



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

GARY HEIDEL
ACTING EXECUTIVE DIRECTOR

November 27, 2019

Lansing Housing Commission
419 Cherry St.
Lansing, MI 48933

**RE: 2020 Budget Acceptance with a Deficit
OLIVER GARDENS #3007**

Dear Owner:

The following adjustments have been made to the 2020 budget submission for the above-mentioned development. These budget changes must be recorded on the appropriate line items of the Monthly Income and Expenditure Report:

- Replacement Reserve Deposit E3-D: Increased from \$0 up to \$9,433

The enclosed budget form for Fiscal Year 2020 has been reviewed by the Authority. This budget will be incorporated into the Authority's files for the above-referenced development. The accepted utility allowances are included on the enclosed Rent Schedule.

Per earlier e-mail correspondence and conversations with the management agent, the Authority identified that the 2020 budget has a deficit balance. As the year progresses and the anticipated deficits create funding issues for the development, the shortfalls will need to be addressed at that time by management and ownership.

Please be advised that this budget acceptance does not represent pre-approved use of Replacement Reserve funds. A review of the requested items and status of the development's financial position must be conducted when receipts for the replacement work are submitted to the Authority.

The management fee and the employee positions listed in the budget are the maximums acceptable for 2020.

If you have any questions regarding this budget, please contact me.

Sincerely,

Asset Manager

c: Management agent
Enc.: Budget Review Form #450A
Rent Schedule

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Michigan.gov/MSHDA • FAX 517-335-4797 • TOLL-FREE 855-MI-MSHDA (855-646-7432)



Asset Manager Review Sheet

Score 0

Development:	OLIVER GARDENS		
MSHDA #:	3007	Budget	2020

2019 BUDGET	PREVIOUS YEARS EXPENSES	PROPOSED 2020 BUDGET	MSHDA Adjustments	APPROVED BUDGET	Variance %	Variance Amount	Var Req Detail	Is detail acceptable	Line Item Acceptable
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CERTIFICATION: (You must sign here)

I, the undersigned, certify that all information contained herein is true and correct to the best of my knowledge.

AM	Date
Supervisor 	Date 1/0/1900

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MSHDA #:	3007	Budget 2020

	2019 BUDGET	PREVIOUS YEARS EXPENSES	PROPOSED 2020 BUDGET	MSHDA Adjustments	APPROVED BUDGET	Variance %	Variance Amount	Var Req Detail	Is detail acceptable	Line Item Acceptable
INCOME										
1. Gross Rent Potential-GRP	291,336	293,760	291,120		291,120	-1%	(2,640)	YES	YES	ACCEPTABLE
Deductions										
a. Loss to Lease:	0	0	0		0	0%	0	NO		ACCEPTABLE
b. Vacancy Loss:	1,632	15,064	15,064		15,064	0%	0	NO		ACCEPTABLE
c. Non-Rental Unit:	0	0	0		0	0%	0	NO		ACCEPTABLE
d. Bad Debt/Former Residents:	1,800	1,936	2,000		2,000	3%	64	NO		ACCEPTABLE
e. Marketing Rent Concessions:	0	0	0		0	0%	0	NO		ACCEPTABLE
Gross Rent Potential Minus Total Deductions:	287,904	276,760	274,056	0	274,056					
Economic Vacancy	1.16%	5.79%	5.66%	0.00%						
2. Other Income										
a. Late Charges:	0	0	0		0	0%	0	NO		ACCEPTABLE
b. Laundry and Carport Income:	0	0	0		0	0%	0	NO		ACCEPTABLE
c. Commercial Income:	0	0	0		0	0%	0	NO		ACCEPTABLE
d. Subsidies/Grants:	0	0	0		0	0%	0	NO		ACCEPTABLE
e. Interest Income:	0	0	0		0	0%	0	NO		ACCEPTABLE
g. Excess Rental Income:	0	0	0		0	0%	0	NO		ACCEPTABLE
h. Bad Debt Recovery:	0	0	0		0	0%	0	NO		ACCEPTABLE
i. Interest Reduction Subsidy:	0	255	0		0	-100%	(255)	NO		ACCEPTABLE
j. Other:	0	255	0		0					
Total Other Income:										
3. TOTAL INCOME:	287,904	277,015	274,056	0	274,056					
EXPENDITURES										
Administrative										
4. Management Fees										
a. Management Fees:	14,130	14,130	14,130		14,130	0%	0	NO		ACCEPTABLE
b. Premium Management Fees:	0	0	0		0	0%	0	NO		ACCEPTABLE

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Operating & Maintenance										
11. Maintenance										
a. Maintenance Payroll:	2,400	2,113	2,400		2,400	14%	287	NO		ACCEPTABLE
b. Temp Maintenance Services:	0	0	0		0	0%	0	NO		ACCEPTABLE
Total Maintenance:	2,400	2,113	2,400	0	2,400					
12. Janitorial										
a. Janitorial Payroll:	0	0	0		0	0%	0	NO		ACCEPTABLE
b. Temporary Janitorial Services:	0	0	0		0	0%	0	NO		ACCEPTABLE
c. Janitorial Supplies:	0	0	0		0	0%	0	NO		ACCEPTABLE
Total Janitorial:	0	0	0	0	0					
13. Grounds										
a. Grounds Maintenance Payroll:	0	0	0		0	0%	0	NO		ACCEPTABLE
b. Temporary Grounds Services:	0	0	0		0	0%	0	NO		ACCEPTABLE
c. Snow Removal:	8,600	9,444	9,600		9,600	2%	156	NO		ACCEPTABLE
d. Lawn Maintenance:	2,000	2,148	2,200		2,200	2%	52	NO		ACCEPTABLE
e. Parking Lot/Concrete Repairs:	0	0	0		0	0%	0	NO		ACCEPTABLE
Total Grounds:	10,600	11,592	11,800	0	11,800					
14. Non-Capitalized Repairs & Maint										
a. Land Improvements:	0	0	0		0	0%	0	NO		ACCEPTABLE
b. Building & Components:	3,500	17,148	18,000		18,000	5%	852	NO		ACCEPTABLE
c. Maintenance Equipment:	1,500	0	0		0	0%	0	NO		ACCEPTABLE
d. Office Furniture:	0	0	0		0	0%	0	NO		ACCEPTABLE
e. Furniture & Fixtures:	0	0	0		0	0%	0	NO		ACCEPTABLE
f. Painting Units:	600	0	1,000		1,000	100%	1,000	NO		ACCEPTABLE
g. Cleaning Units:	800	0	1,000		1,000	100%	1,000	NO		ACCEPTABLE
h. Heating & Air Conditioning:	1,600	5,666	6,000		6,000	2%	134	NO		ACCEPTABLE
i. Plumbing:	700	485	700		700	44%	215	NO		ACCEPTABLE

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MSHDA #:	3007	Budget 2020

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MSHDA #:	3007	Budget	2020	

	2019 BUDGET	PREVIOUS YEARS EXPENSES	PROPOSED 2020 BUDGET	MSHDA Adjustments	APPROVED BUDGET	Variance %	Variance Amount	Var Req Detail	Is detail acceptable	Line Item Acceptable
Withdrawal: E6-W	0	0	0		0	0%	0	NO		ACCEPTABLE
Operating Assurance										
Withdrawal: E7-W	18,000	0	0		0	0%	0	NO		ACCEPTABLE
Operating Deficit										
Withdrawal: E8-W	0	0	0		0	0%	0	NO		ACCEPTABLE
Misc. Special Escrow										
Deposit: E9-D	0	0	0		0	0%	0	NO		ACCEPTABLE
Withdrawal: E9-W	0	0	0		0	0%	0	NO		ACCEPTABLE
Other Escrow										
Deposit: E10-D	0	0	0		0	0%	0	NO		ACCEPTABLE
Withdrawal: E10-W	0	0	0		0	0%	0	NO		ACCEPTABLE
Net Escrow Deposits & Withdrawal	(24,940)	(32,736)	(33,422)	(9,433)	(42,855)					
Fixed Assets										
Land Improvements - Additions FA2	0	0	0		0	0%	0	NO		ACCEPTABLE
Building and Components - Additions FA3	0	0	0		0	0%	0	NO		ACCEPTABLE
Maintenance Equipment - Additions FA4	0	0	0		0	0%	0	NO		ACCEPTABLE
Office Equipment - Additions FA5	0	0	0		0	0%	0	NO		ACCEPTABLE
Furniture and Fixtures - Additions FA6	0	0	0		0	0%	0	NO		ACCEPTABLE
Other - Additions FA7	0	0	0		0	0%	0	NO		ACCEPTABLE
Deduct Total Fixed Asset Additions	0	0	0	0	0					
Liability Activities										
Short-Term Related Party Advances/Liabilities L9	0	0	0		0	0%	0	NO		ACCEPTABLE

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Other Short-Term Liabilities	0	0	0	0	0	0%	0	NO		ACCEPTABLE
L10										
Deduct Liability Activity	0	0	0	0	0					
Financing Activities										
1st Mortgage Principal Balance	32,947	31,343	34,633		34,633	10%	3,290	NO		ACCEPTABLE
Delinquent Mortgage Principal	0	0	0		0	0%	0	NO		ACCEPTABLE
Small Size Loan	0	0	0		0	0%	0	NO		ACCEPTABLE
Security Loan	0	0	0		0	0%	0	NO		ACCEPTABLE
Preservation Loan	0	0	0		0	0%	0	NO		ACCEPTABLE
MSHDA HOME Loan	0	0	0		0	0%	0	NO		ACCEPTABLE
TCAP Loan	0	0	0		0	0%	0	NO		ACCEPTABLE
NSP Loan	0	0	0		0	0%	0	NO		ACCEPTABLE
1602 Loan	0	0	0		0	0%	0	NO		ACCEPTABLE
Other MSHDA Loan	0	0	0		0	0%	0	NO		ACCEPTABLE
Other Loan Balance	0	0	0		0	0%	0	NO		ACCEPTABLE
Long-Term Related Party Loans	0	0	0		0	0%	0	NO		ACCEPTABLE
Long-Term Related Party Advances	0	0	0		0	0%	0	NO		ACCEPTABLE
Other Financing	0	0	0		0	0%	0	NO		ACCEPTABLE
F19										
Deduct Financing Activities	(32,947)	(31,343)	(34,633)	0	(34,633)					
Surplus Cash Activities										
Allowable Distributions	0	0	0		0	0%	0	NO		ACCEPTABLE
OE2										
Net Surplus or Deficit Budget	515	(32,365)	(30,524)	(9,433)	(39,957)					

Development	OLIVER GARDENS
MSHDA #	3007
County	Ingham
MSHDA Asset Mgr.	Justin Wieber
# Family Units	
# Elderly Units	30
Total Units	30

Program	Team
Management Co.	LANSING HOUSING COMMISSION
Rent Effective Date	January 1, 2020
Rent Restriction (based on # in household)	NO
Rent Restriction (based on 1.5 per bdrmm)	YES
Last Contract Rent Adj Date (PBV only)	
HAP Anniversary Date (PBV only)	

Funding Sources	YES/NO	Expiration Date
MSHDA	Yes	2/1/2043
Tax Credits	Yes	12/31/2036
HOME	No	
1602	No	
TCAP	No	

Project Based Vouchers	TOTAL
0 BR	
1 BR	
2 BR	
3 BR	
4 BR	

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Notes:

Placed In Service Date: 7/12/2007. This development has HOME funds and a HAP contract, but both the HOME and HAP are from the Lansing Housing Commission, not from MSHDA. The only programs thru MSHDA for this property are the bond loan and LIHTC. The tenant paid portion of the rent must be below the 30% limit on this schedule. The voucher rent payment may exceed the 30% limit as long as the tenant paid portion is below the limit. All utilities for this development are paid by the property, tenants do not pay utilities.


Asset Manager

Date 11-27-19