



**ADDENDUM
IV**

APPLICATION EXHIBIT CHECKLIST

FOR

MULTI-FAMILY HOUSING

DIRECT LENDING

December 14, 2011

Includes: Tax Exempt & Taxable Lending Parameters

EXHIBIT CHECKLIST

Addendum IV:

Tax-Exempt and Taxable Programs

PRELIMINARY ASSESSMENT PHASE

A. The Primary Application and the following exhibits must be submitted during the Preliminary Assessment phase when applicable. In addition, a non-refundable application fee of \$500 is required with the application. To indicate each exhibit submitted, place a check mark in the box provided and return a copy of this checklist along with the Primary Application.

✓	#	Preliminary Assessment Processing Documents
✓	P1	Executive Summary - A narrative description of the project which includes the type of project; type of financing; tenants served, bedroom mix; local, federal or state subsidies; contact information, including email addresses, for all members of the development team; and other relevant information. (For rehabilitation projects, include a listing of the planned scope of work and proposed improvements).
✓	P2	Site Information – Proposal address and preliminary site plan.
✓	P3	Development Team Information – Please provide copies of the following: <ol style="list-style-type: none"> 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.
✓	P4	Market Study - A full market study will be required. The Market Study is contracted by the Authority. To order a Market Study, please see Tab C for the initiation request form. (Tab C)
✓	P5	Preliminary Proforma – To be submitted in MSHDA format. Electronic copy available upon request.

THRESHOLD REVIEW PHASE

The following exhibits **MUST** be submitted, if applicable, during the Threshold processing phase. In addition, a non-refundable Threshold Review Fee of \$1,500 is required with the Threshold package. To indicate each exhibit submitted, place a check mark in the box provided and return a copy of this checklist. Each submitted exhibit must be tabbed with the appropriate corresponding number from the checklist. **Two copies of all exhibits are required unless otherwise specified.**

√	#	Threshold Review Processing Documents
	T1	Land Control - 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 for 120 days from the date of application submission, with additional extensions available.
	T2	Environmental Assessment - Level 1 Environmental Assessment or, if necessary, a Level II Environmental Assessment with remediation plan. Dated within 6 months of application submission. (Tab D)
	T3	Capital Needs Assessment (CNA) and Updated Scope of Work (For rehabilitation and preservation proposals only) - A 20 year CNA with itemized cost breakdown is required. A third party contracted by the Authority will complete the CNA. The CNA fee must be submitted at the time of, or prior to, Threshold application. A proposed scope of work must be submitted with application. (Tab Z)
	T4	Appraisal (For acquisition and/or preservation proposals only) – A certified general appraisal to establish the “As is” value is required. This appraisal will be contracted by the Authority and will take 60 to 90 days from the time it is requested to complete. Appraisals contracted by the current property owner or the prospective purchaser will not be acceptable. Applicants may request that an appraisal be ordered prior to application submission. An appraisal fee of \$6,000 must accompany such requests.
	T5	Title Insurance - The commitment must be current and in the estimated amount of the mortgage loan and must include the pending disbursement language of the title company. <u>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.</u>

	T6	<p>Zoning Documents – Please provide copies of the following:</p> <ol style="list-style-type: none"> 1. Documentation from the appropriate local official on official letterhead (dated within 60 days of application submission) identifying the address of the project, the property's current zoning designation and an explanation of whether or not the project is permitted under the zoning ordinance. If the project is not currently properly zoned, what, if any, steps are in process to obtain proper zoning for the proposed development. The documentation must include a timetable for rezoning. For Rehabilitation Projects, the letter must state that the zoning is compatible with the proposed use of the buildings. 2. Zoning Map. 3. A certified copy of the current Community Zoning Ordinance – Required for all new construction proposals, and for rehabilitation proposals where rezoning is necessary. 4. Renaissance Zone (if applicable) – Letter on official letterhead and signed by an official of the local municipality which verifies that the property is in a designated Renaissance Zone.
	T7	<p>Site Utility Availability (Electricity, Fuel, Water, Sanitary Sewer, and Storm Sewer) - Documentation from the municipality and/or local utility companies on their letterhead regarding utility availability and adequacy to serve the site, including whether such is currently available or will be available.</p>
	T8	<p>Marketing Transition Plan (For occupied acquisition and preservation proposals only) – 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>(Tab MM)</p>
	T9	<p>Resident Information (For occupied acquisition and preservation proposals only) – 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>
	T10	<p>Development Financial Statements (For non-MSHDA acquisition and preservation proposals only) – Provide three years worth of audited financial statements that clearly set out the recent operating history of the development. Provide copies of all current subsidy contracts; and the currently approved rental structure and tenant-paid utility allowances.</p>
	T11	<p>Operating Budget Documents – Please provide copies of the following:</p> <ol style="list-style-type: none"> 1. A proposed development-operating budget with notes and budget comparables. 2. An Equipment/Furnishings Budget. 3. A Marketing Budget for initial lease up. <p>(Tab II)</p>
	T12	<p>Financial Statements – Please provide copies of the following:</p> <ol style="list-style-type: none"> 1. Financial statements for the sponsor(s). Individual sponsors must submit the form Individual Financial Statement, which is available from MSHDA upon request. 2. Financial statements for the builder. <p><u>Financial statements must be current</u>, which is defined as being not more than six months earlier than the date the proposal was submitted. MSHDA requires that financial statements be updated every six months throughout the development and construction process.</p> <p>(Tab LL)</p>

	T13	<p>Confirmation of Additional Financing – Please provide documentation of the following, if applicable:</p> <ol style="list-style-type: none"> 1. Secondary Financing - Proposals which rely on some form of secondary financing to achieve Threshold must be accompanied by a detailed explanation and a confirmation from the source of that financing that the additional funds have been applied for and are (or are expected to be) available. 2. Federal, State or Local Government Financing - Letter from local municipality stating that application has been submitted and amount of request. 3. Grants/Other Subsidies - Letter from proposed grantor stating that application has been submitted and amount of request.
	T14	<p>Tax Documents – Please provide copies of the following:</p> <ol style="list-style-type: none"> 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. 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.
	T15	<p>Certified copy of city or township charter.</p>
	T16	<p>Preliminary Architectural Plans and Specifications – For new construction proposals, preliminary plans and specs are required. (For rehabilitation proposals, specifications are required, but plans will be required as determined by the Authority’s Chief Architect).</p> <p>NOTE: Plans and Specifications may be submitted at any time but will not be reviewed until proposal has undergone Threshold Review and receives formal acceptance.</p>
	T17	<p>Preliminary HUD Section 3 Utilization Plan (For eligible federally funded proposals only) - Provide a utilization plan outlining how the developer and prime contractor will fulfill goals for workforce hiring of Section 3 local residents and contracting opportunities for Section 3 local business concerns.</p> <p>(Tab NN)</p>

COMMITMENT REVIEW PHASE

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

√	#	Commitment Review Processing Documents
	C1	Trade Payment Breakdown – Please submit four original signed copies of MSHDA's trade-payment-breakdown form. (Tab AA)
	C2	Preliminary Equal Employment Opportunity Plan (Tab F)
	C3	Contractor's Qualification Statement (AIA Document A305) - available from MSHDA upon request.
	C4	Soil Conditions – 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).
	C5	Final Architectural Plans and Specifications – For new construction proposals, final plans and specs are required. (For rehabilitation proposals, specifications are required, but plans will be required as determined by the Authority's Chief Architect).
	C6	Surveyor's Certificate of Facts and the ALTA Survey - 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. (Tab EE and Tab U)
	C7	Architects Errors and Omissions Professional Liability insurance. Include both the current certificate of insurance and a copy of the policy. (Tab KK)
	C8	Owner-Architect Agreement for Design and Administration Services – Submit fully executed Legal Form 023. (Tab BB)

C9	<p>Affirmative Fair Housing Marketing Plan - An Affirmative Fair Housing Marketing Plan is required for all new construction, and non-MSHDA acquisition, and preservation proposals. (For rehabilitation/preservation proposals with current MSHDA financing, a new or updated plan is required).</p> <p>(Tab P)</p>
C10	<p>Ownership Entity Formation – Certified copy (dated within 30 days of application submission) of the certificate of limited partnership and any amendments on file with the Department of Labor & Economic Growth, Bureau of Commercial Services and a copy of the limited partnership agreement with all amendments.</p>
C11	<p>Letter of Intent and/or Syndication Partnership Agreement – A copy of the letter of intent and/or the syndication partnership agreement (to include pay-in schedule) from the equity provider.</p>
C12	<p>Site Plan Approval – Please provide the following documentation as appropriate:</p> <ol style="list-style-type: none"> 1. New construction: A letter signed by the appropriate official of the municipality on its letterhead which identifies the project's name and address and states that final site plan approval has been granted, or, if site plan approval has been granted with contingencies, a statement in the letter verifying that the contingencies do not have to be approved by the planning board but may be approved at a staff level. <p>- Or -</p> <ol style="list-style-type: none"> 2. Acquisition or preservation: a letter from the relevant board or commission of the municipality stating that it has reviewed the proposal, including the level of rehabilitation work to be completed at the site, and that no further plan approvals are necessary.
C13	<p>Nonprofit Documentation (if applicable) - If the General Partner in the LDHA is a non-profit, the following items must be submitted:</p> <ol style="list-style-type: none"> 1. A certified copy of the Articles of Incorporation dated within 30 days of application submission. 2. Copy of by-laws. 3. An executed agreement between the sponsor and the non-profit if the project is a joint venture.
C14	<p>Final HUD Section 3 Utilization Plans – For all eligible federally funded proposals, final Section 3 utilization plans are required.</p>

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.**

√	#	Initial Closing Processing Documents
	IC1	<p>Operating Agreements – Three original copies of the following documents are required:</p> <ol style="list-style-type: none"> 1. Management Agreement (3 copies) 2. Marketing Agreement (3 copies, not required for preservation transactions) <p>Contact MSHDA's Office of Asset Management for formatted documents.</p>
	IC2	<p>Final Syndication Partnership Agreement – Submit the syndication partnership agreement (to include pay-in schedule) from the equity provider.</p>
	IC3	<p>Tax Credit Application and Addendum I – Submit a fully executed tax credit application, and Addendum I Scoring Summary.</p>
	IC4	<p>Application for Disbursement (For occupied rehabilitation and preservation proposals only) – An “Application for Disbursement” request with supporting documentation.</p> <p>(Tab JJ)</p>

ADDENDUM IV

Application for Tax-Exempt or Taxable Bond Debt Financing

APPLICATION FILING REQUIREMENTS

- A non-refundable application fee must accompany the application. Please check the program statement for the amount of the application fee.
- **Two copies** of the primary application and the required exhibits must be submitted.
- **This is not an application for competitive Housing Tax Credit.** Two separate applications will be required. A “9%” Housing Tax Credit application must be submitted as required under the competitive funding rounds of the Housing Tax Credit Program, but in no case may it be submitted prior to formal “acceptance for processing” for debt financing.
- The first page of the primary application should indicate if applying for direct lending.
- To assist in the filing of an application, this addendum includes:
 - Tax-Exempt and Taxable Lending Parameters

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

- MSHDA’s Market Analysis Guidelines **Tab “C”**
- MSHDA’s Environmental Review process and requirements **Tab “D”**
- “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”**
- Trade Payment Breakdown **Tab “AA”**
- Owner Architect Agreement **Tab “BB”**
- Site Selection Criteria **Tab “CC”**
- 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”**
- Section 3 Handbook and Utilization Plan Templates **Tab “NN”**

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 at (517) 373-6880 in Lansing.