



# APPLICATION EXHIBIT CHECKLIST

## FOR

# 9% TAX CREDIT EXCHANGE PROGRAM

Rev. June 23, 2009

Note: June 23<sup>rd</sup> revision removes the requirement for a separate rent comparability study. For acquisition/rehabilitation transactions, this study is included within the appraisal. Numbering of exhibit items was also changed accordingly.

# EXHIBIT CHECKLIST

## 9% TAX CREDIT EXCHANGE PROGRAM

Two copies of each of the following exhibits **MUST** be submitted, if applicable, for Commitment processing. To indicate each exhibit submitted, place a check mark in the box provided and return a copy of this checklist with two copies of the Section 1602 Exchange Program Application, and two updated versions of the Primary Application. Each submitted exhibit must be tabbed with the appropriate corresponding number from the checklist.

√	#	<b>Commitment Processing Documents</b>
	1	<b>Good Faith Effort to Syndicate:</b> Narrative description (letter or memo) outlining sponsor's efforts to syndicate credit award. Include information on specific syndicators/investors contacted, description of any offers considered, and rationale for rejecting any offers to purchase credit.
	2	<b>Site Information</b> – Proposal address, preliminary site plan, and a USB flash drive or CD containing pictures of the interior and exterior of the development in its current condition.
	3	<b>Development Team Information</b> – Please provide copies of the following: 1. Architects and Builders Licenses. Provide copies of the professional license for the architect and a current Michigan Residential Builders License for the contractor. 2. Resumes for all members of the development team without previous MSHDA experience.
	4	<b>Updated Land Control</b> - Documentation, signed by all applicable parties, in the form of warranty deed, exclusive option to purchase, land contract, etc., which evidences ability to maintain site control through the anticipated closing date, with extensions available.
	5	<b>Updated Title Insurance</b> - The updated commitment must be current and in the estimated amount of the mortgage loan and must include the pending disbursement language of the title company. Any liens, easements, encumbrances, or other exceptions noted in the title insurance commitment must be researched, and readable copies of the recorded documents must be provided.
	6	<b>Updated Market Study</b> – An updated market study will be required of any study that is between six months and one year old, provided that the study was completed by one of MSHDA's current market analysis firms. If not, a new market study will be necessary. A new market study will also be required if the study is over one year old, regardless of who completed the original work. See Tab C for specific guidelines concerning market study firms, ordering and fees.

7		<p><b>Environmental Assessment</b> – Evidence that the project has successfully addressed any and all outstanding environmental conditions for residential development. Environmental matters must be resolved to satisfy both federal and state requirements as well as meet current MSHDA Environmental Review Requirements. MSHDA Environmental Review requirements are available on our website.</p> <p>Projects approved in a prior funding round and now requesting exchange funds must be accompanied by written documentation from the prior Environmental Professional that no additional environmental conditions have been discovered. If outstanding conditions remain, appropriate documentation must be submitted to address the conditions; documentation must be in form and substance acceptable to MSHDA.</p>
8		<p><b>Updated Appraisal (For rehabilitation projects or new construction projects where there is an identity of interest between the seller and purchaser)</b> – If previously submitted, an updated certified general appraisal to establish the “As is” encumbered and unencumbered value, before and after rehab, is required of any report that is more than six months old. Appraisals previously contracted by the current property owner or the prospective purchaser will be accepted on a case-by-case basis. If not previously submitted or accepted, the appraisal will be contracted by the Authority and will take 60 to 90 days from the time it is requested to complete. Applicants may request that an appraisal be ordered prior to application submission. An appraisal fee of \$6,000 must accompany such requests.</p>
9		<p><b>Updated Capital Needs Assessment</b> – (Preservation Transactions Only) Updated within one year and prepared by an architect or engineer licensed in the State of Michigan. In addition, a proposed scope of work must be submitted with application. For further information regarding CNA requirements, see Tab Z of MSHDA’s Combined Application.</p>
10		<p><b>Marketing Transition Plan (For occupied acquisition and preservation proposals only)</b> – Provide a Marketing Transition Plan detailing efforts the management agent will use to train staff and market units at significantly higher rents upon normal turnover. (The Marketing Transition Plan is not required for Sec 8 Preservation proposals).</p> <p><b>(Tab MM)</b></p>
11		<p><b>Resident Information (For occupied acquisition and preservation proposals only)</b> – For an existing MSHDA financed development, please provide a copy of the development’s current rent roll and information on the current residents, including lease terms, family size, gross incomes, and unit size, as well as occupancy and turnover data for the previous three years. For non-MSHDA developments, please submit the same if available.</p>
12		<p><b>Operating Budget Documents</b> – Please provide copies of the following:</p> <ol style="list-style-type: none"> <li>1. A proposed development-operating budget with notes and budget comparables.</li> <li>2. An Equipment/Furnishings Budget.</li> <li>3. A Marketing Budget for initial lease up.</li> </ol> <p><b>(Tab II)</b></p>
13		<p><b>Updated Project Financing</b> – Updated documentation confirming all construction, permanent and secondary financing (other than the MSHDA funds made available under ARRA that are being applied for). All documentation must include financing amount, interest rate, term of loan, and the terms of any loan guarantee (if applicable).</p>
14		<p><b>Certified copy of city or township charter.</b></p>

15	<b>Architectural Plans and Specifications</b> – For new construction proposals, plans and specs are required for review. (For rehabilitation proposals, specifications are required, but plans will be required as determined by the Authority's Chief Architect).
16	<b>Preliminary Equal Employment Opportunity Plan</b> <b>(Tab F)</b>
17	<b>Contractor's Qualification Statement</b> (AIA Document A305) - available from MSHDA upon request.
18	<b>Soil Conditions</b> – For new construction, proof of engineering report and soil boring test. (Will be required for the acquisition or preservation of an existing property if the footprint of the site plan is changing).
19	<b>Surveyor's Certificate of Facts and the ALTA Survey</b> - Refer to MSHDA's Legal Form 025 and 026 for Surveyors Certificate and survey standards to be submitted. Ensure that any encumbrances of records are included. <b>(Tab EE and Tab U)</b>
20	<b>Architects Errors and Omissions Professional Liability Insurance</b> - Include both the current certificate of insurance and a copy of the policy. <b>(Tab KK)</b>
21	<b>Owner-Architect Agreement for Design and Administration Services</b> – Submit fully executed Legal Form 023. <b>(Tab BB)</b>
22	<b>Tax Documents</b> – Please provide copies of the following: <ol style="list-style-type: none"> <li>1. Tax Abatement - Proof of tax abatement or a letter of tax abatement support from local taxing jurisdiction, if applicable. For Tax Credit submissions – See Addendum I, page I-19 for specific filing requirements.</li> <li>2. Proof of Local Taxation Rate (if no tax abatement) - For acquisition/ rehabilitation a tax bill will meet requirement, otherwise a letter from local assessor estimating tax bill will be necessary.</li> </ol>
23	<b>Memorandum of Understanding (MOU) and Inclusion Plan</b> – If not previously submitted, all non-Permanent Supportive Housing Set-Aside or senior housing proposals, must submit an MOU and Inclusion Plan.

## INITIAL CLOSING PROCESSING PHASE

The following exhibits **MUST** be submitted, if applicable, during the Initial Closing processing phase. To indicate each exhibit submitted, place a check mark in the box provided and return a copy of this checklist with the exhibits. Each submitted exhibit must be tabbed with the appropriate corresponding number from the checklist. **Two copies of all exhibits are required.**

√	#	<b>Initial Closing Processing Documents</b>
	1	<p><b>Operating Agreements</b> – Three original copies of the following documents are required:</p> <ol style="list-style-type: none"> <li>1. Management Agreement (3 copies)</li> <li>2. Marketing Agreement (3 copies, not required for preservation transactions)</li> <li>3. Power of Attorney</li> <li>4. Certification of Owner and Management Agent (3 copies)</li> </ol> <p>Contact MSHDA's Office of Asset Management for formatted documents.</p>
	2	<p><b>Application for Disbursement (For occupied rehabilitation and preservation proposals only)</b> – An "Application for Disbursement" request with supporting documentation.</p> <p><b>(Tab JJ)</b></p>

# Application for 9% Tax Credit Exchange Program

## APPLICATION FILING REQUIREMENTS

**Two copies** of the Section 1602 Exchange Program Application, the updated Primary Application and the required exhibits must be submitted.

- The application should indicate if there is a desire to be considered for other funding sources available through MSHDA.
- All applications will be underwritten to meet the prescribed standards outlined in the 2009 QAP and in the Tax Exempt and Taxable Lending Parameters. Please see the parameters for further detail.

In addition, please reference Tabs A – NN for related information and/or forms on our website under MSHDA's Combined Application for Rental Housing Programs, specifically the following:

- "Income Limits & Rent Restrictions by Household Size by County," published by HUD **Tab "E"**
- Section 8 Fair Market and HOME Program Rents **Tab "Q"**
- Preliminary Equal Opportunity Plan Requirements **Tab "F"**
- Sample MOU and Inclusion Plan for Permanent Supportive Housing **Tab "G"**
- Affirmative Fair Housing Marketing Plan Requirements **Tab "P"**
- Uniform Relocation Act General Information Guideform Notices **Tab "R"**
- Survey Requirements/Language to be incorporated on Survey **Tab "U"**
- Utility Information by County and Region **Tab "V"**
- Capital Needs Assessment **Tab "Z"**
- Owner Architect Agreement **Tab "BB"**
- Site Selection Criteria **Tab "CC"**
- Modifications to the MSHDA Standards of Design **Tab "DD"**
- Surveyor's Certificate of Facts **Tab "EE"**

- Michigan Rural Areas **Tab “GG”**
- Certification by Architect **Tab ”HH”**
- Budget Form Documents **Tab “II”**
- Application for Disbursement **Tab “JJ”**
- Requirements for Errors and Omissions Insurance for Architects and Engineers **Tab “KK”**
- Individual Financial Statement **Tab “LL”**
- Marketing Transition Plan **Tab “MM”**

The form for Individual Financial Statement and the Contractor’s Qualification Statement (AIA Form A305-1986) are available upon request, as are various policy and program statements.

For more information please contact Rental Development and Homeless Initiatives at (517) 373-6880 in Lansing.