



121 E Catherine

Request for Proposal

121 E Catherine St, Ann Arbor, Michigan

December 7, 2021

Michaels Development Company
Greg Olson, Regional Vice President
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December 1, 2021

City of Ann Arbor
Ann Arbor Housing Commission
2000 S. Industrial Hwy
Ann Arbor, MI 48104

RE: REQUEST FOR PROPOSAL RFP#AAHC-21-A

To Whom It May Concern:

On behalf of Michaels Development Company (Michaels) and First Martin Corporation, we are pleased to present our proposal for the site located at 121 E. Catherine. We acknowledge the receipt of Addendum No. 1 to RFP#AAHC-21-A and have incorporated its information into our proposal.

Michaels Development Company is a national leader in the development of affordable multifamily housing with over 35,000 units produced nationwide. Michaels has created extraordinary mixed-income and mixed-use communities across the United States, with satellite offices in Chicago, Washington DC, Atlanta, Denver, Los Angeles and Honolulu. All of our affordable housing properties have been developed with the mission of lifting lives through housing, education, civic engagement, and neighborhood prosperity. First Martin is a fifty-three-year-old firm based in Ann Arbor and one of the largest private owner/operators of multi-family, retail, office, retail and hospitality properties in Ann Arbor. Together we are proposing to partner with the AAHC to create a development concept for 121 E. Catherine that offers amenity-rich affordable housing development and aligns with the City of Ann Arbor's vision for the future.

Based on our preliminary analysis, 121 E. Catherine will likely include 52 units of affordable housing, a rooftop terrace with raised bed gardens, and a multi-purpose community room for residents and Kerrytown neighbors to gather. We've intentionally refrained from selecting an architect and a general contractor as we believe all members of the development team should have a say in selecting these key team players. It's our hope that the redevelopment of 121 E. Catherine will benefit the surrounding Kerrytown neighborhood, as well as inspire similar, community-focused developments across the City.

We thank you for your consideration and are excited to have this opportunity to collaborate with the Ann Arbor Housing Commission and local stakeholders.

Sincerely,

Greg Olson
Michaels Development Company

Mike Martin
First Martin Corporation



Our Vision

Michaels Development Company (Michaels) and First Martin Corporation (First Martin) are proposing to partner with the Ann Arbor Housing Commission to redevelop the 121 E. Catherine site with a 100% affordable mid-rise building. Michaels and First Martin are organizations whose missions go beyond “bricks and sticks” and reach into holistic community development. For Michaels, that mission is lifting lives through housing, education, civic engagement, and neighborhood prosperity. The mission of First Martin is to be more than business leaders, but to also be stewards of the built environment in Ann Arbor. Together, with the Ann Arbor Housing Commission, we believe we can create a vision for a long-term affordable housing property in the Kerrytown neighborhood that will serve as a landmark for years to come.

121 E. Catherine is organized around four core programs: amenity-rich affordable residential units; a community-sensitive approach to development; inclusive and equitable growth and environmental stewardship. These central concepts will allow the development team to join with community neighbors to connect around shared values.

Residential: As the central programmatic component to this development, we expect that 121 E. Catherine will create approximately 52 units of affordable rental apartments (Studio, 1-, and 2-bedroom units), with long-term affordability proposed. This unit count is based on limiting the height of the building to less than 55’. The majority of units will be set aside for those earning 60 percent of the Area Median Income (AMI), with an additional ten 40% AMI units and another ten 30% AMI units. The 30% AMI units will be supported with AAHC project-based vouchers and will be considered supportive housing. This unit count designation is preliminary in nature and was designed to score highly with MSHDA’s QAP.

Unit amenities, while not fully designed, will likely include luxury plank flooring, stainless steel appliances, large windows, and an open floor plan. Community amenities will include a fitness room, bicycle parking, a community room, on-site property management, an outdoor roof terrace and, perhaps most important, access to the first-floor shared community room. Design emphasis will be placed on overall tenant health and safety as well as environmental stewardship, including building performance, indoor air quality, and climate response.

Community: The Kerrytown neighborhood is a neighborhood with deep-rooted networks of community actors, including arts, culture, and community development organizations. The neighborhood is also comprised of a web of culturally and economically significant spaces, such as the Kerrytown Market, Zingerman’s Deli, the Hands-on Museum, Community High School, the Kerrytown Concert House, and Braun Court. 121 E. Catherine will link the new development with these sites through a series of design elements and community engagement practices.

Central Gathering Space: 121 E. Catherine will provide a new, flexible community room(s) for community and culture, creating a needed central site for events, job fairs, markets, and organizing activities. Currently, there is a demand for a flexible, medium-sized space for meetings and events. This community gathering space can be approximately 1,500 – 1,800 square feet in size and would be designed to accommodate meetings of up to 100 people. An



indoor/outdoor function could be incorporated into the building design to allow for flexible events. Care will be taken with project LIHTC financing relating to this amenity.

Community Partnerships: The Michaels-First Martin team will continue to outreach to Ann Arbor/Kerrytown partners to further engage the community. 121 E. Catherine, as a potential community hub, will be activated by community partners that could include food distribution, arts, community organizing, after school programming, and health programming. Access to the central gathering space will be afforded to the not-for-profit community. 121 E. Catherine will become a welcoming gateway to engage and connect existing community-led projects and programs.

Mural: The installation of a community planned multi-story mural is integral to the plan for this property. Located just south of the Ann Arbor Farmer's Market and Kerrytown, 121 E. Catherine is a very visible location. We propose partnering with the Ann Arbor Art Center to engage the community in designing a multi-story mural on the north side of the building in line with the RFP's narrative relating to the history of the community. A mural and associated signage, as urban design strategies, will serve to anchor the development and provide historic context to neighborhood visitors.

Inclusive and Equitable Growth: Inclusive and equitable growth occurs when new development uplifts the entire community, rather than driving displacement and raising the cost of living. The Michaels First Martin development team is committed to fostering sustainable, inclusive, and equitable growth within Ann Arbor to the greatest extent possible. We expect that as a development team, AAHC-Michaels-First Martin will develop an Inclusion Plan that charts a path for the development to include minority contractors and vendors wherever possible.

Sustainability: We recognize the City of Ann Arbor's commitment to Net Zero design in its affordable housing stock and will seek to make 121 E. Catherine a net zero building with lower utility costs for residents and the building owner alike.

Michaels and First Martin understands that the Ann Arbor Housing Commission has a desire to own and operate 121 E. Catherine at some point in the future. Because Michaels has partnered with a host of housing authorities across the country, many of whom have similar desires, we have learned to be a flexible co-developer and co-owner of affordable housing. We've served as a turn-key co-developer (to 8609s), a hybrid turn-key co-developer (through the completion of Operating Deficit Guarantees), and as a traditional co-developer (15 + years). We are open to discussing any and all of these configurations with the AAHC

121 E. Catherine will be more than a place to live or work – it will be a true community asset that will serve to uplift the entire Ann Arbor community. With the Ann Arbor Housing Commission, we will design and build a multifaceted community hub that will act as a gateway to the historic and culturally-rich neighborhood.



1. Municipal Reference:

City of Camden

Victor G. Carstarphen

Mayor

Phone: 856-757-7000

Email: Mayor@ci.camden.nj.us

2. Bank Reference:

M&T Bank

Michael J. DiSanto

Commercial Real Estate Finance

Phone: (610) 520-1441

Email: MDiSanto@MTB.com

3. Housing Authority Reference:

Chicago Housing Authority

Ann McKenzie

Chief Development Officer

Phone: (312) 913-7656

Email: amckenzie@thecha.org

Additional references are available upon request



Professional Qualifications

Professional Qualifications

Team members are vital to the success of every affordable housing development. Our vision for the 121 E. Catherine site emphasizes creativity and sustainability for both the physical property and for future residents' lives. Michaels' approach to design and construction includes aspirational design, industry-leading carbon neutral building strategies, inclusive planning and long-term affordability. Our ultimate goal is to transition the ownership of the property to the Ann Arbor Housing Commission following the completion of key guarantee milestones. In order to accomplish these lofty goals, we've carefully selected team members known for their integrity, willingness to collaborate and ability to communicate openly and honestly.

Our team for this proposal includes the following members:

Co-Developers

Ann Arbor Housing Commission
Michaels Development
First Martin Corporation



Architect

Rather than bringing an architect to the team as part of this proposal, we prefer to select an architecture team collaboratively with the AAHC and First Martin. Our expectation is that we will identify a firm with the following strengths: multi-family housing experience, sustainable design experience, collaborative, cost conscious.

Planner

Following selection, we will work with the AAHC to identify a planning firm (if needed) that has experience in the Ann Arbor market to assist with site planning

Contractor

Similar to our thinking on the architectural team, we prefer to put into place a strong development and design team and then select a general contractor. We've found that on projects of this nature, it is helpful to bring a general contractor on board during the design phase to fully vet design ideas relating to constructability and pricing. Our expectation is that as a development team, we will identify a contractor with the following strengths: multi-family experience, mid-rise experience, MBE/WBE/Section 3 experience, MSHDA experience, net zero or similar green design experience collaborative, cost conscious.

Attorney

Applegate & Thorne-Thomsen



Applegate & Thorne-Thomsen is a Chicago-based law firm focused on affordable housing and community development. Applegate has closed more than 20 transactions with Michaels Development. Additionally, they represent lenders, syndicators and housing authorities on affordable housing developments across the country. Applegate has recently represented co-development partnerships on several housing authority transactions and understands the unique relationship that arises from these types of partnerships.

Community-based partners

Ann Arbor Art Center
Better Tomorrows



The most important elements of an affordable housing development are not the bricks and mortar of the building. Residents, and their well-being, are the most important element of any successful development. We propose to engage with a social service agency to assist the property management team with service provision. In addition to providing more active case management to the 30% AMI supportive housing residents, the service provider will also provide general services to all residents, which can range from on-site health services to financial literacy to job readiness. Michaels has partnered with Better Tomorrows on dozens of projects across the country, but would be open to identifying a local provider if desired. We also expect to collaborate with the Ann Arbor Art Center in developing and installing a mural that reflects the history of the site. We expect that the development of the mural will be community-based in nature, with a series of community-led workshops leading to the ultimate design. Additionally, we are proposing raised bed planters for the property and would like to establish a link with the Ann Arbor Farmers Market to sell fresh produce. While we've confirmed that Project Grow cannot assist with establishing an active community-based garden on site, we will explore other options, including accessing the volunteer community in Ann Arbor to assist with this.

Property Manager

Michaels Management – Affordable
Ann Arbor Housing Commission



Michaels Development traditionally retains Michaels Management – Affordable on projects where we make operating deficit and ongoing tax credit guarantees. We've developed several innovative ways to incorporate housing authority staffing into these projects. Michaels Management Affordable, with over 55,000 units of affordable and market-rate housing under management across multiple states, will serve as property manager in collaboration with the Ann Arbor Housing Commission. In the event that the Ann Arbor Housing Commission seeks to control ownership and is willing to make guarantees to the lenders/investors, Michaels is open to AAHC management.

Sustainability Consultant

Sol Consulting + Design



Based in Cincinnati, Ohio, Sol works at the forefront of sustainability and design. Their staff has a mix of backgrounds, from architecture to building physics. Sol has assisted Michaels with multiple certifications, ranging from Enterprise Green Communities to NGBS to LEED. Sol works with developers, architects, builders and homeowners. They consulted on the first multi-family Passive House project in Ohio in 2019. Sol has certified over 500 projects over their history.

Development Team Experience and Capacity

Michaels Development Company

www.tmo.com

Active in 37 states, the District of Columbia and the US Virgin Islands, Michaels Development Company (MDC) is one of the country's largest developer and owner of affordable housing. Since its inception in 1973, Michaels has developed and managed hundreds of residential communities across the United States that holistically address the needs of residents and serve as a launching pad for people to move to the next level of their lives. In our firm's forty-eight-year span, we've developed and rehabilitated more than 55,000 units of affordable housing in 35 states, Washington, D.C., and the U.S. Virgin Islands. Michaels' current portfolio includes over 100 properties that serve low-income families and seniors through federal assistance programs, such as project-based Section 8. The portfolio also includes over 100 communities financed through Low Income Housing Tax Credits (LIHTC). Michaels also specializes in public housing redevelopment via mixed finance programs, the Choice Neighborhoods Initiative, and the Rental Assistance Demonstration (RAD) conversion program. We also have a diverse portfolio that includes a range of different building types, including townhomes, mid-rises, high-rises, walk-ups, and mixed-use communities. Our approach to development and management is based on our belief that strong local partnerships, innovative resident services, inclusive planning practices, and functionally beautiful design are essential components to building and managing a sustainable, thriving community.

MDC draws on the expertise of over 2,000 professionals across Michaels' integrated companies (Affordable, Military, Student, Construction, Management, Finance). This allows the development team to offer a variety of resources and techniques in all areas of development, finance, design, construction, management, and operations. Michaels believes that successful communities are those that arise from close collaboration with our clients, residents, and the community at large. Through this collaboration, we have been able to create high quality, environmentally conscious, and financially successful communities that offer affordable housing opportunities to more than 100,000 residents nationwide. Michaels has won numerous awards, including #1 Top Affordable Housing Developer by both Multifamily Executive Magazine and Affordable Housing Finance Magazine in 2014.

Additionally, as an early pioneer of the HOPE VI program, Michaels continues to provide a leadership role nationwide in its advocacy for mixed-finance development. MDC has worked with housing authorities throughout the country to prepare successful Choice Neighborhoods applications and has managed the development process effectively to create vibrant and sustainable neighborhoods. Currently, there are over 9,000 units in Michaels' mixed-finance pipeline, ranging from those in predevelopment to those that have been completed and reached final conversion. The following table lists several of the affordable, mixed finance, and mixed-use communities that Michaels has completed in recent years. A more detailed list of Michaels' projects follows.

Community Name	Location	Units	Year Complete	TDC	Description
River West Phases 2 and 3 (of 6)	Tulsa, OK	148	2020/2021	\$29.9MM	Choice Neighborhood redevelopment, 9% LIHTC
4400 Grove	Chicago, IL	84	2020	\$36.9MM	Mixed-Income, mixed-use public housing redevelopment, 9% LIHTC
Mission Trail	San Marcos, TX	353	2020	\$34.5MM	New construction 4% LIHTC development
East Kapolei Ph. 4	Ewa Beach, HI	81	2020	\$27.9MM	9% LIHTC development
11 Crown Street	Meriden, CT	81	2020	\$31.2MM	9% LIHTC TOD and Net Zero new construction
Jordan Downs Ph. 1B	Los Angeles, CA	135	2019	\$70.2MM	4% LIHTC mixed-income multi-phase public housing redevelopment
Marshall Hotel	Chicago, IL	90	2019	\$31.7MM	9% LIHTC and historic preservation of single room occupancy hotel
South Cap	Washington, DC	196	2019	\$58.5MM	New construction 4% LIHTC
Boulder Trio	Boulder, CO	238	2017	\$63.4MM	4% LIHTC acquisition and rehab of multiple buildings
Clybourn 1200	Chicago, IL	84	2017	\$42.1MM	9% LIHTC new construction high-rise with 16,000 SF of retail. Mixed-income public housing redevelopment
City Gardens	Chicago, IL	76	2017	\$28.7MM	9% new construction mixed-income development

Development Staff

Greg Olson, Regional Vice President



As Regional Vice President for the Midwest Region, Greg Olson oversees all of Michaels' development activities in Chicago, Illinois, and surrounding states. During his 15 years with Michaels, Greg has successfully overseen the construction of nearly 2,000 units of award-winning, mixed-income housing in the Midwest. Mr. Olson first joined The Michaels Organization in 2002 as a Project Manager for Michaels' Chicago office. A year later he was promoted to Vice President. Most recently, Mr. Olson served as Vice President of Design, Development, and Construction Management, heading up Michaels' developmental Center of Excellence that works across the entire company. Since joining Michaels, Mr. Olson has overseen more than \$500 million in development and construction activities.

Andrea Keeney, Vice President



Andrea Keeney joined The Michaels Organization in 2021 as a Vice President of Development. In her role, she is responsible for oversight of projects from inception through construction completion - underwriting deals and sourcing all project capital. Andrea manages projects throughout the construction, lease-up, and stabilization process, ensuring all public and private funds come in as anticipated and construction loans are paid off in time for conversion. She develops and maintains performance metrics that include pre-development, development and operating budgets, as well as construction cost schedules and project timelines. Prior to joining Michaels, Andrea was with The Habitat Company for close to a year. Before her time with The Habitat Company, Andrea was the Director of Development at Holsten Real Estate Development Corporation in Chicago. In her 19 years with Holsten, she personally closed over \$200 million in affordable and mixed-use transactions, all with multi-layered financing.

Alice Mwinzi, Development Officer



Alice joined Michaels in 2021 as a Development Office, where she is responsible for overseeing predevelopment activities ranging from financial applications to closing assistance. Prior to Michaels, Alice worked at Mercy Housing. Alice received her MPA from the College of Urban Planning and Public Affairs at the University of Illinois at Chicago.

Additional Michaels staff include:

- Underwriting Staff (Dave Lukens, Development Analysts)
- Senior Leadership (Kenneth Crawford, Milton Pratt)
- Accounting (Equity Manager, Debt Manager, Project Accountant)
- Property Management (VP, Regional Manager, Compliance Staff, Asset Management)

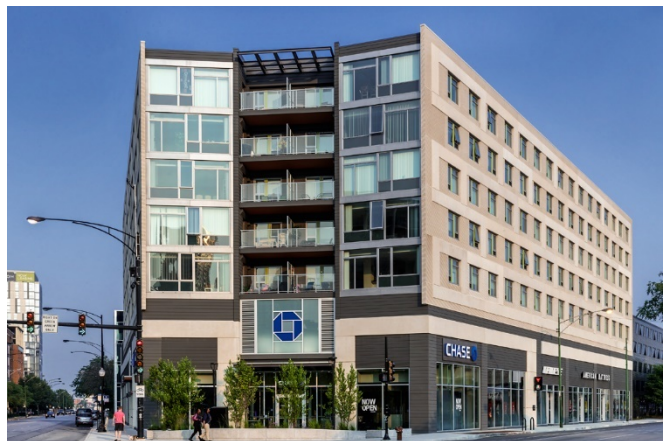
Michaels' Midwest regional office, the company's longest tenured satellite office, was initially focused exclusively on the Chicago market. We've completed over 1,700 units in Chicago over the past twenty years, ranging from public housing redevelopment to historic preservation work. Our development efforts include award-winning design and implementation (Urban Land Institute, Landmarks Illinois, Over the past four years, the office has expanded its focus geographically to Ohio, Michigan and Indiana. We've completed one project in Ohio and are moving two projects to closing in 2021. Our experience in Michigan and Indiana is limited in nature and includes a portfolio acquisition of multiple properties, including a senior development in Detroit and a family and senior development in Jackson. We are familiar with the MSHDA QAP, having pursued multiple opportunities in the State.

Michaels' experience with projects similar to the proposed development at 121 E. Catherine includes multiple projects across multiple states. We have a great deal of experience working with housing authorities on multiple types of projects including: RAD conversion, Choice Neighborhood Developments and mixed-income/mixed-finance (HOPE VI legacy) development. Over the past several years, we've begun collaborating with housing authorities as co-developers and co-owners and have experience working through complicated operating agreements that outline a variety of issues, including partner buyout, year 15 plans, innovative property management structures and more. We have completed projects in large and small cities and work with a variety of stakeholders to complete award-winning projects. Our development partners include commercial developers, housing authorities, not-for profits, churches and tenant leaders. We've completed several midrise buildings (4-8 stories) in the past decade, many of which required learning about systems not typically used in low-rise affordable housing development. When we approach a mid-rise building, we are forced to address foundation issues, staging issues, envelope issues, environmental issues, and safety concerns that don't arise on more typical affordable housing projects. Finally, we've completed projects that are LEED Gold certified, Enterprise Green Communities certified, Green Globes certified and designed to achieve net zero energy/Passive House. Below are several examples of completed developments that could serve as design/implementation references for 121 E. Catherine.

Midrise

Clybourn 1200 (Chicago, IL)

Clybourn 1200 is a \$42.1MM seven-story mixed-use, mixed-income community located on Chicago's north side. Constructed on the site of a relocated urban farm, this property serves market rate tenants, public housing tenants and families with incomes below 80% of the area median income. In addition to the 84 residential units, the property features structured parking, a rooftop amenity space (including raised bed planters) a rooftop apiary, a community room and a fitness center. The first floor houses a day care facility, an on-site management office, a bank, a motorcycle apparel shop and a mattress store. The property is Green Globes certified and has a rooftop solar pre-heat system.



Clybourn 1200 required a caisson/grade beam foundation system (challenging because of the proximity to a subway line) with a precast building above. Radiant in-floor heat is provided to all apartments.

Park Station (Chicago, IL)

Park Station is a five-story mixed-use building in the final planning stages that will be constructed in Chicago’s Woodlawn community. Designed to address approximately 10’ of urban fill below the vacant lot, the building has been designed to sit on top of Rammed Aggregate Piers. This will allow the developer to haul less excavated material to the landfill, located approximately 45 miles from the site. The building will house 58 apartments and three storefronts that will be marketed to local “mom and pop” retailers. Two live-work spaces will be offered to local artists and/or entrepreneurs. Parking density at the site was reduced due to the project’s “transit oriented” nature as the property is located approximately 150 feet from an elevated train station. Additionally, indoor bike storage for 60 bicycles will be provided. Project amenities include storage lockers, a fitness room/yoga studio, a rooftop deck, a rear yard with a fire pit and a business center that will be operated by Sunshine Enterprises, a not-for-profit offering entrepreneurship training.



Community Engagement

Jordan Downs (Los Angeles, CA)

Conceived of in 2008, the redevelopment of the Jordan Downs public housing development in Watts, CA seeks to transform the existing public housing site into a mixed-income, mixed-use, resident-focused neighborhood. 75 acres in scale, the redevelopment efforts will comprise of multiple phases of newly constructed residential and commercial buildings plus new City infrastructure. Michaels has completed two of its residential phases on site. Los Angeles has witnessed significant gentrification over the past 20 plus years and Watts hasn’t been exempt from this pressure. Increasing community density has allowed the property to gain mixed-income residents without displacing existing public-housing residents. Michaels has worked hard to gain the trust of the Jordan Downs residents and has created meaningful connections with Watts Rising Collaborative, Watts Century Latino Organization, From Lot to Spot, and East Side Riders Bike Club. Community-based events have included community-based planning efforts, block parties, community bike rides and youth events.



4400 Grove (Chicago, IL)



4400 Grove consists of two forty-two-unit buildings with ground floor retail in Chicago's Bronzeville community. Completed in 2020, during the height of the pandemic, 4400 Grove immediately leased up its market-rate, affordable, and public housing units. While planning the development, Michaels was charged with delivering community-based retail opportunities for local entrepreneurs. We teamed up with Quad Communities Development Corporation (QCDC), a not-for-profit that engages with the business community in the greater South Side. QCDC and Michaels marketed the

retail spaces in the Summer of 2020 and completed the lease up of the property by Summer 2021.

Commercial tenants include Bronzeville Winery, Reggio's Pizza, House of Africa, Ocean City Aquarium, Haji Healing Salon, Pop that Pop and CBQ Facial Bar, all of which are African-American owned.

Environmental Stewardship

Park Douglas (Chicago, IL)

Constructed in 2014, Park Douglas consists of 138 units in 19 buildings plus a stand-alone management office/community center. The development team elected to pursue LEED Gold certification for the management office and included a geothermal heating/cooling system, photovoltaic panels and a solar pre-heat hot water system. In order to better educate the public and the apartment community on environmental sustainability, Michaels contracted with a museum display company to design and build two elements for the building to track energy usage and explain how the building was saving energy. The residential units were also energy efficient, certified to meet Energy Star standards.



11 Crown (Meriden, CT)



The \$31MM 11 Crown community is a new construction development that features 81 units in a multi-family building and two series of townhomes. This high-end affordable property includes 22 special needs homes designed specifically for chronically homeless families. Targeted supportive services are offered to these families, including financial literacy, health screenings and youth programming. 11 Crown was design to meet passive house standards (PHIUS) with a strategy that includes capturing heat emissions from appliances/venting, extra thick exterior walls, triple glazed windows and ultra high efficiency heating and cooling systems.

Supportive Housing

The Carling (Chicago, IL)

The Carling is an eighty-unit historic preservation of a four-story single room occupancy hotel in Chicago's Old Town community. Rehabbed with a host of sources, including a 9% tax-credit award, the Carling serves a range of tenants, most of whom require supportive services. The building primarily houses 30% AMI residents subsidized with Chicago Housing Authority Vouchers, Section 811 vouchers and Chicago Low-Income Housing Trust Funds. Five units have been set aside for veterans, ten for Illinois Housing Development Authority Section 811 qualified individuals, eight for State Referral Network residents (social service database). Better Tomorrows provides services to tenants of the Carling (as well as the sister property, the Marshall), including job readiness, hygiene/health care, basic services, lease compliance and financial literacy.



University Setting

Boulder Trio



Boulder, Colorado has witnessed tremendous growth and displacement over the past thirty years. When five naturally occurring affordable housing apartment buildings came on the market, Michaels quickly acted to purchase the buildings and rehabilitate them with 4% low-income housing. 238 units of housing were preserved for the long-term with this acquisition and rehabilitation. The City of Boulder, recognizing the urgency of preserving this valuable housing stock as affordable, agreed to invest \$10MM in the acquisition and preservation of the Boulder Trio. The scope of work for this property included unit

remodeling, roof replacement, boiler replacement, air conditioning replacement and site improvements.

Michaels staff nationally has experience working with multiple funding sources in a variety of states. We have become experts in understanding financing tools that can be utilized to fund affordable housing and are able to quickly assess scoring tools. Our projects have included the following financing tools, among others:

- 9% Low-Income Housing Tax Credits
- 4% Low-Income Housing Tax Credits
- Historic Tax Credits
- State Historic Tax Credits

- Donation Tax Credits
- HOME funding
- CDBG funding
- Federal and local affordable housing trust funds
- HUD Choice Neighborhoods funding
- Tax increment financing
- Federal Home Loan Bank Affordable Housing Program
- Seller financing
- First mortgages (private, not-for-profit, HUD, Fannie Mae, Freddie Mac)
- Property Tax Relief (PILOT, etc.)

MDC has closed on 67 apartment communities between 2014 and June of 2021 and expect to close on 8 projects between June and December of 2021. Following this section is a list of Michaels’ affordable developments over the past seven years.

First Martin

www.firstmartin.com

Founded in 1968, First Martin Corporation (First Martin) is a privately held, vertically integrated, leading real estate investment and development company based in Ann Arbor, Michigan. FMC is one of the largest private owner / operators in Ann Arbor, with a current portfolio that includes 37 assets across the multifamily, office, retail, lab / hard tech, and hospitality sectors.

For over 50 years, the Martin family has understood its role within the Ann Arbor community as being more than just business leaders but also as stewards of the built environment. The Martin family is active outside of real estate, having founded the Bank of Ann Arbor (\$4.5Bn in Bank and Trust assets), and is a leading investor in a number of Ann Arbor based funds and businesses. First Martin focuses on both the big picture and the small details, helping the communities they partner with remain vibrant. First Martin measures its returns not only in financial results but also by its lasting impact on the community.

William Martin



William C. Martin founded the First Martin Corporation in 1968. In 1996, he founded the Bank of Ann Arbor (\$4.5Bn community bank) and serves as its Board Chair. Martin taught economics at Muskingum College, Eastern Michigan University, and the graduate school of business at the University of Michigan. In 2000, Martin was named the tenth Athletic Director of the University of Michigan and served in that capacity for ten years. Martin’s public service includes serving as President of the Washtenaw Land Conservancy, Ann Arbor Public Schools Foundation Board and Wittenberg University Board. The Ann Arbor News recognized Martin as the Citizen of the Year.

He earned his BA degree from Wittenburg College, a graduate degree in economics from the University of Sweden and MBA from the University of Michigan. As a lifelong sailor, Martin was President of the United States Sailing Association, the governing body for the sport. He has also served as a board member and President of the United States Olympic Committee, receiving its highest honor, the General

Douglas MacArthur Award. Currently, he is active on the boards of the National Football Foundation and the Miami Dolphins.

Michael Martin



Michael Martin is the President of First Martin Corporation, joining the company in 2005. Prior to returning to Ann Arbor in 2005, Martin worked as a portfolio manager in asset services for the commercial real estate firm CBRE in New York City, a construction superintendent for Ann Arbor based general contractor O’Neal Construction as well as in Chicago with his brother at Martin Capital Group.

In addition to his role as President of First Martin Corporation, Martin has served on the board of directors at the Bank of Ann Arbor since 2011. Active in the local non-profit community, Martin is currently on the board of UMS (University Musical Society) as well as serving as past Chair of the Board of Arbor Hospice and board member of Big Brother and Big Sisters. Martin earned a B.A. in History from Kenyon College, is a two-time NOLS (National Outdoor Leadership School) graduate, YPO member and is currently part of the Presidents Program at Harvard Business School (HBS).

Darren McKinnon



Darren McKinnon is a Vice President of First Martin Corporation and is responsible for representing First Martin in development, construction, and major capital improvement matters with its partners, vendors and municipalities. He joined First Martin in 2013, and in addition to these roles, McKinnon serves as both Asset and Property manager for multiple commercial office properties, and also supports First Martin’s multi-family, hospitality and parking operation partners. Prior to joining First Martin Corporation, McKinnon was a project manager with Walbridge in Detroit,

Michigan where he was responsible for multiple new construction and renovation projects in the housing, office, education and health care industries. Prior to his time at Walbridge, McKinnon served as a project manager with the architecture firm Skidmore, Owings & Merrill in Chicago, Illinois where he oversaw the design teams and their consulting partners for various super-tall building developments in Shanghai, China, Manila, The Philippines and Dallas, Texas.

McKinnon holds a Bachelors of Science in Civil and Environmental Engineering and a Masters in Business Administration, both from the University of Michigan. He is also a licensed Professional Engineer in the states of Michigan and Illinois.

Michaels Management – Affordable

www.tmo.com

Serving more than 145,000 residents in 400 communities across 35 states, the District of Columbia and the US Virgin Islands, Michaels Management – Affordable (MMA) has as its top priority resident satisfaction. Michaels Management provides property management services to the Michaels Organization’s entire portfolio and fee-manages for other private owners and non-profit organizations. MMA’s experience includes repositioning troubled assets, brand new lease ups, and developing in-depth resident relocation plans for communities undergoing renovations and redevelopment. Our management can provide “best in class” services that are cost-effective, increase efficiency, reduce risk, and support an exceptional living environment. Our management teams are organized by regions, with on-site teams reporting to a regional property manager and regional vice president. Additionally, Michaels Management offers a sophisticated accounting and management system to ensure financial accountability and compliance at all of our sites. MMA’s in-house compliance department works tirelessly to oversee LIHTC, HUD and public housing compliance issues.

Kimberlee Schreiber, President



As President of Michaels Management, Kimberlee oversees all of the company’s affordable, military and student/market-rate communities. Kimberlee joined Michaels in 2009 as a Vice President of the West Coast portfolio. In 2015, she became President of Management for TMO’s affordable portfolio with more than 50,000 units in total.

Roger Williams, Senior Vice President of Operations



Roger oversees six Regional Vice Presidents for Michaels Management Affordable and the National Vice President of Facilities. Roger has been with Michaels since 2004 and is a Certified Occupancy Specialist, a Certified Professional of Occupancy and a Certified Tax Credit Specialist.

Heather Straub, Regional Vice President



As Regional Vice President based in Chicago, Heather oversees the Michaels Management portfolios located in Illinois, Indiana and Michigan. Heather started with Michaels Management Affordable as a leasing agent in Jackson, Michigan in 2014. Since then, she’s managed both affordable and student properties as a Community Manager. In 2019, Heather became a Regional Vice President for New Jersey, Pennsylvania and Delaware.

Development Plan and Schedule

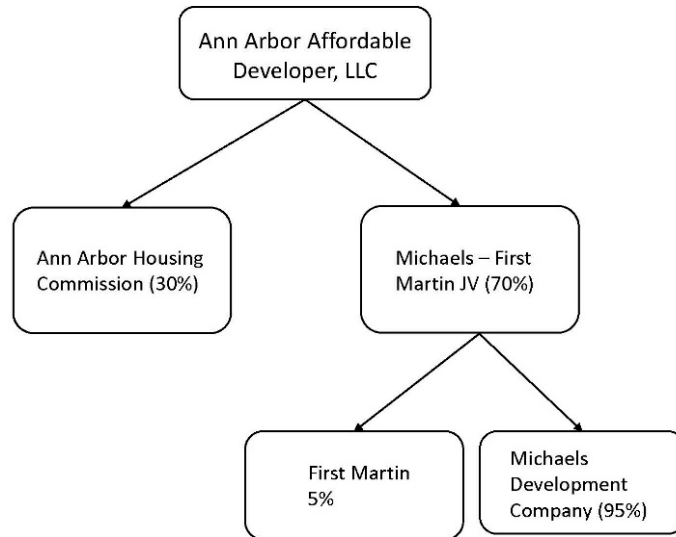
Item	Start	Finish	Notes/Dependencies
Selection			
Development Agreement/Business Terms	1/4/2022	1/18/2022	RFP application due 12/7
Third Party Reports			
Update/Review Appraisal	1/18/2022	2/17/2022	By AAHC
Phase I	1/18/2022	2/17/2022	By AAHC
Market Study	1/18/2022	2/17/2022	Review with MSHDA deadlines
Survey	1/18/2022	3/4/2022	By AAHC
Select Architect, Civil Engineer	1/21/2022	2/11/2022	
Select General Contractor	2/11/2022	3/4/2022	
Community Engagement			
Community Meeting 1 - Schematic Design	4/1/2022	4/8/2022	
Meeting with Council Member(s)	4/1/2022	4/8/2022	
Community Meeting 2 - Design Development post MSHDA award	2/26/2023	3/5/2023	
MBE/WBE subcontractor outreach	4/4/2023	7/3/2023	
Local Hiring Meetings	5/19/2023	7/28/2023	
Mural Meeting 1	10/11/2024	10/18/2024	
Mural Meeting 2	4/9/2025	4/16/2025	
Soft Funding			
City of Ann Arbor affordable housing funding applications (DDA, AHM)	5/7/2022	7/6/2022	
Apply for Project Based Vouchers	5/7/2022	7/6/2022	

Item	Start	Finish	Notes/Dependencies
Federal Home Loan Bank of Indianapolis AHP application	12/9/2022	3/9/2023	Pre-applications typically due in June with applications typically due early in year
PILOT application/coordination	2/7/2023	4/8/2023	
Architectural Plans and Permits, Zoning			
Schematic Design	2/18/2022	3/25/2022	
Review Schematic Design	3/26/2022	4/2/2022	
Preliminary GC pricing	3/25/2022	4/15/2022	
Green Charrette, select certification program, Handicap Accessibility Review	3/25/2022	4/8/2022	
Further refinement of Schematic Design	4/8/2022	5/6/2022	
Design Development (post MSHDA award)	12/12/2022	2/17/2023	
Review Design Development drawings	2/20/2023	2/24/2023	
Zoning modification(s)	5/9/2022	7/8/2022	
Permit Drawings	2/27/2023	4/3/2023	
Submit for building permits	4/4/2023	4/11/2023	
Receive building permits	4/11/2023	7/10/2023	
Final GC Pricing	4/18/2023	5/16/2023	
Issued for Construction Drawings	6/9/2023	7/14/2023	
Other Financing and Closing			
Apply for MSHDA 2023 Low Income Housing Tax Credits	10/3/2022	10/3/2022	
Receive LIHTC award	12/9/2022	12/9/2022	

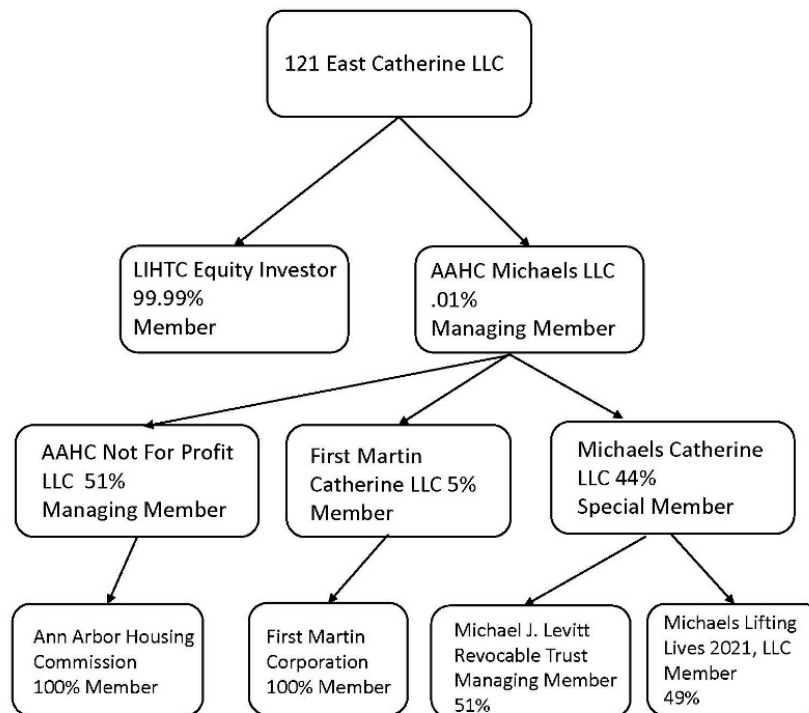
Item	Start	Finish	Notes/Dependencies
Equity Bids	1/9/2023	2/6/2023	
Debt Bids	1/9/2023	2/6/2023	
Investor Selection	2/7/2023	2/28/2023	
Lender Selection	2/7/2023	2/28/2023	
Lender Underwriting	2/7/2023	5/8/2023	
Third Party Reports	2/7/2023	4/7/2023	
Finance Partners Kick Off Call	3/13/2023	3/20/2023	
Firm Commitment and rate lock	6/19/2023	7/3/2023	
Financial closing	7/4/2023	7/18/2023	
Construction			
Start Construction	7/19/2023	7/19/2023	
C of O	7/19/2023	10/11/2024	
Final Completion	10/11/2024	12/10/2024	
1 year warranty walk through	10/11/2025	10/11/2025	
Marketing and Leasing			
Community-based marketing efforts	8/12/2024	3/10/2025	
Marketing	9/11/2024	4/9/2025	
Lease up	12/10/2024	7/8/2025	7-8 units per month
Qualified Occupancy	7/29/2025	11/26/2025	

Partnership Structure (proposed)

Proposed Developer Entity Ann Arbor Affordable Housing



Proposed Ownership Entity Ann Arbor Affordable Housing



Roles and Responsibilities (Proposed)

DEVELOPMENT RESPONSIBILITIES	MICHAELS	AAHC	FIRST MARTIN	COMMENTS
A) Predevelopment Activities				Note: AAHC, Michaels and First Martin to collaborate in all predevelopment matters regardless of who is leading the efforts.
1) Oversee Zoning & Entitlement Matters			X	
2) Obtain Survey	X			
3) Obtain Appraisal	X			
DEVELOPMENT RESPONSIBILITIES	MICHAELS	AAHC	FIRST MARTIN	COMMENTS
4) Architectural contract negotiation	X			AAHC and First Martin to approve architect selection
5) Oversee Design Development with Architect	X			AAHC and First Martin to review and approve drawings at regular intervals
6) Obtain Market Study	X			
7) Obtain Traffic Study	X			If required
8) Obtain Environmental Reports (Phase I & Phase II, if required)	X			
9) Obtain Geotechnical Reports	X			
10) Coordination with artistic and programmatic partners	X		X	
11) Community Engagement and Public Relations	X	X	X	
B) Financing				
1) Submit MSHDA tax credit application	X			Review by AAHC
2) Issue Equity/Debt RFP and manage negotiations of term sheet and documents	X			Review/approval by AAHC, First Martin

3) Identification/origination of Construction Debt and manage negotiations of term sheet and documents	X			AAHC to review and approve all financing proposals
4) Public Subsidy Financing Applications/ Manage negotiations and Closings	X	X		
5) Provide all financial guarantees	X		X	
C) Construction Administration				
1) Oversee Construction Documents & Permitting Process	X			
DEVELOPMENT RESPONSIBILITIES	MICHAELS	AAHC	FIRST MARTIN	COMMENTS
2) Oversee and Manage Construction Bidding Process	X		X	
3) Oversee Community Outreach/Hiring (Section 3)	X			
4) Coordinate and manage reporting for MBE/WBE hiring requirements	X			
5) Construction Management/Owner's Rep	X	X		
6) Manage Draw/Payout applications	X			
7) Oversee Environmental close out (if required)	X			

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Michaels Development
2014 - June 2021

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7	Other

NAME OF COMMUNITY	CITY	STATE	UNITS	DESIGN AND UNIT TYPE	NATURE OF PROJECT	YEAR CONSTRUCTION BEGUN	COMPLETION DATE	RENT LEVELS & SALES PRICES	APPRX. TOTAL CONSTRUCTION COST	TOTAL DEVELOPMENT COST	FEDERAL LIHTC ALLOCATION (AT INITIAL CLOSING)							
												1	2	3	4	5	6	7
HALEWAI'OLU SENIOR RESIDENCES	HONOLULU	HI	156	HIGH RISE	NEW CONSTRUCTION	2021	2023	LIHTC: RHRF	\$65,605,224	\$93,329,172	Federal: \$ 4,027,021 State: \$4,027,002 State over 5 years†	X	X	X	X			
RIVER WEST III	TULSA	OK	76	GARDEN APARTMENTS	NEW CONSTRUCTION	2021	2022	38 Units @ 50% AMI, 13 Units @ 60% AMI, 25 Units @ Market Rent	\$15,194,755	\$20,613,245	\$1,000,000			X	X		X	
RICHMOND FAMILY I (FULTON-AFTON-BAINBRIDGE)	RICHMOND	VA	122	TOWNHOUSES (2,3,4 & 5 BR Units)	REHAB	2021	2022	TAX CREDIT, SECTION 8	\$12,953,826	\$35,720,998	\$966,387	X		X	X			
RICHMOND FAMILY II (STOVALL-RANDOLPH)	RICHMOND	VA	82	TOWNHOUSES (2,3,4 & 5 BR Units)	REHAB	2021	2022	TAX CREDIT, SECTION 8	\$7,023,031	\$23,263,720	\$733,081	X		X	X			
JORDAN DOWNS - PHASE S3	LOS ANGELES,	CA	92	MIDRISE	NEW CONSTRUCTION	2020	2021	RAD, TAX CREDIT, PBV	\$43,632,576	\$58,859,557	\$2,500,000		X	X	X		X	
MARIETTA ROAD SENIOR TOWER	ATLANTA	GA	129	HIGHRISE (1 BR UNITS)	REHAB	2020	2021	RAD, TAX CREDIT	\$6,445,741	\$20,216,943	\$551,777	X		X	X		X	
PEACHTREE ROAD SENIOR TOWER	ATLANTA	GA	196	HIGHRISE (1 BR UNITS)	REHAB	2020	2021	RAD, TAX CREDIT	\$9,388,795	\$30,070,350	\$809,991	X	X	X	X		X	
EGG HARBOR TOWNSHIP FAMILY Phase 2	EGG HARBOR TOWNSHIP	NJ	60	3-STORY LOW-RISE, 1, 2, & 3 BR UNITS	NEW CONSTRUCTION	2020	2021	TAX CREDIT	\$9,861,815	\$15,523,781	\$419,092	X		X	X			
RIVER WEST II	Tulsa	OK	72	Townhouses and Walk Up (3 Story) - Mixed Income CNI	New Construction	2020	2022	36 Units @ 50% AMI, 14 Units @ 60% AMI, 22 Units @ Market Rent	\$14,732,078	\$19,428,335	\$1,000,000			X	X		X	
WISTER PRESERVATION	PHILADELPHIA	PA	200	TOWNHOUSES	REHAB	2020		TAX CREDIT, SECTION 8	\$10,825,843	\$39,955,342	\$907,889	X	X	X			X	
CHAPARRAL APARTMENTS	MIDLAND	TX	124	GARDEN APARTMENTS (1,2 and 3 BR UNITS)	REHAB	2020	2021	TAX CREDIT, SECTION 8	\$6,357,756	\$15,000,431	\$1,142,235		X	X			X	
11 CROWN STREET	MERIDEN	CT	81	MID RISE/TOWNHOUSE	NEW CONSTRUCTION	2019	2020	LIHTC/SECTION 8 MARKET RENTS	\$22,464,798	\$31,225,620	\$1,828,993		X	X	X	X	X	X
ROCKVIEW - PHASE II	NEW HAVEN	CT	78	GARDEN STYLE	NEW CONSTRUCTION	2019	2020	LIHTC, RAD, MARKET RATE	\$24,183,167	\$34,437,565	1549845		X	X	X	X	X	
EAST KAPOLEI II - PHASE 4 (KEAHUMOA PLACE PHASE 4)	EWA BEACH	HI	81	2 STORY WALK UPS (1, 2 AND 3 Br. Units)	NEW CONSTRUCTION	2019	2020	LIHTC; RHRF	\$27,977,390	\$37,353,719	Federal Annual \$1,420,000 State \$725,000		X	X	X			
4400 GROVE	Chicago	IL	84	MIXED USE MID RISE	NEW CONSTRUCTION	2019	2021	9% TAX CREDITS PUBLIC HOUSING	\$26,550,000	\$36,994,225	\$1,850,000			X	X	X	X	
ROSEMONT TOWER	BALTIMORE	MD	203	HIGH RISE SENIOR HOUSING	ACQUISITION REHABILITATION	2019	2021	TAX CREDIT/RAD SECTION 8	\$21,315,148	\$51,953,852	\$16,366,990	X	X	X	X		X	
BRANCH VILLAGE LOW RISE (CNI - PHASE IV)	CAMDEN	NJ	58	SENIOR AND SPECIAL	NEW CONSTRUCTION	2019	2021	TAX CREDIT/RAD SECTION 8	\$10,246,941	\$15,587,533.00	\$ 1,386,072		X	X	X		X	
BRANCH VILLAGE TOWNHOMES II (cni Phase III)	CAMDEN	NJ	75	TOWNHOMES	NEW CONSTRUCTION	2019	2020	TAX CREDIT, RAD	\$14,151,570	\$21,969,931.00	\$ 1,708,304		X	X	X		X	
COOPER PLAZA HOMES	CAMDEN	NJ	64	TOWNHOMES (2 and 3 Bedrooms)	ACQUISITION REHAB	2019	2019	TAX CREDIT SECTION 8	\$4,500,000	\$14,363,477	\$460,774	X	X	X	X		X	
MC GUIRE GARDENS PRESERVATION	CAMDEN	NJ	252	TOWNHOUSES	ACQUISITION REHABILITATION	2019	2020	RAD SECTION 8	\$14,374,727	\$43,566,588	\$1,302,961	X	X	X	X	X	X	
SOMERSET BROWNSTONES	NEWARK	NJ	60	MIDRISE (2 AND 3 BR Units)	NEW CONSTRUCTION	2019	2020	LIHTC-SECTION 8	\$12,398,000	\$20,393,177	\$1,228,919			X	X		X	

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												1	2	3	4	5	6	7
BENTLEYVILLE APARTMENTS	BENTLEYVILLE	PA	102	TOWNHOUSE	REHAB	2019	2020	TAX CREDIT/SECTION 8	\$6,505,808	\$14,388,742	\$1,014,978		X	X	X	X	X	
MISSION TRAIL AT EL CAMINO REAL	SAN MARCOS	TX	352	LOW-RISE (1,2,3, AND 4 BR UNITS)	NEW CONSTRUCTION	2019	2020	TAX CREDIT, MARKET	\$34,578,024	\$61,377,508	\$1,653,305		X	X	X			
JORDAN DOWNS - PHASE 1B	LOS ANGELES,	CA	135	MIDRISE	NEW CONSTRUCTION	2018	2019	RAD, TAX CREDIT, PBV	\$45,972,321	\$70,216,819	\$2,403,476		X	X	X	X		X
AIINGER PLACE	WASHINGTON	DC	72	3 STORY ELEVATOR BUILDING	NEW CONSTRUCTION	2018	2020	LIHTC/PBV	\$17,647,184	\$29,288,560	\$10,675,680		X	X	X	X	X	X
EAST KAPOLEI II - PHASE 2 (Keahumoa Place Phase 2)	EWA BEACH	HI	82	2-STORY WALK-UP 1, 2, 3 BEDROOMS	NEW CONSTRUCTION	2018	2019	LIHTC, RHRF	\$28,369,106	\$36,346,944	Federal \$1,253,990 State \$626,545			X	X	X		
EAST KAPOLEI II - PHASE 3 (Keahumoa Place Phase 3)	EWA BEACH	HI	82	2-STORY WALK-UP 1, 2, 3 BEDROOMS	NEW CONSTRUCTION	2018	2019	LIHTC, RHRF	\$24,292,045	\$32,720,821	Federal \$1,162,349 State \$581,175			X	X	X		
EAST KAPOLEI II - PHASE 1 (Keahumoa Place Phase 1)	EWA BEACH	HI	75	2-STORY WALK-UP 1, 2 BEDROOMS	NEW CONSTRUCTION	2018	2019	LIHTC, RHRF, DURF	\$19,295,987	\$26,606,097	Federal \$1,041,108 State \$520,554		X	X	X	X		
BRANCH VILLAGE TOWNHOMES	CAMDEN	NJ	72	TOWNHOMES	NEW CONSTRUCTION	2018	2019	TAX CREDITS/ RAD	\$13,802,711	\$20,491,645	\$1,665,515			X	X	X	X	X
MAIN STREET HOUSES PRESERVATION	SOUTH FALLSBURG	NY	62	STORY 1, 2, & 3 BR UNITS	ACQUISITION REHAB	2018	2019	TAX CREDIT, RAD PBRA, PBV	\$4,672,280	\$13,184,708	\$ 357,937		X	X	X	X		X
SOUTH CAP	WASHINGTON	DC	196	MID RISE	NEW CONSTRUCTION	2017	2019	PUBLIC HOUSING, P TAX CREDIT	\$42,187,611	\$58,561,306	\$23,186,353		X	X	X	X		X
PIEDMONT ROAD	ATLANTA	GA	208	SENIOR HIGHRISE (1 BR APTS)	SUBSTANTIAL REHAB	2017	2018	LIHTC, RAD, SECTION 8	\$13,305,000	\$37,602,267	\$731,753		X	X	X	X		X
MARSHALL HOTEL	CHICAGO	IL	90	4-STORY ELEVATOR Single Room Occupancy	ACQUISITION REHAB	2017	2018	LIHTC, HISTORIC TAX CREDITS, PBVs	\$11,740,360	\$31,782	\$1,461,250			X	X	X		X
ASBURY PARK (THE RENAISSANCE)	ASBURY PARK	NJ	64	1 MIDRISE BLDG AND 4 TOWNHOUSE BLDGS.	NEW CONSTRUCTION	2017	2018	LIHTC/FRM/HOME	\$12,389,539	\$20,224,870	\$738,532		X		X	X	X	
NEW HORIZONS	NEWARK	NJ	89	MID RISE	NEW CONSTRUCTION	2017	2019	TAX CREDITS/ PUBLIC HOUSING/SECTION 8	\$26,197,901	\$38,650,269	\$1,450,768		X	X	X	X	X	X
TOM'S RIVER FAMILY APARTMENTS	TOM'S RIVER	NJ	49	STACKED FLATS	NEW CONSTRUCTION	2017	2018	LIHTC, CDBG FRM	\$9,099,967	\$15,340,153	\$424,603		X		X	X		
SKYLINE GARDENS APARTMENTS	ALBANY	NY	189	LOW-RISE 1, 2, 3 BR UNITS	ACQUISITION REHAB	2017	2018	TAX CREDIT, RAD SECTION 8	\$12,024,475	\$33,605,806	\$1,137,706		X	X	X	X		X
BLACKBERRY OAKS	SONORA	CA	42	Two story single Building	ACQUISITION REHABILITATION	2016	2016	LIHTC USDA	\$2,650,014	\$5,684,578	\$330,962			X	X	X		X
OAKDALE APARTMENTS	OAKDALE	CA	42	2 STORY GARDEN	Acquisition Rehab	2016	2016	LIHTC / USDA	\$2,516,590	\$5,467,257	\$ 353,966		X	X	X	X	X	

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PARLIER GARDENS	PARLIER	CA	41	1 STORY HGARDEN	Acquisition Rfehab	2016	2016	LIHTC / USDA	\$2,649,718	\$5,446,761	\$ 318,492		X	X	X				X	
BOULDER TRIO	BOULDER	CO	238	2 & 3 Story Garden Walk Up	ACQUISITION REHAB	2016	2017	TAX CREDIT	\$9,700,000	\$63,400,000	\$2,600,000	X		X	X					
WHATCOAT VILLAGE	DOVER	DE	78	3 Story Garden Walk Up (1, 2, 3 BR)	ACQUISITION REHAB	2016	2018	TAX CREDIT, SECTION 8	\$9,713,060	\$17,507,800	\$922,609		X	X	X	X	X			
KAMA KANA SENIOR	KAILUA-KONA	HI	85	THREE STORY WALKUPS (5 BUILDINGS; 3 STORIES; 1 & 2 BEDROOMS)	NEW CONSTRUCTION	2016	2017	LIHTC, RHRF, DURF PBV SECTION 8	\$19,382,305	\$25,504,711	Federal \$1,400,000 State \$700,000				X	X	X			
KAMAKANA FAMILY PHASE 1	KAILUA-KONA	HI	85	THREE STORY WALKUPS (5 BUILDINGS; 3 STORIES; 1 & 2 BEDROOMS)	NEW CONSTRUCTION	2016	2017	LIHTC, RHRF, DURF PBV SECTION 8	\$205,212,509	\$25,504,711	Federal \$1,400,000 State \$700,000				X	X				
CARLING HOTEL	CHICAGO	IL	80	4-STORY ELEVATOR Single Room Occupancy	ACQIITION REHAB	2016	2017	LIHTC, HISTORIC TAX CREDITS, PBVs	\$10,397,227	\$27,347,091	\$1,096,072		X	X	X				X	
VILLAGES OF WESTHAVEN	CHICAGO	IL	200	LOW-RISE (1,2,3 AND 4, BR)	REHAB	2016	2018	SING, LIHTC, MARKET/RAD	\$33,812,979	\$62,188,006	\$ 1,744,615	X	X	X	X				X	
KEYS POINTE PHASE 1B	BALTIMORE	MD	68	TOWNHOUSES, FLATS	NEW CONSTRUCTION	2016	2018	LIHTC, SECTION 8	\$16,107,573	\$23,264,896	\$836,408	X	X	X	X				X	
PLEASANT VIEW GARDENS SENIOR	BALTIMORE	MD	110	APARTMENTS	ACQUISITION REHAB	2016	2017	TAX CREDIT, SECTION 8	\$5,641,680	\$17,195,396	\$ 493,044	X	X	X				X	X	
PLEASANT VIEW GARDENS TOWNHOMES	BALTIMORE	MD	201	TOWNHOUSES	ACQUISITION REHAB	2016	2017	TAX CREDIT, RAD SECTION	\$36,200,638	\$36,200,638	\$3,620,102	X	X	X	X				X	
BRANCH VILLAGE MIDRISE	CAMDEN	NJ	50	3 STORY MIDRISE	NEW CONSTRUCTION	2016	2018	SECTION 8 RAD /PBV	\$9,866,939	\$16,656,515	\$642,533	X		X	X				X	
GLENNVIEW TOWNHOUSES - Phase II (PHASE VII-LAFAYETTE GARDENS)	JERSEY CITY	NJ	64	TOWNHOUSES, WALKUPS, FLATS (1, 2, 3, AND 4 BR UNITS)	NEW CONSTRUCTION	2016	2017	PUBLIC HOUSING; TAX CREDIT	\$13,141,972	\$21,395,350	\$936,139		X	X	X				X	X
MONTGOMERY GARDENS FAMILY PHASE I	JERSEY CITY	NJ	126	LOW-RISE (1,2,3,4 BR UNITS)	NEW CONSTRUCTION	2016	2019	PUBLIC HOUSING; SECTION 8; TAX CREDIT; MARKET	\$33,350,000	\$56,145,633	\$1,630,040	X		X	X	X	X			
OCEAN TOWERS	JERSEY CITY	NJ	100	HIGH RISE	ACQUISITION REHABILITATION	2016	2017	RAD, TAX CREDIT	\$3,100,000	\$15,485,400	\$416,244	X		X	X	X	X			
COURTYARD AT RIVERVIEW	PHILADELPHIA	PA	470	HIGH RISE and TOWNHOUSES	ACQUISITION REHAB	2016	2018	TAX CREDIT/RAD SECTION 8	\$24,475,000	\$81,912,761	\$2,245,688	X	X	X	X				X	
TUOLUMNE APARTMENTS	TUOLUMNE	CA	52	1 & 2 STORY GARDEN	REHABILITATION	2015	2015	TAX CREDIT, HOME SECTION 8	\$5,930,000	\$7,145,316	\$1,936,529	X		X	X				X	
JANIE'S GARDENS (PHASE 3: NEWTOWN REVITALIZATION)	SARASOTA	FL	72	GARDEN APARTMENTS (1,2,3 AND 4 BR UNITS)	NEW CONSTRUCTION	2015	2016	MARKET, TAX CREDIT; PUBLIC HOUSING	\$9,156,650	\$14,328,246	\$880,000		X	X	X	X	X		X	
CITY GARDENS	CHICAGO	IL	76	LOW-RISE (1,2,3 AND 4 BR UNITS)	NEW CONSTRUCTION	2015	2017	MARKET, TAX CREDIT, PUBLIC HOUSING	\$21,110,984	\$28,743,383	\$1,700,000		X	X	X				X	
DIVISION AND CLYBOURN (CLYBOURN 1200)	CHICAGO	IL	84	MID-RISE (Studio, 1BR AND 2BR)	NEW CONSTRUCTION	2015	2017	MARKET, TAX CREDIT, PUBLIC HOUSING	\$28,486,268	\$42,136,205	\$1,765,000		X	X	X	X	X			
REDDICK STREET APARTMENTS (FAMILY)	FRANKLIN	TN	65	DUPLEXES, TOWNS, SINGLES	NEW CONSTRUCTION	2015	2016	RAD, TAX CREDIT	\$10,537,890	\$14,318,504	\$1,099,890		X	X	X	X	X			
TULANE REVITALIZATION PHASE II (THE PLAZA AT CENTENNIAL HILL)	MONTGOMERY	AL	129	APARTMENTS, FLATS, TOWNHOUSES	NEW CONSTRUCTION	2014	2016	PUBLIC, LIHTC, SECTION 8	\$18,025,823	\$25,033,489	\$1,877,507	X	X	X		X	X			
MESA GRANDE	NEEDLES	CA	46	1 STORY HGARDEN	ACQUISITION REHAB	2014	2014	LIHTC / USDA	\$1,431,000	\$5,161,756	\$2,161,170		X	X	X				X	

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4	Government Soft Loans or Grants
5	Private Soft Loans or Grants
6	Project Based Rent or Operating Subsidy
7	Other

NAME OF COMMUNITY	CITY	STATE	UNITS	DESIGN AND UNIT TYPE	NATURE OF PROJECT	YEAR CONSTRUCTION BEGUN	COMPLETION DATE	RENT LEVELS & SALES PRICES	APPRX. TOTAL CONSTRUCTION COST	TOTAL DEVELOPMENT COST	FEDERAL LIHTC ALLOCATION (AT INITIAL CLOSING)							
												1	2	3	4	5	6	7
LEGENDS SOUTH C-3	CHICAGO	IL	71	LOW RISE (1, 2, 3 AND 4 BR UNITS) & ONE MIDRISE (4 STORIES, 15 UNITS)	NEW CONSTRUCTION	2014	2015	MARKET, TAX CREDIT, PUBLIC HOUSING	\$19,456,823	\$28,315,450	\$1,500,000		X	X	X	X	X	
RENAISSANCE AT ALLENDALE	SHREVEPORT	LA	40	LOW RISE (2 AND 3 BR UNITS)	NEW CONSTRUCTION	2014	2015	TAX CREDIT, PUBLIC HOUSING	\$4,903,383	\$7,694,237	\$573,806			X	X		X	
BRIGANTINE	ATLANTIC CITY	NJ	160	LOW-RISE (1,2,3 AND 4 BDR UNITS)	ACQUISITION REHAB	2014	2014	TAX CREDIT, SECTION 8	\$1,950,000	\$19,718,686	\$527,983	X	X	X			X	X
CATHERINE TODD SENIOR MONTGOMERY GARDENS PHASE I	JERSEY CITY	NJ	58	HIGH RISE (1 AND 2 BR UNITS)	REHAB	2014	2017	TAX CREDIT SECTION 8	\$15,502,180	\$24,073,509	\$1,104,456		x	x	x		X	X
SPRUCE STREET SENIOR RESIDENCE	NEWARK	NJ	57	MID-RISE	NEW CONSTRUCTION	2014	2015	LIHTC-SECTION 8	\$12,253,000	\$17,896,739	\$878,567		X	X	X		X	
SUGAR ESTATES	ST.THOMAS	VI	80	MID RISE (2 BLDGS ;1 AND 2 BR UNITS)	NEW CONSTRUCTION	2014	2016	TAX CREDIT, SECTION 8	\$25,235,749	\$36,023,802	\$3,025,000			X	X	X	X	



Financing and Affordability

Financing and Affordability

Financing

Michaels Development’s approach to the 121 E. Catherine site is to develop an affordable housing development that combines 42 affordable units with 10 supportive housing units reserved for individuals earning below 30% AMI. We’ve implemented this structure on dozens of projects across the country with great success, utilizing 9% low-income housing tax credits, a first mortgage, soft funding sources and grant funds. This strategy has been identified as achieving the highest points in MSHDA’s current QAP, but could be modified by the development team post award.

In order to accomplish this development, Michaels has crafted a development plan that meshes seamlessly with the Michigan State Housing Development Authority’s (MSHDA) 2022-23 Qualified Allocation Plan. We believe that this site and the proposed development will score well in the competitive pursuit of 9% low-income housing tax credits. An award of \$1.5MM in low-income housing tax credits, which are anticipated to generate approximately \$13.8MM in equity, will form the first step in financing the project. We will couple this equity with a first mortgage from Freddie Mac or Fannie Mae, soft loans from the City of Ann Arbor per the RFP and a grant from the Federal Home Loan Bank of Indianapolis. We will follow MSHDA underwriting guidelines as we look more closely at the project’s financing sources.

Below is a preliminary snapshot of the project’s projected sources and uses:

Uses		
	Acquisition (bargain sale)	\$500,000
	Construction	\$15,180,000
	Construction Contingency	\$759,000
	Sitework (environmental)	\$60,000
	Soft Costs	\$2,429,335
	Financing Costs	\$873,893
	Developer Fee	\$1,500,000
	Reserves	\$346,492
Total Uses		\$21,648,720
Sources		
	Investor + GP Equity	\$13,798,720
	First Mortgage	\$2,350,000
	Ann Arbor Millage Funds	\$1,200,000
	DDA - Infrastructure	\$2,100,000
	Ann Arbor HOME Funds	\$500,000
	FHLB AHP	\$500,000
	Additional Soft Funding	\$1,200,000
Total Sources		\$21,648,720

While these numbers are preliminary in nature, we believe that they are reasonably accurate based on previous low-income tax credit projects Michaels has worked on in the Midwest. The biggest driver of the project’s budget are the construction costs. We will work diligently to design an attractive yet efficient building. Conversations with local builders put the cost per GSF for this type of building in the \$250/SF range. We’ve assumed a 60,000 square foot building at present.

Low-Income Housing Tax Credits: We propose applying for 9% low-income housing tax credits in the amount of \$1,500,000 in MSHDA's October 2022 funding round, following 2022 planning and zoning efforts. If unsuccessful, we would pursue MSHDA tax credits in April 2023. The current pay-in for tax-credits has been reduced significantly due to the fixing of the 4% LIHTC rate, so we've modeled the development at \$.92 per \$1.00 of tax credits. This is expected to bring in approximately \$13,798,720 in equity to the development. \$100 of this equity is contributed by the general partner. The balance will be funded by a tax-credit investor through a tax credit syndicator, who will be selected following the tax-credit award.

First Mortgage: The current first mortgage has been sized based on the projected Debt Service Coverage Ratio at year 15 - 1.05 or higher is required by most lenders. We are currently projecting an annual payment of \$146,850, which generates a first mortgage of \$2,350,000 at an assumed rate of 5.25% over 35 years. Because rates have been increasing rapidly over the past 12 months, we are holding a cushion of approximately .5% to .75%. Further analysis of utility costs relating to the net zero energy concept are required to confirm the NOI, which will directly impact the amount of money able to be borrowed. Michaels has worked with several mortgage brokers for Freddie Mac (and Fannie Mae and HUD loans) over the past twenty years and would seek out a vendor with experience servicing this type of development when selecting a broker. At present, our operating expenses are estimated somewhat high to include social services. Including social services in Affordable Housing Millage Funds could lower OPEX, which would generate additional first mortgage proceeds and reduce the need for additional soft funds.

City of Ann Arbor Affordable Housing Millage Funds: Because affordable housing developments generate limited rental income and can cost higher than typical apartment buildings to operate, they generate lower first mortgages than required to fund the project's total development costs. We've programmed \$1,200,000 in Ann Arbor funding for soft debt as per the RFP. We would expect that this debt, like all the soft debt, would be non-recourse with a 42-year term (2-year construction period and 40-year term) with an interest rate to be interest only – compounding with some portion of cash flow paying down the loan.

Downtown Development Authority Infrastructure Fund: We will request \$2.1MM in soft funding the Downtown Development Authority for infrastructure costs associated with the development as noted in the RFP and the Addendum. We understand that it is likely that the DDA will directly invest its resources in infrastructure-related costs for the 121 E. Catherine development. Details relating to this will need to be worked out.

City of Ann Arbor HOME funds: We would request HOME funding (or CDBG funding) in the amount of \$500,000 from the City of Ann Arbor as a soft source to address development gaps. A portion of the units in the development would be reserved for individuals/families earning less than 50% of Area Median Income to satisfy HOME requirements.

Federal Home Loan Bank Affordable Housing Program (AHP): We would expect to receive an award of up to \$500,000 from the Federal Home Loan Bank of Indianapolis under their Affordable Housing Program. In order to qualify for this funding, our construction or permanent lender would need to be a FHLB member bank. Typically, FHLB AHP awards are in the form of a grant, which would need to be given to a not-for-profit, who would then loan the proceeds into the development. We expect similar terms on this debt as the other soft funding.

Additional Sources: We will explore additional affordable housing funding options, including Washtenaw County and DTE Energy rebate programs.

PILOT: In order to keep operating expenses to a minimum, and thus generate a greater first mortgage, we would seek a Payment in Lieu of Taxes (PILOT) from the City of Ann Arbor. This would allow the development to pay reduced property taxes to the County.

Project Based Vouchers: We’ve currently underwritten ten 30% AMI units as supportive housing units to maximize MSHDA scoring. These units will be supported with Project Based Vouchers from the Ann Arbor Housing Commission. We’d consider adding more vouchers to the project to increase revenue if the AAHC was amenable.

We will explore additional soft funding options and will attempt to increase the first mortgage as the project evolves in an attempt to lower our soft funding request of the City of Ann Arbor. A more detailed pro-forma follows this narrative.

Affordability

We’ve conceived of 121 E. Catherine as a 100% affordable development that will remain affordable in perpetuity based on several assumptions:

- 30-year extended use commitment per MSHDA
- Transfer of Special Member interest to AAHC at a point certain, if desired
- Right of First Refusal to AAHC to allow for outright ownership of the development in year 15

Currently, the project is made of the following unit types:

Unit Size	30% AMI	40% AMI	60% AMI	Total
Studio	5	3	6	14
1 Bedroom	5	4	19	28
2 Bedroom		3	7	10
Total	10	10	32	52

Rent levels have been set to 95% of the allowable limits with utility allowances as per the limits set by the Ann Arbor Housing Commission.

Unit Size	30% AMI Rent	40% AMI Rent	60% AMI Rent
Studio	\$1,152	\$604	\$957
1 Bedroom	\$1,153	\$628	\$1,007
2 Bedroom		\$742	\$1,197

Once selected, we will explore alternative unit mix strategies that align with MSHDA QAP scoring and the ability to raise private debt.



ANN ARBOR CATHERINE
Underwriting Phase: Preliminary Feasibility
As of: 11/19/21

PROPERTY INFORMATION

Location:	121 E. Catherine St, Ann Arbor
County/MSA:	Washtenaw County / Ann Arbor, MI MSA
Type of Development:	New Construction
Building Type(s) and Gross Square Feet:	Mid-Rise w/ Elevator / 60,000 Sq. Ft.
Resident Type(s):	General Occ., Family, Special Needs
Number of Units:	52
LIHTC Credit Type(s):	9%
Annual Federal LIHTC:	\$1,500,000
First Year Credit:	2024
Required Placed-In-Service Date:	December 31, 2025
Total Development Cost:	\$ 21,648,720
Closing Date:	July 1, 2023

DEVELOPMENT TEAM

Developer/Guarantor:	Michaels Affordable Development
Co-Developer:	AAHC, First Martin
Architect:	TBD
General Contractor:	TBD
Property Management Company:	Michaels Management Affordable
Tax Credit Syndicator:	
Supportive Services Coordinator:	TBD
Local Partners and/or Firms:	SmithGroup

LIHTC EQUITY & DEVELOPER FEE INFO & PAY-IN SCHEDULE

Total Developer Fee	6.9% of TDC	\$ 1,500,000
Less Deferred Fee	0% of Dev Fee	-
Net Developer Fee	6.9% of TDC	\$ 1,500,000

AAHC, First Martin will receive 35.00% of the Developer Fee

Milestone	Date	LIHTC @ \$0.9200		Net Developer Fee	
		Equity			
LT Closing	7/1/23	20.00%	\$ 2,759,724	30.00%	\$ 450,000
Certificate of Occupancy - Only Bldg.	10/1/24	25.00%	\$ 3,449,655	25.00%	\$ 375,000
Permanent Loan Conversion	10/1/25	54.46%	\$ 7,514,241	40.00%	\$ 600,000
Receipt of 8609s	4/1/26	0.54%	\$ 75,000	5.00%	\$ 75,000
TOTAL		100%	\$ 13,798,620	100%	\$ 1,500,000

SOURCES & USES

Uses:	Amount	\$ / Unit	
Acquisition Costs	\$ 500,000	\$ 9,615	2%
Construction Costs	13,680,000	263,077	63%
Constr. Contingency	759,000	14,596	4%
Sitework	1,560,000	30,000	7%
Soft Costs	2,429,335	46,718	11%
Financing Costs	873,893	16,806	4%
Developer Fee	1,500,000	28,846	7%
Operating Reserve	270,000	5,192	1%
Escrow 1st yr RE Tax & Insurance	76,492	1,471	0%
Total Uses	\$ 21,648,720	\$ 416,322	100%

Sources:	Amount	\$ / Unit	
Investor + GP Equity	\$ 13,798,720	\$ 265,360	64%
GSE - Freddie Mac	2,350,000	45,192	11%
City of Ann Arbor Millage Funds	1,200,000	23,077	6%
DDA - Infrastructure	2,100,000	40,385	10%
HOME	500,000	9,615	2%
FHLB AHP	500,000	9,615	2%
Additional Soft Funding	1,200,000	23,077	6%
Total Permanent Sources	\$ 21,648,720	\$ 416,322	100%

Taxable Construction Loan Needed \$ 12,000,000 \$ 230,769

PROJECTED OPERATIONS

	Base Year	\$ / Unit	Trending/Yr
Gross Potential Rent	\$ 601,788	\$ 11,573	2.0%
Other Income	6,000	115	2.0%
Less Vacancy 6.56%	(39,882)	(767)	
Net Revenue	\$ 567,906	\$ 10,921	

Less Estimated Opex incl. Repl. Reserves \$ 392,600 \$ 7,550 3.0%

NOI prior to Debt Service \$ 175,306 \$ 3,371

Debt Service 5.25% 1.19 DSCR 146,850 2,824

Net Cash Flow \$ 28,456 \$ 547

FEDERAL TAX CREDIT DELIVERY SCHEDULE - UTILIZING EXCESS BASIS - SEE UNIT DELIVERY SCHEDULE FOR DETAILS

Month	YEAR 1 - 2024			YEAR 2 - 2025			Fed LIHTCs Delivery Summary
	# of Units Delivered			# of Units Delivered			
	LIHTC	Other	Total	LIHTC	Other	Total	
Jan	0	0	0	30	0	30	2024 \$ 170,701
Feb	0	0	0	36	0	36	2025 1,481,762
March	0	0	0	42	0	42	2026 1,500,000
April	0	0	0	48	0	48	2027 1,500,000
May	0	0	0	52	0	52	2028 1,500,000
June	0	0	0	52	0	52	2029 1,500,000
July	0	0	0	52	0	52	2030 1,500,000
Aug	0	0	0	52	0	52	2031 1,500,000
Sept	6	0	6	52	0	52	2032 1,500,000
Oct	12	0	12	52	0	52	2033 1,500,000
Nov	18	0	18	52	0	52	2034 1,329,299
Dec	24	0	24	52	0	52	2035 18,238
Totals/Yr.	24	0	24	52	0	52	Total \$ 15,000,000

UNIT MIX

BR / BA	Units	Set-Aside	Subsidy	Total \$/unit	Tenant Rent
0 BRs / 1 BAs	3	40%	N/A	\$ 604	\$ 604
1 BRs / 1 BAs	4	40%	N/A	\$ 628	\$ 628
2 BRs / 1 BAs	3	40%	N/A	\$ 742	\$ 742
0 BRs / 1 BAs	6	60%	N/A	\$ 957	\$ 957
1 BRs / 1 BAs	19	60%	N/A	\$ 1,007	\$ 1,007
2 BRs / 1 BAs	7	60%	N/A	\$ 1,197	\$ 1,197
0 BRs / 1 BAs	5	30%	Section 8 HAP	\$ 1,047	\$ 100
1 BRs / 1 BAs	5	30%	Section 8 HAP	\$ 1,022	\$ 100
Total	52			\$ 964	\$ 785

GENERAL INFO

Location	
Project Name:	Ann Arbor Catherine
Street Address:	121 E. Catherine St
City / State:	Ann Arbor MI
ZIP / County:	48104 Washtenaw County
MSA:	Ann Arbor, MI MSA
Developer:	MDC

Improvements		
Project type:		New Construction
Buildings:	1	[Single Site]
Tenants:		Gen Occ
LIHTC	52	100.00%
AMI Restricted	-	0.00%
Unrestricted	-	0.00%
Manager	-	0.00%
Total Units:	52	

Notes	
LIHTC Type:	9%
Allocation Year:	2023
Investor Year End:	12/31
Assumed Tax Rate:	21%
Model:	[PRELIM FEAS]
Updated by:	AM

PROJECTED TIMELINE

Development	
Lower Tier Closing	7/1/23
Upper Tier Closing	7/1/23
Construction Begin	7/2/23
TCO - First Unit in Bldg.	8/31/24
Certificate Of Occupancy	9/30/24
Construction Term	15 Mo's

Stabilization	
Operations Begin	9/1/24
Qualified LIHTC Lease Up Begin	9/1/24
100% QO	5/31/25
Lease Up Period	9 Mo's
Required PIS Date	12/31/25
First Tax Credit Month	9/1/24

Exit	
Last year of LIHTC Compliance	2039
Year of LP Put	2040
Date of Sale (End of Month)	1/31/40

SOURCES & USES

Construction Sources	
City of Ann Arbor Millage Funds	1,200,000
DDA - Infrastructure	2,100,000
Additional Soft Funding	1,200,000
HOME	500,000
FHLB AHP	500,000
Taxable Construction/Bridge Loan	12,000,000
LIHTC Equity	4,148,720
	-
	-
	-
	-
	-
	-
	-
	-
\$	21,648,720

Permanent Sources	
Managing GP Equity	100
LP Equity	13,798,620
GSE - Freddie Mac	2,350,000
City of Ann Arbor Millage Funds	1,200,000
DDA - Infrastructure	2,100,000
HOME	500,000
FHLB AHP	500,000
Additional Soft Funding	1,200,000
	-
	-
	-
	-
	-
	-
	-
	-
\$	21,648,720

Permanent Uses	
Acquisition Costs	500,000
Construction Costs [263k /unit]	13,680,000
Constr. Contingency [5%]	759,000
Sitework	1,560,000
Soft Costs	2,429,335
Financing Costs	873,893
Developer Fee	1,500,000
Reserves	-
Operating Reserve [6 mos.]	270,000
Escrow 1st yr RE Tax & Insurance	76,492
	-
	-
	-
	-
	-
	-
	-
\$	21,648,720

SOURCES OF FUNDS

PRE-PERM LOAN CONVERSION PERIOD SOURCES

	Amount	Loan Interest	Rate	Term
-	-	-	-	-
-	-	-	-	-
City of Ann Arbor Millage Funds	1,200,000	-	2.000%	27
DDA - Infrastructure	2,100,000	-	2.000%	27
Additional Soft Funding	1,200,000	-	2.000%	27
HOME	500,000	-	2.000%	27
FHLB AHP	500,000	-	2.000%	27
Taxable Construction/Bridge Loan	12,000,000	P 570,468	4.000%	27
LIHTC Equity	4,148,720	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total Pre-Conversion Financing	21,648,720	570,468		
		P 570,468	< Paid	
		A -	< Accrued	

PERMANENT SOURCES

Total Permanent Sources	
Equity	
Managing GP	100
Investor LP	13,798,620
	-
Debt	
GSE - Freddie Mac	2,350,000
City of Ann Arbor Millage Funds	1,200,000
DDA - Infrastructure	2,100,000
HOME	500,000
FHLB AHP	500,000
Additional Soft Funding	1,200,000
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
Other Capital	-
-	-
-	-
Transfer Existing Reserves	-
Interest Income from Bond Proceeds	-
-	-
Total Permanent Sources	21,648,720

Terms and Structure									Notes	
Federal:										
LIHTC										
[\$ 0.9200] 13,798,620										
	Rate	Term	Amort	Type	PMT	Begin Int	Begin PMT	Debt Analysis		
	Forecloseable Debt									
GSE - Freddie Mac	5.250%	17	420	Hard-Amort	146,850	10/1/25	11/1/25	Total	2,350,000	
City of Ann Arbor Millage Funds	2.000%	40	480	Soft-Amort-% CF	25% of NCF	10/1/25	4/1/26	Per Unit	45,192	
DDA - Infrastructure	2.000%	40	480	Soft-Int only-Compounding	0% of NCF	10/1/25	4/1/26	% of Equi	17%	
HOME	2.000%	40	480	Soft-Int only-Compounding	0% of NCF	10/1/25	4/1/26	% of TDC	11%	
FHLB AHP	2.000%	40	480	Soft-Int only-Compounding	0% of NCF	10/1/25	4/1/26			
Additional Soft Funding	2.000%	40	480	Soft-Int only-Compounding	0% of NCF	10/1/25	4/1/26			
-	-	-	-	-	-	-	-	Soft Debt		
-	-	-	-	-	-	-	-	Total	5,507,500	
-	-	-	-	-	-	-	-	Per Unit	105,913	
-	-	-	-	-	-	-	-	% of Equi	40%	
-	-	-	-	-	-	-	-	% of TDC	25.44%	

Total Development Costs			Federal LIHTC Basis			Ancillary Credit Basis		
			Acquisition	New/Rehab	Non - Eligible	-	-	-
Acquisition Costs								
Land	500,000		-	-	500,000	-	-	-
Building Acquisition	-		-	-	-	-	-	-
Reserves	-		-	-	-	-	-	-
Other	-		-	-	-	-	-	-
Subtotal	500,000							
Construction Costs								
Construction New (On-Site)	11,700,000		-	11,700,000	-	-	-	-
Construction Rehab (On-Site)	-		-	-	-	-	-	-
Construction (Off-Site)	-		-	-	-	-	-	-
Sitework	1,500,000		-	1,500,000	-	-	-	-
Demolition Costs	-		-	-	-	-	-	-
GC - General Requirements	792,000		-	792,000	-	-	-	-
GC - Overhead	264,000		-	264,000	-	-	-	-
GC - Profit	792,000		-	792,000	-	-	-	-
Letter of Credit/P&P Bond	132,000		-	132,000	-	-	-	-
Constr. Contingency	5.00% 759,000		-	759,000	-	-	-	-
Other	-		-	-	-	-	-	-
Subtotal	15,939,000							
Site Work (Not in GC Contract)								
Earth Work	-		-	-	-	-	-	-
Lawns & Plantings	-		-	-	-	-	-	-
On-Site Improvements	-		-	-	-	-	-	-
On-Site Utilities	-		-	-	-	-	-	-
Roads and Walks	-		-	-	-	-	-	-
Site Work (General)	-		-	-	-	-	-	-
Environmental Remed. Allowance	60,000		-	60,000	-	-	-	-
Other	-		-	-	-	-	-	-
Other	-		-	-	-	-	-	-
Subtotal	60,000							
Personal Property								
Appliances	-		-	-	-	-	-	-
Blinds/Shades/Artwork	-		-	-	-	-	-	-
Carpeting	-		-	-	-	-	-	-
Energy Basis	-		-	-	-	-	-	-
Equipment/Specialties	-		-	-	-	-	-	-
FF&E	120,000		-	120,000	-	-	-	-
Subtotal	120,000							
Soft Costs								
Accounting	15,000		-	15,000	-	-	-	-
Appraisal	15,000		-	15,000	-	-	-	-
Architectural Design	626,175		-	626,175	-	-	-	-
Architectural Supervision	208,725		-	208,725	-	-	-	-
Construction Monitoring	32,000		-	32,000	-	-	-	-
Construction Period Taxes	-		-	-	-	-	-	-
Cost Certification	15,000		-	-	15,000	-	-	-
Civil Engineering	20,000		-	20,000	-	-	-	-
Impact Fees & Zoning	50,000		-	50,000	-	-	-	-
Insurance	124,604		-	124,604	-	-	-	-
Legal - Taxable Constr/Bridge Loan	45,000		-	29,250	15,750	-	-	-
Legal - Permanent Loan	40,000		-	-	40,000	-	-	-
Legal - Bond Counsel	-		-	-	-	-	-	-
Legal - Developer	170,000		-	110,500	59,500	-	-	-
Legal - Zoning	75,000		-	75,000	-	-	-	-
Legal	-		-	-	-	-	-	-
Market Study & RCS	10,000		-	10,000	-	-	-	-
Marketing (Rent Up)	40,000		-	-	40,000	-	-	-
Monitoring Fees (LIHTC)	24,700		-	-	24,700	-	-	-
Organizational Fees	3,000		-	-	3,000	-	-	-
Permits	100,000		-	100,000	-	-	-	-
Phase I Environmental	5,000		-	5,000	-	-	-	-
Soft Cost Contingency	65,376		-	-	65,376	-	-	-
Soils Tests / Geotech	60,000		-	60,000	-	-	-	-
Survey	25,000		-	25,000	-	-	-	-
Tap Fees	35,000		-	35,000	-	-	-	-
Tax Credit Fees	92,340		-	-	92,340	-	-	-
Lease Up Fee	26,000		-	-	26,000	-	-	-
Title & Recording	60,000		-	60,000	-	-	-	-
Working Cap/Stabilization Reserves	92,415		-	-	92,415	-	-	-
Design / Construction Fee	50,000		-	50,000	-	-	-	-
Green Rater	28,000		-	28,000	-	-	-	-
Application Fees	16,000		-	16,000	-	-	-	-
Phase II Environmental	40,000		-	40,000	-	-	-	-
Planning	50,000		-	50,000	-	-	-	-
Legal AAHC	50,000		-	32,500	17,500	-	-	-
Other	-		-	-	-	-	-	-
Subtotal	2,309,335							

Total Development Costs		Federal LIHTC Basis			Ancillary Credit Basis		
		Acquisition	New/Rehab	Non - Eligible	-	-	-
Financing Costs							
Predevelopment Loan Interest	-	-	-	-	-	-	-
Construction Interest Capitalized	269,467	-	269,467	-	-	-	-
Construction Interest Expensed	301,001	-	-	301,001	-	-	-
Construction/Bridge Loan Fee – Basis Eligible	56,683	-	56,683	-	-	-	-
Construction/Bridge Loan Fee – Not in Basis	63,317	-	-	63,317	-	-	-
Permanent Loan Fees	118,425	-	-	118,425	-	-	-
All TEB & TEL Fees	-	-	-	-	-	-	-
Negative Arbitrage	-	-	-	-	-	-	-
Syndication Costs	65,000	-	-	65,000	-	-	-
Credit Enhancement Fees	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Subtotal	873,893						
Developer Costs							
Developer Fee	1,500,000	37,500	1,462,500	-	-	-	-
Other	-	-	-	-	-	-	-
Subtotal	1,500,000						
Reserves (Long Term Only)							
Reserve for Replacement	-	-	-	-	-	-	-
Operating Reserve [6 mos.]	270,000	-	-	270,000	-	-	-
Escrow 1st yr RE Tax & Insurance	76,492	-	-	76,492	-	-	-
Section 8 Overhang Reserve	-	-	-	-	-	-	-
Debt Service Reserve	-	-	-	-	-	-	-
NONE	-	-	-	-	-	-	-
Subtotal	346,492						
TOTAL USES	21,648,720	37,500	19,725,404	1,885,816	-	-	-

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UNIT MIX SUMMARIES

Ann Arbor Catherine

Table 1: # of units by BR size and AMI%:				
	30%	40%	60%	Total by BRs
0 Bedroom	5	3	6	14
1 Bedroom	5	4	19	28
2 Bedroom	0	3	7	10
3 Bedroom	0	0	0	0
4 Bedroom	0	0	0	0
5 Bedroom	0	0	0	0
Total by AMIs	10	10	32	52

Table 2: # of units by BR size and Subsidy Type			
	Section 8 HAP	No Subsidy	Total by BRs
0 Bedroom	5	9	14
1 Bedroom	5	23	28
2 Bedroom	0	10	10
3 Bedroom	0	0	0
4 Bedroom	0	0	0
5 Bedroom	0	0	0
Total by Subsidies	10	42	52

Table 3: # of units by BR size and AMI & Subsidy Type				
	30% & Section 8 HAP	40% & No Subsidy	60% & No Subsidy	Total by BRs
0 Bedroom	5	3	6	14
1 Bedroom	5	4	19	28
2 Bedroom	0	3	7	10
3 Bedroom	0	0	0	0
4 Bedroom	0	0	0	0
5 Bedroom	0	0	0	0
Total by AMIs & Subsidies	10	10	32	52

BASE YEAR OPERATING BUDGET

REVENUE	Proforma	PUPA	PUPM	Vacancy	Trending
LIHTC Tenant- Paid Rents	489,648	9,416	785	7%	102.0%
Subsidized Rents	112,140	2,157	180	5%	102.0%
Affordable Vacancy	(39,882)	(767)	(64)		
Non-LIHTC Rents	-	-	-		
Non-LIHTC Vacancy	-	-	-		
Miscellaneous, Net	6,000	115	10	0%	102.0%
All Other Income, Net	-	-	-		
	567,906	10,921	910		
				Base Year:	2026

Notes	
Underwritten Occ: 93.4%	Breakeven Occ: 24.2%

ESTIMATED OPERATING EXPENSES

Est. Opex incl. Repl. Reserves	392,600	7,550	629		
				Base Year:	2026
					103.0%
					annual
					annual
NOI available for Debt Svc	175,306	-	-		
Hard Debt Service + Must-Pay Fees	146,850				
Base Year DSCR	1.19				
Opex + R4R + Debt Service / Month	44,954				

<i>Net Misc. Income; Base Year Mgmt Fee is increased by 2.0% per year which is the annual income trending %.</i>	
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OPERATING CASH FLOW

NET OPERATING INCOME		-3	-2	-1	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
					Base Year:														
	[Vacancy / Trending]	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
REVENUE																			
LIHTC Tenant- Paid Rents	[7% / 2.0%]	-	45,253	440,043	489,648	499,441	509,430	519,619	530,011	540,611	551,423	562,451	573,700	585,174	596,877	608,815	620,991	633,411	646,079
Subsidized Rents	[5% / 2.0%]	-	10,364	100,779	112,140	114,383	116,671	119,004	121,384	123,812	126,288	128,814	131,390	134,018	136,698	139,432	142,221	145,065	147,966
Affordable Vacancy		-	-	(26,067)	(39,882)	(40,680)	(41,494)	(42,324)	(43,170)	(44,033)	(44,914)	(45,812)	(46,729)	(47,663)	(48,616)	(49,589)	(50,580)	(51,592)	(52,624)
Non-LIHTC Rents	[10% / 2.0%]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-LIHTC Vacancy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous, Net	[0% / 2.0%]	-	555	5,392	6,000	6,120	6,242	6,367	6,494	6,624	6,756	6,891	7,029	7,170	7,313	7,459	7,608	7,760	7,915
All Other Income, Net	[0% / 2.0%]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income		-	56,172	520,147	567,906	579,264	590,849	602,666	614,719	627,014	639,553	652,344	665,390	678,699	692,272	706,117	720,240	734,644	749,336
ESTIMATED EXPENSES - \$7,550/unit																			
Est. Opex incl. Repl. Reserves	[3.0%]	-	35,583	349,401	392,600	404,378	416,509	429,004	441,874	455,131	468,785	482,848	497,334	512,254	527,621	543,450	559,753	576,546	593,842
NOI for Debt Service & Waterfall		-	20,589	170,746	175,306	174,886	174,340	173,662	172,845	171,883	170,768	169,496	168,056	166,445	164,651	162,667	160,487	158,098	155,494

*Base Year Management Fee is 6.00% of Effective Gross Income. The Base Year fee is increased by 2.00%

CASH FLOW WATERFALL

LOAN OR CASH FLOW PAYMENT WATERFALL DESCRIPTION	MUST-PAY from Operations or if there is available NET CASH FLOW																			
Interim Inc Holdback		-	(20,589)	(146,271)	-	-														
GSE - Freddie Mac	MUST-PAY	-	-	(24,475)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)
LP Asset Management Fee	NCF	-	-	-	(7,500)	(7,725)	(7,957)	(8,195)	(8,441)	(8,695)	(8,955)	(9,224)	(9,501)	(9,786)	(10,079)	(10,382)	(10,693)	(11,014)	(11,344)	
City of Ann Arbor Millage Funds	NCF	-	-	-	(5,239)	(5,078)	(4,883)	(4,654)	(4,388)	(4,085)	(3,741)	(3,356)	(2,927)	(2,453)	(1,930)	(1,359)	(736)	(59)	-	
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
RESERVE Draws / (Deposits)		-	-	0	15,717	15,234	14,650	13,963	13,165	12,254	11,223	10,067	8,780	7,358	5,791	4,077	2,208	176	(2,700)	
Operating Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,700	
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
To Partnership for GP / LP Split OR (GP Loan)		-	-	0	15,717	15,234	14,650	13,963	13,165	12,254	11,223	10,067	8,780	7,358	5,791	4,077	2,208	176	-	
MUST-PAY DSCR:		-	1.58	6.98	1.19	1.19	1.19	1.18	1.18	1.17	1.16	1.15	1.14	1.13	1.12	1.11	1.09	1.08	1.06	

OPERATING CASH FLOW

NET OPERATING INCOME		15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
[Vacancy / Trending]		2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057
REVENUE																		
LIHTC Tenant- Paid Rents	[7% / 2.0%]	659,001	672,181	685,625	699,338	713,325	727,592	742,144	756,987	772,127	787,570	803,321	819,387	835,775	852,491	869,541	886,932	904,671
Subsidized Rents	[5% / 2.0%]	150,925	153,944	157,023	160,163	163,366	166,633	169,966	173,365	176,832	180,369	183,976	187,656	191,409	195,237	199,142	203,125	207,188
Affordable Vacancy		(53,676)	(54,750)	(55,845)	(56,962)	(58,101)	(59,263)	(60,448)	(61,657)	(62,890)	(64,148)	(65,431)	(66,740)	(68,075)	(69,436)	(70,825)	(72,241)	(73,686)
Non-LIHTC Rents	[10% / 2.0%]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-LIHTC Vacancy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous, Net	[0% / 2.0%]	8,073	8,234	8,399	8,567	8,738	8,913	9,091	9,273	9,458	9,647	9,840	10,037	10,238	10,443	10,652	10,865	11,082
All Other Income, Net	[0% / 2.0%]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income		764,323	779,609	795,202	811,106	827,328	843,875	860,753	877,968	895,527	913,438	931,706	950,340	969,347	988,735	1,008,510	1,028,681	1,049,255

ESTIMATED EXPENSES - \$7,550/unit

Est. Opex incl. Repl. Reserves	[3.0%]	611,658	630,007	648,907	668,375	688,426	709,079	730,351	752,262	774,829	798,074	822,017	846,677	872,077	898,240	925,187	952,942	981,531
NOI for Debt Service & Waterfall		152,665	149,602	146,295	142,731	138,902	134,796	130,402	125,706	120,698	115,364	109,689	103,663	97,270	90,495	83,323	75,739	67,724

*Base Year Management Fee is 6.00% of Effective Gr

CASH FLOW WATERFALL

LOAN OR CASH FLOW PAYMENT WATERFALL DESCRIPTION	MUST-PAY from Operations or if there is available NET CASH FLOW	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
GSE - Freddie Mac	MUST-PAY	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)	(146,850)
LP Asset Management Fee	NCF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Ann Arbor Millage Funds	NCF	(1,454)	(688)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RESERVE Draws / (Deposits)																		
Operating Reserve	-	-	-	555	4,118	7,947	12,053	16,448	21,143	26,152	31,486	37,160	43,187	49,580	56,354	63,526	71,111	79,125
To Partnership for GP / LP Split OR (GP Loan)		4,362	2,064	-	-	-	-	-	-	-	-	-	-	-	-	(21,003)	(70,686)	(79,121)
MUST-PAY DSCR:		1.04	1.02	1.00	0.97	0.95	0.92	0.89	0.86	0.82	0.79	0.75	0.71	0.66	0.62	0.57	0.52	0.46



Timothy G. Marshall
President & CEO

November 15, 2021

First Martin Corporation
Attn: Michael Martin
115 Depot Street
Ann Arbor MI 48104

Michaels Development
Attn: Greg Olson
542 S. Dearborn Street
Suite 800
Chicago IL 60605

Dear Mike & Greg:

Thank you for including Bank of Ann Arbor as a potential partner in your plans for the property located at 121 E. Catherine, Ann Arbor. Based on what you have shared with me about the affordable housing aspect of the development, we believe that it is well aligned with the Bank's commitment to our community. Given this and our knowledge of First Martin's long and successful history in Ann Arbor and specifically with Bank of Ann Arbor, we are looking forward to further discussions on the financing that you may need to complete the project.

Once you have had a chance to put together a complete financing package, we will work to put together a solution as quickly as possible. Thanks again for this opportunity and feel free to contact me at any time.

A handwritten signature in black ink that reads "Timothy G. Marshall".

Sincerely,
Timothy G. Marshall
President & CEO



LETTER OF INTEREST

November 22, 2021

Greg Olson
Vice President
Michaels Development Company
542 S. Dearborn Street, Suite 800
Chicago, IL 60605

RE: Partnership: TBD
Project Name: Ann Arbor Catherine
Location: Ann Arbor, MI

Dear Mr. Olson:

Berkadia Affordable Tax Credit Solutions ("Berkadia") is pleased to provide you with this Letter of Interest for Ann Arbor Catherine (the "Project"), a low-income housing development located in Ann Arbor, MI. We are providing this letter in connection with the 9% low-income housing tax credit commitment to evidence our interest in potentially making an equity investment in the Project as the tax credit investor.

We understand that you have applying for a 9% low-income housing tax credit award, which will be based on the information and terms set forth on Exhibit A, attached hereto.

The provisions of this Letter of Interest are non-binding and not intended to create or constitute any liability or legally binding obligation between the parties. Berkadia will endeavor to obtain placement of this deal into one of our funds subject to completion of our standard due diligence process, approval by the Berkadia Investment Committee and certain other conditions and requirements to be determined at a later date.

Sincerely,

Sean Creedon

Sean Creedon

Director

Berkadia Affordable Tax Credit Solutions



EXHIBIT A:

The terms and conditions set forth herein are based on the following information and assumptions:

I. DEAL INFORMATION:

a. Type of Construction:	New Construction
b. Number of Units:	52 units.
c. Number of Buildings:	1 building.
d. Tenancy Type:	Family.
e. Annual Allocation for Federal Tax Credits:	\$1,500,000 per annum.
f. Total Federal Tax Credit Allocation:	\$15,000,000.
g. Limited Partner Total Federal Credits:	\$14,998,500.
h. Price Per Federal Credit:	\$0.92 per \$1.00 of federal tax credit.
i. Total Federal Equity:	\$13,798,620.

II. TIMING AND TAX CREDIT INFORMATION

a. Estimated Closing Date:	July 2023
b. Construction Completion Date:	October 2024
c. 100% Qualified Occupancy Date:	June 2025
d. Stabilized Operations Date:	October 2025
e. Applicable Percentage:	100%.
f. Applicable Tax Credit Rate:	9% - Fixed.
g. Use of Bonus Depreciation:	Yes.

III. CAPITAL CONTRIBUTIONS

- a. \$0.92 per dollar of the Limited Partner Total Federal Credits.
- b. Installment Payments:
 - i. \$2,759,724 (20%) at Closing.
 - ii. \$3,449,655 (25%) at later October 1, 2024, Construction Completion, or receipt of the Final Cost Cert.
 - iii. \$7,514,241 (54.46%) at later of October 1, 2025, 95% Physical Occupancy, Funding of Permanent Loans, 100% Qualified Occupancy, or 100% Credit Qualification, achievement of a Debt Service Coverage Ratio of 1.15x for three (3) consecutive months.
 - iv. \$75,000 (0.54%) at later of April 1, 2026 or receipt of Form 8609.



IV. CREDIT DELIVERY/ADJUSTERS:

- a. Credit Delivery:
 - i. First Year (2024) Credit Delivery: \$170,701
 - ii. Second Year (2025) Credit Delivery: \$1,481,762
 - iii. Third Year (2026) Credit Delivery: \$1,500,000
- b. Adjusters:
 - i. Basis Adjuster Factor: \$0.90
 - ii. Downward Timing Adjuster Factor: \$0.60

V. RESERVES/GUARANTEES

- a. Replacement Reserve: \$350 per unit per year, which amount is subject to final underwriting.
- b. Operating Reserve: \$270,000.
- c. Completion Guaranty: Unlimited through Stabilization
- d. Operating Deficit Guaranty: Capped at 12 months of Operating Expenses, Replacement Reserves and Debt Service for 5 years following Stabilization.
- e. Tax Credit Guaranty: Unlimited through the compliance period.
- f. Other: Repurchase, Environmental, Section 8: As further described in the Partnership Agreement.

VI. DEVELOPER FEE

- a. Estimated Development Fee: \$1,500,000.
- b. Cash Developer Fee: \$1,161,050.
 - i. 30% of the non-deferred fee at Initial Closing.
 - ii. 25% of the non-deferred fee at the Completion Capital Contribution.
 - iii. 40% of the non-deferred fee at the Stabilization Capital Contribution.
 - iv. 5% of the non-deferred fee at the 8609 Capital Contribution.
- c. Deferred Developer Fee:
 - i. If necessary, part of the development fee will be deferred beyond the date of the Berkadia Fund's final capital contribution installment, without interest, and shall be paid in accordance with the terms of allocations of Cash From Operations and Cash from Sale or Refinancing. The General Partners agree that to the extent any deferred development fee has not been repaid from cash flow at the end of twelve (12) years from the date the property is placed in service (or at the time of removal of the General Partners), they will contribute sufficient capital so that the Partnership can pay any amount of the deferred fee outstanding at that time.



Community Development and Tenant Services

Community Development and Tenant Services

In order to ensure the ongoing success of 121 E. Catherine, Michaels proposes working arm in arm with AAHC and First Martin to coordinate a robust community engagement strategy. This strategy will build on the City's Community Engagement Process that took place between 2019 and 2021. Michaels understands that the success of any development rests on more than just building the physical structure. It is not enough to create beautiful communities without a framework for meaningful social engagement in place.

Because Michaels expects to have an ongoing stake in the operations of the building, there is a built-in incentive for us to create meaningful community engagement strategies, from planning through operations. We see several opportunities to engage with the broader community around this development:

- Plan Review – community meetings will be held to update neighborhood stakeholders on building design.
- MBE/WBE contractor outreach – our selected general contractor will hold outreach meetings with the subcontracting community to generate interest among minority-owned contracting firms.
- Section 3 hiring outreach – the development team will make contact with churches and not-for-profit organizations to identify individuals for section 3 hiring opportunities.
- Mural development – the Ann Arbor Art Center, through its A2AC Murals effort, will be engaged to develop a mural that reflects the neighborhood's rich African-American history. We expect that a collaborative effort between the development team and the A2AC will result in a community-based planning process for a mural.
- Gardening – We've attempted to identify a gardening partner for this project, to assist tenants with raised bed gardening with limited success. We expect that with the assistance of the Farmer's Market, we might be able to tap into a volunteer who could help tenants with planting, tending and harvesting the second-floor gardens.
- Connecting with Ann Arbor's volunteer community – Ann Arbor has a large volunteer community that could be engaged to participate in events at the Catherine Street development, ranging from movie nights to gardening to ESL classes.
- Social Services – an on-site part-time social service coordinator will be able to cultivate connections to the broader Ann Arbor community.



Community Space

Adjacent to Kerrytown, the Ann Arbor Farmers Market, Community High School, Braun Court and the north end of Downtown Ann Arbor, 121 E. Catherine will be a high-profile development that will require ongoing engagement with the community. In addition to the pre-construction and the mural

engagement processes noted above, ongoing community and resident-based activities will be offered in the building itself to encourage community engagement. We've envisioned the first floor accommodating a variety of uses including:

- Parking
- Trash
- Back of House/Mechanical
- Elevator lobby
- Mail/Package
- Property Management
- Indoor bike storage
- Fitness/Yoga
- Community Room (multi-purpose)

The community room will be accessible from both the interior of the building and from Catherine Street so it can be used by residents exclusively or by the community at large. The room will include a warming kitchen and storage for tables and chairs to allow for flexibility of use. We envision events such as recycling education, food distribution, mural design, community meetings and more taking place in this space. Care will be taken relating to first floor design and signage relating to this space to call it out as a broader community amenity.



City Gardens multi-purpose room



Savoy Square community room mural

Tenant Services

As an amenity-rich development, tenants of 121 E. Catherine will be able to take advantage of the options on site, including a fitness center/yoga studio, a rooftop patio, and raised-bed garden plots. On-site property management staff will provide leasing and maintenance services to the building's residents.

In order to fully serve the supportive housing units on site, we propose providing social services to these tenants by a service partner, either Better Tomorrows or another locally-based provider. Better Tomorrows works with Michaels nationally to address service needs of our residents, ranging from very low-income individuals to seniors to families. Better Tomorrows crafts custom service plans for each property to include economic stability, healthy lifestyles, educational success and job readiness. Community-based linkages are critical in providing the support needed by vulnerable low-income

populations. We propose funding a ½ time social service staffer with funds from the operating budget, provided this is allowable per MSHDA underwriting guidelines. We also understand that social service funding may be available from Ann Arbor Affordable Housing Millage funding, which would allow us to raise social service funding outside of the project’s operating budget.

Community Engagement

Michaels and First Martin understand that the development of affordable housing is a key priority for the City of Ann Arbor. We will work collaboratively with the Ann Arbor Housing Commission to establish a series of meetings with community stakeholders around the design and development process. The team’s planning and design process typically begins with a conceptual site plan which can be modified to incorporate the goals articulated by our government partners, local community groups, engaged community stakeholders, and local elected officials based on meaningful input. We’d expect to hold a preliminary planning meeting to present the building and the proposed site plan in early 2022, following selection and procurement of a design team. We also would plan meetings with relevant City Council members and governmental officials at this stage to get feedback on preliminary design and site access. Given the site’s proximity to Kerrytown and the Farmer’s Market, we expect that parking and ingress/egress issues will be front and center to any conversation relating to the development. As part of the zoning process, we expect to follow Planning Department requirements relating to community engagement, which would, at a minimum, require two community meetings and notification to neighbors. First Martin’s experience in moving this sort of process forward on previous projects will allow the development team to move through this process expeditiously.



Our Approach to Community Outreach

Our process would observe best practices and generally work within the following guidelines:

- Identify and convene major stakeholders.
- Communicate with stakeholders often and honestly.
- Lay out a transparent, public input process that has an ending date.
- Keep project goals and timelines in focus, but maintain flexibility.
- Don’t overpromise, be committed to agreements made.
- Cultivate influential advocates — persons and organizations that will visibly and vocally support project goals and tend to isolate opponents.
- Maintain a strong positive social media presence.

Community Outreach Plan

Our community outreach will start early and will have constant touch points as needed to ensure the project progresses on schedule. Our community outreach is built on four key elements:

1. Establish a Community Engagement Plan with AAHC and the City of Ann Arbor
2. Integrate the AAHC/City of Ann Arbor's role(s) and resources
3. Work with adjacent neighbors and City stakeholders
4. Understand site specific issues early

Artistic Element

We plan to engage the Ann Arbor Art Center in the development of a mural that will draw on the community's African-American history. We've had discussions with Marie Klopf, President and CEO of the A2AC, who has expressed an interest in collaborating on this important project. We envision a community-based planning process around the development of the mural that would include the artist, activists and community stakeholders in the design process. Michaels has an extensive history of this type of work in Chicago, partnering with an organization named archi-treasures. Archi-treasures creates community-focused art in a variety of formats with community-led planning at its center. We expect to bring this type of planning and execution to our work with A2AC.





Design and Performance

Proposed Development Concept

Overview

Michaels Development and First Martin envision the redevelopment of 121 E. Catherine as an opportunity for the City of Ann Arbor to showcase its leadership in sustainability, affordable housing, and transit-oriented development. This is a rare opportunity for a municipality to guide a transformational project from concept to completion. Michaels envisions partnering with the Ann Arbor Housing Commission on this development that will provide both front-end and back-end financial benefits to the Authority as well as lasting public benefits to the City of Ann Arbor.

Key development concepts included in this proposal are:

- **Spectacular Design:** We have elected to submit this RFP without an architect so as to allow the development team (AAHC, First Martin, Michaels) to select a design team together. As a team, we will select an architect with visionary design skills, able to create a dense, urban mid-rise that will serve as a gateway to Kerrytown.
- **Intentionality:** We've laid out a financing and ownership structure that will align the project with the Michigan State Housing Development Authority's 9% tax credit funding system, including location, amenities and other scoring components. MSHDA's Qualified Allocation Plan (QAP) changed slightly for 2022-23, and our plan addresses these proposed changes.
- **Climate and Resiliency:** The development proposal follows the principles established in the City of Ann Arbor's Living Carbon Neutrality Plan (April 2020), with the implementation of community-based solar, an all-electric building, improved energy efficiency, prioritized non-motorized transportation (bike storage), a composting program, and utilizing sustainable materials in the development of the building.
- **Net Zero Energy Building:** In addition to the green standards identified in MSHDA's Green Policy, we are proposing a net zero energy building with photovoltaic panels on the building roof, 40% glass maximum, heavily insulated walls, high performance windows, a dedicated outdoor air system with energy recovery ventilation and potentially a geothermal system with high-performing heat pumps.
- **Ongoing relationships with Ann Arbor's not-for-profit community:** If awarded the project, we expect to engage with the surrounding community as well as the Ann Arbor not-for-profit community. The community room at the first floor has been designed to accommodate meetings and educational activities for use by organizations like this.
- **Inclusionary Mural:** We propose working with the Ann Arbor Art Center to develop a mural on the building that pays homage to the neighborhood's 20th Century African-American history.

Development Project Narrative

Our development plan focuses around creating a 100% affordable housing development that will be designed as a net zero energy building. We are keenly aware of the 55' height limitation on non-high-rise construction in Ann Arbor. We will achieve this by creating a financeable development that utilizes funding sources currently available in Michigan/Ann Arbor, including 9% Low-Income Housing Tax Credits, a first mortgage, soft funding the City of Ann Arbor and the DDA, the Federal Home Loan Bank's Affordable Housing Program. More information on the development's proposed financing structure can be found in Section B, Financing and Affordability.

Building Design

While not currently designed beyond a test fit for the site, we expect 121 E. Catherine to be a five-story modern/transitional building with a masonry, siding and panel façade. The first floor will be a combination of parking, community-facing spaces (management office, community room, fitness room)

and back of house functions for the apartment building (trash/composting, mechanical). Despite the plan to pursue a net-zero energy building, we expect that the building will contain large windows to provide natural light and fresh air opportunities for tenants. The base of the building will be clad in masonry or another durable material to present a solid base to the community. An amenity deck for building residents is planned over the surface parking, with outdoor seating and raised bed planters. Given Ann Arbor’s high-rise code, we expect the building to be five stories with four residential stories over a first-floor podium with residential spaces formed around an L-shaped double loaded corridor building. Units will be open plan in nature with upscale and durable finishes.

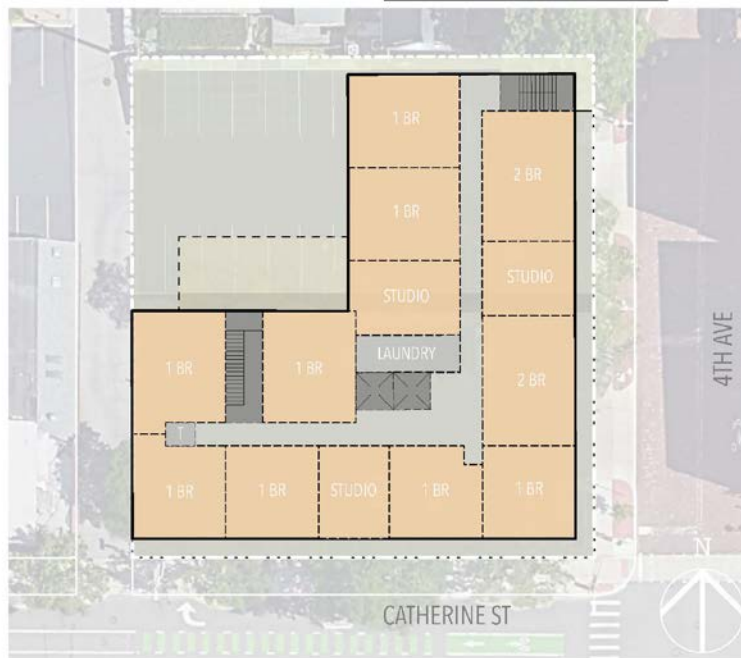
SITE/GROUND FLOOR PLAN



The above plan, schematic in nature, takes advantage of the alley to maximize parking while also providing sufficient ground floor space to fully amenitize the development. Both Catherine Street and 4th Avenue have full glazing to provide a commercial feel to the building. A landscaping screen wall screens the parking from 4th Avenue to west.



2ND & 3RD FLOOR PLAN



4TH & 5TH FLOOR PLAN

Site

We anticipate using the site identified in the RFP, with the first-floor section of the building facing Catherine Street. We will work closely with the City of Ann Arbor to address parking loading, which will likely be from the alley west of the site. Some sort of first floor screening will wrap the first floor at the

4th Avenue side of the site, below the residential portion of the building, to screen the surface parking. It is likely that storm detention will be constructed below the parking lot. A lot of approximately 23 parking spaces is proposed for the development, including electric vehicle charging stations and handicap accessible spaces. Michaels and First Martin expect that parking will be the biggest challenge in getting the development entitled/permitted, given existing parking-related challenges at Kerrytown, Zingerman's and Braun Court. The siting of the building will likely require a setback to address the rear of Braun Court buildings.



Precedent Image: Permeable Pavers as storm detention system

Landscaping

Designed to meet Ann Arbor's landscaping ordinance as well as sustainability goals, the property will utilize multiple areas for green space, given the site's tight configuration. At both street sides of the building, parkway trees will be planted to assist with neighborhood shading. These parkways will be designed as "no mow" areas consisting of hearty native perennials. Wherever possible, we will design and plant "pollinator gardens" for area bees and butterflies. Educational signage will be installed to educate tenants to the importance of native plantings and the pollinator population. Large raised bed planters on the second-floor terrace will be situated to take advantage of southern and western exposure to allow for tenant gardening. Gardening equipment and a water source will be provided to tenants to encourage their use of this space.



Precedent Image: Rooftop garden

Building Interior

Our plan for building's interior will likely includes the following features:

- Open lobby space with comfortable seating
- Contemporary lighting, artwork and flooring

- On-site management and leasing office
- Secure interior and exterior bike parking
- Trash chute and trash room
- Recycling and composting room
- Package room to allow for secure package delivery
- A multi-purpose community room that can be used by tenants for gatherings/activities as well as local events and trainings.
- Two elevators
- Two sets of stairs, one positioned adjacent to the entry lobby to encourage walking
- A fitness room with 3-4 pieces of cardiovascular equipment and a yoga/stretching room
- Large, open plan units with large windows
- Energy Star qualified appliances and LED lighting package
- Handicap accessible and adaptable units to allow for multi-generational housing
- CCTV coverage and access control systems at building entries to assist with security



Precedent image: welcoming lobby

Zoning Strategy

We understand that the existing properties are currently zoned D2 with a larger Kerrytown overlay. In order to conform to this zoning, the proposed building will be designed with a streetwall height of two stories and a maximum height of 60 feet. Additional stories beyond the first three will be stepped back to allow for light and air circulation to the existing Braun Court buildings and other adjacent parcels. The proposed building will be designed to meet setback standards and design requirements for façade materials and windows. The proposed development will be within the allowed maximum floor area ratio of 400% with premiums for affordable housing. The maximum building coverage will be limited to 80%, with a minimum of 10% of the site provided as open space. Electric vehicle parking will be offered on-site and will include EV-Installed, EV-Ready, and EV-Capable spaces in conformance with current ordinance requirements. Bicycle parking will also be provided consistent with uses and code. All proposed site and exterior building lighting will meet the requirements of the current outdoor lighting ordinance. On-site and streetscape landscaping will be designed to meet or exceed City requirements and be compatible with the character of the surrounding parcels and streetscape. Variance requests for zoning modifications may be considered and/or required.

Innovative and Efficient Construction Techniques

Michaels and First Martin understand that building in Ann Arbor can be costly in general. This site's location and the proposed building's density will make the building a very expensive building to construct. However, we will explore all options to reduce construction costs by First and foremost, we expect to design a building that is below 55' in height, to avoid triggering high rise code. We are open to

exploring a taller building with more units, but expect that the additional costs will be challenging to finance. As a double-loaded corridor building, this structure will be fairly efficient in general. We expect to implement the following cost-containment strategies during the design phase:

- Panelized construction for floors 2-5
- Stacked units
- Common washers/dryers
- Strategic use of expensive exterior materials (brick and panels)
- General Contractor procured early to assist with design
- Efficient structural system to allow for minimal removal of site spoils

Green and Sustainable Design

The City of Ann Arbor's Living Carbon Neutrality Plan (April 2020) will guide the development team's approach to sustainability. This plan sets out ambitious goals to achieve carbon neutrality, increase clean and renewable electricity and move to zero waste. 121 E. Catherine will honor the guiding principles of the plan by implementing the following strategies:

- Net zero building (likely PHIUS certified)
- Ongoing monitoring of energy usage
- Minimal construction waste
- Transit-oriented development with secure bike parking and electric vehicle charging stations
- Add to the urban canopy and expand native vegetation with tree planting, native plantings and a pollinator garden. Implement an aggressive stormwater management strategy.
- Ongoing education and training
- Reduce water consumption/waste
- Create building and people resiliency strategies (i.e. cooling station, water and bathroom availability, backup power, emergency action plan)



Precedent Images: Rooftop Solar Panels

A net zero building typically includes photovoltaic panels, 40% glass maximum, heavily insulated walls, high performance windows, a dedicated outdoor air system with energy recovery ventilation and potentially a geothermal system with high-performing heat pumps. We expect to utilize the service of a sustainability consultant to assist with the complicated design efforts required for net zero.

Michaels has extensive experience working with a variety of certification programs. In Chicago alone, we've certified buildings using Enterprise Green Communities, Green Globes, LEED and National Green Building Standards. We recently completed a project with UC Davis (The Green at West Village) that has a goal of 100 percent zero net energy for its 3,300 beds.



Attachments

FORM 1	CONTENTS	YES	NO
TAB A	DEVELOPMENT INTRODUCTION		
	Form 1 – Completeness Checklist	X	
	Respondent’s Cover Letter	X	
	Project Narrative / Development Summary	X	
	List 3 references including at least 1 municipal reference, and 1 financial institution	X	
TAB B	PROFESSIONAL EXPERIENCE		
	Co-developer Respondent Description	X	
	Development Team Experience and Capacity	X	
	Development Plan	X	
	Partnership Structure	X	
TAB C	FINANCING AND AFFORDABILITY		
	Financing Narrative	X	
TAB D	COMMUNITY DEVELOPMENT & TENANT SERVICES		
	Community Space	X	
	Tenant Services	X	
	Community Engagement	X	
TAB E	DESIGN AND PERFORMANCE		
	Design Narrative	X	
	Zoning Strategy, Site Planning, and Building Massing	X	
	Innovation in Construction, Efficiency, and Sustainability	X	
	Green and Sustainable Design	X	
TAB F	ATTACHMENTS		
	Attachment B - Legal Status of Offeror		
	Attachment C – Non-Discrimination Ordinance Declaration of Compliance Form		
	Attachment D – Living Wage Declaration of Compliance Form		
	Attachment E – Vendor Conflict of Interest Disclosure Form		

ATTACHMENT B
LEGAL STATUS OF OFFEROR

(The Respondent shall fill out the provision and strike out the remaining ones.)

The Respondent is:

- ~~• A corporation organized and doing business under the laws of the state of _____, for whom _____ bearing the office title of _____, whose signature is affixed to this proposal, is authorized to execute contracts on behalf of respondent.*~~

*If not incorporated in Michigan, please attach the corporation's Certificate of Authority

- ~~• A limited liability company doing business under the laws of the State of _____, whom _____ bearing the title of _____, whose signature is affixed to this proposal, is authorized to execute contract on behalf of the LLC.~~
- A partnership organized under the laws of the State of New Jersey and filed with the County of Camden, whose members are (attach list including street and mailing address for each.)
- ~~• An individual, whose signature with address, is affixed to this RFP.~~

Respondent has examined the basic requirements of this RFP and its scope of services, including all Addendum (if applicable) and hereby agrees to offer the services as specified in the RFP.

Date: November 12, 2021

Signature

(Print) Name John J. O'Donnell Title President

Firm: The Michaels Development Company I, L.P.

Address: 2 Cooper Street, Camden, NJ 08102

Contact Phone Greg Olson - 312-455-0502 Fax _____

Email golson@tmo.com

Attachment B – Legal Status of Offeror

Members of The Michaels Development Company I, L.P.

% of Ownership	Name of Member	Address	Ownership Details
51% General Partner	The Michaels Development Holding Company, LLC	2 Cooper Street Camden, NJ 08102	Michael J. Levitt Revocable Trust (same address) is 100% Owner of The Michaels Development Holding Company, LLC and Michael J. Levitt is grantor and Trustee.
49% Limited Partner	Michaels Lifting Lives, LLC	2 Cooper Street Camden, NJ 08102	MLL-JOD LLC – 68% (Owned 100% by John J. O’Donnell Mark Morgan – 11% Joseph Purcell – 11% Kimberlee Schreiber – 5% Joseph Coyle – 5% Address for members listed above is 2 Cooper Street, Camden, NJ 08102

ATTACHMENT C
CITY OF ANN ARBOR DECLARATION OF COMPLIANCE

Non-Discrimination Ordinance

The "non discrimination by city contractors" provision of the City of Ann Arbor Non-Discrimination Ordinance (Ann Arbor City Code Chapter 112, Section 9:158) requires all contractors proposing to do business with the City to treat employees in a manner which provides equal employment opportunity and does not discriminate against any of their employees, any City employee working with them, or any applicant for employment on the basis of actual or perceived age, arrest record, color, disability, educational association, familial status, family responsibilities, gender expression, gender identity, genetic information, height, HIV status, marital status, national origin, political beliefs, race, religion, sex, sexual orientation, source of income, veteran status, victim of domestic violence or stalking, or weight. It also requires that the contractors include a similar provision in all subcontracts that they execute for City work or programs.

In addition the City Non-Discrimination Ordinance requires that all contractors proposing to do business with the City of Ann Arbor must satisfy the contract compliance administrative policy adopted by the City Administrator. A copy of that policy may be obtained from the Purchasing Manager

The Contractor agrees:

- (a) To comply with the terms of the City of Ann Arbor's Non-Discrimination Ordinance and contract compliance administrative policy.
- (b) To post the City of Ann Arbor's Non-Discrimination Ordinance Notice in every work place or other location in which employees or other persons are contracted to provide services under a contract with the City.
- (c) To provide documentation within the specified time frame in connection with any workforce verification, compliance review or complaint investigation.
- (d) To permit access to employees and work sites to City representatives for the purposes of monitoring compliance, or investigating complaints of non-compliance.

The undersigned states that he/she has the requisite authority to act on behalf of his/her employer in these matters and has offered to provide the services in accordance with the terms of the Ann Arbor Non-Discrimination Ordinance. The undersigned certifies that he/she has read and is familiar with the terms of the Non-Discrimination Ordinance, obligates the Contractor to those terms and acknowledges that if his/her employer is found to be in violation of Ordinance it may be subject to civil penalties and termination of the awarded contract.

The Michaels Development Company I, L.P.

Company Name

 _____ 11/12/21

Signature of Authorized Representative Date

John J. O'Donnell, President *

Print Name and Title

2 Cooper Street, Camden, NJ 08102

Address, City, State, Zip

856-596-0500 / jodonnell@tmo.com

Phone/Email address

Questions about the Notice or the City Administrative Policy, Please contact:
Procurement Office of the City of Ann Arbor
(734) 794-6500

Revised 3/31/15 Rev. 0

NDO-2

* Primary Contact: Greg Olson, Regional Vice President
542 S. Dearborn Street, Suite 800
Chicago, IL 60605
Phone: 312-455-0502 / golson@tmo.com

ATTACHMENT D
CITY OF ANN ARBOR
LIVING WAGE ORDINANCE DECLARATION OF COMPLIANCE

The Ann Arbor Living Wage Ordinance (Section 1:811-1:821 of Chapter 23 of Title I of the Code) requires that an employer who is (a) a contractor providing services to or for the City for a value greater than \$10,000 for any twelve-month contract term, or (b) a recipient of federal, state, or local grant funding administered by the City for a value greater than \$10,000, or (c) a recipient of financial assistance awarded by the City for a value greater than \$10,000, shall pay its employees a prescribed minimum level of compensation (i.e., Living Wage) for the time those employees perform work on the contract or in connection with the grant or financial assistance. The Living Wage must be paid to these employees for the length of the contract/program.

Companies employing fewer than 5 persons and non-profits employing fewer than 10 persons are exempt from compliance with the Living Wage Ordinance. If this exemption applies to your company/non-profit agency please check here No. of employees__

The Contractor or Grantee agrees:

- (a) To pay each of its employees whose wage level is not required to comply with federal, state or local prevailing wage law, for work covered or funded by a contract with or grant from the City, no less than the Living Wage. The current Living Wage is defined as \$14.05/hour for those employers that provide employee health care (as defined in the Ordinance at Section 1:815 Sec. 1 (a)), or no less than \$15.66/hour for those employers that do not provide health care. The Contractor or Grantor understands that the Living Wage is adjusted and established annually on April 30 in accordance with the Ordinance and covered employers shall be required to pay the adjusted amount thereafter to be in compliance with Section 1:815(3).

Check the applicable box below which applies to your workforce

Employees who are assigned to any covered City contract/grant will be paid at or above the applicable living wage without health benefits

Employees who are assigned to any covered City contract/grant will be paid at or above the applicable living wage with health benefits **

- (b) To post a notice approved by the City regarding the applicability of the Living Wage Ordinance in every work place or other location in which employees or other persons contracting for employment are working.
- (c) To provide to the City payroll records or other documentation within ten (10) business days from the receipt of a request by the City.
- (d) To permit access to work sites to City representatives for the purposes of monitoring compliance and investigating complaints or non-compliance.
- (e) To take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee covered by the Living Wage Ordinance or any person contracted for employment and covered by the Living Wage Ordinance in order to pay the living wage required by the Living Wage Ordinance.

The undersigned states that he/she has the requisite authority to act on behalf of his/her employer in these matters and has offered to provide the services or agrees to accept financial assistance in accordance with the terms of the Living Wage Ordinance. The undersigned certifies that he/she has read and is familiar with the terms of the Living Wage Ordinance, obligates the Employer/Grantee to those terms and acknowledges that if his/her employer is found to be in violation of Ordinance it may be subject to civil penalties and termination of the awarded contract or grant of financial assistance.

The Michaels Development Company I, L.P.	2 Cooper Street
Company Name	Street Address
	Camden, NJ 08102
Signature of Authorized Representative	City, State, Zip
John J. O'Donnell, President *	856-596-0500 - jodonnell@tmo.com
Print Name and Title	Phone/Email address

City of Ann Arbor Procurement Office, 734/794-6500, procurement@a2gov.org Rev. 3/9/21

* Primary Contact: Greg Olson, Regional Vice President
 542 S Dearborn Street, Suite 800
 Chicago, IL 60605
 Phone: 312-455-0502 / golson@tmo.com

** If awarded, a single purpose entity will be formed specifically for this development. The Michaels Organization offers salaries at or above living wage and health insurance benefits for full time employees and at or above living wage, without health insurance, for part-time employees



ATTACHMENT E

VENDOR CONFLICT OF INTEREST DISCLOSURE FORM

All vendors interested in conducting business with the City of Ann Arbor must complete and return the Vendor Conflict of Interest Disclosure Form in order to be eligible to be awarded a contract. Please note that all vendors are subject to comply with the City of Ann Arbor's conflict of interest policies as stated within the certification section below.

If a vendor has a relationship with a City of Ann Arbor official or employee, an immediate family member of a City of Ann Arbor official or employee, the vendor shall disclose the information required below.

1. No City official or employee or City employee's immediate family member has an ownership interest in vendor's company or is deriving personal financial gain from this contract.
2. No retired or separated City official or employee who has been retired or separated from the City for less than one (1) year has an ownership interest in vendor's Company.
3. No City employee is contemporaneously employed or prospectively to be employed with the vendor.
4. Vendor hereby declares it has not and will not provide gifts or hospitality of any dollar value or any other gratuities to any City employee or elected official to obtain or maintain a contract.
5. Please note any exceptions below:

Conflict of Interest Disclosure*	
Name of City of Ann Arbor employees, elected officials or immediate family members with whom there may be a potential conflict of interest.	<input type="checkbox"/> Relationship to employee <hr/> <input type="checkbox"/> Interest in vendor's company <input type="checkbox"/> Other (please describe in box below)
Not Applicable	

*Disclosing a potential conflict of interest does not disqualify vendors. In the event vendors do not disclose potential conflicts of interest and they are detected by the City, vendor will be exempt from doing business with the City.

I certify that this Conflict of Interest Disclosure has been examined by me and that its contents are true and correct to my knowledge and belief and I have the authority to so certify on behalf of the Vendor by my signature below:		
The Michaels Development Company I, L.P.	856-596-0500	
Vendor Name	Vendor Phone Number	
	11/12/21	John J. O'Donnell, President *
Signature of Vendor Authorized Representative	Date	Printed Name of Vendor Authorized Representative

Questions about this form? Contact Procurement Office City of Ann Arbor Phone: 734/794-6500, procurement@a2gov.org



Michaels

COMMUNITIES THAT *lift* LIVES

COMPANY OVERVIEW

About Us



The Michaels Organization

ABOUT US

THE WORLD IS A BETTER PLACE TO LIVE WHEREVER WE BUILD AND MANAGE IT

The Michaels Organization has been creating a legacy for more than four decades that can be summed up in one powerful phrase: "The World is a Better Place to Live Wherever we Build and Manage it."

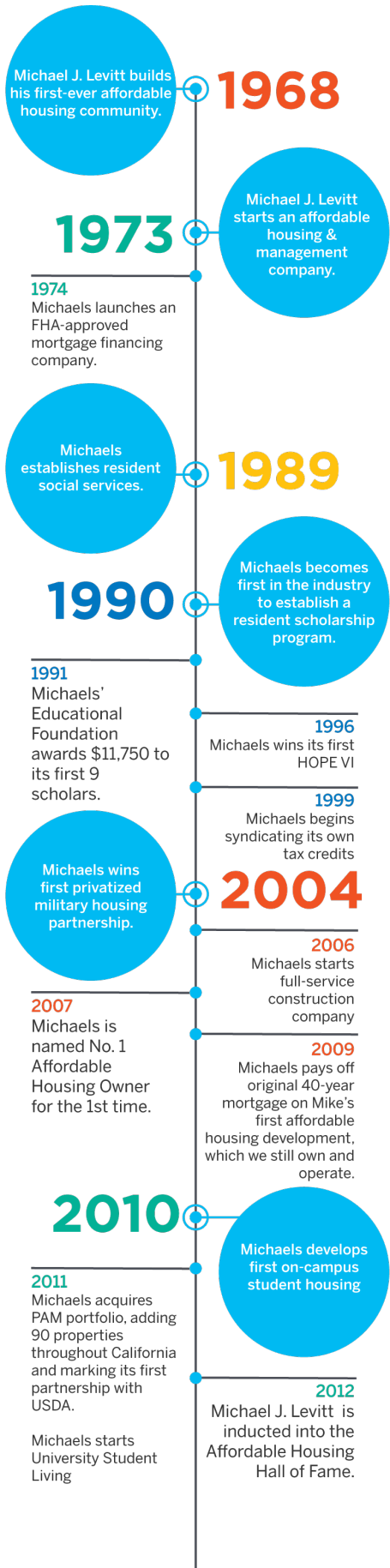
At Michaels, we are continually striving toward a better future for our residents, the communities where they live, our partners, and our team. Through the years, our organization has grown and thrived and led innovation in every sector of residential real estate, but one thing has remained constant: our commitment to crafting development solutions for our partners and our dedication to creating communities that lift lives.

Creating communities that lift lives is a big promise, one that demands doing the extraordinary every day. And that's what we do. Every day. We know that our student housing residents are the nation's future leaders who need an extraordinary living environment where they can grow and learn and nurture their dreams and ambitions. We know that the service members whose families live in our housing cannot be worried about whether their families are being taken care of, especially when they are deployed to danger zones around the world. And, we also know that having access to high-quality well-managed affordable housing is the best chance families of limited means have for ensuring their children's future success.

It is said "home is where your story begins." Michaels has been privileged to be where thousands of stories begin.

BROAD-BASED CAPABILITIES

Michaels as the premier owner, operator and developer of multifamily housing in the country. We are the only national developer, owner and operator--private or public--who can truly solve all of a cities' housing needs. From deep subsidy public housing, tax credit, workforce, student and high-end market, we do it all.



NATIONAL STRENGTH, LOCAL EXPERTISE

We provide the strength and resources of a national firm, but are deeply rooted in each of the communities where we develop, own and manage housing. Our first priority is our residents and maintaining exceptional communities that stand the test of time.

FINANCIAL RESOURCES

Our financial stewardship, strong balance sheet, excellent relationships with both debt and equity providers, and the flexibility to work with a variety of funding mechanisms allow us to determine the best financial approach for our partners' specific needs.

OUR MISSION

We bring comprehensive solutions to communities that *jumpstart* housing, education, civic engagement, and neighborhood prosperity.

It's our priority to create thriving communities to take people to a higher level in every chapter of their lives.

OUR VISION

A Michaels neighborhood is a beautiful, bustling place to call home. It's a *launching pad* for people to move to the next level of their lives.

*We generate long-term value for our residents, communities, employees, partners, and investors.
Our vision is what the world looks like when we do what we do best.*

2013

Michaels' social services department transitions to the independent non-profit organization, Better Tomorrows.

2014

Michaels establishes Riverside Capital LLC, a full-service investment company

2016

Michaels Educational Foundation awards \$604,000 in scholarships

2017

Michaels announces its headquarters will move to Camden, NJ

2018

Riverside Capital LLC, enters a partnership with Berkadia

Michaels Announces New Comprehensive Branding

2019

University Student Living
Prestige Building Company
Interstate Realty Management
begin using the Michaels brand identity.



The Michaels Organization

MICHAELS BY THE NUMBERS



35
States + DC & USVI



425+
Communities



60,000+
Units Managed



55,000+
Units Developed



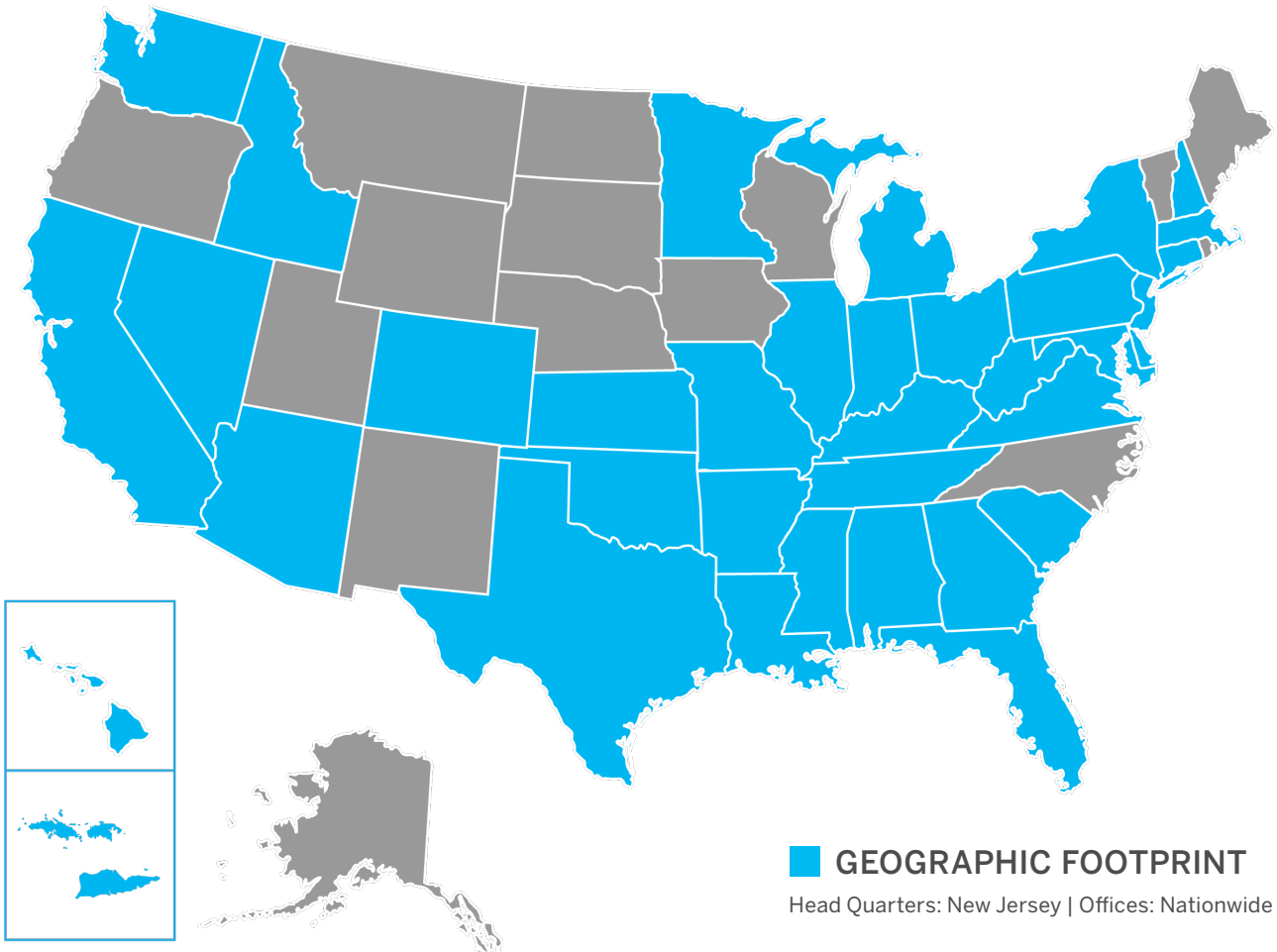
146,000
Residents



\$11 million
In Scholarships



\$2 billion
Pipeline



What We Do



Development

MICHAELS DEVELOPMENT

You can trust your vision to us. From single communities to comprehensive neighborhood revitalizations, Michaels has spent almost five decades crafting viable and financially successful housing solutions.

We work with cities, rural areas, major public universities, the faith community, and others to develop creative solutions to housing challenges, and comfortable living spaces that are knitted into the fabric of the community where residents can thrive.

We offer national strength while embracing local firms as partners who know the community best and who can maximize local job creation. We take an environmentally sound approach to development practices, and we are committed to leading in “green” building techniques that ensure long-term operational savings.

“The Michaels Organization takes on the most challenging developments and delivers consistently; because of its superb talent and commitment from the top, Michaels can do what others find near impossible.”

The Reznick Group



Affordable Living

Our expertise spans the gamut from single tax credit communities to full-scale mixed-income, mixed-financed neighborhood revitalizations.

Student Living

We understand student housing opens the door to opportunity, not just for success today, but for success tomorrow and beyond.

Military Living

Michaels is honored to have developed award-winning homes for families living in privatized military housing.

Luxury Living

We have the talent in place to create versatile, lifestyle-driven communities for a variety of residents.

Management

MICHAELS MANAGEMENT

Serving more than 145,000 residents in 400 communities across 35 states, Michaels Management's top priority is resident satisfaction, while delivering the results that property owners expect: high occupancy levels; top-notch facilities upkeep and maintenance, innovative marketing, and financially sustainable communities. For more than 45 years, Michaels Management has provided outstanding customer service to all residents and has faithfully executed their fiduciary duties to owners.

Michaels Management provides property management services to The Michaels Organization's entire portfolio and fee-manages for other private owners and non-profit organizations. Our experience includes repositioning troubled assets, brand new lease-ups, and developing in-depth resident relocation plans for communities undergoing renovations and redevelopment.

Our services run the gamut of property types from affordable and mixed-income to student, military and luxury communities.

Additionally, Michaels Management has earned the prestigious Accredited Management Company (AMO) designation from the Institute of Real Estate Management, placing it in an elite group (top 1%) of management companies in the country. The designation recognizes Michaels' industry-leading best practices and its commitment to the AMO Code of Ethics

BEST PRACTICES

We implement effective marketing strategies and capital improvement plans to increase performance and maximize value. Combined with our national resources and purchasing power, our management can provide "best in class" services that are cost-effective, increase efficiency, reduce risk, and support an exceptional living environment. Our management teams are organized by regions, with on-site teams reporting to a regional property management and regional vice president.



Our number one goal is to ensure that communities achieve revenue and occupancy goals and generate vital revenue streams. Through competitive analysis and understanding of the specific market, we create a unique brand position that is supported by a customized marketing plan. Our marketing strategy is designed to actively engage future and current residents. We utilize data, metrics, and a schedule of process for acquiring feedback, but the secret ingredient is our talent for understanding how that information reveals the needs and trends that appeal to the specific target market.

COMPLIANCE, MARKETING & TECHNOLOGY

- We offer a sophisticated accounting and management system to ensure financial accountability as well as compliance at our affordable living communities.
- Our average occupancy rate across our portfolio exceeds 95 percent
- We have REAC inspection scores that average above 90 across our affordable living portfolio and we are one of select group of property managers to earn "Community of Quality Awards," for the majority of our affordable apartment communities.
- We continually offer web-based training for our employees through our Michaels Learning Center.
- We have a strategic partnership with the non-profit social services agency Better Tomorrows, which provides supportive services to our affordable living communities, as well as a military family connections program at our military living communities and support for resident life programs at our student living communities.
- Our marketing program includes individualized branded websites featuring resident portals for online applications, rent payments, and maintenance requests as well as real-time availability information.
- Where appropriate, our marketing including sophisticated email campaigns, geo-targeted marketing, and social media.

ABOVE ALL, WE ARE COMMITTED TO LIFTING LIVES

As part of The Michaels Organization, Michaels Management is committed to creating living environments where our residents can thrive. From emergency situations to the ordinary day-to-day, our whole mission is to make the world a better place to live.



Construction

MICHAELS CONSTRUCTION

Michaels Construction has great expertise in all aspects of design-build, plan review and pre-construction services, conceptual budgeting and estimating, general contracting and construction management . Throughout the entire process, we provide the flexibility to meet the ever-shifting demands of complicated projects while delivering the highest quality for the lowest deliverable cost. With a focus on sustainability and cost-containment, Michaels can offer a solid network of vendors, subcontractors, and suppliers with competitive pricing and performance that reduces costs while enhancing production.

Michaels Construction provides a diverse range of services to accommodate the needs and requirements of The Michaels Organization portfolio. These services includes new residential construction and renovation for low / mid / high rise structures, mixed-use development, and affordable / student / military and market rate housing.

Michaels Construction offers the flexibility to meet the expectations and requirements of complicated projects while delivering the highest quality for reasonable dollars. As a result of Michaels Construction's ability to engage in projects at very early stages, the focus on budget control and quality management reap big rewards in successful delivery.

OUR WORK ETHICS

- We have a proven track record and reputation for delivering the highest quality product on time and within or under budget.
- We are committed to supporting and enhancing small business participation, and women and minority inclusion, as well as local hiring for applicable projects.
- We bid all affordable housing projects to meet and exceed MBE requirements.



OUR EXPERIENCE:

Military Housing
Affordable Housing
Student Housing
Senior Housing
Historic Renovations
Asset Preservation/ Rehabilitation
Preconstruction
Project Management
Design Build
Plan Review
Estimating Services

Finance

MICHAELS FINANCE

Michaels Finance capital solutions for affordable, workforce, and student housing are crafted to meet our partners' needs, offering them unparalleled financial strength and flexibility.

Our financial stewardship, strong balance sheet, excellent relationships, and ability to arrange lower cost financing, and to capitalize and preserve our own assets provide our investors with comfort that The Michaels Organization can craft deals that competitively suit their needs. We have a long and successful history of winning tax credit allocations and raising soft funds for affordable living communities.

We also have a proven track record of successful joint ventures partnerships financing off-campus and luxury living market-rate communities.

ON-CAMPUS FINANCING SOLUTIONS

We offer a comprehensive, flexible capital investment program for on-campus housing and related infrastructure and amenities. Our financial solutions consider the university's long-term outlook and objectives for new housing, renovations, and management, and the type of partnership relationship that supports those goals. Based on a thorough assessment of the market, Michaels will work together with our partners to determine the best financial approach and resources to meet our partners' specific needs

ACQUISITIONS

We are always interested in acquiring affordable and workforce properties, portfolios, and platforms. We actively seek assets that can be repositioned for added value.

INVESTMENT MANAGEMENT

We bring intensive due diligence, strong underwriting, and proactive asset and property management to the table, as well as a sound investment strategy for targeted markets across our geographic footprint.



Investing In What Matters

EDUCATIONAL FOUNDATION

GIVING BACK

Our founder and CEO, Michael J. Levitt has embedded in our corporate culture a deep commitment to “giving back.” Foremost in this effort is enhancing educational opportunities for residents in our affordable and military housing communities.

Scholarship recipients receive grants ranging from \$500 to \$10,000, which can be used toward educational expenses at any accredited college, university, or vocational training school in the nation. Scholarships are awarded annually, and students may reapply each year of their education for continuing grants.

Since its founding in 1991, The Michaels Organization Educational Foundation has helped many high achieving, but economically disadvantaged students achieve their dreams of higher education, including many nontraditional and older students, who never had a chance earlier in life to go to college or vocational school.

The scholarships have made it possible for them to earn their degrees, advance their careers, and improve the economic circumstances for themselves and their families.

Foundation funds are raised through the financial support of corporations, companies, families, private trusts and individuals known throughout the Michaels business network. Michael Levitt and his wife Pat Levitt contribute \$2 for every dollar raised by the Foundation.



SCHOLAR HIGHLIGHT



MEET THE SCHOLAR ANGELICA T.

Community: Roosevelt Manor V
City: Camden NJ
University: Rutgers University Camden
Major: Childhood Studies
Minor: Urban Studies

Angelica is going to be a sophomore at Modesto Junior College this upcoming fall. She is working towards obtaining her Associates Degree in Nursing. She became passionate about this career path after her son was diagnosed with Acute Lymphoblastic Leukemia. Angelica is grateful to say that he is now in remission! Angelica has already obtained her Associates Degree in Natural Sciences. After getting her degree in nursing she hopes to work in a hospital while simultaneously earning her Bachelors of Science in Nursing. Her dream is to one day become a Pediatric Oncology Nurse to help more children like her son.



Michaels

COMMUNITIES THAT *lift* LIVES

P.O. Box 90708 | Camden, NJ 08101
P 856 988-5983 | www.TMO.com

Fee Proposal

Michaels Development Company and First Martin Corporation recognize the value that the City of Ann Arbor and the Ann Arbor Housing Commission bring to the redevelopment of 121 E. Catherine. The development of the existing surface parking lot into affordable housing will generate both tangible and intangible benefits to the City of Ann Arbor and the Ann Arbor Housing Commission. Below is an overview of some of those proposed benefits:

Benefits to the City of Ann Arbor

We project and commit to the following benefits to the City of Evanston as a result of the 121 E. Catherine development:

- Evidence of strong municipal leadership relating to sustainability and affordable housing
- Net Zero multi-family development
- 52 units of affordable housing in a desirable downtown location
- Community room accessible to Ann Arbor not-for-profits and community groups
- Additional downtown density and workforce housing

Benefits to the Ann Arbor Housing Commission

We project and commit to the following benefits to the Ann Arbor Housing Commission as a result of the 121 E. Catherine development:

- Co-owner (51%) and co-developer (30%) of the project
- 10 units of Section 8 HAP contract for AAHC tenants
- Developer Fee currently modeled at 30% of total developer fee (\$450,000 realized)
- Right of first refusal to own the development in Year 15 if desired
- Ability to purchase Michaels and First Martin membership interests at a set time frame

Below is a fee proposal for a more traditional development structure (i.e. in which Michaels is in the ownership structure through the expiration of the operating deficit guarantee or through the 15 year preliminary compliance period).

Proposed Developer Fee

	AAHC	First Martin	Michaels	Total
Closing (6/23)	\$135,000	\$22,500	\$292,500	\$450,000
Construction Completion (9/24)	\$112,500	\$18,750	\$243,750	\$375,000
Perm. Loan Conversion (9/25)	\$180,000	\$30,000	\$390,000	\$600,000
8609 (3/26 or earlier)	\$22,500	\$3,750	\$48,750	\$75,000
TOTAL	\$450,000	\$75,000	\$975,000	\$1,500,000

In addition to the developer fee, we are currently underwriting a payment of \$500,000 for the land sale payable to the City of Ann Arbor or the Ann Arbor Housing Commission. This payment could be removed from the transaction in order to lower the amount of soft funding required. The total payment to the AAHC, including land, is currently underwritten at \$950,000.

Cash Flow

We propose making cash flow payments to the Ann Arbor Housing Commission or the City of Ann Arbor for its contribution of soft funding to the development and based on the AAHC's percentage of ownership. We've currently underwritten 20% of the cash flow as payment toward the soft funding. Over the 15-year tax-credit period, this totals \$44,888 based on the existing project budget. An additional \$68,678 (51%) of the project's projected \$134,663 in cash flow would also be available to the AAHC as co-owner of the development. Below is a snapshot of the project's potential cash flow as currently underwritten.

CASH FLOW WATERFALL																
Project No. 2000000000	12/1/2021		12/31/2021		12/31/2022		12/31/2023		12/31/2024		12/31/2025		12/31/2026		12/31/2027	
Project No. 2000000000	(127,552)	(1,492,711)														
LOANS OR CASH FLOW PAYMENT WATERFALL DESCRIPTION																
GSE - Freddie Mac	(24,472)	(1,943,702)	(2,466,800)	(2,990,897)	(3,514,994)	(4,039,091)	(4,563,188)	(5,087,285)	(5,611,382)	(6,135,479)	(6,659,576)	(7,183,673)	(7,707,770)	(8,231,867)	(8,755,964)	(9,280,061)
City of Ann Arbor		5,229	15,284	30,568	45,852	61,136	76,420	91,704	106,988	122,272	137,556	152,840	168,124	183,408	198,692	213,976
City of Ann Arbor - Michigan Family DCI																
NET CASH (Before / After taxes)			18,717	36,254	54,791	73,328	91,865	110,402	128,939	147,476	166,013	184,550	203,087	221,624	240,161	258,698
Operating Reserve																
																2,900

In the event that the Ann Arbor Housing Commission chooses to use Michaels/First Martin as a “turn-key” developer (making construction completion and financial guarantees through 8609), Michaels/First Martin would share 40% of the developer fee with the Ann Arbor Housing Commission. We would expect that the AAHC would buy out Michaels/First Martin at 8609, manage the property and make all operating deficit and ongoing tax-credit guarantees.

Architect Fee

We are currently budgeting \$834,900 for architectural fees, including reimbursables.

General Contractor Fee

Our selected general contractor's fee will be capped at 6% of the subcontractor costs. Overhead will be capped at 2% and general conditions will be capped at 6%.

Property Manager Fee

The property management fee is currently underwritten at 6% of net rental income.