

Gesu would like to create a new affordable housing development by converting the Parish Center, formerly the convent, into 17 units of senior housing and combining it with the adjacent land to the East of the building, where an additional 50 units would be built, for a total of 67 units of senior housing. In order to execute this project, we are requesting that the Archdiocese of Detroit transfer the existing building and adjacent land to Gesu, or an affiliated entity controlled by Gesu. Gesu will create a subsidiary LLC to be a development partner and to execute the project. The Gesu entity will consist of five members: Gesu Pastor, Three members of the parish with experience in finance, legal, construction and a member from the University District Council.

Because Gesu does not possess the required development experience and capacity, it is contemplated that the Gesu entity will form a joint venture with the Moten Group (led by Emmett Moten) and MHT Housing, Inc. (led by Van Fox). Both the Moten Group and MHT Housing, Inc. have many years of experience in this type of development, including MHT's prior experience in both affordable housing and in other projects with the Archdiocese of Detroit. The land and building will be acquired from Gesu to be used in the project for a to-be-determined purchase price. The development team will be responsible for all pre-development costs and all financial guarantees required by the different funding partners that will be required to bring the project together. The team of Moten Group and MHT Housing will be responsible for putting the capital stack together.

The financing for the development will primarily involve the use of the 9% Low Income Housing Tax Credit (LIHTC) which the development team will seek from the Michigan State Housing Development Authority (MSHDA). If everything can be assembled in time, the goal would be to submit in MSHDA's October 2023 9% LIHTC round. The development team will also seek a Federal historic tax credit investor (20% Of eligible credits), request funding from the city of Detroit in the form of HOME Funds, Vouchers from Detroit housing commission (used for addition rent subsidies), as well as conventional construction and permanent mortgage loans. This will make up the capital stack for carrying out the project. Developers will be responsible for all pre-development costs and the financial guarantees required. All fees and proceeds will be shared proportionately amongst the three partners (Gesu, Moten Group, MHT Housing). If the 9% LIHTC application is successfully submitted in October 2023, we would project construction start toward the end of 2024. Please note that currently the team is looking at Hobbs and Black Architects and possibly LS Brinker contractors and others that will assist in carrying out the project, though it is possible that other firms could be substituted as future plans are proceed. We thank the Archdiocese for its assistance in making this project possible.