



STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
LANSING

GARY HEIDEL  
ACTING EXECUTIVE DIRECTOR

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**MEMORANDUM**

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**DATE:** AUGUST 16, 2019  
**TO:** INTERESTED PARTIES  
**FROM:** CHAD BENSON, LIHTC ALLOCATIONS MANAGER  
**SUBJECT:** LIHTC PROGRAM UPDATES

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This memo is intended to provide potential applicants and stakeholders interested in Michigan's Low-Income Housing Tax Credit ("LIHTC") program with updates to certain program policies and various application materials.

LIHTC PROGRAM DOCUMENT UPDATES

Applicants should note that in conjunction with this memorandum minor updates to the Addendum I and LIHTC Program Application, which were necessary to provide additional clarification in certain areas, have been posted on the MSHDA website. Interested parties that are planning to submit an application in the October 1, 2019 Funding Round will be required to submit their application utilizing these updated documents, as applicable.

SCORING CRITERIA

As outlined in Section F.1. of the Scoring Criteria, the project data and inflation data used to determine the safe harbors within the Cost Reasonableness with Credit Efficiency section of the Scoring Criteria has been updated to reflect the rolling total of the previous five years, as new data is now available following completion of the April 2019 Funding Round.

SECTION 811 PROGRAM

As noted in the 2019-2020 QAP, applicants who are interested in also utilizing the Section 811 Program through MSHDA should make sure to submit their application for Section 811 Funding no later than September 14, 2019 to ensure that MSHDA staff has an adequate amount of time to process the application prior to the October 1, 2019 Funding Round deadline. For additional questions relating to the Section 811 program, please contact Catherine Sheets at 517-335-9848.

#### 4%/9% DEVELOPMENTS

As additional experience has been gained with this financing structure and due to heightened interest in the 4%/9% development option, applicants that are pursuing the 4%/9% option should note that MSHDA staff will be reviewing proposed 4%/9% developments to ensure that they are creating a substantial savings to the 9% LIHTC Program by financing approximately 50% or more of the development with 4% LIHTC/Tax-Exempt Bond resources. Applications that are proposing a 4%/9% development where less than 50% of the total development is financed by 4% LIHTC and Tax-Exempt Bonds will not receive the 10 points for 4%/9% developments under Section D.1 of the 2019-2020 Scoring Criteria. Additionally, applicants should be prepared to demonstrate to MSHDA staff that they have made the proper inquiries and have received counsel from their syndicator/investor, attorney, and accountant in order to ensure that the physical, financial, and legal structuring of the projects will meet IRS program requirements.

#### QUESTIONS

If you have any questions regarding any of the above items or general questions related to the October 2019 funding round, please contact LIHTC staff at (517) 335-9802.