



MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
Low-Income Housing Tax Credit Application
2022-2023 Qualified Allocation Plan

SECTION M. SOURCES

1. Construction Sources:

Source Name	Amount	Type	Rate	Term	Amort	D/S	Notes
Lument FHA 221(d)4	\$5,394,029	Conventional	6.50%	40	40	\$378,957	Interest only until perm conversion
LHC Sponsor Loan	\$4,000,000	Other	4.50%	40	40		Cash flow contingent sponsor loan
Cinnaire Equity Bridge Loan	\$8,500,000	Conventional	7.50%	2			Interest only construction period
Cinnaire LIHTC Equity	\$12,658,265	GP/LP Equity					Equity available during construction period
Total	\$30,552,294					\$378,957	

2. Permanent Sources (↓ENTER SPECIFIC NAME OF ALL FUNDING SOURCES UNDER "SOURCE NAME"):

Source Name	Amount	Type	Rate	Term	Amort	D/S	MIP	Notes
Lument FHA 221(d)4	\$5,394,029	Conventional	6.15%	40	40	\$378,957	0.350%	Per letter MIP included in rate/DS
LHC Sponsor Loan	\$4,000,000	Other	4.50%	40	40			Cash flow contingent sponsor loan
LIHTC Equity	\$13,022,598							
Federal Historic Tax Credit Equity								
Deferred Developer Fee	\$135,342							
Total	\$22,551,969					\$378,957		

3. Additional Comments:

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SECTION N. PROJECT COSTS

Will temporary tenant relocation costs be included in the project?*	Yes
Will the project include garages or carports, which are available at an additional cost to tenants?***	No
Will the project include laundry facilities that are not leased, which will be available at an additional cost to tenants?***	No
Will the project include a pool, which is available at an additional cost to tenants?***	No
*If yes, a certification from an attorney or CPA will be required at Placed-In-Service to include costs in basis.	
***If yes, costs cannot be included in eligible basis	

	TDC	TDC/Unit	Acquisition	Rehab/ New Const
LAND				
Land Purchase	\$ 905,000	\$ 14,365		
Closing/Title & Recording		\$ -		
Real Estate Expenses		\$ -		
Other Land Related Expenses		\$ -		
Other: (Describe)		\$ -		
SUBTOTAL	\$ 905,000	\$ 14,365		
BUILDING ACQUISITION				
Existing Structures		\$ -		
Demolition (Exterior)		\$ -		
Other: (Describe)		\$ -		
SUBTOTAL	\$ -	\$ -	\$ -	\$ -
SITE WORK				
On Site	\$ 938,100	\$ 14,890		\$ 900,576
Off Site Improvement		\$ -		
Other: (Describe)		\$ -		
SUBTOTAL	\$ 938,100	\$ 14,890		\$ 900,576
CONSTRUCTION COSTS				
New Structures	\$ 12,366,900	\$ 196,300		\$ 11,872,224
Rehabilitation		\$ -		
Garages/Carports		\$ -		
Laundry Facilities		\$ -		
Accessory Building		\$ -		
Pool		\$ -		
Site Security		\$ -		
Building Permits		\$ -		
Bond Premium	\$ 125,000	\$ 1,984		\$ 120,000
Tap Fees/Soil Borings	\$ 130,000	\$ 2,063		\$ 130,000
Contractor Cost Certification	\$ 10,000	\$ 159		\$ 9,600
General Requirements	\$ 562,180	\$ 8,923		\$ 539,693
Builder Overhead	\$ 277,343	\$ 4,402		\$ 266,249
Builder Profit	\$ 832,030	\$ 13,207		\$ 798,749
Construction Contingency	\$ 1,511,155	\$ 23,987		\$ 1,450,709
Other: (Describe)		\$ -		
SUBTOTAL	\$ 15,814,608	\$ 251,026	\$ -	\$ 15,187,224
PROFESSIONAL FEES				
Design Architect	\$ 620,020	\$ 9,842		\$ 620,020
Supervisor Architect	\$ 60,000	\$ 952		\$ 60,000
Real Estate Attorney	\$ 75,000	\$ 1,190		\$ 56,250
Engineer/Survey	\$ 181,116	\$ 2,875		\$ 181,116
Green consultant	\$ 50,000	\$ 794		\$ 50,000
SUBTOTAL	\$ 986,136	\$ 15,653		\$ 967,386

	TDC	TDC/Unit	Acquisition	Rehab/ New Const
INTERIM CONSTRUCTION COSTS				
Hazard Insurance	\$ 100,000	\$ 1,587		\$ 100,000
Liability Insurance	\$ 100,000	\$ 1,587		\$ 100,000
Interest	\$ 775,000	\$ 12,302		\$ 620,000
Loan Origination Fee	\$ 42,500	\$ 675		\$ 42,500
Loan Enhancement		\$ -		
Title & Recording		\$ -		
Legal Fees	\$ 20,000	\$ 317		\$ 20,000
Taxes	\$ 15,000	\$ 238		\$ 15,000
Lender Construction Inspections, FF	\$ 180,000	\$ 2,857		\$ 180,000
SUBTOTAL	\$ 1,232,500	\$ 19,563		\$ 1,077,500
PERMANENT FINANCING				
Bond Premium		\$ -		
Credit Report		\$ -		
Loan Origination Fee	\$ 60,000	\$ 952		
Loan Credit Enhancement		\$ -		
Title & Recording	\$ 30,000	\$ 476		
Legal Fees	\$ 20,000	\$ 317		
Taxes		\$ -		
Lender 3rd party fees	\$ 30,000	\$ 476		
SUBTOTAL	\$ 140,000	\$ 2,222		
OTHER COSTS				
Feasibility Study		\$ -		
Market Study	\$ 8,000	\$ 127		\$ 8,000
Environmental Study	\$ 75,000	\$ 1,190		\$ 75,000
Tax Credit Reservation Fee	\$ 97,305	\$ 1,545		
Tax Credit Application Fee	\$ 2,500	\$ 40		
Compliance Fees	\$ 26,600	\$ 422		
Marketing/Rent-up	\$ 40,400	\$ 641		
Owner Cost Certification	\$ 30,000	\$ 476		\$ 30,000
Appraisal	\$ 8,000	\$ 127		\$ 8,000
SC Contingency & Relocation	\$ 150,000	\$ 2,381		\$ 75,000
SUBTOTAL	\$ 437,805	\$ 6,949		\$ 196,000
SYNDICATION COSTS				
Organizational	\$ 30,000	\$ 476		
Tax Opinion		\$ -		
PV Adjustment		\$ -		
Other: (Describe)		\$ -		
Other: (Describe)		\$ -		
SUBTOTAL	\$ 30,000	\$ 476		
DEVELOPER FEES				
Developer Overhead		\$ -		
Developer Fee	\$ 1,500,000	\$ 23,810		\$ 1,500,000
Consultant Fee		\$ -		
SUBTOTAL	\$ 1,500,000	\$ 23,810	\$ -	\$ 1,500,000
PROJECT RESERVES				
Rent Up Reserves		\$ -		
Operating Reserves	\$ 246,456	\$ 3,912		
Replacement Reserves	\$ 63,000	\$ 1,000		
Working Capital (D4), prepaid MIP	\$ 258,364	\$ 4,101		
SUBTOTAL	\$ 567,820	\$ 9,013		
TOTAL	\$ 22,551,969	\$ 357,968	\$ -	\$ 19,828,686

SECTION Q. CASH FLOW

Income (Section J)	Initial Inflator	Future Inflator	Begin in Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Annual Rental Income	2.00%	2.00%	6	808,512	824,682	841,176	857,999	875,159	892,663	910,516	928,726	947,301
Annual Non-Rental Income	2.00%	2.00%	6	28,131	28,694	29,267	29,853	30,450	31,059	31,680	32,314	32,960
Vacancy Loss	5.00%			40,426	41,234	42,059	42,900	43,758	44,633	45,526	46,436	47,365
Total Project Revenue				796,217	812,142	828,385	844,952	861,851	879,088	896,670	914,604	932,896
Expenses (Section L)												
Management	3.00%			36,288	37,377	38,498	39,653	40,842	42,068	43,330	44,630	45,969
Administration	3.00%			71,959	74,118	76,341	78,632	80,990	83,420	85,923	88,500	91,156
Project-paid Fuel	3.00%	3.00%	6	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334
Common Electricity	3.00%	3.00%	6	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668
Water & Sewer	3.00%	3.00%	6	22,863	23,549	24,255	24,983	25,733	26,504	27,300	28,119	28,962
Other Utility 1	3.00%	3.00%	6	0	0	0	0	0	0	0	0	0
Other Utility 2	3.00%	3.00%	6	0	0	0	0	0	0	0	0	0
Operating & Maintenance	3.00%			88,193	90,839	93,564	96,371	99,262	102,240	105,307	108,466	111,720
Real Estate Taxes	3.00%			7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867
Payment in Lieu of Taxes				0	0	0	0	0	0	0	0	0
Insurance	3.00%			31,500	32,445	33,418	34,421	35,454	36,517	37,613	38,741	39,903
10% PILOT	3.00%			61,714	63,565	65,472	67,437	69,460	71,543	73,690	75,900	78,177
Other	3.00%			0	0	0	0	0	0	0	0	0
Miscellaneous	3.00%			0	0	0	0	0	0	0	0	0
Total Operating Expenses				334,517	344,553	354,889	365,536	376,502	387,797	399,431	411,414	423,756
Rep. Reserve. (Section L)	3.00%			18,900	19,467	20,051	20,653	21,272	21,910	22,568	23,245	23,942
Debt Service (Section M)				378,957	378,957	378,957	378,957	378,957	378,957	378,957	378,957	378,957
Mortgage Insurance Premium (Section M)				18,709	18,528	18,336	18,132	17,914	17,683	17,438	17,176	16,899
Cash Flow				45,134	50,637	56,151	61,675	67,206	72,741	78,277	83,812	89,342
Debt Coverage Ratio				1.11	1.13	1.14	1.16	1.17	1.18	1.20	1.21	1.23
Operating Reserve Analysis												
Operating Reserve	246,456	(Match to Section N)										
Interest Rate												
Maintained Operating Reserve per unit if no hard debt	\$250			0	0	0	0	0	0	0	0	0
Operating Reserve Balance				246,456	231,940	222,955	219,512	219,512	219,512	219,512	219,512	219,512
Reserve Draw to Achieve DCR or cash flow per unit	1.15			14,516	8,986	3,443	0	0	0	0	0	0
Interest on Operating Reserve				0	0	0	0	0	0	0	0	0
Deferred Developer Fee Analysis												
Initial Balance	135,342	(Match to Section M)		135,342	90,208	39,571	0	0	0	0	0	0
Developer Fee Paid With Interest				45,134	50,637	39,571	0	0	0	0	0	0
Ending Balance				90,208	39,571	0	0	0	0	0	0	0

Income (Section J)	Initial Inflator	Future Inflator	Begin in Year	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Annual Rental Income	2.00%	2.00%	6	966,247	985,572	1,005,283	1,025,389	1,045,896	1,066,814
Annual Non-Rental Income	2.00%	2.00%	6	33,619	34,292	34,977	35,677	36,390	37,118
Vacancy Loss	5.00%			48,312	49,279	50,264	51,269	52,295	53,341
Total Project Revenue				951,553	970,585	989,996	1,009,796	1,029,992	1,050,592
Expenses (Section L)									
Management	3.00%			47,348	48,768	50,231	51,738	53,290	54,889
Administration	3.00%			93,890	96,707	99,608	102,596	105,674	108,844
Project-paid Fuel	3.00%	3.00%	6	6,524	6,720	6,921	7,129	7,343	7,563
Common Electricity	3.00%	3.00%	6	13,048	13,439	13,842	14,258	14,685	15,126
Water & Sewer	3.00%	3.00%	6	29,831	30,726	31,648	32,597	33,575	34,582
Other Utility 1	3.00%	3.00%	6	0	0	0	0	0	0
Other Utility 2	3.00%	3.00%	6	0	0	0	0	0	0
Operating & Maintenance	3.00%			115,072	118,524	122,080	125,742	129,514	133,400
Real Estate Taxes	3.00%			9,133	9,407	9,690	9,980	10,280	10,588
Payment in Lieu of Taxes				0	0	0	0	0	0
Insurance	3.00%			41,100	42,333	43,603	44,911	46,259	47,647
10% PILOT	3.00%			80,523	82,938	85,427	87,989	90,629	93,348
Other	3.00%			0	0	0	0	0	0
Miscellaneous	3.00%			0	0	0	0	0	0
Total Operating Expenses				436,469	449,563	463,050	476,941	491,249	505,987
Rep. Reserve. (Section L)	3.00%			24,660	25,400	26,162	26,947	27,755	28,588
Debt Service (Section M)				378,957	378,957	378,957	378,957	378,957	378,957
Mortgage Insurance Premium (Section M)				16,603	16,289	15,956	15,601	15,223	14,822
Cash Flow				94,864	100,375	105,872	111,350	116,807	122,238
Debt Coverage Ratio				1.24	1.25	1.27	1.28	1.30	1.31
Operating Reserve Analysis									
Operating Reserve	246,456	(Match to Section N)							
Interest Rate									
Maintained Operating Reserve per unit if no hard debt	\$250			0	0	0	0	0	0
Operating Reserve Balance				219,512	219,512	219,512	219,512	219,512	219,512
Reserve Draw to Achieve DCR or cash flow per unit	1.15			0	0	0	0	0	0
Interest on Operating Reserve				0	0	0	0	0	0
Deferred Developer Fee Analysis									
Initial Balance	135,342	(Match to Section M)							
Developer Fee Paid With Interest				0	0	0	0	0	0
Ending Balance				0	0	0	0	0	0