# Historic Cass Corridor

"CCNDC and GDC Revitalizing Detroit's Cass Corridor through Successful Financing and Project Management"

October 17, 2016

CCNDC
BUILDING NEIGHBORHOODS ONE BLOCK AT A TIME
CASS CORRIDOR NEIGHBORHOOD DEVELOPMENT CORPORATION

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# DEVELOPMENT TEAM

CASS CORRIDOR NEIGHBORHOOD DEVELOPMENT CORPORATION -
The Cass Corridor Neighborhood Development Corporation (CCNDC) was established in 1982 and serves to enhance the quality of community life for all residents in the Cass Corridor. We provide the rehabilitation and building of decent, safe and affordable housing; promote economic opportunities for community residents; and foster a spirit of community and mutual support in the neighborhood.

GINOSKO DEVELOPMENT COMPANY -
GDC is a for-profit, minority owned Michigan-based multi-family owner and developer specializing in affordable housing through project-based subsidies, low income housing tax credits and other mixed income financing tools. GDC's portfolio includes more than 2,300 units in 25 apartment communities throughout the Midwest with a capitalized value of over $260 million. GDC has led developments in Michigan, Ohio and Illinois and has created more than $60 million of investment in housing in the City of Detroit alone.

CINNAIRE (Formerly Great Lakes Capital Fund) -
Cinnaire is a full-service community development financial partner that supports community stabilization and economic development by developing and nurturing partnerships with investors and mission-focused organizations. We provide creative loans, investments, and best-in-class services to partners.
**CINN-AIRE:** (cinn) means to progress, advance or move forward; (aire) means caring or thoughtful way.

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# Project Background:

2007 – CCNDC acquired site control

2008 – At closing table with a 4% bond deal, syndicator backed out

2008 – Market crashed

2013 – Market came back once Detroit declared bankruptcy

2013 – Attracted new equity partner

2013 – CCNDC Partnered with Ginosko Development Company for financial capacity purposes due to change in underwriting criteria

2014 – Multi-layered financing package with Federal and state historic, LIHTC, city HOME, Brownfield, AHP, etc.

2014 – After closing, second equity partner backed out, Cinnaire came to the rescue

2014 – Construction commenced

2015 – 1st building, the Davenport, completed and leased up

2015 – Delay on 2nd building rehab due to structural issues, resulting in cost overruns and time extensions

2016 – Additional City HOME money to cover the cost overruns in excess of budgeted contingency, plus net upward basis adjusters despite downward timing adjusters; additional bond proceeds approved to meet the 50% test

2016 – 2nd building, Cass Plaza, placed in service

## Presently – Tenants are moving in, wait list is a mile long

# Before and After
# The Davenport

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# Before and After
# Cass Plaza

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# Before and After
# Cass Plaza

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# Sources & Uses of Funds

| SOURCES: | |
|---|---|
| City of Detroit HOME | $5,290,500 |
| Additional City HOME | 507,000 |
| Dearborn Federal Savings AHP | 500,000 |
| Midtown Detroit Preservation Fund | 500,000 |
| Wayne County HOME | 150,000 |
| DEGC/ESIC Energy Funds – non-profit loan | 50,000 |
| Smart Grant – non-profit loan | 184,500 |
| Brownfield tax credits – non-profit loan | 1,015,000 |
| LIHTC Equity | 5,116,000 |
| Federal Historic Equity | 2,510,000 |
| State Historic Monetized – non-profit loan | 686,500 |
| Enhanced State Historic Monetized – non-profit loan | 300,000 |
| Deferred Developer Fee | 802,000 |
| TOTAL SOURCES | $17,611,500 |

| USES: | |
|---|---|
| Acquisition | $ 330,000 |
| Construction – Rehab | 9,960,000 |
| Construction Contingency (adjusted) | 1,762,000 |
| Professional Fees | 768,000 |
| Legal Fees | 275,000 |
| Construction Interest | 700,000 |
| Other interim construction costs | 325,500 |
| Construction Loan Origination Fees | 311,000 |
| Other soft costs – in basis | 115,000 |
| Syndication, tax credit, monitoring fees | 281,000 |
| Reserves | 284,000 |
| Developer Fee | 2,500,000 |
| TOTAL USES: | $17,611,500 |

| | |
|---|---|
| Construction loan – MSHDA 4% Bonds | $ 8,643,348 |

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# Questions?