



MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

REQUEST FOR PROPOSALS

DATE OF ISSUE: **October 4, 2013**

TO: Potential Providers of Services

RE: Request for Proposals for Conducting Market Studies for Affordable Housing Projects in Michigan

I. Services Sought by Authority:

The Michigan State Housing Development Authority ("Authority" or "MSHDA") is seeking an individual or firm that is authorized to do business in Michigan to create market studies for affordable housing projects in the Authority's Direct Lending, Low Income Housing Tax Credit, Modified Pass-Through and multiple Preservation programs, as well as provide Rent Reasonableness tests as needed. A detailed description of the work is described in the Scope of Work, which is attached and incorporated into this Request for Proposals ("RFP") as Exhibit A.

PROPOSALS FROM SOLE PROPRIETORS WILL NOT BE ACCEPTED

II. Required Qualifications:

The Authority has identified the following qualifications that it believes are necessary for the successful performance and completion of the services described in Exhibit A - Scope of Work. The prospective Bidder must:

- A.** Have experience providing the services described in the Scope of Work or similar services, including:
 - 1.** Experience in analyzing affordable rental housing markets in Michigan.
 - 2.** Experience in understanding and applying MSHDA's Guidelines for Market Studies and knowledge of MSHDA's housing programs.
 - 3.** Experience conducting and interpreting statistical analysis of demographic, economic and other trends.
 - 4.** Past experience, education and professional affiliations that contribute to the ability to complete the work described in this proposal.

- B.** Assign experienced personnel to perform the services or have personnel supervised by experienced staff.

- C.** Have the following certifications:
1. A bachelor's degree or higher in an appropriate course of study, such as economic, marketing, geography, business, urban or regional planning, or similar field.
 2. A minimum of three years' experience as an author of market studies for affordable housing projects in Michigan.
- D.** Be a Michigan entity (limited partnership, limited liability company, for profit corporation or non-profit corporation), authorized to do business in the State of Michigan. Proposals from sole proprietors will not be accepted. Provide organizational documents, including all certificates and amendments. For non-profits, provide evidence of 501(c) (3) status from the IRS. The Bidder will be required to submit:
1. A Certificate of Authority to Transact Business issued by the Department of Licensing and Regulatory Affairs, if the entity is foreign/non-Michigan
 2. A Certificate of Good Standing for a Michigan entity.
- E.** Have an office in the State of Michigan
- F.** Have phone, internet, and e-mail access. Internet and e-mail access must be adequate enough to allow the selected Bidder to receive, download and upload data, files and attachments from Authority staff.
- G.** Agree to satisfy the following requirements prior to the execution of the contract with the Authority:
1. Indemnify, defend and hold harmless the Authority, its Board, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:
 - a. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or resulting from (1) the services provided ("Services") or (2) performance of the Services, duties, responsibilities, actions or omissions of the Bidder or any of its sub-bidders under an awarded contract.
 - b. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or resulting from a breach by the Bidder of any representation or warranty made by the Bidder in awarded contract.

- c. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or related to occurrences that the Bidder is required to insure against as provided for in an awarded contract.
 - d. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Bidder, by any of its sub-bidders, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the Authority.
 - e. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents which results from an act or omission of the Bidder or any of its sub-bidders in its or their capacity as an employer of a person.
 - f. any action or proceeding threatened or brought against the Authority to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Bidder or its sub-bidders, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States.
2. Maintain and provide evidence, satisfactory to the Authority, of the following insurance coverage:
- a. General Liability Insurance for \$1,000,000 with the Authority shown as additional insured; ***[THIS WILL NOT BE NECESSARY FOR TRAINERS OR PROVIDERS OF PROFESSIONAL SERVICES--SEE STATE INSURANCE FAQs].***
 - b. Errors and Omissions Insurance for \$1,000,000 for each occurrence and \$1,000,000 annual aggregate; and
 - c. Worker's Compensation Insurance (if required under state law). Any citing of a policy of insurance must include a listing of the States where that policy's coverage is applicable.

H. Agree to execute a contract acceptable to the Director of Legal Affairs. **For purposes of illustration only**, a Sample Contract is attached and incorporated into this RFP as Exhibit C for your convenience.

III. **Submitting Proposal:**

Bidders wishing to submit proposals must submit one (1) original and four (4) copies of a proposal to provide the services described in Exhibit A - Scope of Work attached and incorporated into this RFP. Submitted proposals must respond to and address the questions listed in Exhibit B - Proposal Instructions and Selection Criteria attached and incorporated into this RFP.

Bidders wishing to submit proposals must also submit the Certificate Verifying Key Persons attached and incorporated into this RFP as Exhibit D, as well as the documentary information outlined in the Organization Background Checklist attached and incorporated into this RFP as Exhibit E.

The due date for the Authority's receipt of the proposals responding to this RFP is **Friday, October 18, 2013** at 4 p.m.

The Authority shall not be liable for any costs that a firm or individual may incur while preparing a proposal. The Authority shall not be liable for any costs that a firm or individual may incur prior to the complete execution of a contract. If the Authority enters into a contract, the Authority's consideration (payment) shall be limited to the term of the contract.

IV. Communications with Authority Staff Prior to Selection of Proposal

Questions concerning the RFP may be submitted via email using the subject line "2014 Market Analysis" to David Allen at this address:

allend1@michigan.gov

The Authority will answer by email appropriate questions (e.g., information not covered/answered in the RFP, interpretation issues, etc.) received in a timely manner. To ensure a fair and impartial process, non-written questions concerning the RFP will not be addressed by Authority staff. **Phone calls involving the RFP or related questions will not be accepted.** Firms submitting bids shall not contact any Board members or Authority staff except David Allen. **All communications with David Allen must be received in writing by Monday, October 14, 2013.** MSHDA will hold no other question sessions or bidder's conferences. MSHDA will answer all questions by **Wednesday, October 16, 2013.** All questions and answers related to this RFP will be supplied to firms that provide David Allen with notification of their intent to submit a proposal.

If, prior to the proposal deadline, the Authority deems it necessary to provide additional clarifying information, or to revise any part of the RFP, supplements or revisions will be provided to all firms who have indicated they will submit a proposal. Proposals will then be evaluated based on the terms and conditions of the RFP, any supplements or revisions to the RFP, and the answers to any written questions.

V. Selection of Proposal:

The Authority will select the proposal based on the Proposal Instructions and Selection Criteria which are set forth in Exhibit B attached and incorporated into this RFP.

VI. **Processing Required Forms & Contract Execution:**

The required forms will be submitted to Civil Service for approval, **prior** to the Authority's Board approval. Contracts that equal or exceed \$25,000 must be approved by the Authority's Board. Thereafter, a contract will be forwarded to the firm that submitted the selected proposal with instructions to execute and return three copies. Upon receiving the executed copies, the Office of Legal Affairs will submit the executed copies to a duly authorized Authority signatory for execution on behalf of the Authority.

VII. **Michigan Freedom of Information Act**

Documents submitted to the Authority shall be subject to the Michigan Freedom of Information Act ("FOIA"). In the event a request for submitted documents is made to the Authority, the Authority's FOIA Coordinator will redact or withhold information and/or documents that are exempt from disclosure under FOIA. Please note that any requests by non-MSHDA personnel to review proposals will be denied until the deadline for submission of the bids has expired. See *MCL 15.243(1)(ii)*

Please submit FOIA requests to the Authority as follows:

MSHDA
c/o Jon Stuckey
FOIA Coordinator
735 E. Michigan Avenue
Lansing, MI 48912

VIII. **Key Personnel & Payments to Pensioned Retirees**

2007 PA 95, MCL 38.68c requires retirees of the State Employees Retirement System ("Pensioned Retirees") who become employed by the State either directly or indirectly through a contractual arrangement with another party on or after October 1, 2007 to forfeit their respective state pensions for the duration of their reemployment. Accordingly, any pensioned retiree who provides or renders services pursuant to the contract for which bids will be made under this RFP shall be required to forfeit his or her pension during the term of the contract.

Bids must acknowledge and confirm whether pensioned retirees will render services under the contract being sought through this bid. If the Bidder intends to use a pensioned retiree, the bidder must submit written confirmation from the pensioned retiree that he or she agrees to forfeit his or her pension during the term of the contract, if awarded. If awarded a contract, the bidder must submit a copy of the pensioned retiree's directions to the State of Michigan's Office of Retirement Services ("ORS") to withhold the retiree's pension payments until the end of the contract term.

Bids must acknowledge and identify pensioned retirees in the form attached and incorporated into this RFP as Exhibit E. Key persons are those individuals who will be performing services pursuant to an awarded contract and (a) sign the contract on behalf of the Bidder and/or (b) are listed in the form attached and incorporated into this RFP as Exhibit D.



MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY REQUEST FOR PROPOSAL

EXHIBIT A SCOPE OF WORK

I. **Overview:**

The Michigan State Housing Development Authority (Rental Development - Market Analysis Unit or "MSHDA") is seeking Market Analyst to include on the Authority's Approved List of Market Analysts. These providers would conduct market analysis on behalf of developers for the Authority's various affordable housing programs, including Direct Lending and the 9% Low Income Housing Tax Credit Programs.

The Authority seeks the services to assist the Authority's Market Research staff in making decisions concerning the market viability of development funding proposals. By providing accurate, unbiased information, as well as carefully considered professional expertise, approved analysts can aid MSHDA in choosing the best proposals.

II. **Objectives, Tasks & Activities, and Deadlines:**

A. Objectives. To successfully perform the services described in Section I above, the selected ("Bidder") must satisfy the following objectives:

1. Conduct timely market analyses using MSHDA market study guidelines, included in this RFP in Exhibit I.
2. Employ data and analyses to support the development of marketable housing units serving the need for affordable housing in Michigan's communities.
3. Provide recommendations on the character of affordable housing developments that can be used in MSHDA's decision-making processes.

B. Activities/Responsibilities Necessary to Complete Scope of Work.

To achieve the objectives, Bidder shall perform the following activities/tasks:

1. Perform analyses of housing markets.
2. Conduct site visits as necessary.
3. Create market studies using MSHDA market study guidelines.
4. Estimate the effect of new development on existing MSHDA portfolio projects in the same market.
5. Communicate results of studies to both developers and MSHDA.
6. Make objective recommendations concerning rents, absorption periods and overall market feasibility of a project consistent with data and analysis presented in market studies.

III. **Standards for Performance:**

The Bidder shall perform the tasks/activities and complete the objectives in accordance with the following standards. Failure to do so will lead to their removal from the Authority's approved market study provider list:

1. Work on studies should be completed within given time frames.
2. Conclusions reached in the study should reflect the analyst's objective, professional opinion on the market need and performance of the subject property.
3. Studies must conform to MSHDA market analysis guidelines, **including the order of the information presented.**



MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY REQUEST FOR PROPOSAL

EXHIBIT B

PROPOSAL INSTRUCTIONS AND SELECTION CRITERIA

I. Proposal Delivery/Submission

- A. Due Date.** Proposals responding to this Request for Proposal ("RFP") are due Friday, October 18, 2013 at 4 p.m.
- B. Originals and Copies.** Submit one (1) original and three (4) copies of a proposal to provide the services described in the Exhibit A - Scope of Work.
- C. Delivery of Proposal.** Deliveries may be by hand, commercial overnight service, or U.S. Postal Service. No electronic deliveries will be accepted. All deliveries should be directed to:
- Lori Sykes**
Michigan State Housing Development Authority
735 E. Michigan Avenue
Lansing, Michigan 48912
- D. Selection of Proposal.** The Authority's review will take a minimum of four weeks after the closing date for submitting proposals. The Authority expects to notify the selected Bidder on October 30, 2013 via e-mail and posting on the Authority's website; however, the selection will be contingent on approval by the Authority's Board. The name of the Bidder will also be posted on the Authority's website.
- E. Commencement of Work.** Project work will commence upon execution of a project contract and not before. The selected Bidder shall not proceed with performance of the project work or incurring of project costs until both parties have signed the project contract to show acceptance of its terms and conditions.
- F. Project Control.** The selected Bidder will carry out this project under the direction and control of the Authority and its designated Contract Administrator.
- G. Applicable Laws.** The selected Bidder will be required to comply with all state and federal laws.

II. Proposal Format

- A. Overview.** Proposals must be submitted in the format described in this Exhibit B as outlined below. There should be no attachments, enclosures or exhibits other than

those considered by the Bidder to be essential to a complete understanding of the proposal. Each section must be clearly identified with appropriate headings.

The proposal should be clear, accurate, and complete, with sufficient detail to enable the Authority to evaluate the services and methods proposed. Brevity is appreciated.

B. Format of Proposal.

- 1. Business Organization.** Include the following information and supporting documentation as outlined in Exhibit E - Organization Background Checklist found attached and incorporated into this RFP:
 - a. The full name and address of the Bidder.
 - b. The branch office, if applicable.
 - c. The type of entity (e.g., Michigan corporation, Michigan nonprofit corporation, Michigan limited liability company):
 - i. If the entity is foreign (i.e., non-Michigan) it must be licensed to do business in Michigan. The firm must submit with the proposal a *Certificate of Authority to Transact Business* issued by the Department of Licensing and Regulatory Affairs that is dated no earlier than 30 days prior to the submittal date of the proposal.
 - ii. If the entity is Michigan-based, the firm must submit with the proposal a *Certificate of Good Standing* that is dated no earlier than 30 days prior to the submittal date of the proposal.
 - d. Submit a *Certificate Verifying Key Persons*. This form is found in Exhibit D attached and incorporated into this RFP.
 - e. Submit a *Retiree Rehire Certificate*, if required. The form is found in Exhibit H attached and incorporated into this RFP.
 - f. Submit a *Certifications Regarding Debarment, Suspension and Other Responsibility Matters* form. The form is found in Exhibit F attached and incorporated into this RFP.
 - g. Submit a *W-9 Request for Taxpayer Identification Number and Certification*. The form is found in Exhibit G attached and incorporated into this RFP.

- 2. Management and Personnel.** Answer/Address the following:
 - a. **Officer and Management Summary.** Identify officers and managers by name and position. Identify managers and/or officers who will manage the contract if it is awarded and provide their resumes or CVs.

Identify key project personnel and their titles. List their responsibilities and the specific tasks each will carry out and the anticipated time frames for each task and person. Provide current contact information including name, title, mailing address, email address, and phone and fax numbers.

- b. Bidder's Authorized Contact.** Include the name and telephone number of person(s) in your organization authorized to expedite any proposed contract with the Authority. An official authorized to commit the Bidder to the terms and conditions of the proposal must sign the proposal. The Bidder must clearly identify the full title and authorization of the designated official and provide a statement of bid commitment with the accompanying signature of the official. Attach any resolutions authorizing the approved signatory with the proposal.

3. Experience.

- a. Prior Experience of Firm.** Indicate prior experience of your firm that you consider relevant to the successful accomplishment of the project described in this RFP. Include sufficient detail to demonstrate the relevance of such experience. Include descriptions of qualifying experience, including project descriptions, costs, and starting and ending dates of projects successfully completed. Also include the name, address, and telephone number of the responsible official of the client organization who may be contacted.
- b. Experience of Proposed Personnel Assigned to Provide Services.** The proposal should describe the education and experience of the personnel who will be assigned to provide the proposed services, including managers who may oversee work of personnel.
- c. Market Studies:** Provide two market studies that your firm has completed that comply with National Council of Affordable Housing Market Analysts guidelines. If your firm has completed studies in the last year for MSHDA, please provide the names of two studies that you would like to use as examples.
- d. Market Studies Completed in 2013:** Provide information on the studies completed for non-MSHDA analyses in Michigan so far in 2013, including the names of the properties, their location, the entity sponsoring the study, and the purpose of the study (e.g., HUD funding, preliminary analysis, housing needs assessment, etc.)
- e. Additional Information and Comments.** Include any other information that is believed to be pertinent but not specifically asked for elsewhere.
- f. Confirm Whether Any Assigned Personnel Receive Pension Payments from the State of Michigan.** If any assigned personnel receive pensions from the State of Michigan, you must provide confirmation, signed by each assigned person with a State of Michigan pension, that he or she acknowledges and agrees that he or she must forfeit any pension payments made during the term of the contract. If a contract is awarded, each assigned

person with a State of Michigan pension must submit a copy of the pensioned retiree's directions on the form attached and incorporated into this documents as Exhibit H, to the State of Michigan's Office of Retirement Services to withhold the retiree's pension payments during the contract term.

4. Proposed Services.

- a. **How Service will be Rendered.** Address and describe the process used to render the services and how the services will be rendered. This should be an overview of the methodology to be used, based on staff and time frames, to meet the project scope of work and complete the required products within the time frame of the project.
- b. **Use of Sub-Bidder's.** If any work will be subcontracted, describe the following:
 - i. Work that will be subcontracted.
 - ii. The process used to select the sub-bidder.
 - iii. The sub-bidder's experience and expertise.
 - iv. The names of the firms/individual(s) who will perform the subcontracted work.
- c. **Standards.** Describe or address the following:
 - i. The standards that the services will satisfy. (If standards of a professional association will be followed, identify the standards and the association.)
 - ii. How quality of service will be monitored and ensured.
 - iii. Whether "best practices" will be followed. (If applicable, identify the organization and/or document establishing such standards.)
- d. **Security of Data.** If the services to be rendered require the collection and/or use of confidential and/or personal data, confirm the following:
 - i. Has your firm established and used a policy to address the security of paper and electronic data? ***(Please do not submit a copy of your security policy.)***
 - ii. Does your policy address the removal of confidential and/or personal data from storage media? (For example, does your firm's policy include the removal or "wiping" of data from hard drives when a computer is no longer used?)
- e. **Copyrighted Materials.** If the services require the production of a written product for the Authority, please acknowledge and/or confirm the following:

- i. You agree that any and all products produced as a result of an awarded contract shall be the property of the Authority.
- ii. You agree that the Authority shall (a) hold a copyright on all materials or products produced under an awarded contract and (b) be allowed to file for a copyright with the United States Copyright Office.
- iii. You acknowledge that submitted documents will not contain in part or whole copyrighted materials.

5. Price Proposal & Budget

- a. **Price Proposal.** All rates quoted in proposals submitted in response to this RFP will be a firm fixed price for the duration of an awarded contract. No price changes will be permitted.

In addition to pricing for MSHDA-compliant market studies, please include pricing for studies that are MSHDA- and either FHA- or MAP-compliant.

- b. **Budget.** Include in the proposal a line item budget identifying all expenses related to the work to be performed. By submitting the bid, the Bidder acknowledges that it bears the risk that its expenses may exceed the proposed amount. The budget should include applicable items, which may include the following:

- i. Staff costs (e.g., # of hours/per hour rate, etc.).
- ii. Costs of supplies and materials.
- iii. Other direct costs.
- iv. Transportation costs.
- v. Total budget.

- 6. **Schedule/Timeline.** Cite the number of hours required for your firm to complete the various types of studies included in MSHDA's Market Study Guidelines. These are described in the various addenda to the guidelines.

<i>Completed Service/Project Components</i>	<i>Estimated Completion Dates</i>
(Using Scope of Work, insert list of activities and/or deliverables Bidder is expected to complete)	(Insert estimated deadlines)

7. Disclosure of Participation and Interests in Authority Programs.

- a. **Disclosure of Interests in Authority Programs.** Authority programs include, but are not limited to, the Housing Voucher Program, any loans where the Authority is the lender, and any grants made by or administered by the Authority. Submit a list of all interests that the Bidder, its officers, board members, and employees respectively have in Authority programs. If the Bidder intends to use independent bidders or sub-bidders to render services, include the interests that independent bidders or sub-bidders and their officers, board members, and employees respectively have in Authority programs.
- b. **Potential Conflicts of Interests.** Please confirm whether any potential conflict of interest will exist if the Authority enters into a contract with the firm. Conflicts of interest may involve the firm’s officers, employees, members, board members, independent bidders or sub-bidders the firm will use to render services if the firm enters into a contract with the Authority.
- c. **Family Members Who Work for Authority.** Please list the names of the Bidder’s officers, board members, and employees who have family members who work for the Authority and the names of the family members who work for the Authority.

8. Signature Clause to be Signed by Authorized Signatory. Insert into the proposal and have an authorized signatory sign the following signature clause at the end of the proposal:

I confirm that I have submitted this proposal on behalf of _____ in response to the Michigan State Housing Development Authority's Request for Proposals for *Conducting Market Studies for Affordable Housing Projects in Michigan.*

By: _____

Its: _____

Date: _____

III. Selection of Proposal

The selection of a Bidder shall be subject to a review by the Authority's Legal Affairs Division concerning conflicts of interest and/or participation in Authority programs by the firm, its officers, employees, sub-bidders or independent Bidders.

A. Selection Criteria. The Authority will select the proposal based on Selection Criteria listed below:

- | | |
|--|-------------|
| 1. Experience, education or certification | (25 Points) |
| 2. Quality of Prior Work | (30 Points) |
| 3. Communication skills, including clarity of proposal | (15 Points) |
| 4. Work capacity available to perform services | (10 Points) |
| 5. Responsiveness to MSDHA's timelines and other Administrative requirements | (20 Points) |

Total Possible Points: 100 Points

B. Expected Deadline for Selecting Proposal. The Authority expects to notify the selected Bidders on or about October 30, 2013 via email. However, the selection will be contingent on approval by the Michigan Civil Service Commission and the Authority's Board.

C. Cancellation of Selected Proposal. The selection of a proposal by the Authority may be cancelled at any time prior to the complete execution of a contract. If the Authority cancels its selection of a proposal, the Authority may repost this or a similar RFP and re-see proposals. Reasons for canceling the selected proposal may include, but are not limited to, the following:

1. Refusal of Department of Civil Service to process required forms.
2. Refusal of duly authorized Authority signatory to execute the contract.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
REQUEST FOR PROPOSAL**

EXHIBIT C

SAMPLE CONTRACT

CONTRACT NO. 12-XX

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AGREEMENT FOR PROFESSIONAL SERVICES WITH

POTENTIAL BIDDER, LLC.

THIS AGREEMENT, made and entered into as of the _____ day of MONTH 2013, by and between the **MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**, a public body corporate and politic, Lansing, Michigan ("**Authority**") and the **POTENTIAL BIDDERR, LLC**, ("**Bidder**").

WITNESSETH THAT:

The Authority and the Bidder do mutually agree as follows:

1. **Services Rendered/Scope of Work.** That the Bidder shall, in a satisfactory and proper manner as determined by the Authority, render the services described in the Scope of Work - Exhibit A ("Scope of Work" of "Exhibit A"), which is attached and made a part of this Agreement.
2. **Term.** TIME IS OF THE ESSENCE to this Agreement in connection with the delivery of the products or services or both ("Products and Services") described in the Scope of Work. The performance of product and services shall begin on or after the execution of this Agreement by the Authority and shall be completed no later than _____, 2013.
3. **Contract. Price and Payment.**
 - a. The total amount to be paid by the Authority to the Bidder under this Agreement shall not exceed **XXXXXXXX (\$XXXX)**.
 - b. Payment will be made upon presentation of invoices submitted periodically for work performed. Invoices should be submitted to:

Invoices should include the following:
 - (1) Authority's contract number as shown above.
 - (2) Specific service performed and development name and number, if applicable.
 - (3) Amount paid to date on this contract.
 - (4) Number and amount of this invoice.
 - c. Final payment shall be made upon the satisfactory completion and submission of

all required work and documents.

- d. No payment shall be made for Products and Services or preparatory work performed or provided prior to the terms of this Agreement.
4. **Permits and Licenses.** The Bidder shall be responsible for obtaining any and all permits, licenses, and other proper authorization or permission-related documents required for the performance of this Agreement.
5. **Insurance.** The Bidder shall maintain professional liability insurance sufficient in the amount to provide coverage for any errors or omissions arising out of the performance of this Agreement. If, during the term of this Agreement, changed conditions should, in the judgment of the Authority, render inadequate the Bidder's current insurance limits, the Bidder will furnish to the Authority proof of additional insurance as may be required. All insurance required under this Agreement shall be acquired at the Bidder's expense, under valid and enforceable policies, issued by insurers of recognized responsibility. The Authority reserves the right to reject as unacceptable any insurer.
6. **Record Keeping.** The Bidder shall maintain such personnel records as are deemed necessary by the Authority to assure a proper account for all engagement costs. These records will be made available for audit purposes to the Authority and the Auditor General of the state of Michigan, or any authorized representative, and will be retained for three years after the expiration of the Agreement unless permission to destroy them is granted by both the Authority and the state of Michigan.

If at any time before the expiration of the records retention period of this Agreement it is determined that the terms of this Agreement were not complied with or a claimed cost is disallowed following an audit, the Bidder shall immediately repay the funds at issue to the Authority. If an audit identifies any questioned costs in connection with the project, the Bidder shall forward to the Authority copies of schedules of findings and questioned costs, accompanied by a check made payable to the Authority in an amount equal to the funds which the Bidder received under this Agreement that are deemed a disallowed reimbursement through the audit.

7. **Reports.** The Bidder shall promptly submit any reports prescribed by this Agreement to **[INSERT THE AUTHORITY'S DESIGNATED PROJECT REPRESENTATIVE]**. Such reports shall include but not be limited to: progress reports, a report of all receipts, expenditures, project activities and accomplishments, including a comparison of the final budget to the approved Project Budget – Exhibit ____ attached and incorporated into this Agreement, and supporting documentation for claimed reimbursements. The Authority shall prescribe the requisite form and content of reports and shall designate the dates on which the reports are to be submitted by the Bidder and sub-bidder..

Before the occurrence of the project completion date prescribed in Section 2 of this Agreement, the Bidder shall submit to the Authority both a project completion report and a proper final claim for expenditure reimbursement, which shall be supported by documentation of the expenditures claimed.

In addition to the project completion report and other submissions, the Bidder shall submit to the Authority a quarterly progress report in the form and containing the completion material prescribed by the Authority for that project period for each quarter

this Agreement is in effect. If required, quarterly reports shall be submitted not later than as outlined in the Performance Schedule – Exhibit ____ attached and incorporated into this Agreement.

8. **Nondiscrimination.** In accordance with Acts No. 220 and 453 of the Public Acts of 1976, as amended, the Bidder agrees in connection with the performance of services under this Agreement not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, marital status or handicap. Breach of this covenant may be regarded as a material breach of this Agreement.
9. **Failure to Perform.** In the event the Bidder fails to perform services required under this Agreement or performs services in an improper manner, the parties agree that the damage that the Authority will sustain as a result thereof will be substantial but will be difficult, if not impossible, to ascertain, and therefore, the parties agree that in the event of the Bidder's failure to perform services required or the Bidder's performance of services in an improper manner, the Authority shall be entitled to a credit against the Bidder's current unpaid billings for amount previously paid to the Bidder after the Bidder's non-performance of improper performance. For the purposes of the foregoing, the parties agree that the Authority shall have sole discretion in determining the adequacy of the Bidder's performance and the amount of credit to be taken. The damages for the Bidder's inadequate or improper performance, as provided herein, shall not be exclusive but shall be in addition to any other damages which the Authority may be entitled to for the Bidder's default under this Agreement.
10. **Assigned Personnel.** The Bidder hereby represents that the personnel it will assign to perform the services under this Agreement shall possess the requisite education, competence and experience to perform such services. The Bidder further acknowledges and agrees that such personnel may be subject to the evaluation and approval of the Authority, who shall retain the right to determine the sufficiency of the education, competence and experience of the personnel assigned to perform the services identified in the attached exhibit of this Agreement. The Bidder shall immediately notify the Authority's Project Representative of any change in personnel performing services under this Agreement and obtain the Authority's approval of all staffing changes affecting this Agreement.
11. **Project Representatives.** The Bidder designates the following individual as project representative for all matters concerning this Agreement:

Name
Company
Address
City, State Zip
Telephone Number
Fax Number
Email Address

The Authority designates the following individual as project representative to be the initial point of contact for all matters concerning this Agreement:

Jane Doe
Michigan State Housing Development Authority
735 E. Michigan Avenue
Lansing, MI 48912
(T): (517) xxx-xxxx
(Fax): (517) xxx-xxxx
E-mail: xxxxxxxx@michigan.gov

Except for changes to the performance schedule (not including the project's completion date), the designated project representatives shall have no authority to make promises or binding obligations either for the Authority or the Bidder, as such authority rests with the duly authorized persons executing this Agreement on behalf of the respective parties.

12. **Employees of Bidder or Key Persons.**

- a. Definition of Key Person. "Key Persons" shall be defined in this Agreement as individuals who perform services pursuant to this Agreement and (a) sign this Agreement on behalf of the Bidder and/or (b) are listed in Exhibit D of this Agreement.
- b. Performance of Services. The Bidder acknowledges that only Key Persons shall perform the services under this Agreement. Key Persons include the names of all employees, agents and independent Bidders of the Bidder who perform or render services pursuant to this Agreement.
- c. Exhibit ****--Certificate Verifying Key Persons. Prior to executing this Agreement, the Bidder shall provide to the Authority the names of all Key Persons by completing Exhibit D, which is the Certificate Verifying Key Persons of the Bidder or a sub-bidder, if applicable ("Certificate"). In the event the Bidder fails to provide to the Authority the names of any Key Persons, the parties shall consider the signatory for the Bidder to be the sole Key Person for the Bidder. If the Bidder (or sub-bidder) wishes to add an agent, employee, or independent Bidder as a Key Person during the term of this Agreement, the Bidder shall complete and submit to the Authority a Certificate for that employee, agent, or independent Bidder. (See Section 12 of this Agreement.)
- d. 2007 PA 95, MCL 38.68c. The Bidder and its employees, agents, and independent Bidders acknowledge 2007 PA 95, MCL 38.68c, as amended, requires retirees of the State Employees Retirement System (i.e., former state employees who have pensions with the State of Michigan) ("Pensioned Retirees") who become employed by the state, either directly or indirectly through a contractual arrangement with another party, on or after October 1, 2007, to forfeit their state pension for the duration of their reemployment. **EFFECTIVE OCTOBER 2, 2010, "EMPLOYED BY THE STATE" INCLUDES ENGAGEMENTS OF PENSIONED RETIREES AS INDEPENDENT BIDDERS. PENSIONED RETIREES WHO PROVIDE OR RENDER SERVICES UNDER THIS AGREEMENT AS KEY PERSONS MUST FORFEIT THEIR PENSIONS DURING THE TERM OF THIS AGREEMENT IF THE PENSIONED RETIREE (A) IS EMPLOYED BY THE STATE, (B) IS EMPLOYED BY THE BIDDER, (C) HOLDS AN OWNERSHIP INTEREST IN THE BIDDER, (D) IS A SUBBIDDER OF THE BIDDER, OR (D) IS AN EMPLOYEE OF A**

SUBBIDDER.

THE BIDDER ACKNOWLEDGES AND AGREES TO SECURE THE AUTHORITY'S PRIOR WRITTEN CONSENT BEFORE RETAINING, EMPLOYING OR SUBCONTRACTING WITH A PENSIONED RETIREE TO PERFORM SERVICES UNDER THIS AGREEMENT. RETAINING, EMPLOYING OR SUBCONTRACTING WITH A PENSIONED RETIREE TO PERFORM SERVICES UNDER THIS AGREEMENT WITHOUT THE AUTHORITY'S PRIOR WRITTEN CONSENT SHALL BE (A) A MATERIAL BREACH OF THIS AGREEMENT AND (B) GROUNDS FOR THE AUTHORITY TO TERMINATE THIS AGREEMENT AND PROVIDE NOTICE TO THE OFFICE OF RETIREMENT SERVICES THAT THE RETIREE HAS RECEIVED PENSION PAYMENTS AND PAYMENTS DIRECTLY OR INDIRECTLY THROUGH THIS AGREEMENT.

IF THE BIDDER EMPLOYS OR RETAINS A PENSIONED RETIREE AS A KEY PERSON OR SUBCONTRACTS WITH A PENSIONED RETIREE, THE BIDDER MUST SUBMIT A COPY OF THE PENSIONED RETIREE'S DIRECTIONS TO THE OFFICE OF RETIREMENT SERVICES ("ORS") TO WITHHOLD THE RETIREE'S PENSION PAYMENTS DURING THE TERM OF THIS AGREEMENT.

THE BIDDER AND THE PENSIONED RETIREES IT EMPLOYS ACKNOWLEDGE AND AGREE THAT NEITHER THE STATE, NOR THE AUTHORITY, NOR ITS EMPLOYEES, DIRECTORS, AGENTS NOR BOARD SHALL BE LIABLE TO THE BIDDER OR PENSIONED RETIREE FOR THE FORFEITURE OF THE RETIREE'S PENSION PAYMENTS DURING OR AFTER THE TERM OF THIS AGREEMENT. THE BIDDER AND PENSIONED RETIREE ACKNOWLEDGE THAT THE AUTHORITY HAS NO RESPONSIBILITY TO CONFIRM WHETHER THE ORS HAS OR WILL FORFEIT THE RETIREE'S PENSION.

13. **Conflicts of Interest.** Prior to the execution of this Agreement, the Bidder acknowledges and confirms that it has delivered to the Authority a written list of all of the Bidder's interests, or its officers' and employees' interests, which may create conflicts between the interests of those entities or parties and the interests of the Authority. The Bidder acknowledges that its employees, members, shareholders, agents, or independent bidders, or sub-bidders and their employees, members, shareholders and agents, prior to or during the term of this Agreement are not employees of the state of Michigan or its units. Should a conflict of interest arise during the term of this Agreement, the Bidder shall contact the Authority's Director of Legal Affairs immediately and describe in detail the conflict of interest.

In addition, every official, officer, agent, consultant, or employee of the Authority who exercises or has exercised any functions or responsibilities with respect to this Agreement or who is in a position to gain information not generally available to the general public with regard to this Agreement or who is authorized in an official capacity to negotiate, make, approve, or to take part in decisions regarding a subgrant, contract, subcontract, or other agreement in connection with this Agreement or its project shall be prohibited from having any apparent or real financial or personal interest or benefit in

such grants, contracts, and agreements. No member, officer, or employee of the Authority, , shall have any interest in this Agreement or the proceeds thereof, except that such persons may provide technical, consultative, or oversight assistance in a voluntary capacity.

14. **Prohibited Methods and Procedures.**

The Bidder and its agents, sub-bidders, employees, and representatives, in the course of the performance of services under this Agreement, shall not specify, recommend, use, or permit the use of any system, method, plan, design, process, procedure, patent, or copyright which, if used, infringes upon a proprietary interest or necessitates the payment of any royalty, fee, or commission. No copyrighted images will be reproduced in whole or in part without first obtaining permission of the copyright owner who will then be granted credit for those works in keeping with academic scholarly practice, including citing in accordance with academic convention. Permission to use copyrighted materials shall be documented and provided to the Authority in the final nomination as specified in Exhibit C – Performance Schedule attached and incorporated into this Agreement.

The Bidder shall not use or permit the solicitation for or securing of any agreement or employment in connection with this Agreement upon an agreement or arrangement for payment, either directly or indirectly, of a commission, percentage, brokerage, or contingent fee.

[OPTIONAL]If Federal funds are used to pay the Bidder under this Agreement, no part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to members of Congress on the request of any member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business. 18 USC §1913.

15. **Participation in Other Authority Programs.** With the exception of providing services to the Authority as described in Exhibit A of this Agreement, neither the Bidder nor the Bidder's employees, agents, officers, directors, shareholders or members will participate in Authority housing programs or do business with the Authority under any program in which the Authority has a direct or indirect relationship without securing approval from the Authority's Director of Legal Affairs.

16. **Indemnity and Non-Limitation.** The Bidder agrees to defend, indemnify and hold harmless the Authority from any claims, damages or expenses, including reasonable attorneys' fees, arising or alleged to arise in whole or in part from damage or injury caused by or resulting from any action or inaction of the Bidder, its agents or employees, or sustained in connection with the violation of any law, statute, ordinance or regulation by the Bidder, its agents or employees, or sustained in connection with the performance of this Agreement by the Bidder, its agents or employees, or sustained as a result of any breach of this Agreement by Bidder.

In any and all claims against the Authority or any of its officers, agents, or employees by an employee of the Bidder, any sub-bidder, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the indemnification obligation under this section shall not be limited in any way by any limitation in the amount or type of damages, compensation, or benefits payable by or for the bidder or by or for any sub-bidder under worker's compensation acts, disability benefit acts, or other employee benefit acts.

17. Nonassignability and Delegation.

- a. The Bidder shall not assign or otherwise transfer any interest in this Agreement or in the project in any manner not provided for in this Agreement.
- b. The Bidder shall not delegate any duties or obligations under this Agreement to a sub-bidder or independent Bidder unless the Authority's Director of Legal Affairs has given written consent to the delegation. When submitting the request to subcontract, the Bidder shall include the following information about the sub-bidders:
 - i. Name of Subcontracting Firm;
 - ii. Work that will be subcontracted;
 - iii. Names of individuals who will perform the subcontracted work; and
 - iv. List any and all Authority programs through which the sub-bidder or the sub-bidders employees, officers, directors, members, shareholders or officeholders participate.
- c. In the event the Bidder retains a sub-bidder in accordance with Section 17b above, the Bidder shall insert into each subcontract executed in connection with this Agreement appropriate and enforceable provisions requiring compliance with this Agreement by the sub-bidder and the persons acting for it. Throughout the performance of any subcontracts, the Bidder shall monitor and verify the compliance of all sub-bidders and persons acting for them and shall immediately take any affirmative or remedial measures prescribed by the Authority or otherwise deemed necessary in the opinion of the Bidder for enforcing compliance under such subcontracts.
- d. Delegation of duties or obligations under this Agreement to a sub-bidder sub-bidders r or independent Bidder without the prior written consent of the Authority shall be a material breach of this Agreement. In the event a sub-bidder is approved by the Authority's Director of Legal Affairs, the Key Persons for the Bidder shall be subject to the requirements set forth in Section 10 (Employees of Bidder or Key Persons) of this Agreement, including, but not limited to, the restrictions on pension payments if a pensioned retiree is a Key Person of the sub-bidder or an independent Bidder retained by the Bidder. SUBCONTRACTING WORK TO BE PERFORMED UNDER THIS AGREEMENT WITHOUT THE PRIOR WRITTEN CONSENT OF AN AUTHORIZED OFFICER OF THE AUTHORITY SHALL BE A MATERIAL BREACH OF THIS AGREEMENT.

18. Suspension and Debarment. Pursuant to 1980 PA 278; MCL 423.322 *et seq.*, the Bidder, in performing this Agreement, shall not enter into a contract with a sub-bidder,

manufacturer, or supplier whose name has been listed in the register maintained by the state of Michigan, Department of Licensing and Regulatory Affairs, of employees who have been found in contempt of court by a federal court of appeals, on not less than three occasions involving different violations during the preceding seven years, for failing to correct an unfair labor practice as prohibited by Section 8 of chapter 372 of the National Labor Relations Act, 29 USC §158. The Authority may void this Agreement if the name of the Bidder or the name of a sub-bidder manufacturer, or supplier sued by the Bidder in performing this Agreement subsequently appears in the register during the period of this Agreement.

The Bidder certifies, by signing this Agreement, that it possesses business integrity and that neither it nor any of its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in grants or contracts by any federal, state, or local department or agency.

The suspension of the Bidder by the State of Michigan, an agency of the state or a department of the Federal Government shall be, at the option of the Authority, a material breach and grounds for the immediate termination of this Agreement.

19. **Independence of Bidders.** The Authority shall retain the Bidder as an independent Bidder, and the Bidder hereby accepts such independent Bidder relationship, upon the terms and conditions set forth in this Agreement. Nothing in this Agreement shall be construed to create the relationship of employer and employee between the Authority and the Bidder or any of its employees or agents. The Bidder, its employees and Bidders, shall be deemed at all times and for all purposes to be independent Bidders.

The Bidder acknowledges and agrees that all payments by the Authority to the Bidder shall be made without deduction for federal, state or local income taxes, social security taxes and similar items, and that the Bidder shall be solely responsible to report income under this Agreement to the Internal Revenue Service and other appropriate taxing authorities and to pay such taxes (including, without limitation, being solely responsible to make periodic estimated payments of such taxes in accordance with applicable law). The Bidder further acknowledges and agrees that all payments under this Agreement to the Bidder by the Authority shall be reported to the Internal Revenue Service and other appropriate taxing authorities on Form 1099 (or equivalent or replacement forms). Finally, the Authority acknowledges that the manner and means of producing the services described in Exhibit I are under the control and at the discretion of the Bidder.

20. **Copyright, Ownership of Documents, Reports and Other Products.** All documents, reports and any other products delivered to the Authority under this Agreement shall become and be the property of the Authority. The Authority shall hold a copyright on all materials or products produced under this Agreement. The Bidder may retain the right to use the research and writing developed under this Agreement for future projects and publications with full credit given to the Authority.

21. **Disclosure of Information.** Neither the Bidder nor its agents or Bidder's, shall disclose information or documents created or maintained in connection with this Agreement to anyone, without the prior consent of the Authority. Neither the Bidder nor its agents or Bidders shall use information or documents created or maintained in connection with this Agreement to further any private interest, other than as contemplated by this Agreement, without the prior consent of the Authority.

22. **Modifications.** The Authority or the Bidder may request modification of the scope of work, products, budget, or project work schedule to be performed by the Bidder. Modifications shall comport with the intent and purpose of this Agreement and shall be consistent with applicable state and federal regulations, limitations, guidelines, policies, and interpretations prescribed by the Authority pursuant to law. All requests for modification shall be submitted in written form by the duly authorized representative, as specified in Section 9, of the party requesting modification prior to modification implementation. Failure to obtain prior approval will result in the disallowance of expenditures.

No verbal representation, understanding, agreement, or interpretation of any officer, agent, employee of the Authority or Bidder, either before or after execution of this Agreement, shall modify any of the terms of this Agreement, unless such representation, understanding, agreement, or interpretation is expressly stated in this Agreement or an amendment to this Agreement.

23. **[OPTIONAL]Withholding of Funds, Suspension, and Agreement Termination.** When the Bidder has materially failed to comply with this Agreement's stipulations, terms, standards, or conditions, the Authority may suspend the grant, terminate the grant for cause, or take such other remedies as may be legally available and appropriate under the circumstances. The approval of this Agreement and any subsequent payments made under this Agreement will not prevent the Authority from withholding funds because of the Bidder's failure to observe applicable Federal or State requirements.

- a. Withholding of Payments. The Authority may withhold payments otherwise due to the Bidder if the Bidder has failed to comply with the Agreement's reporting requirements, program objectives, or Agreement award conditions. A written advance notification will be sent by the Authority to the Bidder to identify the deficiency and to express the intent to withhold future payments if the deficiency is not corrected by a specific date. If the deficiency is not corrected promptly, the Authority will notify the Bidder by letter that payments will not be made until the deficiency is corrected. When the deficiency is fully corrected, payments will be released. Continued noncompliance or the Bidder's failure to act may result in suspension or termination. (Under grant suspensions or terminations, not only are payments withheld, but no additional costs, or only very limited additional costs, may be authorized by the Authority to be incurred by the Bidder.)
- b. Suspension. Suspension is action taken by the Authority, which temporarily withdraws or limits the Bidder's authority to use the Agreement pending corrective action by the Bidder as specified by the Authority or pending a decision by the Authority to terminate the Agreement.
 - i. Notification. When the Bidder has materially failed to comply with the terms and conditions of the Agreement, the Authority may suspend the Agreement, in whole or in part, after giving the Bidder reasonable notice (usually 30 calendar days) and opportunity to show cause why the Agreement should not be suspended. The notice of the suspension will detail the reasons for the suspension, any corrective action required by the Bidder, and the effective date of the suspension. The suspension may be

made effective without previous notice in an emergency situation such as when a delayed effective date would unreasonably impair the Authority's responsibility to protect the Federal Government's interest.

- ii. Commitments. No commitments of funds incurred by the Bidder during the period of the suspension will be allowed under the suspended Agreement, unless the Authority expressly authorizes them in the notice of suspension or an amendment to it. Necessary and otherwise allowable costs which the Bidder could not reasonably avoid during the suspension period will be allowed if they result from charges properly incurred by the Bidder before the effective date of the suspension and not in anticipation of suspension or termination.
 - iii. Adjustments to payments. Appropriate adjustments to payments issued after the effective date of suspension will be made either by withholding the payments or by not allowing the Bidder credit for disbursements made in payment of unauthorized costs incurred during the suspension period.
 - iv. Suspension period. Suspension will remain in effect until the Bidder has taken corrective action to the approval of the Authority or has given written evidence satisfactory to the Authority that corrective action will be taken, or until the Authority terminates the Agreement.
- c. Termination. Termination is the cancellation of this Agreement, in whole or in part, at any time prior to the date of completion.
- i. Termination for cause. The Authority may terminate this Agreement, in whole or in part, at any time before the date of completion, whenever it is determined that the Bidder has failed to comply with the terms and conditions of this Agreement. The Authority will promptly notify the Bidder in writing of the termination and the reasons for the termination, together with the effective date. Payments made to the Bidder or recoveries by the Authority under this Agreement when it is terminated for cause will be in accordance with the legal rights and liabilities of the parties.
 - ii. Termination for convenience. The Authority or the Bidder may terminate this Agreement in whole or in part when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties will agree upon the termination conditions, including the effective date, and in the case of partial terminations, the portion to be terminated. An amendment of the terms of this Agreement is required for all terminations for convenience.
 - iii. Termination by Bidder. At any time prior to the first payment on the Agreement, the Bidder may, with written notification to the Authority, unilaterally cancel this Agreement. Once initiated, no product or services financed with Authority assistance shall be terminated by the Bidder prior to satisfactory completion without approval of the Authority. After the first payment, the product or services may be terminated, modified, or amended by the Bidder only by mutual agreement of the Authority and the Bidder.

Termination requests prior to completion of the product or services must fully explain the reasons for the action and detail the proposed disposition of the uncompleted product or services.

- iv. **Commitments.** If this Agreement is terminated, the Bidder will not incur new obligations for the terminated portion after the effective termination date. The Bidder will cancel as many outstanding obligations as possible. Costs incurred after the effective date of the termination will be disallowed. In the event of termination, all finished or unfinished documents, data, studies, reports, and other materials prepared by the Bidder under this Agreement prior to the effective date of termination shall become the property of the Authority. However, the Bidder will be entitled to retain copies.

The Bidder, in the event of termination under this provision, is entitled to receive reimbursement for Products and Services satisfactorily performed under this Agreement prior to the effective date of such termination.

Notwithstanding the foregoing, the Bidder shall not be relieved of its liability to the Authority for the damages sustained by the Authority as the result of any breach of this Agreement until the Authority so releases the Bidder and has determined for the purpose of set-off the exact amount of damages due the Authority.

24. **Termination of Agreement for Unavailability of Authority or Federal Funds.** It is the intent and understanding of both parties that this Agreement is contingent upon the availability of Authority or federal funds or the receipt by the Authority of federal funds. If Authority funds or federal funds approved or obligated by the Authority in connection with this Agreement are at any time rendered unavailable, the Authority shall then have the right to terminate this Agreement by the giving of a written notice, the basis, and the effective date of the termination to the Bidder. Should this Agreement be terminated by reason of the unavailability of Authority or federal funds for the purposes of this Agreement, all finished or unfinished documents, data, studies, reports, and other materials prepared by the Bidder under this Agreement prior to the effective date of the termination shall be delivered in a format specified by the Authority.

In the event of termination under this section for lack of Authority or federal funds, the Bidder shall be entitled to receive payment for Products and Services incurred under this Agreement prior to the effective date of termination.

25. **Separability of Provisions.** It is declared to be the intent of the parties that if any provision of this Agreement or its application to any persons or circumstances is adjudged by any court of competent jurisdiction to be invalid, the court's judgment shall not affect or invalidate the remainder of this Agreement nor its application to other persons or circumstances, unless so provided by the court or unless the severance of the invalid provision alters the basic intent or purpose of this Agreement, would cause an increase of the Authority's financial obligation, or renders impossible the compliance with any applicable statute, regulation, limitation, guideline, policy.

26. **Michigan Law.** This Agreement shall be governed by the laws of the state of Michigan and shall be binding upon the Bidder's successors, assigns, and legal representatives. All records pertinent to this Agreement are subject to public disclosure under the

Michigan Freedom of Information Act; 1976 PA 442; MCL 15.231 *et seq.* The Bidder shall insert the provisions of this section into any subcontract entered into to accomplish the terms of this Agreement.

The Remainder of this Page Intentionally Left Blank

IN WITNESS WHEREOF the Authority and the Bidder have executed this Agreement as of the date first above written.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Date: _____

By: _____

**Executive Director
Michigan State Housing Development Authority**

Date: _____

By: _____

**Name
Title
Company**



**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
REQUEST FOR PROPOSAL**

EXHIBIT D

CERTIFICATE VERIFYING KEY PERSONS

See appended document titled

**CERTIFICATE VERIFYING KEY PERSONS OF THE
CONTRACTOR/SUBGRANTEE**

CERTIFICATE VERIFYING KEY PERSONS OF THE CONTRACTOR/SUBCONTRACTOR

The Bidder/Subgrantee acknowledges that the following personnel are Key Persons of the Bidder/Subgrantee in accordance with Section VIII of the Request for Proposal:

(1) Name _____
(Print or type Name above line)

Title with Bidder/Subgrantee _____

Is the Key Person a retiree who receives a pension from the Michigan State Employees Retirement System? Yes _____/No _____

(2) Name _____
(Print or type Name above line)

Title with Bidder/Subgrantee _____

Is the Key Person a retiree who receives a pension from the Michigan State Employees Retirement System? Yes _____/No _____

(3) Name _____
(Print or type Name above line)

Title with Bidder/Subgrantee _____

Is the Key Person a retiree who receives a pension from the Michigan State Employees Retirement System? Yes _____/No _____

Print or Type Bidder/Subgrantee Name Above Line

By: _____ Date _____
Signature Date

Name of Signatory for Bidder/Subgrantee: _____
Print/Type Name of Signatory Above Line

Its: _____

Federal Identification Number: _____



MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY REQUEST FOR PROPOSAL

EXHIBIT E

ORGANIZATION BACKGROUND CHECKLIST

In order to submit a proposal, firms must submit the following organizational documentation as outlined below. Submissions may be sent to the contact person as described in both Section IV of the Request for Proposal and Exhibit B - Proposal Instructions and Selection Criteria:

- Articles of Incorporation**
- Organizational Bylaws**
- List of Board of Directors and Officers, including titles**
- W-9 Request for Taxpayer Identification Number & Certification (see Exhibit I)**
- CHDO Tax ID Number (if applicable)**
- Signatory authority (if not addressed elsewhere)**
- Certificate of Good Standing (dated within the last 30 days) issued by the Corporations, Securities, and Licensing Bureau of the Michigan Department of Licensing and Regulatory Affairs (if applicable).
(<http://www.dleg.state.mi.us/bcsc/forms/corp/fax/274.pdf>)**
- Evidence of 501(c)(3) status (if applicable)**



**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
REQUEST FOR PROPOSAL**

EXHIBIT F

CERTIFICATE REGARDING DEBARMENTS

**See appended document titled
CERTIFICATE REGARDING DEBARMENT, SUSPENSION AND OTHER
RESPONSIBILITY MATTERS FORM**

Certifications and Representations

The Vendor must complete this section and submit with their bid or proposal. Failure or refusal to submit any of the information requested in this section may result in the Vendor being considered non-responsive and therefore ineligible for award consideration.

() Enclosed are annual certifications and representations

Introduction

Bidder Identification

Vendor Name: _____

() Federal ID Number: _____ (TIN or social security number)

() DUNS Number: _____

Vendor is not required to have a DUNS number, but if Vendor does have one it must be listed.

Changes to Information

If any of the certifications, representations, or disclosures indicated in this document change during consideration of the Vendor’s responses or after awarding of a contract, the Vendor is required to report those changes immediately to the Michigan State Housing Development Authority (the “Authority”), **(INSERT CONTACT INFORMATION)**

_____ (Initial)

False Information

If it is determined that a Vendor purposely or willfully submitted false information, the Vendor will not be considered for award, the Authority may pursue debarment of the Vendor, and any resulting Contract that may have been established will be terminated. If the Authority believes that grounds to debar exist, it shall, pursuant to the Michigan Administrative Code Rules 125.211-125.216, send notice to the Vendor of proposed debarment indicating the grounds for proposed debarment and the procedures for requesting a hearing

_____ (Initial)

Representations

A. Sub-Bidders

1. The Vendor shall require each Sub-Bidder whose subcontract will exceed \$25,000 to disclose to the Vendor, in writing, whether, as of the time of the submission of Vendor’s response to this RFP, the Sub-Bidder or its principals is debarred, suspended, or proposed for debarment by the State. The Vendor shall then inform the Authority of the Sub-Bidder’s status in its response and provide reasons for the Vendor’s decision to use SubBidder, if the Vendor so decides.

2. Indicate below **ALL** work to be subcontracted under any resulting Contract (use additional attachment if necessary; estimates are acceptable):

Description of Work to be sub-contracted	Percent (%) of total contract value to be sub-contracted	Sub-Bidder's name and principal place of business (City and State)

Disclosures

Vendor Compliance with State and Federal Law and Debarment

1. The Vendor certifies, to the best of its knowledge that within the past (3) years, the Vendor, an officer of the Vendor, or an owner of a 25% or greater interest in the Vendor:

Has _____ Has Not _____ been convicted of a criminal offense incident to the application for or performance of an Authority or State contract or subcontract;

Has _____ Has Not _____ been convicted of any offense which negatively reflects on the Vendor's business integrity, including but not limited to embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, state or federal antitrust statutes;

Has _____ Has Not _____ been convicted of any other offense, violated any other state or federal law, as determined by a court of competent jurisdiction or an administrative proceeding, which, in the opinion of the Authority, indicates that the Vendor is unable to perform responsibly or which reflects a lack of integrity that could negatively impact or reflect upon the Authority or State.

- a. An offense or violation under this paragraph may include, but is not limited to, an offense under or violation of:

Has _____ Has Not _____ failed to substantially perform an Authority or State contract or subcontract according to its terms, conditions, and specifications within specified time limits;

Has _____ Has Not _____ violated Authority or State bid solicitation procedures or violated the terms of a solicitation after bid submission;

Has _____ Has Not _____ refused to provide information or documents required by a contract including, but not limited to information or document necessary for monitoring contract performance;

Has _____ Has Not _____ failed to respond to requests for information regarding Vendor's performance, or accumulated repeated substantiated complaints regarding performance of a contract/purchase order; and

Has _____ Has Not _____ failed to perform an Authority or State contract or subcontract in a manner consistent with any applicable state or federal law, rule, regulation, order, or decree.

- 2.** For purposes of this Section, "Principals" means officers, directors, owners, partners, and any other persons having primary management or supervisory responsibilities within a business entity. The Vendor certifies and represents, to the best of his knowledge that the supplier and/or any of its Principles:

Are _____ Are Not _____ presently debarred, suspended, proposed for debarment, or declared ineligible for the award of a purchase by any state or federal agency;

Has _____ Has Not _____ not with in a 3-year period preceding this RFP, been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) purchase.

Are _____ Are Not _____ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, the commission of the any of the offenses enumerated in section 3.1(c) of this Contract.

Has _____ Has Not _____ within a 3-year period preceding this solicitation had one or more purchases terminated for default by any state or federal agency.

- 3.** The Vendor shall provide immediate written notice to the Authority if, at any time before the purchase award, the Vendor learns that its certification was erroneous when submitted or has since become erroneous because of changed circumstances.

4. A certification that the Vendor or its Sub-Bidders is presently debarred, suspended, proposed for debarment or declared ineligible for award of a purchase by any state or federal agency will not necessarily result in withholding an award under this solicitation. However, the certification will be considered in connection with a determination of the Vendor's responsibility. Failure to furnish the certification or provide such information as requested by the Authority may render the Vendor response non-responsive.
5. Nothing contained in this Section shall be construed to require establishment of a system of records in order to render, in good faith, the certification required this Section. The knowledge and information of a Vendor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of commercially reasonable dealings.
6. If it is later determined that the Vendor knowingly rendered an erroneous certification under this Section, in addition to the other remedies available to the Authority, the Authority may terminate any resulting contract for default.

_____ (Initial)

Employee and Sub-Bidder Citizenship

The Vendor certifies that all employees, Bidders, Sub-Bidders, and any other individual involved in the performance of this Contract, **except those listed below**, are citizens of the United States, legal resident aliens, or individuals with valid visa (use additional attachment if necessary; estimates are acceptable):

Employee Name	Title

_____ (Initial)

RFP Preparation

The Vendor shall notify the Authority in its bid proposal, if it, or any of its Sub-Bidders, or their officers, directors, or key personnel have assisted with the drafting of this RFP, either in whole or in part. This includes the conducting or drafting of surveys designed to establish a system inventory, and/or arrive at an estimate for the value of the solicitation.

The Vendor hereby certifies that it HAS _____, HAS NOT _____ assisted in the development of this RFP.

Except for materials provided to all Vendors as part of this RFP, the Vendor shall provide a listing of all materials provided by the Authority to the Vendor containing information relevant to this RFP, including, but not limited to: questionnaires, requirements lists, budgetary figures,

assessments, white papers, presentations, RFP draft documents. The Vendor shall provide a list of all State employees with whom any of its personnel, and/or Sub-Bidders' personnel has discussed the RFP after the issuance date of the RFP.

AS THE AUTHORIZED CERTIFYING OFFICIAL, I HEREBY CERTIFY THAT THE ABOVE SPECIFIED CERTIFICATIONS ARE TRUE.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL

TYPED NAME AND TITLE

DATE



**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
REQUEST FOR PROPOSAL**

EXHIBIT G

W-9 REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION

See appended document titled

**W-9 REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND
CERTIFICATION**

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification (required): <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate	
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____	
	<input type="checkbox"/> Other (see instructions) ▶ _____	
Address (number, street, and apt. or suite no.)		Requester's name and address (optional)
City, state, and ZIP code		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number									

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
------------------	----------------------------	--------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ³
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor [*]
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.



**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
REQUEST FOR PROPOSAL**

EXHIBIT H

RETIREE REHIRE CERTIFICATION

**See appended document titled
RETIREE REHIRE CERTIFICATION**



Department of Technology, Management & Budget
 Office of Retirement Services
 www.michigan.gov/ors (800) 381-5111
 P.O. Box 30171
 Lansing MI 48909-7671

Retiree Rehire Certification

For State of Michigan Retirees

Complete this form if you retired from the state of Michigan, receive a pension, and are subsequently rehired by the state. For more information, see the back of this form and go to www.michigan.gov/orsstatedb, and navigate to the *After You Retire, Working After You Retire* section.

Section 1: To be completed by the retiree.

RETIREE NAME (LAST, FIRST, M.I.)	SSN/MEMBER ID	DAYTIME TELEPHONE ()
STREET ADDRESS		CITY, STATE, ZIP CODE
<ul style="list-style-type: none"> I understand that Defined Benefit retirees of the State Employees Retirement System who become employed by the State of Michigan as an employee, independent contractor, or through a contractual arrangement with another party, agree to <u>forfeit</u> their state pension for the duration of the reemployment. I understand that former qualified participants of the State of Michigan Defined Contribution Plan who transferred from the Defined Benefit plan to the Defined Contribution plan, retired under the 2002 Early Out, and became reemployed as described above, forfeit their retirement allowance payment for the duration of the reemployment. However, the Defined Contribution account(s) and any associated payouts would not be affected. I understand that if I am employed by the state of Michigan for any period of time within the month, I forfeit the entire pension payment for that month. I understand that I am required to repay any previous state of Michigan pension payments received in error while working for the state of Michigan as a retiree. I understand that in order to reinstate my pension payments, I must inform the Office of Retirement Services (ORS) in writing when my reemployment with the state of Michigan ends. I understand that I can only be enrolled in one State group insurance plan, either the retiree or active employee group insurance plan. Please check one box: <input type="checkbox"/> I am currently enrolled in the retiree group insurance plan and choose to remain in this plan. I understand that ORS will bill me directly for the retiree cost share of this insurance plan. <input type="checkbox"/> I am currently enrolled in the retiree group insurance plan and choose to cancel my enrollment in this plan. <input type="checkbox"/> I am not currently enrolled in the retiree group insurance plan. <p><i>In accordance with Public Act 240 of 1943, as amended, I certify that I am retired from the state of Michigan and I understand the conditions specified above.</i></p>		
RETIREE'S SIGNATURE _____		DATE SIGNED _____

Section 2: To be completed and signed by the employing agency.

I certify that the above individual will be employed with the state of Michigan starting ____/____/20____.		
EMPLOYING AGENCY NAME	EMPLOYING AGENCY CONTACT NAME (PRINT)	TELEPHONE NUMBER
EMPLOYING AGENCY ADDRESS	EMPLOYING AGENCY CONTACT SIGNATURE	DATE SIGNED
If the employing agency listed above is a temporary employment or contracting agency, provide the state of Michigan department/agency contact information below and send a copy of the completed form to the department listed.		
SOM DEPARTMENT NAME	SOM DEPARTMENT CONTACT NAME	TELEPHONE NUMBER

Employing agency return the completed form to:
 Office of Retirement Services, P.O. Box 30171, Lansing, MI 48909-7671

R0792G (Rev. 10/2010)
 Authority: 1943 P.A. 240, as amended





**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
REQUEST FOR PROPOSAL**

EXHIBIT I

MARKET STUDY GUIDELINES

Michigan State Housing Development Authority

Market Study Guidelines

January 1, 2013

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I. PURPOSE

The purpose of market studies for the Michigan State Housing Development Authority (MSHDA, the Authority) is to help staff determine whether a market exists for a given low or moderate income rental housing proposal. The study should contain information, including statistics on demographics, income and current rental market conditions, necessary for that conclusion. In addition to supporting data, it is vital that the market study contain analysis that makes the findings relevant to the marketability of the proposal as described in the sponsor's application. Since the market study is of such importance, it is incumbent on the market analyst to provide a thorough analysis of the data that is presented. While data is a necessary part of the analysis process, it is not enough to merely describe the data and expect a reader or reviewer to automatically follow the logic of the argument. First, to the extent possible an analyst must explain trends in the data, weigh their importance and describe what they imply for the success of the project under study. Second, the analyst must provide support for the conclusions that they put forward.

In addition to the general questions that a market analysis answers, a few specific ones come to mind that the Authority has grappled with in its work. These include the absorption rate of higher-targeted (60% AMI) units at proposals relative to their lower-targeted units, how projects with Section 8 or other rental subsidies would reposition themselves in the market if the subsidies would become unavailable, the rehabbing of older conventional properties into LIHTC projects, scattered-site single-family projects and the importance of various types of amenities to a successful absorption and continued marketability. Market studies submitted to the Authority should strive to answer these and other questions as they relate to the subject property.

In order to provide the counsel that the Authority's staff require, each market study submitted to the Authority shall contain the following information, ***in the order presented below***. The Authority is making available a market study template which also contains the following information.

II. CONTENT

A. Executive Summary.

Each market study should include a concise summary of the data, analysis and conclusions, including the following:

- A concise description of the site and the immediately surrounding area;
- A brief summary of the project including its proposed target market;
- A precise statement of key conclusions reached by the analyst;
- A precise statement of analyst's opinion of market feasibility including the estimate of the long term performance of the property, given housing and demographic trends and economic factors;

- A set of recommendations and/or suggested modifications to the proposed project;
- A summary of market related strengths and weaknesses which may influence the subject development's marketability , including compatibility with surrounding uses, the appropriateness of the subject property's location, unit sizes and configuration, and number of units.

B. Project Description.

The market study should include a project description to show the analyst's understanding of the project at the point in time the market study is undertaken. In addition, analysts should fill out the project description form. It is in Excel format, and is available on the SkyDrive.

The project description should include:

PROJECT STRUCTURE:

- Number of units by unit mix (bedrooms and baths);
- Targeted income limit as a percent of AMI;
- Unit size in net square feet (the living area of a unit, exclusive of common areas);
- Proposed contract and gross rents;
- The utilities expected to be paid by tenants and energy sources for tenant paid hot water, heat and cooking, as well as the utility allowances for tenant paid utilities and the type of heat provided.

PROJECT DESCRIPTION:

- Target population, including income restrictions and any special needs set-asides;
- The number of buildings;
- Design type (walk-up, elevator, etc.);
- Number of stories;
- Unit and development amenities;
- Parking;
- Developer's projected dates for construction start and completion, and start of pre-leasing;
- A copy of the floor plans and elevations should be included as an attachment to the report.

REHABILITATION EFFORTS:

- Identify of any existing assisted housing program at the property such as Section 8, Section 202, Section 811, BMIR, Section 236, etc, as well as current occupancy levels;
- Describe the current rent structure at the project and compare it to the proposed rents. Comment on the effect of any changes on the project's marketability;
- Describe the methodology for the rehabilitation, including the phasing of rehab activities, impact of the rehabilitation work and new rent structure on current tenants, and information on needed relocation of tenants (if necessary);
- Describe the scope of work, including the specific updates planned by the sponsor. Call out changes in amenity provision, such as the addition of laundry hookups or dishwashers;
- Include a rent roll **showing tenant incomes** for all affordable units at the subject, as well as the household size occupying the unit and the unit's number of bedrooms. If the income data is old, the Consumer Price Index (CPI) can be used to inflate incomes to current dollars; an inflation calculator can be found on the US Bureau of Labor Statistics' site (www.bls.gov). An analysis of this information is also needed, to indicate how many of the current tenants would be overburdened by the proposed rents, or would be over- or under-qualified for the income limits at the property post-rehab;
- Document the length of time that subsidies will remain available at the project, or of the availability of additional rental subsidy at the proposal (i.e, additional Rental Assistance units for RHS 515 projects), such as a copy of the applicable portion of the HAP contract, or a letter from the Rural Housing Service showing that the RA units at the subject will remain after rehab efforts are finished;
- The market analyst should review site and architectural plans and give a rough opinion on their effects on the marketing of the completed project. If the plans are not completed at the time of the analysis, the market analyst should so state.

C. Location and Market Area Definition:

For the purposes of Authority market studies, the Primary Market Area is the local area from which the subject will draw potential renters. It implies that households within the PMA would be willing to move to, or shop for, housing located therein, and that rents, amenities and other aspects of housing are similar among multifamily complexes in that area.

Given this definition, the analyst must define the Primary Market Area (PMA) that pertains to the subject. Identify PMA boundaries by census tracts, school districts, jurisdictions, street names, or other geography forming the boundaries. Also, include a map that clearly shows the borders of the PMA, and its major features (towns and cities included, major roadways, and the location of the subject).

Defend the composition and extent of the PMA. To the extent possible, the PMA should be based on real-world data, such as the experience of other complexes in the area. This is especially applicable if the proposal is for a new phase of a successful project. It is important to note that PMA boundaries based on radii are not accepted by the Authority. In addition, PMAs

that cross state borders are allowed only if convincing evidence of cross-border interaction (migration, commuting, shopping, experience of other projects in the market, etc.) is presented in the study. The Authority reserves the right to ask for changes or alterations to the PMA, taking into account analyst input.

D. Site Factors:

Provide a description of the site characteristics including its size, shape, general topography and vegetative cover.

Provide photographs of the site and neighborhood (defined as an area within two blocks of the proposal), and a map clearly identifying the location of the project. Analyze its location vis-à-vis the following:

- Closest transportation linkages;
- Community anchors such as a central business district, neighborhood commercial zones, places of worship, schools and community centers, among others;
- Medical services;
- Public transportation;
- Municipal services such as libraries, police and fire service
- Commercial services such as banks, grocery stores, pharmacies and others;

Map these locations as well. In situations where it is not feasible to show all the categories on a map, the categories may be addressed in the narrative.

Where applicable, provide evidence of new private or public investment in the area near the proposal. This could include community revitalization plans, other housing developments, new commercial enterprises, or others.

Describe the marketability of the proposed development. Aspects of this include the following:

- Curb appeal of the site (or the project itself, if it is a rehab proposal);
- An analysis of the linkages between the project and local amenities noted in the PMA map described previously;
- An analysis of the surrounding neighborhood, including the analyst's perception of its residential character, non-residential land uses (if any), the quality of the housing stock, its level of upkeep, and its effects on the market performance of the proposal. In cases of poor curb appeal, poor linkages or poor quality of housing stock, discuss these deficiencies and their likely effect on the marketability of the project.

Describe and **evaluate** the visibility and accessibility of the site. Important aspects of this include the following:

- Ease of ingress and egress, including a discussion of traffic controls around the site, difficult left-hand turns against prevailing traffic, excessive curb cuts surrounding the entrance to the development, and unreasonable lines of sight at the entrance. Excessive traffic congestion should be avoided, such as around major employment parking lots, large shopping malls and multi-screen theaters;
- Self-advertising quality of the site, by virtue of its visibility from roadways;
- Adequate visual separation from adjacent land uses;
- Potential for adequate signage, lighting and landscaping.

The Authority has a set of site criteria on its website, www.michigan.gov/MSHDA. Analysts should look at these criteria, and determine how well the proposal’s site meets them.

For scattered site, single family projects, the Authority has added site considerations that must be met in addition to those above. They are:

- No less than 20% of total units must be located on a single block (defined as both sides of a street; i.e., the north and south sides of May Street between First and Second Avenues);
- Blocks must be adjoining, as shown in the diagram below;



- There cannot be more than four existing housing units between proposed units all of which must be of good quality (good-quality units are either new, or display a minimum need for rehabilitation of major structural systems such as roofing, porches, or windows);
- There cannot be any blighted structures (defined as one that exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare) between any two proposed units regardless of the distance between them.

E. Demographic Factors.

Provide total population, age and income target data for the Primary Market Area using the 1990 Census, 2000 Census, current year estimates, and projected market entry (usually one to two years after the current year). Data from third-party demographic data providers, such as Claritas, CACI, ESRI and others is acceptable. Indicate the source for all data, and provide an analysis of trends indicated by the data. This is especially important if the trends noted in the Census figures do not match those coming from the third-party sources (i.e., Claritas or ESRI). When they differ, the analyst must offer a plausible explanation for the difference with proof; as a last resort, if one cannot be made, then straight-line estimates and projections using the 1990 and 2000 data should be used. In addition, the market analyst's own estimates can be used, but these must be accompanied by a detailed description of their derivation, and enough data to allow Authority staff to recreate them, if needed.

Detail on the following demographic topics is necessary:

POPULATION AND HOUSEHOLDS:

- Population trends;
- Population by age, including the number of non-elderly (0-64) and elderly (65 and over). If sufficient evidence is introduced, younger elderly populations might be accepted; this will depend greatly on the product type proposed by the developer;
- Household trends;
- Tenure by age of householder, including the number of renters and owners that are headed by seniors (aged 65 and over) and non-seniors;
- Household size by tenure (both the average number of persons per household and tenure group, and a breakdown of households by number of persons per household and tenure group);
- For congregate care projects, ages used (for both population and household information) should be 75 and over.

INCOME BY TENURE:

Provide a breakdown of households by incomes in \$5,000-\$10,000 increments, by household size and by tenure for 1990 and 2000 Census, current year, and the year of market entry. If necessary, the 2000 income distribution by tenure can be applied to the market-entry estimate of households.

In most cases, elderly households must be removed from these totals when analyzing family projects, and non-elderly households must be removed with senior subject proposals. The only exception for this rule concerns markets where the subject, by virtue of market or unit size (for example, markets with a lack of senior housing, or proposals that feature one and two bedroom unit mixes), might attract senior renters. Proof of this contention is necessary.

The data for independent elderly proposals should be based on households 65 years and over, while congregate care housing should be based on households 75 years and over.

FOCUS GROUPS:

For projects in uncertain markets or for proposals whose market appeal is questionable, the Authority can, under its sole discretion, order a focus group analysis. The purpose of this research will be to test the market for the proposal, its rent levels, amenity provision, and other factors. The Authority will pay for the initial cost of the study, and if the project moves forward, will be reimbursed by the developer through the inclusion of the cost of the study in eligible basis.

CRIME DATA:

Provide information or statistics on crime in the Primary Market Area relative to data for the overall area. Where the data on crime is limited, information for the jurisdiction where the proposal is located can be substituted for PMA data. However, interviews with local law enforcement officers should be used to put those numbers in context; this is very important for proposals located in larger cities where a jurisdiction-wide figure can mask local detail. In larger cities, links to crime statistics in local areas might exist; Detroit for example has a very useful site (<http://detroit.mi.crimeviewcommunity.com>) that will allow more local analysis of crime trends. Address any local perceptions of crime or problems in the Primary Market Area, as well as how the subject plans to overcome any negative perception associated with the incidence of neighborhood crime.

SCHOOL PERFORMANCE DATA:

Information pertaining to school performance should also be analyzed, including:

- Math and English standardized test results, compared to the state's average;
- Graduation rates, compared to the state's average;
- An analysis of how this information might affect the market performance of the subject;
- The website www.schoolmatters.com contains this information.

F. Economic Factors.

Provide data and analysis on the employment and economy of the Primary Market Area to give an understanding of the overall economic health of the community in which the Primary Market Area is located. List sources for the data and methodology for the analysis, and be sure to relate all findings to the market performance of the subject property.

EMPLOYMENT AND UNEMPLOYMENT:

Provide a description of employment by industry sector for the Primary Market Area or smallest geographic area available that includes the Primary Market Area and compare the data to the larger geographic area, e.g. the city, county, labor market area, or MSA.

List major employers in the PMA, the type of business and the number employed and compare the data to the larger geographic area (i.e. MSA, County, etc.).

Show the historical unemployment rate for the last ten years (or other appropriate period) for the PMA and compare to the larger geographic area (i.e. MSA, County, etc.).

Show employment growth over the same period. Compare to the larger geographic area.

Comment on future trends for employment, as well as general economic conditions, in the PMA in relation to the subject property. This would include expected employer expansions or contractions, plant openings and closings or other similar information. Provide proof of your contentions.

EMPLOYEE HOUSING:

If relevant, comment on the availability of affordable housing for employees of businesses and industries that draw from the PMA.

WAGES BY OCCUPATION:

Provide a breakdown of typical wages by occupation. These are usually available on an MSA-wide basis, but some sources might exist for smaller areas.

COMMUTING PATTERNS:

Provide commuting patterns for workers such as how many workers in the PMA commute from surrounding areas outside the PMA. Comment on what these patterns mean for the marketability of the subject proposal.

G. Supply Factors.

Provide information on other multifamily rental housing in the Primary Market Area and any rental housing proposed to be developed in the Primary Market Area. This section of the market study should include:

BUILDING PERMIT TRENDS:

A 5-year history of building permits, if available, by housing type and comments on building trends in relation to household trends will be included in the study.

RENTAL MARKET INFORMATION:

Identify a list of existing multifamily rental projects in the PMA, including:

- name;
- street address;
- population served;
- type of design (i.e. townhome, walk-up, duplex, etc.);
- age and condition;
- number of units by bedroom type;
- rent levels;
- number of bedrooms and baths for each unit type;
- size in square footage of units;
- kitchen equipment;
- type of utilities (state whether paid by tenant or owner and energy sources for hot water, heat and cooking);
- unit and site amenities included;
- site staffing;
- occupancy rate by unit size and AMI, if applicable;
- rental absorption history within the last two years;
- concessions currently offered;
- number of households on waiting list;
- name, address and phone number of property contact;
- date of data collection.
- For senior properties that offer services, give the types of services included in the rent or available for an additional fee. The costs of any for-fee services MUST be provided.

Include a map identifying the location of each property in relation to the subject, identifying its funding type or subsidy source (9% LIHTC, Conventional, Section 8, Section 236, Section 515, Authority financing, or other).

Describe the size of the overall rental market in the PMA, including the percentage of market rate and affordable housing properties.

Provide a narrative evaluation of the subject property in relation to the market's multifamily properties.

MOST COMPARABLE PROPERTIES:

Identify those properties which are most similar to the proposed development. The analyst should state why these comparables referenced have been selected, which are the most directly comparable, and explain why certain projects have not been referenced.

Pictures must be provided of the properties deemed most comparable to the subject. These must be of a size large enough to be useful to reviewers.

Include a map of these properties, with a usable scale and the location of the subject property.

COMPETITIVE ENVIRONMENT:

Discuss the availability of affordable housing options, including purchase or sale of homes. This is very important in the case of rural markets, or subject properties that contain a large number of larger (three or four bedroom) units. It is also important for senior projects, in that homeowners must sell their existing homes before moving to the subject.

If the subject property has three- or four-bedroom units that account for at least 20% of its total units, use single-family rentals for comparison purposes in markets that do not have multifamily rental stock with three or more bedrooms.

When relevant, include a list of LIHTC projects with allocations in or near the market area that are not placed in service, giving as much detail as possible on estimated Placed-In-Service dates, unit mix and income levels to be served. As noted in Section III the Authority is expected to provide this information to the analyst. If there are no comparable projects in the pipeline, the analyst must state this fact.

Discuss the impact of the subject development on the existing housing stock, in terms of conventional multifamily projects, affordable projects (including RHS, HUD and others where applicable), and Authority-financed properties (including those that have not yet reached stabilized occupancy).

The market vacancy rate for the PMA rental housing stock by population served (i.e. market rate, Low Income Housing Tax Credit, and Project-Based Rental Assistance), type of occupancy (i.e. family, seniors, special populations) and unit size must be computed.

Provide both an achievable market rent and an achievable LIHTC rent derived from comparable properties in the area, and discuss its ramifications for the marketability of the subject. Note that in many markets the level of rent charged in HUD-assisted properties is often not achievable without the provision of rental subsidy. If rent grids are used, be sure to identify the reasons for adjustments.

A rent reasonableness test is also mandatory for those projects without existing project-based rental assistance covering all of their units (either through HUD or USDA). More information on this is found in the first addendum to these guidelines.

H. Local Perspective of Rental Housing Market and Housing Alternatives.

The market study should include a summary of the perspective on the rental market, need for the proposed housing and unmet housing need in the market. The local perspective should consider:

- Interviews with local planners, housing and community development officials and market participants to estimate proposed additions to the supply of housing that would compete with the subject, evaluate the local perception of need for additional housing and obtain information on any redevelopment plans that cover the site's location;
- Interviews with local Public Housing Authority (PHA) officials to seek comment on need for housing and possible impact of the proposed development on their housing inventory and waiting lists for assisted housing. Include a statement on the number and availability of Housing Choice Vouchers and the number and types of households on the waiting lists for Housing Choice Vouchers.

I. Demand Analysis:

For the purposes of these analyses, it is assumed that market-rate households will pay up to 30% of their incomes toward gross rent, and that lower-income households will pay up to 40% of their incomes toward gross rent. For market-rate units, an upper income limit of \$50,000 will be used, since homeownership would be more likely among households with that level of income or higher. If evidence from the market exists, it is possible that a higher income levels or income-to-rent ratios may be used for senior projects; however, evidence supporting this contention must be presented in the study.

It is further assumed that for family proposals there will be 1.5 persons per bedroom; senior projects will rely on an assumption of two person households. Demand estimates for proposals that contain a significant proportion of larger rental units (three and four bedrooms) will need to take into account the relatively small number of large households that would choose such unit sizes; the analyst must state how this circumstance has been accounted for. For the purposes of the Authority's market studies, large households contain more than four persons.

Analysts should use the Excel worksheet provided on the Authority's website for the calculation of demand estimates for each income limit at the subject property. These demand estimates should be constructed so as to eliminate double counting stemming from overlapping income qualification limits. Be sure to use income-specific renter propensities for demand estimation, to recognize the fact that more low-income households rent. This information is available from the US Census (factfinder.census.gov), on table HCT11 for family projects, and on the HUDUser website (www.huduser.org) for senior proposals. The use of other data sources (such as the HISTA dataset) is also acceptable. Movership rates that will be used to determine demand estimates are as follows:

Tenure	Detroit Metro	City of Detroit	Midwest Region	National Elderly
Owners	2.9%	3.8%	3.7%	1.4%
Renters	20.0%	20.0%	25.0%	7.1%

Calculations for the penetration rate, capture rate, and saturation rate are also on the worksheet provided on the Authority’s website. Information on the Authority’s preferred methodology on creating non-duplicated demand estimates is included in an addendum to these guidelines.

SCENARIOS:

A scenario approach to gauging the depth of demand for a specific proposal is welcome, but all studies shall include the basic Authority methodology in addition to any other data that the analyst feels is appropriate. In addition, the Authority’s demand figures will form the basis for decisions on particular markets, unless persuasive evidence to the contrary is presented. Scenarios can contain changed values for movership, different rents, varying income targeting plans, absorption of other product in the market, differing rates of pre-leasing activity, and other items. If a scenario approach is used, persuasive justification for any modifications to basic Authority methodology must be included in this section of the study, including proof of the validity of alternate assumptions.

ABSORPTION RATE:

Define and justify the absorption period and absorption rate for the subject property. While the specific methods used to generate this are left to the analyst to determine on the basis of market conditions, demographic change, the performance of earlier phases of the same development, and other factors, a guideline of five units per month for an average absorption rate can be used as a starting point. Weaker markets (characterized by high vacancy rates, large numbers of pipeline units, or other factors), senior projects or higher demand ratios would tend to slow absorption by some factor (resulting in fewer units absorbed per month). As a general guideline, new Authority-financed properties are leasing at a current rate of about three units per month, regardless of whether they are elderly-targeted projects or not.

FUTURE COMPETITIVE ENVIRONMENT:

Project and explain any future changes in the housing stock within the market area, and their effects on the marketability of the subject proposal. Identify risks (i.e. competitive properties which may come on line at the same time as the subject property; declining population in the PMA, etc.), unusual conditions and mitigating circumstances. Evaluate need for voucher support or HUD contracts.

REQUESTS FOR FURTHER INFORMATION:

Occasionally a project is located in a market where statistical information from the American Community Survey indicates that demand might be too small to absorb its units in a timely manner. When these situations arise, the Authority will specifically request answers to the

following questions. The request will accompany the initial assignment notification. The answers should be placed in the Executive Summary of the report:

--**Pipeline considerations:** What is the status of recently-allocated LIHTC projects (within last two years) that may exist in the market? Please list these, along with placed-in-service updates, premarketing success (if any), absorption information, or other items of note. Are there affordable housing units that have been funded by other programs (local HOME, NSP1-2-3, or others) which may compete against the proposal?

--**Shadow rental market:** What is your best estimate of the size of the “shadow market” of single-family rental units in the area? To what extent do they represent a threat to the absorption of the property? Please provide information as to how important this source of competition is to the set of most-comparable properties in your comparable survey. Interviews with staff at those complexes can be used, as could other data points.

--**Site-specific considerations:** Are there aspects of the project’s site, neighborhood, marketing plan or design that would make it compete more effectively in the marketplace than other newly-constructed units? If these exist, they must be explicitly called out, with an explanation of why they would do so.

--**Project-specific considerations:** What is different about the subject’s units that would make them compete more effectively than existing projects, or fill a market need that is currently unmet?

--**Demographic estimates:** Do the demographic estimates from the third party providers make sense in light of past Census patterns? If abrupt changes cannot be explained, or if counterintuitive trends are indicated, these must be called out in the narrative. Also, your strategy for dealing with them when demand is calculated must be spelled out. Additionally, what if all sources agree that the demographic indicators of demand are declining? Is there still a market for the project as proposed?

Finally, please note any key issues throughout your market analysis that bear on answering the question, “Are additional units in this market likely to be absorbed in a timely basis?” For example, how do your calculations of capture and penetration rates affect your answer to this question? How common are concessions in the market? Is there anything notable in the pattern of vacancy in the market that would tend to affect the subject’s performance?

Please note that very little of this information and analysis is different from what is asked for in other portions of the study. The Authority calls it out here to highlight the importance of these questions to its analysts, and to organize the report in a more useful manner to Authority reviewers.

J. Other Requirements

- Date report was prepared, date of site visit and name and telephone number of analyst preparing study;
- Certification of no identity of interest between the analyst and the entity for whom the report is prepared;

- Certification that recommendations and conclusions are based solely on professional opinion and best efforts;
- Statement of qualifications, including a resume;
- List of sources for data in the market study.

III. INFORMATION TO BE PROVIDED BY THE AUTHORITY

The Authority will cooperate in the completion of the market study and provide data on rental housing inventory in the PMA financed or assisted by the Authority or which has received preliminary approval or reservations of funding of Low Income Housing Tax Credits and is expected to become available in the market. This data should include property address, number and type of units, rents by unit type and income limits, and other relevant information. This information will be made available on the Authority's website.

Addendum 1: Rent Reasonableness Tests

The following information must also be included in market studies:

Information on three (3) comparable properties for each unit type at the subject property. Comparability is defined as the following:

- Comparable properties must be market-rate properties, **not** LIHTC, HOME-assisted or subsidized units;
- Comparable properties must be the same construction type (garden style for proposals that are garden style apartments). Single-family comparables are not allowed for townhouse or garden-style apartment units.

Information on comparable properties must be presented on form MSHDA-37, one for each comparable and proposed unit type. A blank copy of this form is available on the SkyDrive. The same project attributes must be noted for the project. Acceptable comps are those that are within five points of the value of the project.

These analyses aid the Authority's staff in determining a reasonable rent for project units, should they be chosen to receive project-based vouchers. In that circumstance, proposed gross rents are deemed reasonable if they are less than those found in comparable properties of similar quality.

The data included in this section must reflect the state of the market within one year of the signing of the HAP contract for the property. If the information is out-of-date, an update must be furnished.

If there is a lack of suitable comparable properties to use in the PMA, then the search can be extended out of the market area, to include a county or group of counties that make up a survey area. The use of survey areas for comparable properties, rather than the original market area, must be explained in the study; and the use of local comparables is preferred. The components of the survey areas are:

- Area 1 – Huron, Sanilac Tuscola
- Area 2 – Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, Wayne
- Area 3 – Berrien, Branch, Cass, Hillsdale, St. Joseph
- Area 4 – Barry, Calhoun, Jackson, Kalamazoo, Van Buren
- Area 5 – Clinton, Eaton, Ingham
- Area 6 – Bay, Genesee, Midland, Saginaw
- Area 7 – Gratiot, Ionia, Isabella, Mecosta, Montcalm, Newaygo, Oceana, Shiawassee
- Area 8 - Allegan, Kent, Muskegon, Ottawa

- Area 9 – Alcona, Alpena, Antrim, Arenac, Cheboygan, Clare, Crawford, Gladwin, Iosco, Kalkaska, Lake, Manistee, Mason, Missaukee, Montmorency, Ogemaw, Osceola, Oscoda, Presque Isle, Roscommon, Wexford
- Area 10 – Benzie, Charlevoix, Emmet, Grand Traverse, Leelanau, Otsego
- Area 11 – Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, Schoolcraft

Addendum 2: Preliminary Analysis Guidelines

Preliminary analyses commissioned by the authority for developers previous to application for the Authority's Direct Lending programs or the 9% Tax Credit funding rounds must include a brief analysis of the following information, which is a subset of the general market study requirements:

- A paragraph summarizing the basic parameters of the proposal studied, including its address, number of proposed units, rents, income targeting, unit mix, and amenities. If no specific project is given, then a brief description of the area studied will suffice;
- A brief description and defense of the PMA used in the analysis, including a map that clearly shows its boundaries;
- If a site visit is ordered, the analyst should inspect the site and neighborhood of the proposal, and give an analysis of its marketability, access, visibility, and other features mentioned in the general market study guidelines in part C.2;
- Population totals in the PMA from 1990, 2000, current year estimate, and five-year projection;
- Household count in the PMA from 1990, 2000, current year estimate and five-year projection;
- Number of renters in the PMA from 1990, 2000, current year estimate and five-year projection;
- Median household income in the PMA from 1990, 2000, current year estimate and five-year projection;
- Household income by tenure in the PMA for the current year;
- Analysis of the competitive rental market, including
 - A table describing the multifamily rental projects in the market area, showing total number of units, unit type, year built, and occupancy rate;
 - Tables showing the occupancy rate broken out by bedroom size and funding type (LIHTC, conventional, subsidized, etc) in specific projects;
 - A table showing the amenity offerings at the market area's developments;
 - Information about development pipeline, if applicable;
- A table summarizing the analyst's suggested project profile, including:
 - Family or Senior Designation;
 - Number of units;
 - Income targeting;
 - Suggested rents;
 - Amenities needed to achieve suggested rents;
 - Projected absorption period, including factors that affect it (i.e., new employment opportunities, lack of similar housing, etc.);
- A demand analysis, using Authority methodology and the suggested project profile detailed in the previous point;
- A concluding paragraph summarizing the results of the analysis.

As part of the deliverable, a meeting (either in-person or over the phone) between the analyst, developer/sponsor and Authority staff will be held, to go over the results of the analysis.

This analysis is meant to provide a brief summary of information that will aid both the developer and Authority staff in determining the likely success of a proposal, or the strength of a particular market. Therefore, the analysis should be kept to an eight-page maximum, including both text and charts.

Addendum 3: Modified Pass-Through Guidelines

In keeping with the more streamlined approach to the Pass-Through program, a subset of the normal market study requirements is needed for these projects. These include:

- Part A, Executive Summary;
- Part C.1., Primary Market Area;
- Part F.3., Most Comparable Properties;
- Part F.4., Competitive Environment;
- Part H, Demand Analysis.

Unduplicated demand estimates must be prepared for each proposed rent level (e.g., units at 30%, 40%, 50% or 60% of Area Median Income). Further, the number of units at each of these rent levels must meet the threshold criteria for capture, penetration and saturation rates based upon the unduplicated demand estimate. These criteria are:

- Penetration Rate: 3% or less for elderly, 6% or less for family
- Saturation Rate: 10% or less for elderly, 20% or less for family
- Capture Rate: 50% or less for all proposals

A completed Demand Calculation worksheet (which includes these rates) is also mandatory. In computing demand for these projects, seniors aged 65+ should be used for independent elderly rental housing. For elderly congregate housing, seniors 75+ should be used. The market analyst may deviate from these minimum age requirements, only if reasoning is provided in the text which clearly demonstrates the validity of the deviation.

Movership ratios are to be based on the most recent data from the US Census. Data may be provided at the regional, Metropolitan Statistical Area, county or city level, depending on data availability.

Addendum 4: Reduced Scope Studies for Preservation Proposals

If the market study's subject proposal is for the preservation of a deeply-subsidized project with rent subsidies that cover at least 95% of its units, is at least 90% occupied, features rent increases of less than 10%, AND has more than five years remaining on the property's HAP contract, then the study can utilize a reduced scope. The necessary components in this case include:

- Part A—Executive Summary, numbers 1-3, 5 and 6;
- Part B—Project Description, including vacancy and turnover rates at the subject over the last three years;
- Part C—Location and Market Area Definition;
- Part F—Existing Rental Housing Stock;

If the above requirements are not met, then the sponsor of the proposal must submit a full market study.

Addendum 5: Update Memoranda

The Authority will now accept updates for market studies submitted for both 9% LIHTC and the Authority's Direct Lending programs. To qualify, the project must meet all of the following conditions:

- The study must be dated within six months to one year of the application due date in which the proposal will compete (market study updates cannot be "updated", a full study is needed for those proposals);
- The study must have been assigned by the Authority, or completed by a firm on our current approved list (in Tab C of the Combined Application on the Authority's website);
- The project that is described in the study has not undergone any major changes since the study was completed and submitted. Major changes include rent increases of more than 10%, including more targeted units at higher Area Median Income bands (more 60% AMI units, more market-rate units, etc.), changing more than three amenities on offer, changing a family-targeted proposal to senior (or vice versa), or other changes.

If all of these conditions are met, then an update can be ordered. The update will take the form of a letter, stating that no material changes have occurred in the market since the completion of the first study, and the recommendation given previously, in light of any minor changes planned for the current proposal, is still supportable (if these assertions are correct).

Addendum 6: Unduplicated Demand for Authority Market Studies

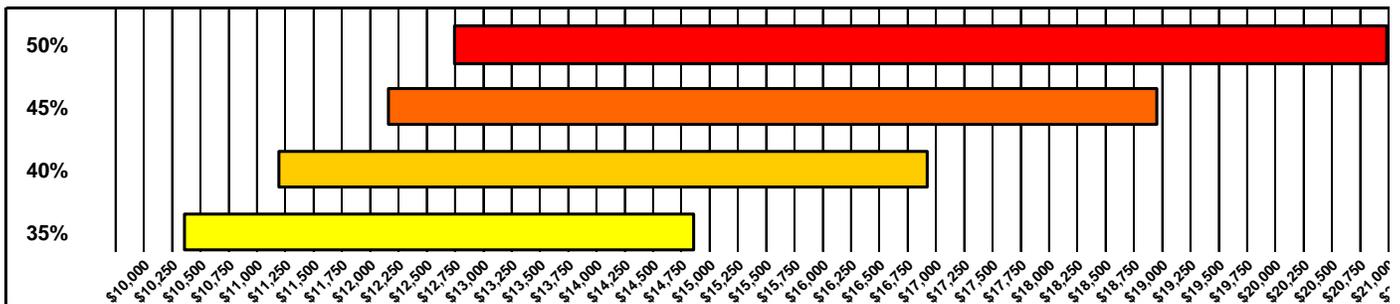
Unduplicated demand estimates segment the market for a project into separate AMI bands. This is a basic approach, done so that comparisons between competing proposals can be judged more completely, and that any double- (or triple-, or quadruple-) counting between AMI bands is removed from the analysis.

The steps used to do this are simple. First, the analyst determines the amount of overlap present between AMI levels (usually, this exists between the upper limit of one income band and the lower limit of the next-affluent band). Second, the analyst divides that overlap in half. Finally, the analyst allocates each half to the AMI bands in question. The graphics below will hopefully illustrate how this is done:

Take a hypothetical proposal, with the following income targeting, rents, and household income distribution:

% AMI	# Units	Contract Rent	Gross Rent	Lower Limit	Upper Limit
35%	10	\$320	\$344	\$10,320	\$14,770
40%	10	\$350	\$374	\$11,220	\$16,880
45%	10	\$380	\$404	\$12,120	\$18,990
50%	10	\$420	\$444	\$13,320	\$21,000

The overall income band for LIHTC units in this case stretches from \$10,320 to \$21,000. As you can see, the example displays a great deal of overlap; in fact, those households that earn between \$13,320 and \$14,770 qualify for all of the units at once. The income bands in the table are graphically displayed below:



If demand by AMI band is computed and added together, the resulting figure will overestimate the total LIHTC demand by a large factor, due to the large amount of overlap present. To rid the analysis of this effect, the first step is to compute the amount of overlap between the bands—in effect, taking the upper limit of the lower income band, and subtracting from it the lower limit of the next-lowest band. This is illustrated in the following table:

% AMI	Lower Limit	Upper Limit	35% and 40% Overlap	40% and 45% Overlap	45% and 50% Overlap
35%	\$10,320	\$14,770	\$3,550	\$4,760	\$5,670
40%	\$11,220	\$16,880			
45%	\$12,120	\$18,990			
50%	\$13,320	\$21,000			

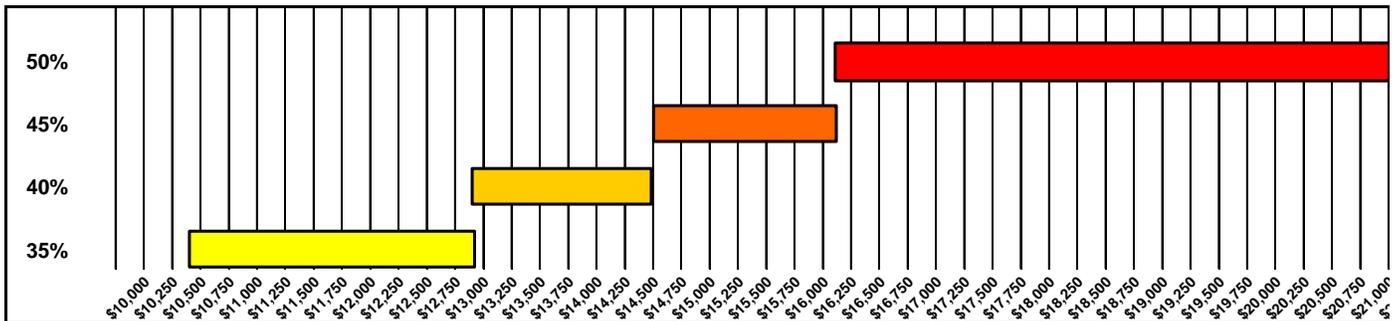
In this example, \$14,770 - \$11,220 = \$3,550, and so on.

The next step involves allocating 50% of this overlap to both income bands. The calculations are in the table below:

Lower Limit	Upper Limit	Split of Overlap	New Lower	New Upper
\$10,320	\$14,770	\$1,775	\$10,320	\$12,995
\$11,220	\$16,880	\$2,380	\$12,996	\$14,500
\$12,120	\$18,990	\$2,835	\$14,501	\$16,155
\$13,320	\$21,000		\$16,156	\$21,000

So, the overlap between the 35% and 40% bands is \$3,350. One half of that is \$1,775. Taking that amount from the old 35% upper limit leaves \$12,995. This is the new upper limit for the 35% units. The new lower limit for the 40% units is set at one dollar more than this, or \$12,996. This is done for all of the overlaps in the example.

A chart showing the new income limits is below:



Using these new limits will give you the following demand estimates, using the usual statewide movership rates for Michigan:

<i>Income Distribution</i>			<i>Qualifying Percentages of Each Income Band</i>					<i>Number of Qualifying Households in Each Band (Tenure and Movership Included)</i>				
<u>Income Range</u>	<u>Renters</u>	<u>Owners</u>	<u>35%</u>	<u>40%</u>	<u>45%</u>	<u>50%</u>	<u>Total LIHTC</u>	<u>35%</u>	<u>40%</u>	<u>45%</u>	<u>50%</u>	<u>Total LIHTC</u>
			\$10,320	\$12,996	\$14,501	\$16,156	\$10,320	\$10,320	\$12,996	\$14,501	\$16,156	\$10,320
			\$12,995	\$14,500	\$16,155	\$21,000	\$21,000	\$12,995	\$14,500	\$16,155	\$21,000	\$21,000
\$0 to \$9,999	624	304	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
\$10,000 to \$14,999	651	469	53.5%	30.1%	10.0%	0.0%	93.6%	84	60	20	0	165
\$15,000 to \$19,999	457	596	0.0%	0.0%	23.1%	76.9%	100.0%	0	0	35	117	152
\$20,000 to \$24,999	268	544	0.0%	0.0%	0.0%	20.0%	20.0%	0	0	0	19	19
\$25,000 to \$29,999	150	653	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
\$30,000 to \$39,999	110	450	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
\$40,000 to \$49,999	64	704	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
\$50,000 to \$74,999	45	484	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
\$75,000 +	30	332	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0

These estimates result in the following demand calculation:

	<i>Number of Qualifying Households in Each Band</i>				
	<u>35%</u>	<u>40%</u>	<u>45%</u>	<u>50%</u>	<u>Total LIHTC</u>
<i>Present Demand:</i>	84	60	55	136	336
<i>Capture Rate:</i>	11.9%	16.5%	18.1%	7.3%	11.9%

We are assuming for the purposes of this analysis that household growth did not occur in this market, and the demand is made entirely of current households.

Speaking of assumptions, these numbers represent the unduplicated demand for the project based on a number of them, namely the accuracy of HUD's income limits, the current household count, the current household income distribution, movership differences between tenure types, and the homogeneity of households throughout the income bands themselves in terms of desired monthly rent payments.

Keeping these things in mind, here are a few guidelines concerning how to use these estimates to determine market depth for a project:

- First, the concept of excess demand is important, since it will likely exist in most studies. In our example, an excess demand of 74 units exists for 35% units, 50 at the 40% level, 45 at the 45% AMI level and 126 at 50% AMI. Obviously, this example shows a project that has plenty of theoretical market to cover its units. In other situations, individual income bands can show a capture rate closer to 100%. In these cases, some of the excess at the next-lower income band can carry over, since households can qualify at more than one income level. Carrying a lower band's excess demand through more than one adjacent band is more risky.

- Second, it is possible to use these statistics to guide recommendations about income targeting. If demand indicators (capture, penetration and saturation rates) are strong in some levels, more room in the market might exist. If indicators are tight, then a reduction in units is probably warranted.
- The more conservative approach to assigning income limits in a demand analysis is to add more of the overlap to lower bands, rather than enlarging the top bands to lower their capture rates. The Authority's experience with leaseup has shown that in most projects it is the 60% units that tend to stay on the market longer, so showing large amounts of theoretical demand for them can be misleading in terms of absorption and, as a result, financial underwriting.