bond Regulatory Agreement:**

The Development will be subject to a master lease (the "Master Lease") between the Borrower and Lee Plaza II Master Tenant Limited Dividend Housing Association LLC (the "Master Tenant"). The Master Tenant will operate the Development and will lease the apartment units to qualifying tenants. The Master Tenant will make Master Lease Payments to the Borrower under the Master Lease and will contract with the property manager to manage the Development. The Master Lease and the Master Tenant will be subject to the terms of the Bond Regulatory Agreement and other Borrower requirements applicable to the Development. The Master Lease will be subject to the approval of the Chief Legal Affairs Officer.

DEVELOPMENT TEAM AND PROJECT INFORMATION:

Sponsor and Borrower:

1. **Sponsor #1:** The Roxbury Group
1117 Griswold Street, #1416
Detroit, MI 48226

Contact: David DiRita
Phone: 313-963-6118
Email: ddirita@roxburygroup.com

Contact: James Van Dyke
Phone: 313-530-7880
Email: jvandyke@roxburygroup.com

Sponsor #2: Ethos Development Partners
882 Oakman Blvd Ste G
Detroit MI 48238

Contact: Joseph Heaphy
Phone: 313-850-5844
Email: jheaphy@ethosdp.com

Contact: Lana Zaghmout
Phone: 586-871-9049
Email: lzaghmout@ethosdp.com

Sponsor #3 South Oakland Shelter d/b/a Lighthouse MI
46156 Woodward Avenue
Pontiac, MI 48342

Contact: Ryan Hertz
Phone: 248-920-6000
Email: rhertz@lighthousemi.org

2. **Borrower:** Lee Plaza II Limited Dividend Housing Association LLC

3. **Master Tenant:** Lee Plaza II Master Tenant Limited Dividend Housing Association LLC

Bond Underwriter: The Sturges Company

	Mike Sturges Michael@TheSturgesCompany.com 239-302-2967
Bond Counsel:	Dickinson Wright, PLLC Craig W. Hammond CHammond@dickinsonwright.com 248-433-7256
Bond Trustee:	The Huntington National Bank John Alexander John.D.Alexander@huntington.com 317.686.5321
Credit Enhancement Providers:	KeyBank National Association Kory Clark 216-689-3296 Kory_Clark@keybank.com
	City of Detroit Rebecca Labov Labovr@detroitmi.gov Larry Catrinar Larry.catrinar@detroitmi.gov
	Invest Detroit Foundation Marcia F. Ventura 313-259-6368, Ext. 833

Other Members of the Development Team:

LIHTC Equity Partner:	RBC Capital Markets (Dan Kierce)
HTC Equity Partner:	Chase Community Equity, LLC (Timothy Karp)
Borrower’s Counsel:	Dykema (Scott Kocienski) and Klein Hornig (Jessica Glynn Worthington, Chris Hornig, and Mark Iafrate)
Borrower's Accountant:	Plante Moran, PLLC (Terri Salas)
Contractor:	Sachse Construction & Development Co LLC (Jay McKee)
Property Management:	KMG Prestige (Karen Mead)
Architect:	Fusco, Shaffer & Pappas, Inc. (James T. Pappas)
Rating Agency:	Moody’s Investors Service (Timothy Mone)
Consultant:	Gary Scheuren 517-582-5192 gary.scheuren@gmail.com

Permanent Sources of Funds:

KeyBank Permanent Loan	$5,036,000
City of Detroit ARPA	$6,059,735
Sponsor Loan (Developer Fee)	$2,783,180
City of Detroit NSP	$1,500,000
Invest Detroit (MEDC Enhancement Grant)	$4,602,527
MSHDA PA5/Passthrough Gap	$3,900,000
GP Equity	$200
Accrued Soft Loan Interest	$338,000
City of Detroit UDAG	$1,909,000
LIHTC Equity	$21,602,703
FHTC Equity	$8,680,841
Deferred Developer Fee ("DDF")	$650,000
Total Sources of Funds	**$57,062,186**

Uses of Funds:

Land	$57,750
Building Acquisition	$173,250
Site Work	$453,380
Construction Costs	$41,361,254
Professional Fees	$1,313,780
Interim Construction Costs	$3,792,871
Permanent Financing	$100,360
Other Costs	$1,171,754
Syndication Costs	$505,000
Developer Fee	$7,378,645
Project Reserves	$754,142
Total Uses of Funds	**$57,062,186**

APPROVALS:

Chad A Benson 2/12/2025

Chad Benson, Director of Development Date

Anthony Lentych 2/11/2025

Tony Lentych Date
Chief Housing Investment Officer

Jeffrey J Sykes 2-12-25

Jeffrey Sykes, Chief Financial Officer Date

Clarence L. Stone, Jr. 2-12-2025

Clarence L. Stone, Jr., Chief Legal Affairs Officer Date

Amy Hovey 02/12/2025

Amy Hovey, Chief Executive Officer and Executive Director Date

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING LOAN
LEE PLAZA APARTMENTS (4%), MSHDA No. 44c-212
CITY OF DETROIT, WAYNE COUNTY

February 20, 2025

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized, under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (the "Act"), to make loans to qualified nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, limited dividend housing associations, mobile home park corporations, and certain public bodies or agencies; and

WHEREAS, an application (the "Application") has been filed with the Authority by The Roxbury Group, Ethos Development Partners, and South Oakland Shelter d/b/a Lighthouse MI (collectively, the "Applicant") for a loan in an amount not to exceed Thirty Million Dollars ($30,000,000) (the "Loan") for the acquisition, rehabilitation and equipping of a housing project having an estimated Total Development Cost of Fifty-Seven Million Sixty-Two Thousand One Hundred Eighty-Six Dollars ($57,062,186), to be known as Lee Plaza Apartments (4%) (the "Development"), located in City of Detroit, Wayne County, Michigan and to be owned by Lee Plaza II Limited Dividend Housing Association LLC (the "Borrower"); and

WHEREAS, the Applicant filed an application for a grant under the Affordable Housing Tax Credit Gap Financing Program ("PA 5 Program") in the amount of Three Million Nine Hundred Thousand Dollars ($3,900,000) ("PA 5 Grant"), which if awarded, shall be awarded to an entity other than the Borrower; the recipient of the PA 5 Grant shall contribute or loan the proceeds of the PA 5 Grant to the Borrower; and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and her recommendation with respect thereto; and

WHEREAS, the Authority has reviewed the Application and the recommendations of the Chief Executive Officer and Executive Director and, on the basis of the Application and such recommendations, has made determinations that:

(a) The Borrower is an eligible applicant;

(b) The proposed housing project is eligible for financing under Section 44c of the Act;

(c) The Borrower has submitted evidence of commitments to issue credit enhancement in forms and amounts sufficient to assure the Authority that its loan to the Borrower is reasonably secure;

(d) The Borrower has agreed to compensate, as it considers appropriate and at no cost to the Authority, any underwriters, trustees, counsel, and other professionals as are necessary to complete the financing of the proposed housing project;

(e) The Borrower has paid to the Authority its nonrefundable application fee;

(f) The amount of the loan authorized hereby is consistent with the requirements of the Act as to the maximum limitation of loan amount; and

(g) Use of the bond authority from the State uniform volume cap for the project will not impair the ability of the Authority to carry out programs or finance housing developments or housing units which are targeted to lower income persons.

WHEREAS, Sections 82 and 93 of the Act provide that the Authority shall determine a reasonable and proper rate of return to limited dividend housing corporations and associations on their investment in a housing project.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The Application be and it hereby is approved, subject to the terms and conditions of this Resolution, the Act, the General Rules of the Authority and the Loan Commitment Staff Report dated February 20, 2025, and attached hereto (the “Commitment Report”).

2. A loan (the "Loan") be and it hereby is authorized and Chief Executive Officer and Executive Director, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly authorized to act in such capacity (each an "Authorized Officer"), or any one of them acting alone, are authorized to issue to the Applicant and the Borrower the Authority's loan commitment (the "Commitment") for the financing of the proposed housing project, with the Loan to have an initial principal amount not to exceed Thirty Million Dollars ($30,000,000), to have a term not longer than December 1, 2028, and to bear interest at a rate not to exceed seven percent (7%) per annum. Any Authorized Officer is authorized to modify or waive any condition or provision contained in the Commitment.

3. This Resolution and issuance of the Commitment are based on the information obtained from the Applicant. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or changes in any materially adverse respect, this Resolution, together with the Commitment issued pursuant hereto may, at the option of an Authorized Officer, be rescinded.

4. Notwithstanding passage of this Resolution or execution of any documents in anticipation of the closing of the proposed Loan, no contractual rights to receive the Loan authorized herein shall arise unless and until an Authorized Officer shall have issued the Commitment and the Applicant shall have agreed in writing within fifteen days after receipt thereof, to the terms and conditions contained therein.

5. Availability of funds for financing the Loan of the proposed housing project is subject to the Authority's ability to sell its limited obligation notes or bonds in the amount and at a rate or rates of interest and at a sufficient length of maturity, as determined by the Chief Executive Officer and Executive Director, necessary to make the Loan.

6. In accordance with Sections 93(b) and 44c(12) of the Act, the maximum reasonable and proper rate of return on the investment in the Development be and it hereby is determined to be 12 percent for the first 12 months of operation of the Development following

substantial completion. The allowable rate of return shall be increased by 1 percent for each 12-month period after the first 12 months. Any return less than the allowable rate in any preceding period may be received in any subsequent period on a cumulative basis.

7. The Loan shall be subject to, and the Commitment shall contain, the conditions set forth in the Commitment Report attached hereto, which conditions are hereby incorporated by reference as if fully set forth herein.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
RESOLUTION AUTHORIZING ISSUANCE AND SALE OF MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2025 (LEE PLAZA APARTMENTS (4%) PROJECT)

TO FINANCE A LOAN TO LEE PLAZA II LIMITED DIVIDEND HOUSING ASSOCIATION LLC SO AS TO ENABLE THE BORROWER TO ACQUIRE, CONSTRUCT, REHABILITATE AND EQUIP A CERTAIN MULTI-FAMILY RENTAL HOUSING FACILITY, AUTHORIZING THE EXECUTION OF THE BOND PURCHASE AGREEMENT, THE LOAN AGREEMENT AND THE TRUST INDENTURE SECURING THE BONDS, AND DETERMINING AND AUTHORIZING OTHER MATTERS RELATIVE THERETO

February 20, 2025

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized by Act 346, Michigan Public Acts, 1966, as amended (the "Act"), to issue bonds for the purpose of making loans to limited dividend housing associations (as defined in the Act) to provide financing for multi-family housing projects (as defined in the Act); and

WHEREAS, Lee Plaza II Limited Dividend Housing Association LLC, a Michigan limited liability company (the "Borrower"), is a limited dividend housing association (as defined in the Act); and

WHEREAS, the Borrower has previously applied to the Authority for a loan in a maximum amount of $24,500,000, as subsequently amended to $25,500,000, to finance the costs of acquiring, constructing, rehabilitating, equipping and improving a certain senior affordable multifamily rental housing facility located in the City of Detroit, Wayne County, Michigan (the "Project"); and

WHEREAS, on August 15, 2024, the Authority adopted a bond authorizing resolution authorizing the issuance of up to $24,500,000 Multifamily Housing Revenue Bonds Series 2024 (Lee Plaza Apartments (4%) Project), the proceeds of which would be loaned to the Borrower to finance the costs of acquiring, constructing, rehabilitating, equipping and improving the Project; and

WHEREAS, on December 19, 2024, the Authority adopted a bond authorizing resolution authorizing the issuance of up to $25,500,000 Multifamily Housing Revenue Bonds Series 2025 (Lee Plaza Apartments (4%) Project), the proceeds of which would be loaned to the Borrower to finance the costs of acquiring, constructing, rehabilitating, equipping and improving the Project; and

WHEREAS, the Borrower has notified the Authority of certain modifications to the plan of financing for the Project and requested that the Authority increase the amount of the loan to $30,000,000 and adopt a new bond authorizing resolution for the Project; and

WHEREAS, in furtherance of the Borrower's request, the Authority proposes to issue its Multifamily Housing Revenue Bonds, Series 2025 (Lee Plaza Apartments (4%) Project) in an aggregate principal amount not to exceed $30,000,000 (the "Bonds") pursuant to this Resolution and the Trust Indenture, dated as of March 1, 2025 (the "Indenture"), between the Authority and The Huntington National Bank, as Trustee (the "Trustee"), to obtain funds to lend to the Borrower, pursuant to a Loan Agreement, dated as of March 1, 2025 (the "Loan Agreement"), between the Authority and the Borrower to finance the costs of acquiring, constructing, rehabilitating, equipping and improving the Project (the "Loan"); and

WHEREAS, the Authority has determined that making the Loan requested by the Borrower and issuing and selling the Bonds, as hereinafter provided, will promote and serve the intended purposes of, and in all respects will conform to the provisions and requirements of, the Act and the rules of the Authority; and

WHEREAS, pursuant to Section 27(*l*) of the Act, the Authority proposes to delegate to the Chairperson, Vice Chairperson, Chief Executive Officer and Executive Director, Chief Financial Officer, Director of Finance, Chief Legal Affairs Officer, Director of Legal Transactions and Director of In-House Legal Services of the Authority or any person duly authorized to act in such capacity (each hereinafter individually referred to as an "Authorized Officer") the power to determine certain terms and conditions of the Bonds, subject to the limitations established herein.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority, as follows:

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the Loan requested by the Borrower and thereby assisting in the financing of the acquisition, rehabilitation and equipping of the Project, the issuance of the Bonds in an aggregate principal amount not to exceed $30,000,000 is authorized. The Bonds shall be designated "*Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2025 (Lee Plaza Apartments (4%) Project),*" shall be issuable only in fully registered form, substantially as set forth in the Indenture; shall be numbered in such manner as determined by the Trustee in order to distinguish each Bond from any other Bond; shall be in Authorized Denominations; shall be dated as of the first day of the month in which the Bonds are issued and shall bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their date.

The Bonds shall be subject to mandatory tender and redemption, and may be transferred and registered, all as provided in the Indenture and the form of the Bonds attached to the Indenture, with such modifications as may be approved by an Authorized Officer.

The Bonds shall be issued pursuant to this Resolution and the Indenture in substantially the form on file with the Chief Executive Officer and Executive Director, with such changes as may be acceptable to an Authorized Officer of the Authority.

The Bonds and the interest obligation thereon shall never constitute a debt or general obligation of the State of Michigan or the Authority within the meaning of any constitutional or statutory provision or limitation, and shall never constitute nor give rise to a charge against the general credit or taxing powers of the State of Michigan or the general funds or assets of the

Authority (including funds relating to other Authority loans or activities) but shall be a limited obligation, and not a general obligation, of the Authority payable solely from those certain revenues derived from the Loan Agreement, the Note (as hereinafter defined) and otherwise as provided in the Indenture including moneys and investments on deposit in the Special Funds created under the Indenture (collectively, the "Credit Enhancement"). The Authority hereby approves the Credit Enhancement and determines that repayment of the Bonds thereby will be reasonably secure.

SECTION 2. Application of Proceeds of Bonds. Immediately upon the receipt thereof, the proceeds of the sale of the Bonds shall be deposited in the applicable funds and accounts created pursuant to the Indenture as provided in the Indenture.

SECTION 3. No Capital Reserve Requirement. The Bonds shall not be secured by the capital reserve capital account of the Authority.

SECTION 4. Form of the Bonds. The form of the Bonds shall be substantially in the form attached to the Indenture, with such appropriate changes, omissions and insertions as are permitted or required by the Indenture or by subsequent action of an Authorized Officer.

SECTION 5. Execution of the Bonds. The Bonds shall bear the facsimile signature of the Chairperson or Chief Executive Officer and Executive Director of the Authority, shall have the official seal of the Authority (or a facsimile thereof) impressed or imprinted thereon, and shall be authenticated by the manual signature of an authorized signer of the Trustee.

SECTION 6. Approval of Loan Agreement and Indenture. The form of the Loan Agreement and the form of the Indenture on file with the Chief Executive Officer and Executive Director and on which an Authorized Officer has endorsed the date of adoption of this Resolution, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 7. Approval of the Note and Regulatory Agreement. The form of the promissory note, dated the date thereof (the "Note"), from the Borrower to the Authority, and the Regulatory Agreement, dated as of March 1, 2025 (the "Regulatory Agreement"), among the Authority, the Borrower, and Lee Plaza II Master Tenant Limited Dividend Housing Association LLC, each on file with the Chief Executive Officer and Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 8. Bond Purchase Agreement. Each Authorized Officer is severally authorized to negotiate, execute and deliver, on behalf of the Authority, a Bond Purchase Agreement with The Sturges Company (the "Underwriter") in substantially the form on file with the Chief Executive Officer and Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, together with such exhibits or appendices therein as are deemed necessary or desirable by such Authorized Officer and are permitted or required by the Act and otherwise by law.

SECTION 9. Preliminary Official Statement. The Preliminary Official Statement of the Authority with respect to the offering of the Bonds, substantially in the form presented to this meeting, is hereby approved and the distribution thereof by the Underwriter is hereby authorized, with such changes, omissions, insertions and revisions as an Authorized Officer shall deem advisable or appropriate.

SECTION 10. Final Official Statement. The form of Preliminary Official Statement of the Authority, substantially in the form presented to this meeting, is hereby authorized and approved as the final Official Statement of the Authority, with such changes, omissions, insertions and revisions as an Authorized Officer shall deem advisable or appropriate, and such final Official Statement is approved for distribution to the Underwriter.

SECTION 11. Execution and/or Delivery of Loan Agreement, the Note, the Indenture, the Bond Purchase Agreement and the Regulatory Agreement and Changes Therein. Each Authorized Officer is severally authorized to execute, seal in his or her discretion, deliver, and/or accept delivery, as appropriate, of the Loan Agreement, the Note (and the endorsement thereof), the Indenture, the Bond Purchase Agreement and the Regulatory Agreement in substantially the forms approved, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority.

SECTION 12. Sale and Delivery of the Bonds. The Bonds shall be sold by the Authority to the Underwriter pursuant to the Bond Purchase Agreement subject to the following conditions:

a) The maximum principal amount of the Bonds shall not exceed $30,000,000.

b) The initial interest rate on the Bonds shall not exceed 7.00% per annum.

c) The maximum interest rate shall not exceed 7.00% per annum.

d) The maximum principal amount coming due on the Bonds in any calendar year shall not exceed $30,000,000.

e) The Bonds shall have stated maturities that are not later than December 1, 2028.

f) The Bonds shall be subject to mandatory and optional redemption as set forth in the related form of Indenture on file with the Chief Executive Officer and Executive Director.

g) Prior to the delivery of the Bonds, the Authority shall have received all fees provided in Section 44c of the Act.

The Bonds shall be delivered to the Underwriter as provided in the Indenture upon receipt of payment therefor and upon delivery to the Trustee of each of the following:

A. A certified copy of this Resolution.

B. An executed counterpart of the Loan Agreement.

C. An executed counterpart of the Indenture.

D. An executed counterpart of the Bond Purchase Agreement.

E. An executed counterpart of the Note.

F. An executed counterpart of the Regulatory Agreement.

G. An opinion or opinions of Dickinson Wright PLLC, as bond counsel to the Authority ("Bond Counsel"), dated as of the date of issuance of the Bonds, in form acceptable to the Chief Legal Affairs Officer and the Attorney General of the State of Michigan (the "Attorney General").

H. An opinion or opinions of the Attorney General dated as of the date of issuance of the Bonds, in form acceptable to the Chief Legal Affairs Officer.

I. An opinion or opinions of legal counsel for the Borrower, dated as of the date of issuance of the Bonds, in form acceptable to the Chief Legal Affairs Officer, Bond Counsel and the Attorney General.

J. A certificate dated the date of the issuance of the Bonds made by the Authority, based upon a certificate of similar import from the Borrower and upon certain use and occupancy restrictions relating to the Project in recordable form, to the effect that the Bond proceeds will be used, and the Project will be operated, in a manner consistent with the requirements of the Internal Revenue Code of 1986, as amended, and the arbitrage regulations of the United States Department of Treasury.

K. Such additional certificates, instruments, opinions of counsel and other documents as the Underwriter, the Trustee, Bond Counsel or the Attorney General may reasonably deem necessary or desirable to evidence the truth and accuracy on the date of issuance of the Bonds, of the representations and warranties set forth in the Loan Agreement, the Indenture or the Bond Purchase Agreement, and such other matters as the Underwriter, Bond Counsel, the Borrower or the Attorney General may reasonably request.

SECTION 13. Approval of Filings and Submissions with Other Governmental Agents. Each Authorized Officer is severally authorized on behalf of the Authority to apply for such rulings, orders and approvals and file or submit such elections or other documents to any governmental agency in order that the Bonds may be validly issued and the interest on the Bonds may be exempt from federal income taxation. Applications for any such rulings, orders, approvals or elections previously submitted on behalf of the Authority are hereby ratified and confirmed.

SECTION 14. Authorization of Other Documents and Actions. An Authorized Officer, as well as counsel to the Authority, and each of them, are hereby authorized to execute and deliver such other certificates, documents, instruments, and opinions and other papers and to take such other actions as may be required by the Loan Agreement, the Indenture or the Bond Purchase Agreement, or as may be necessary or convenient to effectuate the sale and delivery of the Bonds and the closing of the Loan.

SECTION 15. Appointment of Trustee. The Huntington National Bank is hereby appointed Trustee under the Indenture.

SECTION 16. Conflict. All resolutions and parts of resolutions or other proceedings of the Authority in conflict herewith are repealed to the extent of such conflict.

SECTION 17. Effectiveness. This Resolution shall become effective upon adoption. If the Bonds are not sold and delivered on or before April 30, 2025, the authority granted by this Resolution shall lapse. In the event such sale and delivery occurs later than March 31, 2025, all references to March 1, 2025 herein may be permissibly changed to the month and year reflecting the actual date of delivery of the Bonds.

4895-8350-5362 v6 [9378-272]

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director *Amy Hovey*

DATE: February 20, 2025

RE: Russell Woods 4% Senior Living Community, Development No. 4149

RECOMMENDATION

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt a resolution authorizing an increase in the Authority's tax-exempt bond construction loan in the amount set forth below and other changes from initial Authority approval on September 19, 2024, as set forth in Modification #1 to Loan Feasibility/Commitment Staff Report dated February 20, 2025 ("Modification #1"), which accompanies this memorandum.

PROJECT SUMMARY:

MSHDA No:	4149
Development Name:	Russell Woods 4% Senior Living Community
Development Location:	City of Detroit, Wayne County
Sponsor:	Icon Heritage Partners, LLC and LC Consultants II, LLC
Mortgagor:	Russell Woods II Limited Dividend Housing Association, LLC
Number of Units:	42 Affordable Elderly Adaptive Use Units
for Accessible Use:	5 Accessible Units

	Original Board	**Update**	**Difference**
Total Development Cost:	$15,369,943	$15,731,574	$ 361,631
TE Bond Construction Loan:	$ 7,992,370	$ 8,243,591	$ 251,221
TE Bond Permanent Loan:	$ 3,715,516	$ 2,685,458	($1,030,058)
MSHDA Permanent CERA:	$ 1,792,772	$ 3,770,844	$ 1,978,072
City of Detroit HOME Loan:	$ 4,000,000	$ 4,400,000	$ 400,000
CERA Deferred Interest:	$ 0	$ 84,162	$ 84,162
General Partner Contribution:	$ 0	$ 100	$ 100
4% LIHTC Equity:	$ 5,023,476	$ 3,739,843	($1,283,633)
Deferred Developer Fee:	$ 801,167	$ 1,051,167	$ 250,000

EXECUTIVE SUMMARY

Russel Woods Senior Living Community is a proposed rehabilitation of a twelve-story building for seniors whose household income does not exceed 60% of Area Median Income ("AMI"), with fifteen percent of the proposed units targeting seniors at 30% AMI. Located at 11421 Dexter Ave in Detroit, Michigan, the project was built in 1974 and will consist of a total of 77 one-bedroom units with the following amenities: wall-unit air conditioning, garbage disposal, frost-free refrigerator, energy star appliances, mini-blinds, microwave, exceptional views of the city, and resident laundry room(s). All 77 units will be renovated to enhance the accessibility features, however 9 units will meet/exceed the accessibility minimum code requirements; along with the public and common use areas. All residential units will be located on the 2nd through 12th floors, the first floor will be allocated as the common area, which will include community room, laundry room, fitness room, computer stations, and on-site supportive services.

The project is proposed as a split 4% and 9% Low-Income Housing Tax Credit ("LIHTC") transaction with 42 senior residential units on the 4% side and 35 senior residential units on the 9% side. The 4% units will be allocated to floors 2 – 7 of the twelve-story building, with 5 of those units designated as Americans with Disabilities Act ("ADA") units. The 9% units will be allocated to floors 8 – 12 with 4 ADA units. The Sponsors, Icon Heritage Partners, LLC and LC Consultants II, LLC, are seeking financing from the Authority utilizing tax-exempt bonds, LIHTC, and gap funding under the Authority's Multifamily Direct Lending Gap Program to undertake a needed renovation of existing affordable, independent-living housing for seniors, defined as individuals who are at least 55 years of age and families whose head of household is at least 55 and other household members are 50 or older.

Following closing, a number of changes occurred that have resulted in a request for increases in the Authority's tax-exempt bond construction loan and CERA loan, along with changes in other sources, as detailed in Modification #1.

ADVANCING THE AUTHORITY'S MISSION

Russell Woods is located within Region N of the Statewide Housing Plan Regional Housing Partnerships, and this development supports the following goals of the Region N Action Plan:

- Goal 4.3: Ensure that new housing development meets state climate and healthy housing goals and is affordable for the lifetime use of the building without increasing costs to residents;
- Goal 5.1: Equitably expand the supply of affordable and accessible rental units statewide for older adults;
- Goal 5.2: Promote the ability of older adults to age in a place of their choice.

MUNICIPAL SUPPORT

- Under the City of Detroit revised PILOT ordinance, the development is eligible for a 0.50% PILOT without City Council approval.

COMMUNITY ENGAGEMENT/IMPACT

The Sponsors engaged the community by meeting with the neighborhood association and active seniors in the community on October 12, 2020. This community meeting was facilitated by the City of Detroit through the Planning and Development Department ("PDD"). During the meeting, they shared the vision for the development, the commitment to affordability and the potential impact that the development would have in catalyzing revitalization efforts and attracting new investment in the local community. PDD also shared the Russell Woods/Nardin Park Strategic Framework, as well as planned and proposed developments and revitalization initiatives in the area surrounding the building.

The Sponsors also implemented a social media advertising campaign that geotargeted residents within a 5 miles radius of the building. The goal was to drive widespread engagement for the development. The advertising directed residents to a press release about the development and garnered significant support through Facebook comments on the post and on the sponsor's website

This project will impact the community by further promoting the ongoing redevelopment in the Russell Woods neighborhood, which includes a $3 million streetscape project that runs along Dexter Ave in front of the building, a Blight Plan that targets 500 properties in the neighborhood for demolition or rehab, several neighborhood improvement and infrastructure projects, as well as the Cabot Apartments that recently received a 9% LIHTC reservation from the Authority in the April 2023 round.

The community voiced support for the proposed project and the Sponsors' commitment towards affordability.

There were no recommendations for the development team to implement.

RESIDENT IMPACT

- Vacant building, no resident impact.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS

This proposal represents the 4% tax-exempt bond side of a split 4% and 9%LIHTC transaction and is structured as a multi-unit condominium/apartment in a single building. The proposed structure splits the building into separate residential apartments/condominium units for the 4% and 9% developments, each of which will be treated as a separate project for LIHTC purposes, following the 2023 Qualified Allocation Plan ("QAP") Guidelines which allow for pairing a 9% LIHTC proposal with a 4% LIHTC proposal within the same development or building(s). A total of seventy-six (76) units between both phases are planned to receive Project-Based Vouchers ("PBVs"), with forty-two (42) PBV units allocated to the 4% tax-exempt bond project by the Inkster Housing Commission (the "IHC"). The Sponsors, LC Consultants II, LLC (headed by multifamily developer, Bob Jacobson) and Icon Heritage Partners, LLC will form a mortgagor entity for the 4% tax-exempt project, with an ownership structure similar to that of the owner and mortgagor of the 9% project that is paired with the subject of this report.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

MODIFICATION #1
MORTGAGE LOAN FEASIBILITY/COMMITMENT STAFF REPORT

TO: Jeffrey Sykes, Laurie Kelly, Tyler Hull, Michelle Jurkovic, Teena Briggs, Irene VanNocker, Stephen Kantola, Debbie Monroy, and Delaney Duckham

FROM: Latasha Cole

DATE: February 20, 2025

RE: Russell Woods 4% Senior Living Community, MSHDA #4129
Mortgage Loan Modification #1

Developer: Icon Heritage Partners, LLC and LC Consultants II, LLC are in good standing with the Authority.

Location: The property is located in the City of Detroit, Wayne County.

Reason for Change: This modification is being generated in order to reflect the changes made since the September 19, 2024 Mortgage Loan Feasibility/Commitment Staff Report ("Staff Report") and proforma. These changes include (i) a net increase in the estimated Operating Expenses, (ii) a reduction to the tax exempt bond loan interest rate, (iii) a reduction in the LIHTC Equity Contribution, (iv) correction of an error made in the projected contract rents for all units, (v) increases in the Michigan State Housing Development Authority (the "Authority") tax exempt bond construction and CERA Loans, and (vi) the increase of certain gap sources, all as set forth in this modification and the attached proforma.

This modification amends and restates the original Staff Report to authorize an amendment to the mortgage loan commitment approved by the Authority on September 19, 2024. Attached is the modified Development proforma showing changes in the sources and uses since the original loan commitment was approved.

MSHDA No.:	4129	
Development Name:	Russell Woods 4% Senior Living Community	
Development Location:	City of Detroit, Wayne County	
Sponsor:	Icon Heritage Partners, LLC and LC Consultants II, LLC	
Mortgagor:	Russell Woods II Limited Dividend Housing Association, LLC	
TE Bond Construction Loan:	~~$7,992,370 (52.00% of TDC)~~	**$8,243,591 (52.40% of TDC**)
TE Bond Permanent Loan:	~~$3,715,516~~	**$2,685,458**
MSHDA Permanent CERA Loan:	~~$1,792,772~~	**$3,770,844**
Total Development Cost:	$~~15,369,943~~	**$15,731,574**
Mortgage Amortization and Term:	40 years for the tax-exempt bond loan; 50 years for the CERA loan;	
Interest Rate:	~~6.625%~~ **6.250%** for the tax-exempt bond loan; 1% simple interest for the CERA Loan.	

Program:	Tax-Exempt Bond and Round 17 Gap Financing Programs
Number of Units:	42 elderly units of adaptive reuse
Accessible Units:	5 Accessible Units
Unit Configuration:	Forty-two (42) One-bedroom Apartments in a twelve-story building
Builder:	Continental Construction Management, LLC
Syndicator:	RBC Capital Markets
Date Application Received:	01/23/2023
HDO:	Latasha Cole

Issuance of the Authority's Mortgage Loan Commitment is subject to fulfillment of all Authority processing and review requirements and obtaining all necessary staff approvals as required by the Authority's underwriting standards.

ISSUES, POLICY CONSIDERATIONS AND RELATED ACTIONS:

This proposal represents the 4% tax-exempt bond side of a split 4% and 9% Low Income Housing Tax Credits ("LIHTC) transaction and is structured as a multi-unit condominium/apartment in a single building. The proposed structure splits the building into separate residential apartments/condominium units for the 4% and 9% developments, each of which will be treated as a separate project for LIHTC purposes, following the 2023 Qualified Allocation Plan ("QAP") Guidelines which allow for pairing a 9% LIHTC proposal with a 4% LIHTC proposal within the same development or building(s). A total of seventy-six (76) units are planned to receive Project-Based Vouchers ("PBVs"), with forty-two (42) PBV units allocated to the 4% LIHTC project by the Inkster Housing Commission (the "IHC"). The co-Sponsors, LC Consultants II, LLC (headed by multifamily developer, Bob Jacobson) and Icon Heritage Partners, LLC will form an ownership entity for the 4% LIHTC tax-exempt condominium/apartments, with an ownership structure similar to that of the owner of the 9% LIHTC project that is paired with the subject of this report.

The Development will require a waiver of the following Parameters (Section VI I 2.) conditioned on the PILOT being found acceptable prior to the Authority's disbursement of any funds. See Special Condition No. 2.

- Proposals that do not include an approved PILOT arrangement will be underwritten based on the ad valorem taxes applicable to the property.
- For a proposal to be underwritten on the basis of a PILOT, the PILOT must be approved prior to Authority Board consideration.

EXECUTIVE SUMMARY:

Russel Woods Senior Living Community is a proposed rehabilitation multifamily development of a twelve-story building for seniors whose household income does not exceed 60% of Area Median Income ("AMI"), with fifteen percent of the proposed units targeting seniors at 30% AMI. Located at 11421 Dexter Ave in Detroit, Michigan, the project was built in 1974 and will consist of a total of 77 one-bedroom units with the following amenities: wall-unit air conditioning, coat closet, garbage disposal, frost free refrigerator, energy star appliances, mini-blinds, microwave, exceptional views of the city, and resident laundry room (s). All 77 units will be renovated to enhance the accessibility features, however 9 of the units will meet/exceed the accessibility minimum code requirements, along with the public and common use areas. All residential units will be located on 2nd through 12th floor, the first floor will be allocated as the common area which will include a community room, laundry room, fitness room, computer stations, and on-site supportive services.

The project is proposed as a split 4% and 9% LIHTC transaction with 42 senior residential units on the 4% side and 35 senior residential units on the 9% side. The 4% units will be allocated to floors 2 – 7 with 5 of those units designated as Americans with Disabilities Act ("ADA") units. The 9% units will be allocated to floors 8 – 12 with 4 ADA units. The co-Sponsors are seeking financing utilizing tax-exempt bonds, low-income housing tax credits, and gap funding under the Authority's Multifamily Direct Lending Gap Program to undertake a needed renovation in creating affordable independent-living housing for seniors, defined as individuals who are at least 55 years of age and families whose head of household is at least 55 and other household members are 50 or older.

This proposal has been approved to receive 42 PBVs from the IHC.

Structure of the Transaction and Funding:

There are several elements to this transaction that are common to new construction/rehabilitation transactions:

- A tax-exempt bond construction loan (the "Mortgage Loan") will be provided by the Authority in the amount of ~~$7,992,370~~ **$8,243,591** at ~~6.625%~~ **6.250%** interest with a 24-month term (an 18-month construction term and a 6-month holding period), which will be used to bridge an extended equity pay-in period. Payments of interest only will be required during the construction loan. The principal balance of the construction loan must be reduced to the permanent loan amount on the first day of the month following the month in which the 24-month construction loan term expires or such later date as is established by an Authorized Officer of the Authority (the "Permanent Financing Date").

- A permanent Mortgage Loan will be provided by the Authority in the amount of ~~$3,715,516~~ **$2,685,458**. The permanent loan amount is based upon the current rents, less vacancy loss, payments to reserves and escrows, operating costs based on historical data unless modified by project improvements and construction and soft costs at levels appropriate for this specific transaction. The permanent loan is based on a 1.20 debt service coverage ratio, an annual interest rate of ~~6.625~~ **6.250%,** with a fully amortizing term of 40 years commencing on the Permanent Financing Date. The permanent Mortgage Loan will be in **First Position**.

- A permanent subordinate loan using Authority CERA Funds (the "CERA Loan") in the amount of ~~$1,792,772~~ **$3,770,844** will be provided at 1% simple interest with payments initially deferred. The CERA Loan will be in **Second Position**.

- The City of Detroit will provide HOME **and CDBG** Loan**s** in the **combined** amount of ~~$4,4000,000~~ **$4,400,000**. This loan will be in **Third Position**. See Special Condition No. 3.

- Equity support comes from an investment related to the 4% LIHTC in the estimated amount of ~~$5,023,476~~ **$3,739,843**.

- ~~Income from operations will be used as a source of funding to make the interest only payments and the tax and insurance payments during the construction period in the amount of $37,012.~~

- The IHC is providing forty-two (42) PBVs from the IHC's Housing Choice Voucher program. The PBV Housing Assistance Payments ("HAP") contract will be for an initial term of 20 years with up to one 20-year extension possible.

- **Deferred CERA interest in the amount of $84,162 has been added as a source to offset CERA loan interest.**

- The Sponsor has agreed to defer ~~$801,167~~ **$1,051,167** of the developer fee to fill the remaining funding gap.

- An operating assurance reserve ("OAR") will be required in the amount identified in the attached proforma. The reserve will be capitalized at closing in an amount which, along with accumulated interest, is expected to meet the Development's unanticipated operating needs. This reserve will be held by the Authority.

- A vacancy loss reserve will be required in the amount identified in the attached proforma. The reserve will be capitalized at closing in an amount which, along with accumulated interest, is expected to meet the Development's unanticipated vacancy loss needs. The reserve will be held by the Authority. See Special Condition No. 4.

The condominium documents will require that a share of the operating, maintenance and repair costs relating to the common elements of the condominium, as described in the master deed, be allocated to each condominium unit. These shared expenses will include the cost of utilities, management expenses, insurance, and the like, and the costs of maintenance, repair, and replacement of the structural elements of the building and common spaces, project landscaping, and the parking lot. The 4% residential unit will be allocated 55% of the condominium in the master deed, resulting in an estimated annual cost of ~~$159,000~~ **$145,609** for the first operating year. This amount is included and shown on the operating expense page of the proforma. See Special Condition No 5.

Site Selection:

The site has been reviewed by Authority Staff, and the Authority's Manager of the Office of Market Research has indicated that the site meets the Authority's current site selection criteria.

Market Evaluation:

The unit mix as well as the amenities package and rent levels have been approved by the Manager of the Office of Market Research, Rental Development Division.

Valuation of the Property:

An appraisal dated October 23, 2023, estimated the value for the development site on which the 4%/9% paired development will be located at $590,000. The 42-unit 4% side share is $321,819, and the 35-unit 9% side share is $268,181.

CONDITIONS:

At or prior to (i) issuance of the Authority's mortgage loan commitment ("Mortgage Loan Commitment"), (ii) the initial Mortgage Loan Closing (the "Initial Closing"), or (iii) such other date as may be specified herein, the new Mortgagor, and other members of the Development team, where appropriate, must satisfy each of the following conditions by entering into a written agreement or providing documentation acceptable to the Authority:

Standard Conditions:

1. **Limitation for Return on Equity:**

   For each year of the Development's operation, beginning in the year in which the Mortgage Cut-Off Date occurs, payments are limited to twelve percent (12%) of the Mortgagor's equity. For purposes of distributions, the Mortgagor's equity will be the sum of (i) the LIHTC equity; (ii) the brownfield tax credit equity; (iii) the historic tax credit equity; (iv) general partner capital contributions; and (v) any interest earned on an equity escrow held by the Authority (estimated to be a total of ~~$5,023,476~~ **$3,739,943**). All such payments shall be referred to as "Limited Dividend Payments". The Mortgagor's return shall be fully cumulative. If Authority subordinate loans are included in the development sources the Limited Dividend Payments are capped at 12% per annum, while those loans remain outstanding. If there are no Authority subordinate loans outstanding, then Limited Dividend Payments may increase 1% per annum until a cap of 25% per annum is reached.

2. **Income Limits:**

   The income limitations for 42 units of this proposal are as follows:

   a. ~~Five (5)~~ **Eleven (11)** units (~~5~~ **11** one-bedroom units) have been designated as CERA units and during the Period of Affordability required under the CERA program (20~~)~~ years**)** must be available for occupancy by households whose incomes do not exceed the MTSP 50% income limits, adjusted for family size.

   b. ~~Five (5)~~ **Six (6)** units (~~5~~ **6** one-bedroom units) must be available for occupancy by households whose incomes do not exceed the MTSP 30% income limits, adjusted for family size, until the latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.

   c. ~~Five (5)~~ **Four (4)** units (~~5~~ **4** one-bedroom units) must be available for occupancy by households whose incomes do not exceed the MTSP 40% income limits, adjusted for family size, until the latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.

   d. ~~Five (5)~~ **Ten (10)** units (~~5~~ **10** one-bedroom units) must be available for occupancy by households whose incomes do not exceed the MTSP 50% income limits, adjusted for family size, until the latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.

e. ~~Twenty-seven (27~~) **Twenty-two (22)** units (~~27~~ **22** one-bedroom units) must be available for occupancy by households whose incomes do not exceed the MTSP 60% income limits, adjusted for family size, until the latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.

f. ~~Twenty-two (22)~~ **Twelve (12)** units have been designated as Low-HOME units by the City of Detroit and during the Period of Affordability required under the HOME program (15 years) must be available for occupancy by households whose incomes do not exceed the Low HOME income limit as published by HUD, adjusted for family size.

g. All forty-two (42) units must be occupied or available for occupancy by households whose incomes do not exceed the income limits in the PBV HAP Contract for so long as the PBV HAP Contract between the Mortgagor and IHC is in effect (including extensions and renewals), or for such longer period as determined by HUD.

h. All forty-two (42) units have been designated as CDBG units by the City of Detroit and during the Period of Affordability required under the CDBG program, 22 of them must be available for occupancy by households whose incomes do not exceed 80% AMI, and 20 must be available for occupancy by households whose incomes do not exceed the MTSP 60% income limits adjusted for family size.

The Authority is not responsible for the City of Detroit HOME **and CDBG loan** or the IHC PBV compliance monitoring or oversight of the occupancy of or the regulations applicable to these HOME**/CDBG** and PBV units.

To the extent units within the Development are subject to multiple sets of income limits, the most restrictive income limit will apply so long as the applicable term of affordability continues.

The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size.

3. <u>Limitations on Rental Rates</u>:

The Total Housing Expense (contract rent plus tenant-paid utilities) for 42 units is subject to the following limitations:

a. During the period of affordability required under the CERA program (20 years), the

Total Housing Expense for all ~~Five (5)~~ **Eleven (11)** CERA units (~~5~~ **11** one-bedroom units) may not exceed one-twelfth (1/12th) of 30% of 50% of the MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom.

b. The Total Housing Expense for ~~five~~ **six (6)** units (4 **6** one-bedroom units), may not exceed one-twelfth (1/12th) of 30% of the 30% MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.

c. The Total Housing Expense for ~~five~~ **four (4)** units (4 one-bedroom units), may not exceed one-twelfth (1/12th) of 30% of the 40% MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.

d. The Total Housing Expense for ~~five~~ **ten (10)** units (4 **10** one-bedroom units), may not exceed one-twelfth (1/12th) of 30% of the 50% MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.

e. The Total Housing Expense for ~~twenty-seven (27)~~ **twenty-two (22)** units (~~27~~ **22** one-bedroom units), may not exceed one-twelfth (1/12th) of 30% of the 60% MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.

f. During the Period of Affordability required under the HOME program (15 years), the Total Housing Expense for the ~~22~~ **12** Low-HOME units may not exceed the "Low-HOME Rent Limit" for the unit established and published annually by HUD.

g. So long as the PBV HAP Contract remains in effect, the Mortgagor agrees to establish and maintain rents ("Contract Rents") for all PBV HAP-assisted units (34 one-bedroom units) that comply with the rent levels established by the PBV HAP Contract and that do not exceed the rent levels approved by the IHC or HUD.

h. During the Period of Affordability required under the CDBG program, the Total Housing Expense for the 22 CDBG units may not exceed 30% of the 80% MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. And for the remaining 20 units 30% of the 60% MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom.

The Authority is not responsible for the compliance monitoring or oversight of the **City of**

Detroit HOME and CDBG rents, or the Inkster Housing Commission PBV rents charged for or the regulations applicable to these units.

To the extent units within the Development are subject to multiple sets of rent limits, the most restrictive rent limit will apply so long as the applicable term of affordability continues.

The Mortgagor must further agree that rental increases for targeted units that do not receive PBV subsidy will be limited to not more than 5% for any resident household during any 12-month period.

For the initial lease term of the first household occupying each rent-restricted unit in the Development the initial rent may not exceed 105% of the rent approved in this Mortgage Loan Feasibility/Commitment Staff Report. Exceptions to these limitations may be granted by MSHDA's Director of Asset Management for extraordinary increases in project operating expenses (exclusive of limited dividend payments) or mortgage loan increases to fund cost overruns pursuant to the Authority's policy on Mortgage Loan increases. Rents on vacated units may be increased to the maximum level permissible by the applicable programs. Rents and utility allowances must be approved annually by the Authority's Division of Asset Management.

4. <u>Covenant Running with the Land</u>:

The Mortgagor must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the obligations issued or to be issued to finance the Mortgage Loan. This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after the date on which 50% of the residential units in the Development are occupied, the first day on which no bonds are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, income of the individuals shall be determined in accordance with Section 8 regulations. Additionally, if LIHTC is awarded to the Development, the Mortgagor must agree to subject the property to the extended low-income use commitment required by Section 42 of the Internal Revenue Code.

5. <u>Restriction on Prepayment and Subsequent Use</u>:

The Mortgage Loan is eligible for prepayment after the expiration of fifteen (15) years after the commencement of amortization. The Mortgagor must provide the Authority with at least 60 days' written notice prior to any such prepayment.

In the event of a prepayment, however, the Mortgagor must pay a prepayment fee equal to the sum of:

a. 1% of the balance being prepaid;
b. Any bond call premium, prepayment or swap penalty, or any other cost that the Authority incurs to prepay the bonds or notes that were used to fund the Mortgage

Loan; and

c. Any loss of debt service spread between the Mortgage Loan and the bonds used to finance the loan from the date of the prepayment through the end of the 20th year of amortization.

Once the Mortgagor has been approved for the early prepayment of the underlying loan, it must sign an agreement with the Authority stating it is responsible for the cost of terminating the swap. The Mortgagor can then choose the timing of the termination and participate in the transaction with the swap counterparty. The swap counterparty will quote the cost of terminating the swap and the Mortgagor will have the ability to execute the transaction or cancel at its sole discretion. If the Mortgagor chooses not to terminate the swap, it will forfeit the right to prepay the Mortgage Loan.

Subordinate loans are eligible to prepay at any time upon 60 days prior written notice to the Authority, but prepayment may not extinguish federal affordability and compliance requirements.

6. **Operating Assurance Reserve:**

At Initial Closing, the Mortgagor shall fund an operating assurance reserve ("OAR") in the amount equal to four (4) months of estimated Development operating expenses (estimated to be ~~$181,628~~ **$237,556**). The OAR will be used to fund operating shortfalls incurred at the Development and will be disbursed by the Authority in accordance with the Authority's written policy on the use of the Operating Assurance Reserve, as amended from time to time. The OAR must be either (i) fully funded with cash, or (ii) funded with a combination of cash and an irrevocable, unconditional letter of credit acceptable to the Authority, in an amount that may not exceed 50% of the OAR requirement. To the extent that any portion of the OAR is drawn for use prior to the final closing of the Mortgage Loan, the Mortgagor must restore the OAR to its original balance at final closing.

7. **Replacement Reserve:**

At Initial Closing, the Mortgagor must establish a replacement reserve fund (“Replacement Reserve”) with an initial deposit in an amount of $700 per unit. The Mortgagor must agree to make annual deposits to the Replacement Reserve, beginning on the Mortgage Cut-Off Date, at a minimum of $300 per unit for the first year of operation, payable in monthly installments, with deposits in subsequent years to be the greater of (i) the prior year’s deposit, increased by 3%, or (ii) a percentage of the Development’s projected annual rental income or gross rent potential (“GRP”) for the year using the percentage obtained by dividing the first year’s deposit by the first year’s GRP shown on the operating proforma for the Development attached hereto. The annual deposit to the Replacement Reserve may also be increased to any higher amount that is determined to be necessary by the Authority, based on a CNA and the Authority’s Replacement Reserve policies. The Authority may update any CNA or obtain a new CNA every five years, or upon any frequency, as determined necessary by the Authority.

8. **Authority Subordinate Loan(s):**

At Initial Closing, the Mortgagor must enter into agreements relating to the permanent CERA Loan. The CERA Loan will be secured by a subordinate mortgage and will bear simple interest at 1% with a 50-year term. No payments on the CERA Loan will be required until the earlier of (a) the year in which the sum of all annual surplus funds available for distribution equals or exceeds the amount of the deferred developer fee, or (b) the 13th year following the commencement of amortization of the Mortgage Loan. Interest will continue to accrue on the CERA loan until it is paid in full.

At the earlier of (a) the year in which the sum of all annual surplus funds available for distribution equals or exceeds the amount of the deferred developer fee or (b) the 13th year following the date that Mortgage Loan amortization commences, in lieu of repayment of the CERA Loan, payments of fifty percent (50%) of any surplus cash available for distribution shall be deposited into an Subordinate Debt Subsidy Reserve and will be used to repay the CERA Loan periodically, if the amount of funds accumulated in the reserve warrant it, or at the end of the loan term, or otherwise used to assist the Development if needed. If reserve funds are used toward loan repayment, they shall be applied first to accrued interest, then to current interest and principal and shall continue until the sale of the Development or refinancing of the Mortgage Loan, at which time the CERA Loan shall be due in full. If the CERA Loan is still outstanding, then following repayment of the Mortgage Loan and continuing on the first day of every month thereafter, the Mortgagor shall make monthly payments of principal and interest equal to the monthly payments that were required on the Mortgage Loan on the first day of every month until the CERA Loan is paid in full, sale of the Development or the date that is 50 years from date of Initial Closing, whichever occurs first. There is no prohibition on prepayment of the CERA Loan.

9. **Architectural Plans and Specifications; Contractor's Qualification Statement:**

Prior to Mortgage Loan Commitment, the architect must submit architectural drawings and specifications that address all design review comments, acceptable to the Authority's Chief Architect and the Director of Development.

Prior to Mortgage Loan Commitment, the general contractor must submit AIA Document A305 as required by the Authority's Chief Architect.

10. **Owner/Architect Agreement:**

Prior to Mortgage Loan Commitment, the Mortgagor must provide the Authority with an executed Owner Architect Agreement acceptable in form and substance to the Chief Legal Affairs Officer.

11. **Trade Payment Breakdown:**

Prior to Mortgage Loan Commitment, the general contractor must submit a signed Trade Payment Breakdown acceptable to the Authority's Chief Construction Manager.

12. **Section 3 Requirements:**

Prior to Mortgage Loan Commitment, the general contractor must agree to comply with all federal Section 3 hiring requirements. The general contractor must provide a copy of the contractor's "Section 3 Hiring Plan" approved by the City of Detroit, if requested by the Authority. In addition, the general contractor must agree to adhere to follow-up reporting requirements as established by the City of Detroit. The Authority is not responsible for

Section 3 compliance, monitoring, or oversight, which will be performed by the City of Detroit.

13. Equal Opportunity and Fair Housing:

Prior to Mortgage Loan Commitment, the management and marketing agent's Affirmative Fair Housing Marketing Plan must be reviewed and found acceptable to the Authority's Equal Employment Officer for Fair Housing Requirements.

In addition, prior to Mortgage Loan Commitment, the general contractor's Equal Employment Opportunity Plan must be reviewed and found acceptable to the Authority's Equal Employment Officer.

14. Davis-Bacon and Cross-cutting Federal Requirements:

The general contractor will be required to comply with all federal prevailing wage requirements, the requirements of the Davis-Bacon and Related Acts, and other applicable federal regulations as required under the terms of the City's HOME Program, and the IHC's Housing Choice Voucher Program, however, all necessary documentation and all monitoring and oversight will be handled by the City of Detroit.

15. Cost Certification:

The contractor's cost certification must be submitted within 90 days following the completion of construction, and the Mortgagor's cost certification must be submitted within 90 days following the Mortgage Cut-off Date. For LIHTC, the owner is obligated to submit cost certifications applicable to itself and the contractor prior to issuance of IRS form 8609 (see LIHTC Program Cost Certification Guidelines).

16. Environmental Review and Indemnification:

Prior to Mortgage Loan Commitment, the Mortgagor must address any outstanding environmental issues, in form and substance acceptable to the Authority's Environmental Review Officer.

At Initial Closing, the Mortgagor must enter an agreement to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of any violation of environmental laws. The indemnification agreement must be acceptable to the Chief Legal Affairs Officer.

17. Title Insurance Commitment and Survey:

Prior to Mortgage Loan Commitment, the Mortgagor must provide an updated title insurance commitment, including zoning, pending disbursement, comprehensive, survey and such other endorsements as deemed necessary by the Authority's Chief Legal Affairs Officer. The updated title commitment must contain only exceptions to the insurance acceptable to the Authority's Chief Legal Affairs Officer.

Additionally, prior to Mortgage Loan Commitment, the Mortgagor must provide a surveyor's certificate of facts together with an ALTA survey certified to the 2021 minimum standards, and that appropriately reflects all easements, rights of way, and other issues noted on the title insurance commitment. All documents must be acceptable to the Chief Legal Affairs Officer.

18. Organizational Documents/Equity Pay-In Schedule:

Prior to Mortgage Loan Commitment, the Mortgagor must submit a substantially final form syndication partnership agreement, including an equity pay-in schedule, that is acceptable in form and substance to the Director of Development and Chief Legal Affairs Officer.

At or prior to Initial Closing, the final, executed syndication partnership agreement must become effective and the initial installment of equity must be paid in an amount approved by the Director of Development.

19. Designation of Authority Funds:

The Authority reserves the express right, in its sole discretion, to substitute alternate subordinate funding sources.

20. Management & Marketing:

Prior to Mortgage Loan Commitment, the management and marketing agent must submit the following documents, which must be found acceptable to the Director of Asset Management:

a. Management Agreement
b. Marketing Addendum

21. Guaranties:

At Initial Closing, the Sponsor, General Partner, and any entity receiving a developer fee in connection with the Development must deliver certain guaranties. The required guaranties include a guaranty of an operating deficit guaranty and a performance completion guaranty. The required guaranties, the terms thereof and the parties who shall be required to deliver the guaranty must be determined and approved by the Authority's Director of Development.

22. Financial Statements:

Prior to Mortgage Loan Commitment, financial statements for the Sponsor, the guarantor(s) and the general contractor must be reviewed and found acceptable by the Authority's Chief Financial Officer.

If prior to Initial Closing the financial statements that were approved by the Authority become more than six months old, the Sponsor, the guarantor(s) and/or the general contractor must provide the Authority with updated financial statements meeting Authority requirements upon request.

23. Future Contributions:

To ensure the Authority is contributing the least amount of funding necessary to achieve project feasibility, any decrease in Development costs or any future equity sources not included in the Development proforma may, at the Authority's discretion, be utilized to reduce, in equal proportions, any deferred developer fee and Authority soft funds.

24. **Ownership of Development Reserves:**

At the Initial Closing, the Mortgagor must enter into an agreement confirming the Authority's ultimate ownership of excess cash reserves, escrows and accounts as may exist at the time the Authority's mortgage loans are paid off or the Development is sold or refinanced. This agreement must be acceptable to the Authority's Chief Legal Affairs Officer.

25. **HAP Extension:**

At Initial Closing, the Mortgagor must enter into an agreement to apply for and accept any HAP or other HUD subsidy extensions available in the future, subject to Authority approval.

26. **HUD Subsidy Layering Review:**

Prior to Initial Closing, the subsidy layering review must be performed by Authority staff and must be submitted to HUD for approval. The subsidy layering approval is subject to review and approval by the Authority's Director of Development.

27. **Application for Disbursement:**

Prior to Initial Closing, the Mortgagor must submit an "Application for Disbursement" along with supporting documentation, which must be found acceptable to the Authority's Director of Development.

Special Conditions:

1. **Legal Requirements:**

The Mortgagor and/or Sponsor must submit documentation acceptable to the Authority's Chief Legal Affairs Officer for the items listed below:

- Prior to Initial Closing, the Michigan Attorney General's Office must complete its review of the transaction and provide the Chief Legal Affairs Officer its recommendation.
- Any other documentation as required by the Chief Legal Affairs Officer, including acceptable evidence of insurance, permits, licenses, zoning approvals, utility availability, payment and performance bonds and other closing requirements.

2. **PILOT Obtained Post-Commitment:**

The Development has been underwritten with a ~~4%~~ **.50%** PILOT indicating support from the City of Detroit. Before Initial Closing, ~~a PILOT resolution~~ **confirmation from the City of Detroit that the project is eligible**, acceptable in language, form and substance to the Authority's Chief Legal Affairs Officer, must be provided. ~~If the Development does not~~

~~obtain a PILOT as described above, the Development must be re-underwritten and if feasible, presented to the Board. If the Development obtains a PILOT representing a lower PILOT payment amount, any savings generated by the PILOT may be applied, at the sole discretion of an Authorized Officer of the Authority, to reduce one or all of the Authority's subordinate loans or be applied against any other obligation that the Mortgagor owes the Authority with any remainder deposited in the Development's Operating Reserve Cash account.~~

3. **Local HOME Loan:**

Prior to Mortgage Loan Commitment, the Mortgagor must submit substantially final documents evidencing the City of Detroit's HOME **and CDBG** Loan**s** and a funding schedule acceptable to the Authority's Chief Legal Affairs Officer and Director of Development.

At or prior to Initial Closing, the final, executed City of Detroit HOME **and CDBG** Loan documents must become effective and initial funding of the loan must be made in an amount approved by the Director of Development. The City of Detroit, the Authority and the Mortgagor must enter into a subordination and intercreditor agreement in form and substance acceptable to the Chief Legal Affairs Officer.

4. **Vacancy Loss Reserve:**

At Initial Closing, the Mortgagor must establish a Vacancy Loss Reserve with a deposit in the amount of $192,701. The Vacancy Loss Reserve shall be funded in cash, held and controlled by the Authority, and will be invested and reinvested by the Authority's Office of Finance. Interest earned on this reserve, if any, shall become part of this reserve and shall be treated and disbursed in the same way. The Vacancy Loss Reserve will be held for a minimum of three years following the Mortgage Cut-Off Date.

Funds in the Vacancy Loss Reserve will be available solely for the purpose of providing operating subsidies when the monthly vacancy loss exceeds 5%. The amount of funds disbursed shall equal the gross rents lost exceeding the 5% vacancy loss amount as reported on the Monthly Income and Expense statements. All draws must include data specifying the units vacant in excess of the 5% vacancy, as well as the total subsidy amount to be withdrawn. The Mortgagor may draw funds out of the Vacancy Loss Reserve on a quarterly basis. All draws from the Vacancy Loss Reserve must be approved by the Director of Asset Management and deposited into the Development's operating account.

Following the 3rd full year of operation of the Development after the Mortgage Cut-Off Date, as established by the Authority, the Mortgagor may request a release of any funds remaining in the Vacancy Loss Reserve. The Director of Asset Management may approve such as release based on a review of the Development and a determination that such funds are no longer needed to fund the vacancy losses. Any such release may, in the Authority's discretion, be returned to the Authority to fund any other escrows or to be applied against any obligations that the Mortgagor owes the Authority.

5. **Conversion to Condominium:**

At or prior to Initial Closing, the real estate upon which the Development is located is to be converted into a condominium with the 9% residential, 4% residential and commercial space in separate units and the master deed and plat depicting the condominium must be recorded with the Wayne County Register of Deeds.

Prior to Mortgage Loan Commitment, the final master deed and other condominium documents must be reviewed and found acceptable in form and substance to the Authority's Chief Legal Affairs Officer. The master deed must include provisions acceptable to the Chief Legal Affairs Officer that describe the general and limited common elements, allocate the responsibilities for repairs, maintenance, and operating costs between unit owners and grant the Authority certain rights with respect to the operation and management of the condominium, including the right to approve owners/tenants and uses of the commercial unit. The Mortgagor must agree that proceeds from any Authority mortgage loans may be used only for housing related improvements to the building and facilities.

DEVELOPMENT TEAM AND SITE INFORMATION

I. MORTGAGOR: Russell Woods II Limited Dividend Housing Association, LLC

II. GUARANTOR(S):

A. Guarantor #1:

Name: Fabiola Fleuranvil
Address: 13854 Lakeside Circle, 2nd Fl. #311
Sterling Heights, MI 48313

B. Guarantor #2:

Name: Robert Jacobson
Address: 35 Research Dr., Ste. 300
Ann Arbor, MI 48103

III. DEVELOPMENT TEAM ANALYSIS:

A. Sponsor:

Name: Icon Heritage Partners, LLC
Address: 990 Biscayne Blvd. Suite 503
Miami, FL 33132

Individuals Assigned: Fabiola Fleuranvil
Telephone: 305-741-0378
Fax: N/A
E-mail: fabiola@iconheritagepartners.com

B. Sponsor:

Name: LC Consultants II, LLC
Address: 35 Research Dr., Ste. 300
Ann Arbor, MI 48103

Individuals Assigned: Robert Jacobson
Telephone: 248-346-8600
Fax: N/A
E-mail: bob@lwc.wine

1. **Experience**: The Sponsor has experience working on Authority-financed developments.

2. **Interest in the Mortgagor and Members**: 55.000% limited partnership interest (Russell Woods Legacy, LLC) and 45.000% interest as general partner (LCT Russell Woods II LLC)

B. Architect:

Name: Concept Design Studio**, Inc.**
Address: 800 East Ellis Rd.
Norton Shores, MI 49441

Individual Assigned: Kyle Osterhart
Telephone: 231-799-4838
Fax: N/A
E-Mail: kyleosterhart@conceptdesignstudio.net

1. **Experience**: Architect has previous experience with Authority-financed developments.

2. **Architect's License**: License number 1301060114, exp. 04/26/2024.

C. Attorney:

Name: BakerHostetler
Address: Key Tower
127 Public Square | Suite 2000
Cleveland, OH 44114-1214

Individual Assigned: Tracey Lackman
Telephone: 1.216.861.7292
Fax: N/A
E-Mail: tlackman@bakerlaw.com

1. **Experience**: This firm has experience in closing Authority-financed developments.

D. Builder:

Name: Continental Construction Management, LLC
Address: 32500 Telegraph Rd., Suite 100
Bingham Farms, MI 48025

Individual Assigned: Chad Joseph
Telephone: 248-833-0550
Fax: N/A
E-mail: chad@mhthousing.net

1. **Experience**: The firm has previous experience in constructing Authority-financed developments.

2. **State Licensing Board Registration**: License number 2102192437, with an expiration date of 05/31/2026.

E. Management and Marketing Agent:

Name: Continental Management, LLC
Address: 32500 Telegraph Rd., Suite 100
Bingham Farms, MI 48025

Individual Assigned: Troy Thelen
Telephone: 248-731-7180
Fax: N/A
E-mail: tthelen@continentalmgt.com

1. **Experience:** This firm has significant experience managing Authority-financed developments.

F. Development Team Recommendation: Go.

IV. SITE DATA:

A. Land Control/Purchase Price:
As of October 23, 2023, $590,000; 4% dividend of $321,819.

B. Site Location:
11421 Dexter Avenue, Detroit, MI 48206

C. Size of Site:
Approximately +/- 0.98 Acres

D. Density:
Deemed Appropriate

E. Physical Description:

1. Present Use: Residential, building currently vacant.

2. Existing Structures: A single twelve-story residential building

3. Relocation Requirements: Not Applicable

F. Zoning:
Located in a Planned Development (PD) zoning district, established via ordinance 550-G

G. Contiguous Land Use:

1. North: Vacant Land, Single Family Residential

2. South: Single Family Residential

3. East: Church – St. Paul AME Zion

a. West: Single Family Residential and Church – The Community Church of Christ

H. Tax Information:
The City of Detroit **will provide** ~~supports the approval of~~ a **.5%** ~~4%~~ PILOT.

I. Utilities:
a. Water – DWSD
b. Gas – DTE
c. Electric – DTE

J. Community Facilities:

1. Shopping:
Food Farm Market within .05 miles of site, Family Dollar within .6 miles of site, Linwood Gas Station within .6 miles of site, Dollar General within1 miles of site, Value Save Food Center within 1.4 miles of site, in addition to several other local/franchise shopping facilities, coffee shops, and banks within walking distance.
2. Recreation:
Woods Park within .7 miles of site, LaSalle Park within .8 miles of site, African Bead Museum 1.7 miles of site, Motown Historical Museum within 2.1 miles of site. The surrounding area of the site location contains several additional parks/museums/theaters.
3. Public Transportation:
Local transportation includes DDOT bus service with bus stops .02 northbound of site and .04 southbound of site on Dexter Ave.
4. Road Systems
The site is accessible to I-94, I-75, I-96, M-10, and M-5. Surrounding local streets include Dexter Ave 0.02 east of site, Broadstreet Ave 0.7 west miles of site, Joy Rd 1 mile south of site, M-8 0.9 miles north of site.
5. Medical Services and other Nearby Amenities:
Sam’s Pharmacy within 1.4 miles of site, CVS Pharmacist within 2.8 miles of site, Henry Ford Hospital 2.1 miles of site, and DMC Harper University

Hospital within 3.8 miles of site.

6. Description of Surrounding Neighborhood:
   Mixed within single-family, gas station, and church uses.
7. Local Community Expenditures Apparent:
   The Russell Woods Nardin Park area is positioned to receive $8.5M in streetscape improvements along Dexter Avenue (from Davison to Webb) including: $850,000 in improvements which have been completed at Zussman Playground and Russell- Woods parks. These improvements include new walking paths improved basketball court and new exercise equipment; $12M design & improvements of the Dexter-Elmhurst Community Center n/k/a The Helen Moore Community Center; commercial façade improvements along Dexter Avenue with a pop-up retail; as well as wayfinding signage that celebrates the historical culture & significance of Russell Woods and Nardin Park.

8. Indication of Local Support:
   The City of Detroit will provide a HOME**/CDBG** Loan and a **0.5%** ~~4%~~ PILOT to the project.

V. ENVIRONMENTAL FACTORS:

A Phase I Environmental Site Assessment was submitted to the Authority and has been reviewed by the Authority's Environmental Manager. (See Standard Condition No. 16).

VI. DESIGN AND COSTING STATUS:

Architectural plans and specifications consistent with the scope of work have been reviewed by the Chief Architect. A response to all design review comments and the submission of corrected and final plans and specifications must be made prior to initial closing.

This proposal will satisfy the State of Michigan barrier-free requirements, the Authority's policy regarding accessibility and non-discrimination for the disabled, the Fair Housing Amendments Act of 1988, and the HOME requirements for barrier-free vision and hearing designed units. Construction documents must be acceptable to the Authority's Chief Architect.

VII. MARKET SUMMARY:

The Market study has been reviewed by the Authority's Manager of the Office of Market Research and found to be acceptable. The Authority's Manager of the Office of Market Research has reviewed and approved the unit mix, rental structure, and unit amenities.

VIII. EQUAL OPPORTUNITY AND FAIR HOUSING:

The contractor's Equal Employment Opportunity Plan is currently being reviewed and must be approved by the Authority's Chief Construction Manager prior to initial closing. The management and marketing agent's Affirmative Fair Housing Marketing Plan has been approved.

IX. MANAGEMENT AND MARKETING:

The management/marketing agent has submitted application-level management and marketing information, to be approved prior to initial closing by the Authority's Director of Asset Management.

X. FINANCIAL STATEMENTS:

The sponsor's/guarantor's and the builder's financial statements have been submitted and are to be approved prior to initial closing by the Authority's Director of Rental Development.

XI. DEVELOPMENT SCHEDULING:

A. Mortgage Loan Commitment:	~~September 2024~~ **February 2025**
B. Initial Closing and Disbursement:	~~December 2024~~ **May 2025**
C. Construction Completion:	~~June~~**October** 2026
D. Cut-Off Date:	~~December 2026~~ **April 2027**

XII. ATTACHMENTS:

A. ZNOI & Debt Page
B. ZRevenue Page
C. ZSources & Uses Page

APPROVALS:

Chad A Benson — 2/12/2025

Chad Benson — Date
Director of Development

Anthony Lentych — 2/11/2025

Tony Lentych — Date
Chief Housing Investment Officer

Clarence L. Stone, Jr. — 2-12-2025

Clarence L. Stone, Jr. — Date
Chief Legal Affairs Officer

Amy Hovey — 02/12/2025

Amy Hovey — Date
Chief Executive Officer and Executive Director

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING MORTGAGE LOAN INCREASE
RUSSELL WOODS 4% SENIOR LIVING COMMUNITY
MSHDA DEVELOPMENT NO. 4129
CITY OF DETROIT, WAYNE COUNTY

February 20, 2025

WHEREAS, on September 19, 2024, the Michigan State Housing Development Authority (the "Authority") authorized construction and permanent mortgage loans for the construction and permanent financing of a development to be known as Russell Woods 4% Senior Living Community, located in the City of Detroit, Wayne County, Michigan (the "Development"); and

WHEREAS, the estimated operating expenses and operating revenue for the Development have been substantially revised, and other proforma changes have occurred that have resulted in a funding gap; and

WHEREAS, the Chief Executive Officer and Executive Director has recommended that the Authority approve an increase in the construction mortgage loan, an increase in the CERA Loan, and a decrease in the permanent mortgage loan for the Development, as delineated in the accompanying Modification #1 – Mortgage Loan Feasibility/Commitment Staff Report (the "Staff Report"); and

WHEREAS, the Authority has reviewed the accompanying Staff Report and concurs in the recommendation of the Chief Executive Officer and Executive Director.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that:

1. A mortgage loan increase for the tax-exempt bond construction loan for Russell Woods 4% Senior Living Community, MSHDA Development No. 4129, in an amount not to exceed Two Hundred Fifty-One Thousand Two Hundred Twenty-One Dollars ($251,221) be and is hereby authorized, bringing the total construction mortgage loan authorized for this Development to Eight Million Two Hundred Forty-Three Thousand Five Hundred Ninety-One Dollars ($8,243,591), subject to the terms and conditions set forth in the accompanying Staff Report.

2. The tax-exempt bond permanent loan authorized for the Development shall not exceed Two Million Six Hundred Eighty-Five Thousand Four Hundred Fifty-Eight Dollars ($2,685,458), subject to the terms and conditions set forth in the accompanying Staff Report.

Reports

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director

DATE: March 20, 2025

RE: Approval of the Annual and 5-Year Public Housing Agency Plans for the Housing Choice Voucher Program

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RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt a resolution approving the Annual Public Housing Agency Plan for fiscal year 2025-2026 (the "Annual PHA Plan"), and the 5-Year Public Housing Agency Plan for 2025-2030 (the "5-Year PHA Plan") for the Housing Choice Voucher Program ("HCV Program"). The Annual PHA Plan and the 5-Year PHA Plan govern the Authority's administration of the HCV Program and are documents required by the U.S. Department of Housing and Urban Development ("HUD").

EXECUTIVE SUMMARY:

The Annual PHA Plan is a comprehensive explanation of the Authority's HCV Program, policies, operations and strategies for meeting housing needs and goals. The Administrative Plan provides more specific policy information regarding how the Authority implements the HCV Program. The Annual PHA Plan for fiscal year 2024-2025 and Administrative Plan were approved as amended by the Authority on March 21, 2024

SUMMARY OF CHANGES:

The Annual PHA Plan contains the Authority's on-going efforts to serve the needs of homeless, very low and extremely low-income Michigan residents as well as the Authority's progress on meeting its Mission and Goals described in the 5-Year PHA Plan. The following are highlights of the Authority's 5-Year PHA Plan progress since January 1, 2019:

- Applied for and was awarded 53 Foster Youth to Independence vouchers to be utilized in partnership with the Michigan Department of Housing and Urban Development in counties within the Balance of State Continuum of Care.
- Implemented Small Area Fair Market Rents ("SAFMR") based payment standards in the Detroit-Warren-Livonia, MI HUD Metro Fair Market Rent Area, which was in addition to elective zip-code based implementation of SAFMR in Kent, Macomb, and Oakland Counties.

- Implemented a HCV Housing Mobility Program in September 2023, offering housing mobility related services in Kent, Macomb, and Oakland Counties to increase the number of HCV families with children living in opportunity areas.
- Applied for and was awarded 5 additional Veterans Affairs Supportive Housing (VASH) vouchers to be utilized in the Iron Mountain VA Medical Center's catchment area.
- Applied for and was awarded 12 additional VASH vouchers to be utilized in the Saginaw VA Medical Center's catchment area.
- Applied for and was awarded 55 Stability Vouchers by HUD that will be utilized in partnership with the Balance of State Continuum of Care to assist individuals and families that are homeless, at risk of homelessness, were recently homeless, or are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking.
- Assisted in the purchase of 200 homes with HCV Program participants through the Key to Own Homeownership Program.
- Awarded 995 Project-Based Vouchers (PBV) to 49 multi-family developments that will serve supportive housing populations.
- Enrolled over 3,713 new HCV participants and graduated 570 HCV Program participants from the Family Self-Sufficiency Program resulting in escrow payouts totaling over $4,000.000.
- Continued partnerships with Continuum of Care bodies on the Campaign to End Homelessness.

ADMINISTRATIVE PLAN UPDATES:

There are no proposed Administrative Plan updates.

ADVANCING THE MISSION:

The Authority uses its HCV Program to help meet the housing needs of those experiencing homelessness and other very low-income households. The Authority uses a homeless preference to offer vouchers to homeless households that have been referred by local Continuums of Care. The HCV Program is also used to provide rental supports within the Permanent Supportive Housing Program, which provides housing and services to our most vulnerable homeless households.

The proposed changes to the Annual PHA Plan will assist the Authority in ensuring that rental assistance is delivered effectively and efficiently to those most in need. Through established partnerships with local service providers and other state agencies, the Authority can reach the most vulnerable populations, such as the homeless, disabled, veterans, and the elderly, and eliminate housing barriers so that other barriers and challenges can be addressed through supportive services and case management. Review and revision of the Annual PHA Plan and Administrative Plan reflects responsiveness to the communities the Authority serves, and the Authority's commitment to continuous improvement.

COMMUNITY SUPPORT:

The changes to the Annual PHA Plan were published and posted on the Authority's website for public review in accordance with HUD requirements. Additionally, e-mail messages announcing the changes were distributed to Authority partners including the contracted Housing Agents, Continuum of Care bodies, Housing Assessment and Resource Agencies, Family Self-Sufficiency Resource Coordinators, the Michigan Housing Council, and the Community Economic

Development Association of Michigan. Two separate public hearings were held on February 24 and 25, 2025. The public was able to participate in person at the Lansing or Detroit office or virtually via Microsoft Teams and/or Zoom.

Comments received will be reviewed by Authority staff to determine if additional changes should be considered for Board review and approval.

An electronic version of the previously approved Annual PHA Plan for fiscal year 2024-2025, the proposed Annual PHA Plan, and the proposed 5-Year PHA Plan are located on the Authority's website at www.michigan.gov/mshda in the "Spotlight" section of the page.

Both Plans require Authority approval per the Quality Housing and Work Responsibility Act of 1998. The Annual PHA Plan will be submitted to HUD following approval by the Authority.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.

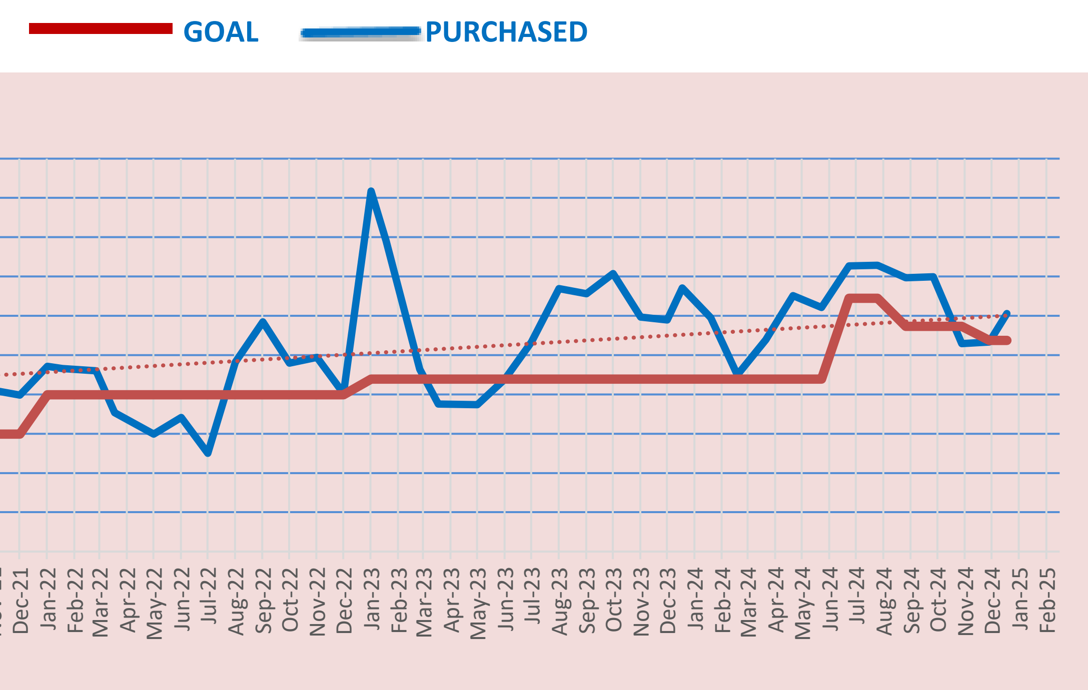
CURRENT AND HISTORICAL HOMEOWNERSHIP DATA

January 2025

MSHDA MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

MSHDA's Homeownership Division delivers responsive homeownership products, education and technical assistance that empower our customers and strengthen and sustain Michigan communities. We work with our partners to provide creative solutions that maximize existing resources and preserve homeownership opportunities for future generations.

SINGLE FAMILY MORTGAGES



Monthly Homeownership Production Report: JANUARY 2024

Print on Legal-Size paper

MI HOME Loan Programs

Series /Date	Month	RESERVATIONS		CASES RECEIVED		COMMITMENTS BEGINNING		COMMITMENTS ISSUED		Cancellations Reinstatements Net		Transfers IN or Adjustment		Transfers OUT or Adjustment		COMMITMENTS ENDING		PURCHASED #1		PURCHASED-DPA	
031	Jan-25	0	$ -	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
	Dec-24	0	$ -	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
066	Jan-25	0	$ -	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
9/5/2023	Dec-24	0	$ -	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
067	Jan-25	0	$ -	14	$1,883,636.00	93	$13,366,313.00	10	$1,299,675.00	-6	-$610,125.00	0	-$662.00	-67	-$9,965,723.00	30	$4,089,478.00	0	$0.00	0	$0.00
4/9/2024	Dec-24	0	$ -	43	$6,138,519.00	313	$45,656,212.00	34	$4,642,109.00	1	$240,382.00	4	$525,931.00	-204	-$29,562,349.00	93	$13,366,313.00	55	$8,135,972.00	55	$528,250.00
068 (510)	Jan-25	68	$ 9,796,969.00	53	$7,760,357.00	41	$5,865,670.00	48	$7,130,887.00	0	$0.00	NO TRANSFERS				42	$6,187,018.00	47	$6,809,539.00	31	$309,519.00
10/21/2024	Dec-24	45	6,472,810.00	51	$7,547,062.00	7	$914,582.00	40	$5,741,170.00	0	$0.00	6	$970,853.00	0	$0.00	41	$5,865,670.00	12	$1,760,935.00	10	$99,306.00
069	Jan-25	467	$ 73,179,110.00	361	$52,747,129.00	294	$43,737,301.00	328	$48,133,536.00	0	$0.00	67	$9,965,723.00	0	$0.00	327	$48,064,179.00	362	$53,772,381.00	333	$3,176,782.00
10/30/2024	Dec-24	345	51,896,701.00	358	$52,672,104.00	108	$16,436,237.00	283	$42,165,800.00	-3	-$458,614.00	204	$29,562,349.00	-4	-$525,934.00	294	$43,737,301.00	294	$43,442,537.00	275	$2,647,479.00
TOTAL	Jan-25	535	$82,976,079.00	428	$62,391,122.00	428	$62,969,284.00	386	$56,564,098.00	-6	-$610,125.00	67	$9,965,061.00	-67	-$9,965,723.00	399	$58,340,675.00	409	$60,581,920.00	364	$3,486,301.00

Bond Totals: Snagit Separately

Series /Date	Month	#	PURCHASED Prior Total	PURCHASED NEW Total	1st + DPA TO DATE	NEWEST ALLOCATED
031	Jan-25	031	$ 42,529,795.00	$ 42,529,795.00	$ 44,964,619.00	$ 10,000,000.00
	Dec-24	101	$ 2,434,824.00	$ 2,434,824.00	remaining:	$ (34,964,619.00)
066	Jan-25	066	$ 390,010,059.00	$ 390,010,059.00	$ 413,954,189.00	$ 400,000,000.00
9/5/2023	Dec-24	166	$ 23,944,130.00	$ 23,944,130.00	remaining:	$ (13,954,189.00)
067	Jan-25	067	$ 268,678,005.00	$ 268,678,005.00	$ 284,856,187.00	$ 433,125,471.00
4/9/2024	Dec-24	167	$ 16,178,182.00	$ 16,178,182.00	remaining:	$ 148,269,284.00
068 (510)	Jan-25	068	$ 1,760,935.00	$ 8,570,474.00	$ 8,979,299.00	$ 49,164,209.00
10/21/2024	Dec-24	154	$ 99,306.00	$ 408,825.00	remaining:	$ 40,184,910.00
069	Jan-25	069	$ 43,442,537.00	$ 97,214,918.00	$ 103,039,179.00	$ 350,000,000.00
10/30/2024	Dec-24	155	$ 2,647,479.00	$ 5,824,261.00	remaining:	$ 246,960,821.00

MCC

		RESERVATIONS		APPS RECEIVED		COMMITMENTS		CERTIFICATES	
213 MCC	Jan-25	11	$ 1,734,367.00	8	$ 1,304,550.00	7	$ 1,126,891.00	13	$ 2,046,411.00
12/7/2022	Dec-24	11	$ 1,803,050.00	9	$ 1,483,393.00	7	$ 1,111,893.00	8	$ 1,152,275.00

MI 10K DOWN PAYMENT ASSISTANCE PROGRAM

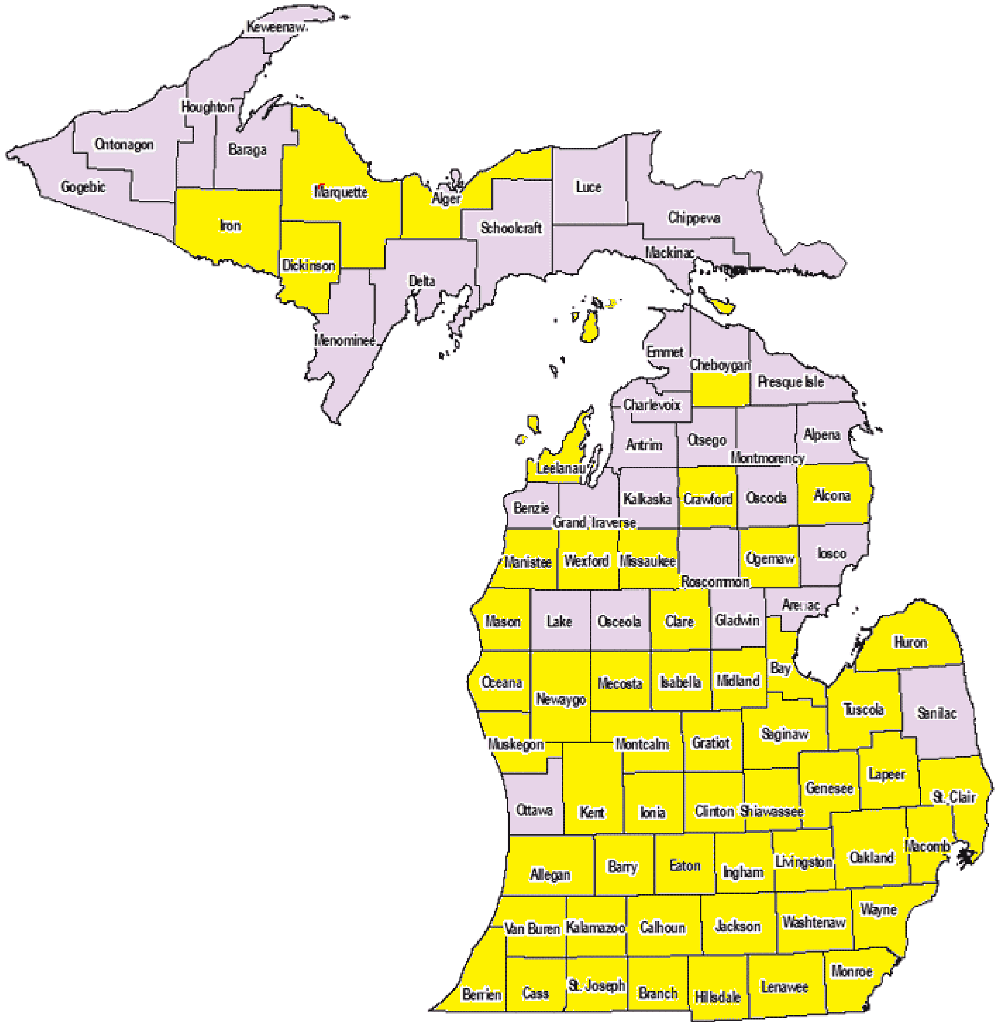
The MI 10K DPA Loan program is a $10,000 down payment assistance program available throughout the state. The MI 10K DPA Loan must be combined with a MI Home Loan.

JANUARY 2025

Loans in 2025 | **New this month**

County	#	Loan Amt	DPA Amt	Total $
Alcona	1	$ 77,000	$ 10,000	$ 87,000
Alger	1	$ 138,600	$ 10,000	$ 148,600
Allegan	1	$ 116,040	$ 9,759	$ 125,799
Alpena				$ -
Antrim				$ -
Arenac				$ -
Baraga				$ -
Barry	2	$ 361,142	$ 20,000	$ 381,142
Bay	9	$ 1,025,676	$ 89,185	$ 1,114,861
Benzie				$ -
Berrien	9	$ 1,500,747	$ 89,544	$ 1,590,291
Branch	2	$ 218,250	$ 15,657	$ 233,907
Calhoun	10	$ 1,355,048	$ 91,347	$ 1,446,395
Cass	5	$ 638,090	$ 46,896	$ 684,986
Charlevoix				$ -
Cheboygan				$ -
Chippewa				$ -
Clare	4	$ 654,206	$ 34,128	$ 688,334
Clinton	1	$ 131,986	$ 10,000	$ 141,986
Crawford	1	$ 112,325	$ 8,424	$ 120,749
Delta				$ -
Dickinson	1	$ 167,035	$ 10,000	$ 177,035
Eaton	4	$ 650,741	$ 40,000	$ 690,741
Emmet				$ -
Genesee	16	$ 1,973,314	$ 151,806	$ 2,125,120
Gladwin				$ -
Gogebic				$ -
Grand Traverse				$ -
Gratiot	3	$ 398,196	$ 20,037	$ 418,233
Hillsdale	4	$ 601,639	$ 40,000	$ 641,639
Houghton				$ -
Huron	4	$ 461,328	$ 39,005	$ 500,333
Ingham	21	$ 3,012,611	$ 207,304	$ 3,219,915
Ionia	4	$ 530,378	$ 39,551	$ 569,929
Iosco				$ -
Iron	1	$ 89,750	$ 9,719	$ 99,469
Isabella	2	$ 234,500	$ 19,557	$ 254,057
Jackson	13	$ 1,733,565	$ 121,417	$ 1,854,982
Kalamazoo	15	$ 2,482,206	$ 143,055	$ 2,625,261
Kalkaska				$ -
Kent	11	$ 1,983,880	$ 106,475	$ 2,090,355
Keweenaw				$ -
Lake				$ -
Lapeer	1	$ 122,735	$ 10,000	$ 132,735
Leelanau	1	$ 80,640	$ 7,560	$ 88,200
Lenawee	9	$ 1,122,959	$ 89,406	$ 1,212,365
Livingston	1	$ 217,765	$ 10,000	$ 227,765

Luce						$	-
Mackinac						$	-
Macomb	34	$	5,728,419	$	330,055	$	6,058,474
Manistee	1	$	86,013	$	6,160	$	92,173
Marquette	1	$	166,950	$	10,000	$	176,950
Mason	1	$	135,700	$	9,079	$	144,779
Mecosta	3	$	386,240	$	25,201	$	411,441
Menominee						$	-
Midland	6	$	865,549	$	58,762	$	924,311
Missaukee	1	$	159,493	$	7,650	$	167,143
Monroe	3	$	462,442	$	25,477	$	487,919
Montcalm	6	$	1,034,746	$	56,623	$	1,091,369
Montmorency	1	$	145,200	$	9,000	$	154,200
Muskegon	15	$	2,102,263	$	136,481	$	2,238,744
Newaygo	2	$	329,683	$	20,000	$	349,683
Oakland	17	$	2,952,390	$	167,100	$	3,119,490
Oceana	1	$	140,409	$	10,000	$	150,409
Ogemaw	1	$	145,350	$	10,000	$	155,350
Ontonagon						$	-
Osceola						$	-
Oscoda						$	-
Otsego						$	-
Ottawa						$	-
Presque Isle						$	-
Roscommon						$	-
Saginaw	9	$	1,077,058	$	79,238	$	1,156,296
Saint Clair	11	$	1,669,999	$	107,716	$	1,777,715
Saint Joseph	4	$	577,914	$	38,800	$	616,714
Sanilac						$	-
Schoolcraft						$	-
Shiawassee	3	$	375,944	$	30,000	$	405,944
Tuscola	1	$	103,500	$	10,000	$	113,500
Van Buren	3	$	458,374	$	29,497	$	487,871
Washtenaw	3	$	526,355	$	30,000	$	556,355
Wayne	78	$	11,435,643	$	762,405	$	12,198,048
Wexford	2	$	280,549	$	17,225	$	297,774
10K DPA TOTAL	**364**	**$**	**53,538,535**	**$**	**3,486,301**	**$**	**57,024,836**
Total Purchases	**409**	**$**	**60,581,920**	**$**	**3,486,301**	**$**	**64,068,221**
Percentage that used DPA	89%		88%		100%		89%


Keweenaw
Houghton
Ontonagon
Baraga
Gogebic
Marquette
Alger
Luce
Chippewa
Iron
Schoolcraft
Mackinac
Dickinson
Delta
Menominee
Emmet
Cheboygan
Presque Isle
Charlevoix
Antrim
Otsego
Alpena
Montmorency
Leelanau
Kalkaska
Crawford
Oscoda
Alcona
Benzie
Grand Traverse
Manistee
Wexford
Missaukee
Ogemaw
Iosco
Roscommon
Arenac
Mason
Lake
Osceola
Clare
Gladwin
Huron
Bay
Oceana
Newaygo
Mecosta
Isabella
Midland
Tuscola
Sanilac
Muskegon
Montcalm
Gratiot
Saginaw
Lapeer
Genesee
St. Clair
Ottawa
Kent
Ionia
Clinton
Shiawassee
Macomb
Allegan
Barry
Eaton
Ingham
Livingston
Oakland
Wayne
Van Buren
Kalamazoo
Calhoun
Jackson
Washtenaw
Monroe
Berrien
Cass
St. Joseph
Branch
Hillsdale
Lenawee

2025 BOARD CALENDAR

JANUARY
VOTING ITEMS:
• Intent to Reimburse Resolution
DISCUSSION ITEMS:

FEBRUARY
VOTING ITEMS:
DISCUSSION ITEMS:
• FY 2024-2025 PHA Plan
• Single Family Bond Deal

MARCH
VOTING ITEMS:
• FY 2024-2025 PHA Plan
• Single Family Bond Deal
DISCUSSION ITEMS:

APRIL
VOTING ITEMS:
DISCUSSION ITEMS:

MAY
VOTING ITEMS:
DISCUSSION ITEMS:
• 2025-26 Budget

JUNE
VOTING ITEMS:
• 2025-26 Budget
DISCUSSION ITEMS:
• Pass-Through Program

JULY
VOTING ITEMS:
• Pass-Through Program
DISCUSSION ITEMS:
• Multifamily Bond Deal

AUGUST
VOTING ITEMS:
• Multifamily Bond Deal
DISCUSSION ITEMS:

SEPTEMBER
VOTING ITEMS:

OCTOBER
VOTING ITEMS:

DISCUSSION ITEMS:

DISCUSSION ITEMS:
• Board Meeting Schedule for 2026

NOVEMBER
VOTING ITEMS:
• Approval of Board Meeting Schedule for 2026
DISCUSSION ITEMS:
• Audited Year-End 6/30/2025 Financials

DECEMBER
VOTING ITEMS:
DISCUSSION ITEMS: