

Banker Testimonials – Senate Bill 347

- “There is always a critical need for equity assistance for new developments as values have not yet fully recovered from the Great Recession. This type of facility can do a lot to overcome the risks of lease-up in both new and renovated property development. Please keep me informed as to the establishment of this initiative.”

**Vincent Borowski**  
**Managing Director**  
**Commercial Real Estate**  
**Talmer Bank and Trust**  
**Troy, MI**

- “We think this may make sense in secondary markets and/or low income areas where other programs may not be available to encourage development.”

**Terry Pryor**  
**Senior Vice President**  
**Commercial Real Estate Lending**  
**Huntington Bank**  
**SE Michigan**

- “This form of financing would be of great interest to REDICO and American House. There has been significant cap rate compression in both multi-family and senior housing, thus making yield harder to find. Adding leverage through structure would enable us to maximize our yield. Also, given how slow the agencies have been, we are turning to conventional debt at lower leverage levels and, as such, filling this gap would be beneficial.”

**Dale Watchowski**  
**President/CEO**  
**REDICO**  
**Southfield, MI**

- “There is strong demand for multi-tenant market-rate residential product in the greater downtown of Detroit. In spite of this demonstrated demand, there continues to be a limited pool of financing tools, particularly permanent debt financing available for such projects. As such, we welcome any products that can expand this pool....”

**David Di Rita**  
**Principle/Founder**  
**The Roxbury Group**  
**Detroit, MI**

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May 10, 2013

Honorable Mark C. Jansen  
Senator  
Michigan Legislature  
Post Office Box 30036  
Lansing, MI 48909-7536

Re: **Senate Bill 347**

Dear Senator Jansen:

As president of the Downtown Detroit Partnership (DDP), an organization that develops and implements initiatives to transform, revitalize and sustain Detroit's greater downtown, I would like to express support for Senate Bill 347. This proposition will allow the Michigan State Housing Development Authority (MSHDA) to form the Michigan Mezzanine Investment Fund to attract outside capital to fill the funding gap for commercial mixed-use and multifamily residential development in Michigan. These efforts will enable projects to move forward and promote job creation and economic activity in Michigan.

The proposition is well founded with MSHDA serving as the Fund's general partner and seeding the Fund with \$25 million. The funding will be taken from MSHDA's reserves and will not be at taxpayer expense. MSHDA's expertise in the housing industry is nationally recognized by other housing finance and rating agencies, including Standard & Poor's AA rating with a stable outlook. MSHDA's investment will be in a first-loss position and is designed to help protect investor capital while providing net returns in the mid-teens.

MSHDA will serve as a solid and worthy investment partner with more than 40 years of successful experience financing multifamily rental properties, including mixed-use developments throughout Michigan.

At this time of Michigan's emergence as a comeback state, the DDP encourages passage of Senate Bill 347 as it will result in MSHDA's ability to increase its economic development investment in Michigan, create jobs and stimulate economic growth which will have a positive impact for both Detroit and the State.

Sincerely,

David Blaszkiewicz  
President & CEO

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