The Qualified Allocation Plan ("QAP") is designed to further the Authority's mission by providing a process to allocate Low Income Housing Tax Credits ("LIHTC") to developments promoting safe, decent, affordable housing. Integral to this effort are specific policies within the QAP that pertain to healthy, green, and sustainable building practices. These policies are guided by the following three principles:

**Encourage green development of affordable housing.** The Authority's goal is to encourage green/conservation measures that are compatible with and enhance the financial stability of affordable housing properties by drawing on nationally-recognized methodology. Appropriate incentives are provided to applicants that choose to incorporate sensible green criteria in their development to reduce energy and water costs, improve resident health, and realize environmental benefits broadly.

**Connection to national standards.** Michigan's green criteria should evolve over time as the industry advances. Nationally recognized sustainable development protocols such as the USGBC's LEED platform, Home Innovations Lab National Green Building Standard, or Enterprise Community Partner's Green Communities Criteria provide a wealth of expertise upon which Michigan may rely and adapt to meet the state's specific needs.

**Verify and evaluate results.** Since green criteria are an element considered for project scoring, using national standards is a method to independently and reliably verify that a development has complied with representations made during an application for LIHTC once construction has been completed. Using national standards also generates data for evaluating the effectiveness of the criteria.

All projects applying for and receiving tax credits will be required to incorporate one of the green standards listed below. Click below for additional information.

<table>
<thead>
<tr>
<th>MSHDA Affordable Green</th>
<th>Enterprise Green Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Green Building Standard</td>
<td>USGBC LEED</td>
</tr>
</tbody>
</table>

Projects selecting the MSHDA Affordable Green standard may request a waiver of a particular item; however, it is anticipated that these baseline standards will be applicable to most projects. Projects seeking an item waiver must demonstrate sufficient cause to deviate from the MSHDA Affordable Green standard. Waiver approval will be determined solely by the Authority. Request for waiver must be submitted 60 days prior to submission of the tax application for review by the Authority. Please see waiver request deadlines in Section V. A. of the QAP. Requests should include documentation that demonstrates fundamental inability for the project to comply with a particular item and/or an alternative means to achieve the intended outcome of a particular item. Waivers will be granted only for projects selecting the MSHDA Affordable Green standard.

Click [here](#) to view a summary of the scoring criteria associated with each option above. Click [here](#) to view the MSHDA Green Policy Certification.
I. MSHDA Affordable Green Standard

In cooperation with members of Michigan's development community, the Authority has developed the following criteria with which all projects should be able to comply. These criteria draw on the Enterprise Green Communities Criteria and USGBC LEED rating systems, with slight modifications due to input from the development community in particular instances. Below are categories with requirements for projects commonly referred to as new construction, acquisition/rehabilitation, historic preservation, and adaptive reuse. The items under each category heading constitute the MSHDA Affordable Green Standard and are minimum requirements for all LIHTC developments.

I. A. MSHDA Affordable Green New Construction

(a) Location
   (1) Sensitive Site
      (i) Do not locate new development, including buildings, built structures, roads, or parking areas, on portions of sites that meet any of the following provisions:
         1. Land within 100 feet of wetlands, including isolated wetlands or streams.
         2. Land on slope greater than 15%.
         3. Land with prime soils, or soils of state significance.
         4. Public Parkland.
         5. Land that is specifically identified as an existing habitat for any species on federal or state threatened or endangered lists.
         6. Land with elevation at or below the 100-year floodplain.

(b) Site Improvements
   (1) Landscaping
      (i) If providing new plantings (trees, shrubs, grasses, and ground cover), plantings should be native or adapted to the region. All new plants should be appropriate to the site's soil and microclimate, and none of the new plants should be an invasive species.
   (2) Efficient Irrigation and Water Reuse
      (i) If irrigation is utilized, install an efficient irrigation or water reuse system. It is strongly encouraged, but not required that installed systems harvest rain and stormwater, or recycle grey water. Recommended system elements may include, but are not limited to downspouts and rain leaders connected to barrels or cisterns; detention ponds (dry ponds); or weather-responsive water sensor irrigation controllers. Grey water recycling systems must install an approved flow meter to the main wastewater line to measure the reduction of potable water usage.

(c) Water Conservation
   (1) Water Conserving Fixtures
(i) Install water conserving fixtures that meet the EPA’s WaterSense Label (www.epa.gov/watersense) or that at a minimum meet the following specifications:
   1. Toilets – 1.28 gallons or less per flush
   2. Showerheads – 2.0 gallons per minute or less
   3. Kitchen faucet – 2.0 gallons per minute or less
   4. Lavatory faucet – 1.5 gallons per minute or less

(d) Energy Efficiency
   (1) Appliances
      (i) If providing appliances, install ENERGY STAR-labeled clothes washers, dishwashers, and refrigerators (www.energystar.gov).
   (2) Indoor Lighting
      (i) For permanently installed lighting fixtures, install high-efficiency lighting (including compact fluorescent bulbs, LEDs, and T-8 or smaller linear fluorescents) with an efficiency of at least 40 to 60 lumens per watt.
   (3) Outdoor Lighting
      (i) Install daylight sensors, motion sensors, or timers on all outdoor lighting. All exterior lighting must be fluorescent and/or LED bulbs, and lamps must be Energy Star certified when that certification is available.
   (4) Heating and Cooling Equipment
      (i) Size heating and cooling equipment in accordance with the Air Conditioning Contractors of America (ACCA) Manuals, Parts J and S, or ASHRAE handbooks.
   (5) Water Heater
      (i) Install ENERGY STAR rated domestic hot water heaters. Hot water heaters that are part of an overall efficient system that meets or exceeds ENERGY STAR efficiency may be substituted.
   (6) Electricity Meter
      (i) Install individual or sub-metered electric meters in all dwelling units, unless the project is eligible for an award of credit under the permanent supportive housing set-aside (exception does not apply to projects that must satisfy the 10% PSH threshold requirement).

(e) Materials
   (1) Low/No Volatile Organic Compound
      (i) All interior paints, primers, adhesives and sealants, and carpet systems must contain low or no volatile organic compounds.

(f) Healthy Living Environment
   (1) Bathroom Exhaust Fans
      (i) Install ENERGY STAR labeled bathroom fans that exhaust to the outdoors and that have a humidistat sensor or timer.

(g) Operations and Maintenance
   (1) Recycling
(i) Provide one or more easily accessible, permanent, and dedicated areas for the collection and storage of materials for recycling for the entire project.

(2) Resident and Staff Manual
(i) Provide a guide for tenants and staff that explains the intent, benefits, use, and maintenance of green building features.

I. B. MSHDA Affordable Green Acquisition/Rehabilitation

(a) Site Improvements
   (1) Landscaping
      (i) If providing new plantings (trees, shrubs, grasses, and ground cover), at least 50% of area available for landscaping should be planted with native plantings or plantings adapted to the region. All new plants should be appropriate to the site’s soil and microclimate, and none of the new plants should be an invasive species.
   (2) Efficient Irrigation and Water Reuse
      (i) If irrigation is utilized, install an efficient irrigation or water reuse system. It is strongly encouraged, but not required that installed systems harvest rain and stormwater, or recycle grey water. Recommended system elements may include, but are not limited to downspouts and rain leaders connected to barrels or cisterns; detention ponds (dry ponds); or weather-responsive water sensor irrigation controllers. Grey water recycling systems must install an approved flow meter to the main wastewater line to measure the reduction of potable water usage.

(b) Water Conservation
   (1) Water Conserving Fixtures
      (i) Install water conserving fixtures that meet the EPA’s WaterSense Label (www.epa.gov/watersense) or that at a minimum meet the following specifications:
         1. Toilets – 1.28 gallons or less per flush
         2. Showerheads – 2.0 gallons per minute or less
         3. Kitchen faucet – 2.0 gallons per minute or less
         4. Lavatory faucet – 1.5 gallons per minute or less

(c) Energy Efficiency
   (1) Appliances
      (i) If providing appliances, install ENERGY STAR-labeled clothes washers, dishwashers, and refrigerators (www.energystar.gov).
   (2) Indoor Lighting
      (i) For permanently installed lighting fixtures, install high-efficiency lighting (including compact fluorescent bulbs, LEDs, and T-8 or smaller linear fluorescents) with an efficiency of at least 40 to 60 lumens per watt.

   (3) Outdoor Lighting
(i) Install daylight sensors, motion sensors, or timers on all outdoor lighting. All exterior lighting must be fluorescent and/or LED bulbs, and lamps must be Energy Star certified when that certification is available.

(4) Heating and Cooling Equipment
   (i) Size heating and cooling equipment in accordance with the Air Conditioning Contractors of America (ACCA) Manuals, Parts J and S, or ASHRAE handbooks.

(5) Water Heater
   (i) Install ENERGY STAR rated domestic hot water heaters. Hot water heaters that are part of an overall efficient system that meets or exceeds ENERGY STAR efficiency may be substituted.

(d) Materials
   (1) Low/No Volatile Organic Compound
      (i) All interior paints, primers, adhesives and sealants, and carpet systems must contain low or no volatile organic compounds.

(e) Healthy Living Environment
   (1) Lead-Safe Work Practices
      (i) For properties built before 1978, use lead-safe work practices consistent with the EPA’s Renovation, Repair, and Painting Regulation and applicable HUD requirements.

(f) Operations and Maintenance
   (1) Recycling
      (i) Provide one or more easily accessible, permanent, and dedicated areas for the collection and storage of materials for recycling for the entire project.
   (2) Resident and Staff Manual
      (i) Provide a guide for tenants and staff that explains the intent, benefits, use, and maintenance of green building features.

I. C. MSHDA Affordable Green Historic Preservation and/or Adaptive Reuse

Work on historic properties (properties that are of at least fifty years of age or greater) must be done in accordance with the Secretary of the Interior's (SOI) Standards for the Treatment of Historic Properties, applicable SOI Guidelines, and Preservation Briefs.

(a) Site Improvements
   (1) Landscaping
      (i) If providing new plantings (trees, shrubs, grasses, and ground cover), at least 50% of area available for landscaping should be planted with native plantings or plantings adapted to the region. All new plants should be appropriate to the site’s soil and microclimate, and none of the new plants should be an invasive species.
(2) Efficient Irrigation and Water Reuse
   (i) If irrigation is utilized, install an efficient irrigation or water reuse system. It is strongly encouraged, but not required that installed systems harvest rain and stormwater, or recycle grey water. Recommended system elements may include, but are not limited to downspouts and rain leaders connected to barrels or cisterns; detention ponds (dry ponds); or weather-responsive water sensor irrigation controllers. Grey water recycling systems must install an approved flow meter to the main wastewater line to measure the reduction of potable water usage.

(b) Water Conservation
   (1) Water Conserving Fixtures
      (i) Install water conserving fixtures that meet the EPA’s WaterSense Label (www.epa.gov/watersense) or that at a minimum meet the following specifications:
      1. Toilets – 1.28 gallons or less per flush
      2. Showerheads – 2.0 gallons per minute or less
      3. Kitchen faucet – 2.0 gallons per minute or less
      4. Lavatory faucet – 1.5 gallons per minute or less

(c) Energy Efficiency
   (1) Appliances
      (i) If providing appliances, install ENERGY STAR-labeled clothes washers, dishwashers, and refrigerators (www.energystar.gov).

   (2) Indoor Lighting
      (i) For permanently installed lighting fixtures, install high-efficiency lighting (including compact fluorescent bulbs, LEDs, and T-8 or smaller linear fluorescents) with an efficiency of at least 40 to 60 lumens per watt.
      1. For historic properties only. If original fixtures are in place, re-lamp and repair/upgrade as necessary keeping as much original fabric in place as possible. New fixtures shall be compatible with original.

   (3) Outdoor Lighting
      (i) Install daylight sensors, motion sensors, or timers on all outdoor lighting. All exterior lighting must be fluorescent and/or LED bulbs, and lamps must be Energy Star certified when that certification is available.
      1. For historic properties only. If original fixtures are in place, re-lamp and repair/upgrade as necessary keeping as much original fabric in place as possible. New fixtures shall be compatible with original.

   (4) Heating and Cooling Equipment
      (i) Size heating and cooling equipment in accordance with the Air Conditioning Contractors of America (ACCA) Manuals, Parts J and S, or ASHRAE handbooks.
      1. For historic properties only. In order to meet the standard of no adverse effect on historic properties, work cannot include significant spaces (entrances/entry halls/lobbies, areas for public gathering and circulation, primary rooms). If work occurs in a significant space,
work shall not damage historic materials or finishes. New wiring/piping/ductwork, etc. shall be concealed.

(5) Water Heater
   (i) Install ENERGY STAR rated domestic hot water heaters. Hot water heaters that are part of an overall efficient system that meets or exceeds ENERGY STAR efficiency may be substituted.

(d) Materials
   (1) Low/No Volatile Organic Compound
      (i) All interior paints, primers, adhesives and sealants, and carpet systems must contain low or no volatile organic compounds.

(e) Operations and Maintenance
   (1) Recyling
      (i) Provide one or more easily accessible, permanent, and dedicated areas for the collection and storage of materials for recycling for the entire project.
   (2) Resident and Staff Manual
      (i) Provide a guide for tenants and staff that explains the intent, benefits, use, and maintenance of green building features.
II. Nationally Recognized Standards

Developments not utilizing the MSHDA Affordable Green Standard must integrate features according to the requirements of the most current version (based on timing of an award of funding being made) of either the Enterprise Green Communities criteria, the National Green Building Standard, or the U.S. Green Building Council LEED rating system. Additional points reward the thorough planning and expertise required to incorporate features above and beyond those required in the MSHDA Affordable Green criteria.

II. A. Enterprise Green Communities

Projects must at a minimum incorporate all mandatory items for the applicable project type as provided for in the Enterprise Green Communities Criteria. Additional points may be awarded if, in addition to the mandatory criteria, optional criteria that result in Enterprise Green Communities certification are incorporated to the level specified in the scoring summary on page 9.

II. B. National Green Building Standard

Projects must at a minimum incorporate all of the applicable criteria necessary to obtain an NGBS Bronze certification. Additional points may be awarded as provided for in the scoring summary on page 9 if a project can demonstrate incorporation of items that would result in a Silver, Gold, or Emerald certification level.

More information on the National Green Building Standard can be found at the following website: http://www.homeinnovation.com/green.

II. C. U.S. Green Building Council LEED Certification

Projects must at a minimum incorporate all of the applicable criteria necessary to obtain a USGBC LEED Certification. Additional points may be awarded as provided for in the scoring summary on page 9 if a project can demonstrate incorporation of items that would result in a Silver, Gold, or Platinum certification level.
Green Scoring Overview

All applicants submitting an application for LIHTC must select one of the green standards provided for in this policy. Selection of a particular category and level will result in points as provided for below. The attached certification is required at Application, 10% Certification, and Placed in Service in order to document compliance.

MSHDA Affordable Green Standard

Applicants selecting this category will incorporate the requirements of the applicable MSHDA Affordable Green Standard described above.

New Construction ............................................................................................................. 0 Points
Acquisition/Rehabilitation ............................................................................................. 0 Points
Historic/Adaptive Reuse ............................................................................................... 0 Points

Enterprise Green Communities:

To receive the points available in this category, applicants selecting this category will achieve one of the following applicable standards:

Mandatory Green Communities Criteria (based on location and building type) ........... 5 Points
New Construction Mandatory +35 Optional*** ............................................................. 10 Points
Moderate Rehabilitation¹ Mandatory +30 Optional*** ............................................... 10 Points
Substantial Rehabilitation¹ Mandatory +30 Optional*** ............................................ 10 Points

National Green Building Standard (NGBS):

To receive the points available in this category, applicants selecting this category will achieve one of the following applicable standards:

NGBS Bronze .................................................................................................................. 5 Points
NGBS Silver, Gold, or Emerald*** ................................................................................ 10 Points

U.S. Green Building Council LEED Certification:

To receive the points available in this category, applicants selecting this category will achieve one of the following applicable standards:

Certification ..................................................................................................................... 5 Points
Silver, Gold, or Platinum*** .......................................................................................... 10 Points

¹Characteristics of MSHDA Acquisition/Rehabilitation and Historic/Adaptive Reuse may equate to moderate or substantial rehabilitation if complying with the respective Enterprise Green Communities Criteria.

³³Applicants may choose to integrate optional criteria for points under the applicable national standard scoring system. These points will be converted to the appropriate level of points under the LIHTC competitive scoring summary.
# Green Policy Compliance Timeline

<table>
<thead>
<tr>
<th></th>
<th>LIHTC Reservation</th>
<th>LIHTC 10% Certification (1 year after award)</th>
<th>LIHTC Placed In Service (Within 2 years after award year)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MSHDA Affordable Green Standard</strong></td>
<td>Identify the project type and green standard to be integrated into the project. A fully executed copy of the MSHDA Green Policy Certification must be submitted with the tax credit application.</td>
<td>The tax credit 10% certification application must be accompanied by a fully executed copy of the MSHDA Green Policy Certification.</td>
<td>The placed in service application must be accompanied by a fully executed copy of the MSHDA Green Policy Certification.</td>
</tr>
<tr>
<td><strong>Enterprise Green Communities</strong></td>
<td>Identify the project type and green standard to be integrated into the project. A fully executed copy of the MSHDA Green Policy Certification must be submitted with the tax credit application.</td>
<td>The tax credit 10% certification application must be accompanied by <strong>proof of project registration</strong> with Enterprise Green Communities Certification. The certification level to be achieved must be clearly identified.</td>
<td>The placed in service application must be accompanied by either: Enterprise Green Communities Certification <strong>OR</strong> MSHDA Green Policy Certification and Green Communities Checklist with project scoring***.</td>
</tr>
<tr>
<td><strong>National Green Building Standard</strong></td>
<td>Identify the project type and green standard to be integrated into the project. A fully executed copy of the MSHDA Green Policy Certification must be submitted with the tax credit application.</td>
<td>The tax credit 10% certification application must be accompanied by <strong>proof of project registration</strong> with Home Innovation Research Labs. The rating level to be achieved must be clearly identified.</td>
<td>The placed in service application must be accompanied by either: NGBS Certification <strong>OR</strong> MSHDA Green Policy Certification and NGBS Checklist with project scoring***.</td>
</tr>
<tr>
<td><strong>U.S. Green Building Council LEED</strong></td>
<td>Identify the project type and green standard to be integrated into the project. A fully executed copy of the MSHDA Green Policy Certification must be submitted with the tax credit application.</td>
<td>The tax credit 10% certification application must be accompanied by <strong>proof of project registration</strong> with the U.S. Green Building Council. The rating level to be achieved must be clearly identified.</td>
<td>The placed in service application must be accompanied by either: U.S. Green Building Council Certification <strong>OR</strong> MSHDA Green Policy Certification and USGBC Checklist with project scoring***.</td>
</tr>
</tbody>
</table>
***A copy of the official certification must be submitted to the Authority within 30 days of receipt.
MSHDA Green Policy Certification

Project Name: ____________________________________________________________

Project Number (if applicable):____________________________________________

All projects submitting an application for LIHTC must select ONE of the green standards below and clearly identify the applicable subcategory. The undersigned hereby certify that to the best of our knowledge the project will incorporate features that will allow the project to:

☐ Achieve one of the MSHDA Affordable Green Standards:
  ☐ New Construction
  ☐ Acquisition/Rehabilitation
  ☐ Historic Preservation
  ☐ Adaptive Reuse

☐ Obtain an Enterprise Green Communities Certification for:
  ☐ Mandatory Green Communities Criteria
  ☐ Mandatory Green Communities Criteria for New Construction plus 35 optional points
  ☐ Mandatory Green Communities Criteria for Moderate Rehab plus 30 optional points
  ☐ Mandatory Green Communities Criteria for Substantial Rehab plus 30 optional points

☐ Obtain an Enterprise Green Communities Certification for:
  ☐ NGBS Bronze
  ☐ NGBS Silver, Gold, or Emerald

☐ Obtain a U.S Green Building Council rating for:
  ☐ LEED Certification
  ☐ LEED Silver, Gold, or Platinum

The undersigned hereby certify that the architectural plans, drawings and specifications, construction contracts, and other construction documents for the proposed project will include the amenities for which points are awarded. The undersigned shall certify the inclusion of the amenities identified in the referenced documents above within one year after issuance of the Reservation and the incorporation of these amenities into the project upon completion of construction. The undersigned owner and applicant hereby certify that the management agent has been informed that ongoing maintenance and management of the project will, when reasonably possible, incorporate the amenities for which points are awarded. The undersigned shall report any discrepancies between the tax credit application and the as-built project to the Michigan State Housing Development Authority.

Failure to adhere to this certification may result in negative points in future applications, which may further result in suspension of a future project application, loss of tax credits in future applications, or other penalties.

[Signature Page Follows]
OWNER:
[INSERT OWNER’S NAME]
By: ________________________________

[INSERT AUTHORIZED SIGNATORY’S NAME]
Its: Authorized Signatory

APPLICANT:
[INSERT APPLICANT’S NAME]
By: ________________________________

[INSERT AUTHORIZED SIGNATORY’S NAME]
Its: Authorized Signatory

ARCHITECT:
[INSERT ARCHITECT’S NAME]
By: ________________________________

[INSERT AUTHORIZED SIGNATORY’S NAME]
Its: Authorized Signatory

CONTRACTOR:
[INSERT CONTRACTOR’S NAME]
By: ________________________________

[INSERT AUTHORIZED SIGNATORY’S NAME]
Its: Authorized Signatory