

# Grand River Property

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Prepared by: Lockwood Development Company

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# Our Story

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- Lockwood Companies is one of Michigan's most impactful managers, builders and developers of affordable housing. The companies consist of Lockwood Development Company, Lockwood Management and Lockwood Construction Company.
- Lockwood Management, a full service property management company, was established in May of 2000. Currently, the company manages over 3,100 apartments in 26 diverse Michigan and Ohio communities. Lockwood Management has experienced property managers, specializing in senior-designated and multifamily affordable housing properties. Management staff also includes highly-skilled and experienced maintenance personnel.
- Lockwood Development is a distinguished and proven developer of affordable and market-rate housing properties.
- Lockwood Construction completes all significant rehabilitations and new construction projects that are developed and managed by the company.
- Lockwood is a long-term, committed owner and operator who continually reinvests in its properties.



# Our Mission

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- Our mission at the Lockwood Companies is:
  - To EXCEED resident expectations by providing an exceptional level of service, and amenities at an extraordinary value.
  - To REWARD enthusiastic, competent associates with consideration, compensation, benefits and development opportunities which match the level of service we provide to our residents.
  - To PROVIDE investors with a fair return on investment, superior community standards and performance, and innovative solutions to community challenges and opportunities.
  - To ENHANCE our properties and the communities they are located in.

# Lockwood Development

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- Over the past five years, the following projects have been funded by the Michigan State Housing Development Authority (MSHDA). The funding consists of low income housing tax credits (LIHTC) and MSHDA tax-exempt loans.
- In 2017, Lockwood renovated a 104-unit existing affordable family LIHTC property known as Oakwood Place (formerly Bracken Woods) which is located in Midland. The total project cost was \$10.6 million.
- Lakeshore Village II (96 units – acquisition and rehabilitation - \$14.2 million) and Lakeshore Village III (144 units – new construction - \$25.8 million) were completed in 2018 and 2019.
- The properties have an average occupancy rate of 98%.



# Lockwood Management

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- Lockwood Management Company consists of a housing compliance division, and its manager and staff oversee investors and compliance obligations and guidelines. Our management company consists of regional managers, director of marketing as well as property management staff with certifications in management and highly-trained and experienced maintenance staff.
- Lockwood Management has a long history of successfully managing and operating multifamily and senior living assets. Our experienced team members are dedicated to resident satisfaction and client success.
- A demonstrated understanding of program requirements, lease-up, facilities management, and resident retention practices contribute to the successful operation of multifamily and senior living communities in our portfolio.

# Lakeshore Village (Genoa Township)





# Lockwood Construction

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- Lockwood Construction Company, founded in 1941 by Rodney M. Lockwood as a pioneer of the modern housing industry has become a premier third generation general contractor in multifamily housing. We rely upon our decades of experience in the building of affordable and market-rate multifamily housing, mixed-use projects, senior living and renovations.
  - From initial due diligence to final completion our construction team ensures every step during concept analysis, pre-construction planning and design is handled with foresight and precision. We embrace and apply the best management practices and standards of care necessary to protect and preserve the environments around us and strive to incorporate green building practices wherever possible.
  - Lockwood Construction has successfully completed over 9,000 multifamily and 13,000 single-family homes.
  - The majority of the company's work is MSDHA and/or HUD financed projects requiring expertise with equal employment opportunity plans as well as other federal requirements including Davis-Bacon and Section 3.

# Housing Demand

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- Howell's largest employers (Thomas Plastics, Tribar, PepsiCo and Thai Summit) rely on employees that live outside the surrounding area of Howell. These employees spend on average 32.6 minutes commuting to their employment every day.
- Howell/Livingston County has the lowest unemployment rate in the state of Michigan at 3.0%.
- Housing that caters to the working class of Howell while providing them with a sustainable solution to their 32.6-minute commutes will not only create a healthier community in Howell, but it will allow employers to attract long-term, reliable employees. Ultimately, employee retention will be increased.
- Medical, service, manufacturing, education and government sector workers are in need of workforce housing.



# Livingston County Incomes

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- The proposed apartment community would be made available to households that earn 60% or less of the county area median income. These incomes are noted below per the number of persons per household.

<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>
\$41,940	\$47,940	\$53,940	\$59,880	\$64,680

- Note: The county incomes are effective as of April 1 2021.

# Medical Sector

- Saint Joseph Mercy Hospital
- Licensed Practical & Registered Nurses
- Nurses Aides
- Radiologic technicians
- Assistant Dietitians
- Medical Assistants
- Pharmacy Assistants
- Medical Admissions & Records Clerks
- Coding Specialists
- Lab Personnel
- Maintenance Personnel
- Case Workers and Managers

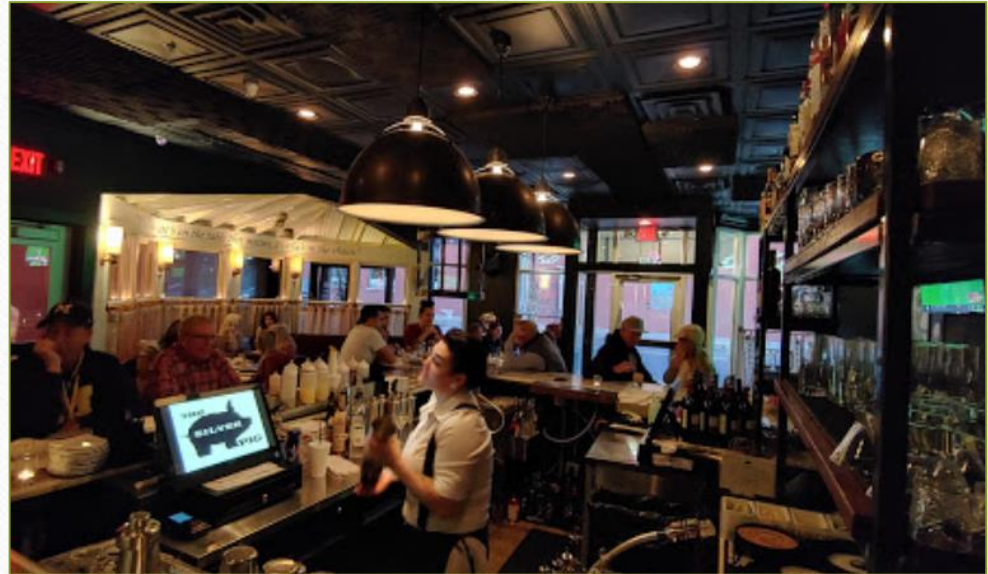


<https://www.stjoeshealth.org/location/st-joseph-mercy-livingston-hospital>



# Service Sector

- The Silver Pig
- Diamonds Steak and Seafood
- Uptown Coffee House
- Coratti's Pizzeria Bar and Bocce
- 2FOG's Pub
- Dragonfly Emporium
- Carriage House Designs
- Waiters, bartenders, managers, clerks and cooks



The Silver Pig [thesilverpig.com](http://thesilverpig.com)

# Education & Governmental Sectors

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- Police Officers
- Fire & EMS Personnel
- Sheriffs Deputies & Corrections Officers
- School Teachers & Assistants
- Bus Drivers & Food Service Personnel
- Day Care Staff
- Administrative and Clerical Personnel





# Manufacturing Sector

- Thai Summit
- PepsiCo Bottling
- Tribar
- Chem-Trend L.P
- Hatch Stamping
- Press Operators, Shipping Assistants
- Maintenance Technicians, Machinists,
- Tool & Die Finishers, Production Associates,
- Assistant Managers & Inventory Positions



Thai Summit Howell, MI

# Project Financing

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- Lockwood Development Company will pursue 9% low income housing tax credit (LIHTC) financing from the Michigan State Housing Development Authority (MSHDA) for a 62-unit apartment community. The next funding round is October 1, 2022. 9% LIHTCs are competitively awarded twice a year by MSHDA.
- Key LIHTC application items needed for optimal scoring include: a) execution of a purchase and sale agreement; b) final site plan approval; c) final rezoning approval; and d) Payment in Lieu of Taxes.
- MSHDA will announce 9% LIHTC tax credit reservations in December of 2022. The closing of project financing is estimated to occur by May of 2023 followed by construction commencement.
- Lockwood estimates a 12 to 15 month construction timeline.



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# Site Plan Approval

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- Lockwood is proposing a total of 62 apartments which consist of the following:
  - 20 - One-bedroom apartments
  - 30 – Two-bedroom apartments
  - 12 – Three-bedroom apartments

*Note: These are estimated amounts and will be finalized during final site plan approvals.*

- A rezoning to RM Multi-family district would be pursued.



# Purchase Offer

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## **Purchase Price & Deposit:**

- The purchase price is \$1 million.

## **Due Diligence Period:**

- Lockwood will complete its due diligence in 365 days. Due diligence includes final site plan approval, obtainment of a payment in lieu of taxes ordinance and receipt of a tax credit reservation from the Michigan State Housing Development Authority (MSHDA).

## **Closing:**

- Lockwood anticipates closing on the property by May of 2023. This is subject to submission of a tax credit funding application to MSHDA by October 1 2022.

## Lockwood Management & Development References

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### City of Southfield:

- In July of 2013, Lockwood Management was selected by the City of Southfield Non-Profit Housing Corporation to provide professional property management services to three communities in the City. The communities had previously been self-operated by the City. These complex communities have diverse senior resident populations. Since partnering with Lockwood Management, residents have received higher quality service and controllable operating expenses have been reduced by 20%.

According to Fred Zorn, City Administrator for the City of Southfield:

*“The City of Southfield, Michigan on behalf of the Southfield Non Profit Housing Corporation (SNPHC) facilitated a request for qualifications and received over a dozen responses. Upon completion of the RFQ process the SNPHC retained Lockwood Management effective July 1, 2013. Lockwood has been outstanding! Monthly, the SNPHC receives the financial reports, occupancy reports, special issues reports. The reports are clear and easy to read which is especially important for lay persons. Lockwood has improved our bottom line and occupancy at our communities! Lockwood has quickly and aggressively addressed many matters ranging from bed bugs to poorly managed vendor contracts. Prior to retaining Lockwood Management, I was receiving up to 30 resident complaints per month. With Lockwood on board I have received only 4 complaints in the last 15 months.”*



## Lockwood Management & Development References

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### Michigan State Housing Development Authority:

- Gary Heidel, Acting Executive Director
  - Email: [HeidelG@Michigan.gov](mailto:HeidelG@Michigan.gov)
  - Office: 517-335-9882
- Chad Benson, Director, Rental Development
  - Email: [BensonC@Michigan.gov](mailto:BensonC@Michigan.gov)
  - Office: 517-373-3433
- *In a recently completed independent study, Lockwood-managed MSHDA properties enjoyed the best risk rating among its peers. Additionally, we have been selected by MSHDA to manage communities on their behalf when they foreclose or take over certain troubled properties.*

# Lockwood Companies

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