



STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
LANSING

GARY HEIDEL  
ACTING EXECUTIVE DIRECTOR

## MEMORANDUM

October 13, 2020

TO: Owners & Management Agents of Tax Credit Properties

FROM: Nathan Thelen, Compliance Manager

SUBJECT: New MSHDA PHA Utility Allowance Schedules Effective January 1, 2021

MSHDA has updated the PHA Utility Allowance Schedules effective January 1, 2021. All LIHTC developments that use MSHDA's PHA allowances must implement utility allowance changes and any resulting required rent adjustments no later than 90 days from the January 1<sup>st</sup> effective date, per the Internal Revenue Code Section 1.42-10. The 90 day implementation period begins on January 1, 2021 and ends March 31, 2021. All changes must be implemented for rent due April 1, 2021.

MSHDA-financed developments utilizing the PHA Utility Allowance Schedule will need to update the MSHDA Rent Schedule to include the new allowances.

MSHDA's PHA utility allowances can be downloaded from our website at the link listed below. Please note that the January 1, 2021 Utility Allowance Schedules are posted by region:

- Region A covers the Upper Peninsula,
- Region B covers northern counties,
- Region C covers the western-central counties, and
- Region D covers the south-eastern counties.

[http://www.michigan.gov/mshda/0,1607,7-141-8002\\_26576\\_26582-135005--,00.html](http://www.michigan.gov/mshda/0,1607,7-141-8002_26576_26582-135005--,00.html)

**A copy of the completed chart for each property utilizing this method must be submitted to [mshdacompli@michigan.gov](mailto:mshdacompli@michigan.gov), once it is completed.**

If you have questions regarding the utility allowance changes, please contact the Compliance staff at (517) 241-2560.