MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AGENDA

May 22, 2025 – 10:00 a.m.

735 East Michigan Avenue, Lansing, Michigan 48912
Cadillac Place, 3028 West Grand River, Room 4-602, Detroit, MI 48202
State Office Building, 701 South Elmwood Avenue, Traverse City, MI 49684
Microsoft Teams Conference Line: 248-509-0316 | Conference ID: 385 197 578#

For accessible copies of the board docket voting items and reports, please contact MSHDA at 1-855-646-7432.

ROLL CALL:

PUBLIC COMMENTS:

VOTING ISSUES:

Tab A Approval of the Agenda

CONSENT AGENDA:

Consent Agenda ***(Tabs B through N are Consent Agenda items. They are considered routine and are to be voted on as a single item by the Authority. There will be no separate discussion of these Tabs; any Authority member, however, may remove any Tab or Tabs from the Consent Agenda prior to the vote by notifying the Chair. The remaining Tabs will then be considered on the Consent Agenda. Tabs removed from the Consent Agenda will be discussed individually.)***

Tab B Minutes – April 17, 2025, Board Meeting

Tab C Resolution Authorizing Grants from the Michigan Housing and Community Development Fund

Tab D Resolution Authorizing Amendment of Housing Development Fund Grant to the City of Lansing

Tab E Resolution Authorizing Grants from the Employer-Assisted Housing Fund

Tab F Amended and Restated Resolution Authorizing Signatories

Tab G Amended and Restated Resolution Designating Bank Accounts and Authorizing Officers as to Requisition and Investment of Funds

Tab H Resolution Authorizing Amendments for Professional Services Contracts for Design Review

Tab I Resolution Authorizing Professional Services Contracts for Market Studies

Tab J Resolution Authorizing Renewal of Professional Services Contracts with On-Site Insight, Inc.

Tab K Resolution Authorizing Amendment to Amended and Restated Pass Through Bond Program

Tab L Inducement Resolution, **Boston Square Together I,** City of Grand Rapids, Kent County, MSHDA No. 44c-209

Tab M Inducement Resolution, **900 Tuscola at Midtown West 4%,** City of Detroit, Wayne County, MSHDA No. 44c-230

Tab N Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition, **Park Terrace Apartments**, **MSHDA Development No. 1046**, City of Muskegon, Muskegon County

REGULAR VOTING ITEMS:

Tab O Michigan State Housing Development Authority Resolution Authorizing Issuance And Sale Of Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2025 (**West Of 10th Apartments Project**) To Finance a Loan To CKG West Of 10th 2023 Limited Dividend Housing Association L.L.C. So As To Enable The Borrower To Acquire, Construct And Equip A Certain Multifamily Rental Housing Facility, Authorizing The Execution Of The Bond Purchase Agreement, The Loan Agreement And The Trust Indenture Securing The Bonds, And Determining And Authorizing Other Matters Relative Thereto

Resolution Authorizing Loan, **West of 10th, MSHDA No. 44c-224**, City of Detroit, Wayne County

Tab P Resolution Determining Mortgage Loan Feasibility, **City View in the Square, MSHDA Development No. 4266**, City of Kalamazoo, Kalamazoo County

Resolution Authorizing Mortgage Loan, **City View in the Square, MSHDA Development No. 4266, City of Kalamazoo, Kalamazoo County**

Tab Q Resolution Authorizing Modification to Mortgage Terms, **Gracious Grounds, MSHDA Development No. 4134**, Grand Haven Township, Ottawa County

CLOSED SESSION:

None.

DISCUSSION ISSUES:

None.

REMARKS:

Chairperson

Executive Director

REPORTS:

Tab 1 Draft - 2025-26 Qualified Allocation Plan for the Housing Tax Credit Program

Tab 2 Draft – FY 2025-26 Budget

Tab 3 Quarterly Financials – YTD ending 3/31/25

Tab 4 Current and Historical Homeownership Data

Tab 5 Monthly Homeownership Production Report

Tab 6 MI 10K DPA Monthly Statistics (Map)

Tab 7 2025 Board Calendar

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

MINUTES OF REGULAR AUTHORITY MEETING

APRIL 17, 2025

AUTHORITY MEMBER(S) PRESENT: LANSING

John Groen for Susan Corbin
Michele Wildman for Quentin Messer
Evangelina Hernandez

AUTHORITY MEMBER(S) PRESENT: DETROIT

Regina Bell
Kevin Smith for Rachael Eubanks

AUTHORITY MEMBER PRESENT: TRAVERSE CITY

Warren Call

AUTHORITY MEMBER(S) ABSENT:

Jennifer Grau
Jonathan Bradford

ATTENDEES IN DETROIT:

Sherry Hicks, MSHDA
Stephanie Latos, MSHDA
Amy Hovey, MSHDA

ATTENDEES IN TRAVERSE CITY:

Tony Lentych, MSHDA

ATTENDEES IN LANSING/ MICROSOFT TEAMS:

Anthony Amoroso, MSHDA
Jacob Albert, MSHDA
David Allen, MSHDA
Katie Bach, MSHDA
Lindsey Baker, MSHDA
Yolanda Bennett, MSHDA
Chad Benson, MSHDA
Matt Bergeon, MSHDA
Michael Binegar, MSHDA
Marshall Brooks, MSHDA
Amber Martin, MSHDA
Amber McCray, MSHDA
Kendra McCullar, MSHDA
Thomas McKee, MSHDA
Jennifer McNeely, MSHDA
Margaret Meyers, MSHDA
Christine Miller, MSHDA
John Millhouse, AG
Andrew Minegar, MIRS
Trenton Mitchell, MSHDA

Drew Brown, MSHDA
Taura Brown, Detroit Eviction Defense
Megan Castro, MSHDA
Brett Churchill, MSHDA
Latasha Cole, MSHDA
Mary Cook, MSHDA
Tonya Coon, MSHDA
Andrea Cottrell, MSHDA
Camellia Crowell, MSHDA
James Davis, MSHDA
Richard DeVries
Kristopher Downing, MSHDA
Jacob Eccleston, MSHDA
Geoffrey Ehnis-Clark, MSHDA
Kathryn Evans, MSHDA
Michael Fobbe, AG
Pierre-Denise Gilliam, MSHDA
Kara, Hart-Negrich, MSHDA
Benjamin Honeyford, MSHDA
Jason Hubbard, Stifel Public Finance
John Hundt, MSHDA
Tonya Joy, MSHDA
Tonia Kaczmarczyk, MSHDA
Joseph Kelly, MSHDA
Laurie Kelly, MSHDA
Sandra Kimball, MSHDA
Scott Kindinger, MSHDA
Laura King, MSHDA
Timothy Klont, MSHDA
Ashley Kreiner, MSHDA
Stephanie Latos, MSHDA
Rebecca Leiby, MSHDA
Kevin Louis, MSHDA
Chris Lussier, MSHDA
Amina Mohamed-Saleh, MSHDA
Debora Monroy, MSHDA
Frank Mostek, MSHDA
Michael Naberhuis, MSHDA
Deborah Neumann, MSHDA
Amy Patterson, AG
Jillian Pearson, MSHDA
Joseph Popek, AG
Cisco Potts, MSHDA
Shaun Prince, MSHDA
Joshua Pugh, MSHDA
Elizabeth Rademacher, MSHDA
John Renken, Hawkins
Karmen Robinson, MSHDA
Jaclyn Schafer, MSHDA
Catherine Sheets, MSHDA
Michael Shelden, MSHDA
Christopher Shultz, MSHDA
Brandi Smith, MSHDA
Megan Spitz, MSHDA
Clarence Stone, MSHDA
John Swift, MSHDA
Jeffrey Sykes, MSHDA
Nathan Thelen, MSHDA
Katy VanHouten, MSHDA
Anna Vicari, MSHDA
Hilary Vigil, AG
Michael Vollick, MSHDA
Lisa Ward, MSHDA
Daphne Wells, MSHDA
Mark Whitaker, MSHDA
Justin Wieber, MSHDA
Heather Williams, MSHDA

Two additional members of the public participated via the Conference Line: Conference ID: 385 197 578#. Chairperson John Groen for Susan Corbin opened the meeting at 10:00 am. A quorum was established with the presence of Evangelina Hernandez, Michele Wildman for Quentin Messer, Kevin Smith for Rachael Eubanks, Warren Call, and Regina Bell. Members were physically present in Lansing, Detroit and Traverse City.

Mr. Groen proceeded to request public comments from participants both in-person and via teams. Taura Brown, of Detroit Eviction Defense, commented on MSHDA's FOIA process and the oversight of homeless services in the Detroit area.

MEETING ANNOUNCEMENTS:

Mr. Groen noted a goldenrod for **Tab E** (Inducement Resolution, **Carriage House of Muskegon Apartments,** City of Muskegon, Muskegon County, MSHDA No. 44c-227).

APPROVAL OF AGENDA:

Evangelina Hernandez moved approval of **Tab A** (Agenda). Warren Call supported. The agenda was approved.

VOTING ITEMS:

Consent Agenda (Tabs B–G):

Evangelina Hernandez moved approval of the Consent Agenda. Regina Bell supported. The Consent Agenda was approved.

The Consent Agenda included the following items:

Tab B	Minutes – March 20, 2025, Board Meeting
Tab C	Resolution Authorizing Grants from the Michigan Housing and Community Development Fund
Tab D	Resolution Authorizing Amendment of the FY2025 & FY2026 Allocation Plan for the Housing and Community Development Fund
Tab E	Inducement Resolution, **Carriage House of Muskegon Apartments,** City of Muskegon, Muskegon County, MSHDA No. 44c-227
Tab F	Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition, **Hastings Ponds Senior, MSDHA Development No. 1089**, City of Hastings, Barry County
Tab G	Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition, **Hastings Ponds Family, MSDHA Development No. 1090**, City of Hastings, Barry County

REGULAR VOTING ITEMS:
None.

CHAIR'S REPORT:

None.

EXECUTIVE DIRECTOR'S REPORT:

None.

After the Executive Director's Report, Mr. Groen announced the following reports were included in the docket: **(Tab 1)** Delegated Action Reports; **(Tab 2)** Current and Historical Homeownership Data; **(Tab 3)** Monthly Homeownership Production Report; **(Tab 4)** MI 10K DPA Monthly Statistics (Map); and **(Tab 5)** 2025 Board Calendar.

Mr. Groen noted that the next regular board meeting would be on May 22, 2025. He then requested a motion to adjourn the meeting. John Groen moved to adjourn, and Michele Wildman supported. The meeting adjourned at 10:09 am.

REVIEWED:

/s/ Laura J. King
Laura J. King

/s/ Clarence L. Stone, Jr.
Clarence L. Stone, Jr.

Goldenrod
Tab C

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: May 22, 2025

RE: Housing and Community Development Fund—Approval of Grants Listed in Schedule A and Schedule B

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt a resolution that authorizes the approval of the following grants funded by the Michigan Housing and Community Development Fund ("HCDF"):

- The Implementation of the Statewide Housing Plan Program grants ("Statewide Housing Plan Program Grants") listed in Schedule A of this Memorandum.
- The Housing Production and Preservation, Capacity Building, Innovation & Strategic Opportunities grants ("HPPCBISO Grants") listed in Schedule B of this Memorandum.

(The Statewide Housing Plan Program Grants, and HPPCBISO Grants are collectively referred to as the "HCDF Grants").

If approved by the Authority, the total amounts of HCDF proceeds used to fund the HCDF Grants listed in the attached schedules are as follows:

- The Statewide Housing Plan Program Grants listed in Schedule A will not exceed $260,000, inclusive of Current Grantee Adjustments.
- The HPPCBISO Grants listed in Schedule B will not exceed $2,705,000.

EXECUTIVE SUMMARY:

Public Act 346 of 1966, Part 125.1458a, charges the Authority with administering the Michigan Housing and Community Development Fund ("HCDF") for the purpose of developing and coordinating public and private resources to meet the affordable housing needs of low income, very low income, and extremely low-income households and to revitalize downtown areas and adjacent neighborhoods in Michigan.

Effective February 13, 2024, the Michigan Legislature appropriated to the Authority, pursuant to Public Act 4 of 2023 ("2023 PA 4"),[1] beginning with the 2022-2023 state fiscal year through the 2024-2025 state fiscal year, up to $50 million, if available, to the HCDF Program. On September

[1] 2023 PA 4 amends Public Act 281 of 1967, at MCL 206.695(1) et. seq.

19, 2024, the Authority approved the FY2025 - FY2026 HCDF Allocation Plan in order to program the use of HDCF funds. If approved, the Statewide Housing Plan Program Grants identified in Schedule A and the HPPCBISO Grants identified in Schedule B will be funded under the HCDF Program from the 2023 PA 4 appropriation.

The HCDF Grants have been evaluated by Authority staff for compliance with the HCDF Allocation Plan and requirements, and the evaluations have been reviewed and approved by review committees comprised of Authority supervisory staff. The proposed HCDF Grants have been found to be acceptable for Authority approval and will be subject to the terms and conditions required for (a) HCDF funds as appropriate and (b) the execution of grant agreements and disbursement of the HCDF Grants.

ADVANCING THE AUTHORITY'S MISSION:

The proposed HCDF Grants will serve to expand access to affordable and attainable housing, address ongoing housing hardships of Michigan residents and support Michigan's Statewide Housing Plan implementation and priorities that address the housing needs of Michigan residents.

REGIONAL HOUSING PARTNERSHIPS:

The proposed HCDF Grants support the goals of the regional housing partnerships.

RESIDENT IMPACT:

None.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.

SCHEDULE A MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY HOUSING AND COMMUNITY DEVELOPMENT FUNDS (HCDF) 2023 PUBLIC ACT 4 IMPLEMENTATION OF THE STATEWIDE HOUSING PLAN PROGRAM May 22, 2025 GRANTEE LIST							
NAME OF GRANTEE	**AMOUNT OF HCDF GRANT**	**REGION**	**LOCATION FOR SCOPE OF WORK**	**SCOPE OF WORK**	**HOMEOWNER/HOMEBUYER**	**RENTAL**	**TERM OF GRANT**
W.Branch Investments LLC	$440,000	Region E	Ogemaw County	4 New Units	0	4	June 01, 2025 - February 28, 2027
Current Grantee Adjustments							
Escanaba Go Green	($28,000)			Rehabilitation	-1		
Homestretch Nonprofit Housing Corporation	($196,000)	Region D		New Units	-3		
The Heat and Warmth Fund	$44,500	Region L	Oakland County	7 Occupied Rehab	7	0	June 01, 2025 - February 28, 2027
Total	**$260,500**				3	4	

SCHEDULE B
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
HOUSING AND COMMUNITY DEVELOPMENT FUNDS (HCDF)
2023 PUBLIC ACT 4
HCDF HOUSING PRODUCTION AND PRESERVATION, CAPACITY BUILDING, INNOVATION & STRATEGIC OPPORTUNITIES
May 22, 2025 GRANTEE LIST

NAME OF GRANTEE	AMOUNT OF HCDF	STATEWIDE HOUSING PLAN REGION	LOCATION FOR SCOPE OF WORK	SCOPE OF WORK	TERM OF GRANT
WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGION PLANNING COMMISSION	$ 75,000	A	Baraga, Gogebic, Houghton, Keweenaw, Iron, and Ontonagon Counties	Continuing Statewide Housing Plan implementation and building a housing ecosystem in the region.	June 1, 2025 - May 30, 2026
WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGION PLANNING COMMISSION	$ 25,000	A	Baraga, Gogebic, Houghton, Keweenaw, Iron, and Ontonagon Counties	Advance the non-housing production goal to develop a landlord-tenant housing resource website.	June 1, 2025 - May 30, 2026
CENTRAL UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION	$ 75,000	B	Alger, Delta, Dickinson, Marquette, Menominee, and Schoolcraft Counties	Continuing Statewide Housing Plan implementation and building a housing ecosystem in the region.	June 1, 2025 - May 30, 2026

SCHEDULE B
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
HOUSING AND COMMUNITY DEVELOPMENT FUNDS (HCDF)
2023 PUBLIC ACT 4
HCDF HOUSING PRODUCTION AND PRESERVATION, CAPACITY BUILDING, INNOVATION & STRATEGIC OPPORTUNITIES
May 22, 2025 GRANTEE LIST

NAME OF GRANTEE	AMOUNT OF HCDF	STATEWIDE HOUSING PLAN REGION	LOCATION FOR SCOPE OF WORK	SCOPE OF WORK	TERM OF GRANT
CENTRAL UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION	$ 25,000	B	Alger, Delta, Dickinson, Marquette, Menominee, and Schoolcraft Counties	Advance the non-housing production goal 2.1C by supporting participation in CEDAM Real Estate Boot Camp	June 1, 2025 - May 30, 2026
NORTHWEST MICHIGAN RURAL HOUSING PARTNERSHIP	$ 75,000	D	Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, and Missaukee Counties	Continuing Statewide Housing Plan implementation and building a housing ecosystem in the region.	June 1, 2025 - May 30, 2026
TARGET ALPENA DEVELOPMENT CORPORATION	$ 75,000	E	Alcona, Alpena, Cheboygan, Crawford, Iosco, Montmorency, Oscoda, Otsego, Presque Isle, and Roscommon Counties	Continuing Statewide Housing Plan implementation and building a housing ecosystem in the region.	June 1, 2025 - May 30, 2026

Goldenrod
Tab C

SCHEDULE B MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY HOUSING AND COMMUNITY DEVELOPMENT FUNDS (HCDF) 2023 PUBLIC ACT 4 HCDF HOUSING PRODUCTION AND PRESERVATION, CAPACITY BUILDING, INNOVATION & STRATEGIC OPPORTUNITIES May 22, 2025 GRANTEE LIST					
NAME OF GRANTEE	AMOUNT OF HCDF	STATEWIDE HOUSING PLAN REGION	LOCATION FOR SCOPE OF WORK	SCOPE OF WORK	TERM OF GRANT
GREATER GRAND RAPIDS CHAMBER FOUNDATION	$ 75,000	F	Allegan, Barry, Ionia, Kent, Lake, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola, and Ottawa Counties	Continuing Statewide Housing Plan implementation and building a housing ecosystem in the region.	June 1, 2025 - May 30, 2026
~~EAST MICHIGAN COUNCIL OF GOVERNMENTS~~ **LOCAL INITIATIVES SUPPORT CORPORATION (LISC)**	$ 75,000	~~G~~ **O**	~~Arenac, Bay, Clare, Gladwin, Gratiot, Isabella, Midland, and Saginaw Counties~~ **City of Detroit**	Continuing Statewide Housing Plan implementation and building a housing ecosystem in the region.	June 1, 2025 - May 30, 2026
LAPEER SHIAWASSEE REGION V PLANNING AND DEVELOPMENT COMMISSION	$ 75,000	H	Genesee, Huron, Lapeer, Sanilac, Shiawasee, St. Clair, and Tuscola Counties	Continuing Statewide Housing Plan implementation and building a housing ecosystem in the region.	June 1, 2025 - May 30, 2026
TRI-COUNTY REGIONAL PLANNING COMMISSION	$ 75,000	I	Clinton, Eaton, and Ingham Counties	Continuing Statewide Housing Plan implementation and building a housing ecosystem in the region.	June 1, 2025 - May 30, 2026

SCHEDULE B
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
HOUSING AND COMMUNITY DEVELOPMENT FUNDS (HCDF)
2023 PUBLIC ACT 4
HCDF HOUSING PRODUCTION AND PRESERVATION, CAPACITY BUILDING, INNOVATION & STRATEGIC OPPORTUNITIES
May 22, 2025 GRANTEE LIST

NAME OF GRANTEE	AMOUNT OF HCDF	STATEWIDE HOUSING PLAN REGION	LOCATION FOR SCOPE OF WORK	SCOPE OF WORK	TERM OF GRANT
W E UPJOHN UNEMPLOYMENT TRUSTEE CORPORATION	$ 75,000	J	Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren Counties	Continuing Statewide Housing Plan implementation and building a housing ecosystem in the region.	June 1, 2025 - May 30, 2026
COMMUNITY ACTION AGENCY	$ 75,000	K	Hillsdale, Jackson, Lenawee, Livingston, Monroe, and Washtenaw Counties	Continuing Statewide Housing Plan implementation and building a housing ecosystem in the region.	June 1, 2025 - May 30, 2026
ALLIANCE FOR HOUSING OAKLAND COUNTY CONTINUUM OF CARE	$ 75,000	L	Oakland County	Continuing Statewide Housing Plan implementation and building a housing ecosystem in the region.	June 1, 2025 - May 30, 2026

SCHEDULE B
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
HOUSING AND COMMUNITY DEVELOPMENT FUNDS (HCDF)
2023 PUBLIC ACT 4
HCDF HOUSING PRODUCTION AND PRESERVATION, CAPACITY BUILDING, INNOVATION & STRATEGIC OPPORTUNITIES
May 22, 2025 GRANTEE LIST

NAME OF GRANTEE	AMOUNT OF HCDF	STATEWIDE HOUSING PLAN REGION	LOCATION FOR SCOPE OF WORK	SCOPE OF WORK	TERM OF GRANT
COUNTY OF MACOMB	$ 75,000	M	Macomb County	Continuing Statewide Housing Plan implementation and building a housing ecosystem in the region.	June 1, 2025 - May 30, 2026
WAYNE COUNTY COMMUNITY ACTION AGENCY	$ 75,000	N	Wayne County	Continuing Statewide Housing Plan implementation and building a housing ecosystem in the region.	June 1, 2025 - May 30, 2026
LIGHTHOUSE MI	$ 1,680,000	O	City of Detroit	Additional MSHDA funding to support the Lee Plaza Hotel development	June 1, 2025 - May 30, 2027
Total Approvals Requested	**$ 2,705,000**				

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING GRANTS FROM THE MICHIGAN HOUSING AND COMMUNITY DEVELOPMENT FUND

May 22, 2025

WHEREAS, Section 58a of Public Act 346 of 1966, as amended (the "Act") creates and establishes the Michigan Housing and Community Development Fund (the "HDCF") under the jurisdiction and control of the Michigan State Housing Development Authority (the "Authority"); and

WHEREAS, Section 58b(2) of the Act provides that the Authority will identify, select, and make financing available, in any amounts as the Authority determines, from the HCDF for housing for low income, very low income, and extremely low income households and for projects located in a downtown area or adjacent neighborhood, to Section 58(2)(d) defined eligible applicants for Section 58b(3) eligible projects and Section 58c eligible activities; and

WHEREAS, effective February 13, 2024, the Michigan Legislature appropriated to the Authority, pursuant to Public Act 4 of 2023 (“2023 PA 4”), amending Public Act 281 of 1967, at MCL 206.695(1) et. seq., beginning with the 2022-2023 state fiscal year through the 2024-2025 state fiscal year, up to $50 million, if available, to the HCDF Program.

WHEREAS, September 19, 2024, the Authority approved the FY2025 - FY2026 HCDF Allocation Plan in order to program the use of HDCF funds; and

WHEREAS, Authority staff and the Chief Executive Officer and Executive Director have reviewed the Statewide Housing Plan Program grant proposals listed in Schedule A (“Statewide Housing Plan Program Grants”) and recommend that the Authority adopt a resolution authorizing the funding of Statewide Housing Plan Program Grants listed in Schedule A with HCDF proceeds as described in the accompanying memorandum; and

WHEREAS, Authority staff and the Chief Executive Officer and Executive Director have reviewed the Housing Production and Preservation, Capacity Building, Innovation & Strategic Opportunities grant proposal listed in Schedule B (“HPPCBISO Grants”) and recommend that the Authority adopt a resolution authorizing the funding of HPPCBISO Grants listed in Schedule B with HCDF proceeds as described in the accompanying memorandum; and

WHEREAS, the Statewide Housing Plan Program Grants, and HPPCBISO Grant heretofore described will be hereafter collectively referred to as the “HCDF Grants”; and

WHEREAS, the Authority concurs in the recommendation.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. That the Authority hereby determines that:

a. the HCDF Grants shall be expended for one or more of the eligible activities outlined in the Authority's Act and permitted under Rule 125.190 of the Authority's General Rules; and

b. in the event that housing units are created or improved with HCDF Grants proceeds, at least twenty percent (20%) of the units in the housing project to be acquired, constructed, rehabilitated, or preserved with HCDF Grant funds are set aside for Low Income Households, as defined by the Act and Rule 191 of the Authority's General Rules.

2. That the HCDF Grants are authorized to be used for the purposes and in the amounts set forth in the accompanying memorandum, subject to the conditions contained therein and to the execution of a Grant Agreement between the Authority and the grantees listed in Schedules A and B, that shall include the following:

a. a provision pursuant to Section 58d(a) providing that the owner and manager agree not to evict a tenant without just cause, as defined in MCL 125.694a;

b. a provision pursuant to Section 58d(b) providing for the recapture or de-obligation of some or all of the HCDF Grant for any reasons specified in Rule 125.196(4) of the Authority's General Rules; and

c. performance metrics and reporting requirements as required by HCDF guidelines.

3. That, if an advance or any portion of any HCDF Grant is not used for the intended purpose due to conditions that make it impossible to use as stated herein, or if the grantee fails to use all or any portion of the HCDF Grant, any unused HCDF Grant proceeds that have been disbursed will be returned to the Authority immediately. All HCDF Grant proceeds that have not been used for approved HCDF Grant purposes within two (2) years of the date of this Resolution will be recaptured by the Authority and returned to the Authority's HCDF Fund.

4. That the Chief Executive Officer and Executive Director, the Chief Financial Officer, the Director of Finance, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Operating Officer, or any person duly appointed and acting in that capacity (each an "Authorized Officer") are each authorized to modify the terms of the HCDF Grant or take such action as, in the discretion of the Authorized Officer, may be necessary to assure the administration of the Grant is in compliance with the Consolidated Act, the Act and the General Rules of the Authority, and to effectuate the proposals set forth in the accompanying memorandum. To ensure the efficient use of grant funds, an Authorized Officer is authorized to substitute a HCDF grant with a grant from an alternate, duly authorized funding source.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: May 22, 2025

RE: Housing Development Fund Emergency Solutions Grant Amendment (HML-2024-384-ESM-02) to the City of Lansing.

RECOMMENDATION:

Pursuant to Administrative Rule 125.153, it is recommended that the Michigan State Housing Development Authority ("Authority") adopt a resolution authorizing the amendment of an existing Housing Development Fund grant to the City of Lansing (the "City") for the purpose of increasing the grant award amount from $249,999 to an amount not to exceed $265,557.

EXECUTIVE SUMMARY:

The Authority is seeking to provide additional Emergency Solutions Grant ("ESG") Housing Development Fund (the "HDF") funding in the amount of $15,558 to the City as an existing ESG grantee to administer services to individuals and families who are homeless or at-risk of homelessness in Ingham County. The Authority and the City entered into the current grant agreement on October 9, 2023 (the "Grant Agreement") and are now seeking to amend the Grant Agreement to include additional funding to be spent through June 30, 2025. The additional funding is derived from other ESG grantees that were unable to spend their respective allocations prior to December 31, 2024. ESG funding may support street outreach, emergency shelter, rapid re-housing, homelessness prevention, the Homeless Management Information System ("HMIS"), and administration. Administrative Rule 125.153 requires Authority approval for HDF grants of $250,000 or more. While the Grant Agreement did not initially meet that threshold, the proposed increase now requires such approval.

ADVANCING THE AUTHORITY'S MISSION:

In alignment with the Authority's mission and multiple strategic focus areas, this grant is leveraged to build equitable pathways to housing programs and services, invest in Michigan communities based on need, and reduce homelessness. By amending the Grant Agreement, the additional ESG funding ensures:

1) access to critical housing resources for unhoused or at-risk individuals and families;

2) increased capacity in street outreach, emergency shelter, homelessness prevention, and rapid re-housing services to impacted households across the state (both rural and urban); and
3) improved housing outcomes for households experiencing homelessness and/or housing instability.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

The City will continue to provide grant oversight, submit quarterly financial status reports, and request grant funds from the Authority. The City has the capability to provide the data required to comply with the US Department of Housing and Urban Development's Consolidated Annual Performance Evaluation Report requirements. If the City is found to be not in compliance with such requirements, the funds will be recaptured by the Authority. Authority staff will work closely with the City during the grant administration, which is set to end June 30, 2025.

HOUSING DEVELOPMENT FUND GRANT REPORT

May 22, 2025

RECOMMENDATION:

Pursuant to Administrative Rule 125.153, it is recommended that the Michigan State Housing Development Authority ("Authority") adopt a resolution authorizing the amendment of an existing Housing Development Fund grant to the City of Lansing (the "City") for the purpose of increasing the grant award amount from $249,999 to an amount not to exceed $265,557.

DEVELOPMENT INFORMATION:

MSHDA No:	HML-2024-384-ESM-02
Grantee:	City of Lansing
Location of Project:	Ingham County
Use of Funds:	Emergency Solutions Grant
Number of Units:	N/A
Maximum Grant:	$265,557
Contact Person(s):	Nicole Beagle

SUMMARY OF PROPOSAL:

The Authority is seeking to provide additional Emergency Solutions Grant ("ESG") Housing Development Fund (the "HDF") funding in the amount of $15,558 to the City as an existing ESG grantee to administer services to individuals and families who are homeless or at-risk of homelessness in Ingham County. The Authority and the City entered into the current grant agreement on October 9, 2023 (the "Grant Agreement") and are now seeking to amend the Grant Agreement to include additional funding to be spent through June 30, 2025. The additional funding is derived from other ESG grantees that were unable to spend their respective allocations prior to December 31, 2024. ESG funding may support street outreach, emergency shelter, rapid re-housing, homelessness prevention, the Homeless Management Information System ("HMIS"), and administration. Administrative Rule 125.153 requires Authority approval for HDF grants of $250,000 or more. While the Grant Agreement did not initially meet that threshold, the proposed increase now requires such approval.

ORGANIZATIONAL HISTORY:

The City is a proven and reliable ESG sub-recipient that has been successful in administering such funding for years.

ELIGIBILITY UNDER THE ACT AND RULES:

Section 24(3) of P.A. 346 of 1966, as amended, provides that the Authority may use monies from the HDF to make grants to local communities (as defined by the Authority's General Rules). Pursuant to Authority General Administrative Rule 103, a "local community" includes "a public body or agency" that "is acting in a manner consistent with the objectives of the act with respect to the provision of housing or community development."

The Rules further require that prior to the authorization of any HDF grant, each proposal be reviewed and analyzed to determine that the application meets the requirements of the Act and Rules and is consistent with the Authority's evaluation factors. Authority staff has reviewed the City's application and have determined that it complies with the Act, Authority Rules and HDF Evaluation Factors as discussed below.

This proposal has been reviewed and determined to have satisfied the Authority's "Amended and Restated Priorities, Evaluation Factors, and Criteria for Allocation of Development Fund Grants" ("HDF Evaluation Factors") adopted by the Authority on April 21, 2022; the HDF Evaluations Factors include, but are not limited to, the following:

1. "Summary of Program Purpose" Section I(A)(5) – The City will administer services to individuals and families who are homeless or at-risk of homelessness in Ingham County.

2. "Eligible Applicants" Section I(B) – The City is a local government agency acting in a manner consistent with the objectives of the Act with respect to the provision of housing and is eligible under the Act to receive grant assistance under this program.

3. "Eligible Activities" Section I(C)(5)(h) – Activities under this grant will be for street outreach, shelter operations, rapid re-housing, prevention, HMIS, and administration.

4. "Eligible Costs" Section I(D)(5)(7) – Costs associated with this grant will be street outreach, shelter operations, essential services, homelessness prevention services, homelessness prevention financial assistance, homelessness prevention rental assistance, rapid re-housing services, rapid re-housing financial assistance, rapid re-housing rental assistance, HMIS, and administration.

SPECIAL CONDITIONS:

Prior to the disbursement of any funds authorized pursuant to this grant, the applicant must:

1. Electronically sign an amendment to the Grant Agreement within grant management system that includes: the new projected budget; grant term; and updated program description.

DISCLOSURE

No Disclosures.

APPROVALS:

An application for a HDF grant was submitted that included information and, where required by the Authority staff, supporting materials, and evidence with respect to all the following:

1. That the applicant is an applicant authorized by the Act to receive a HDF grant;
2. The proposed housing or community development activities for which assistance in planning or implementation is being requested;
3. The total cost of the planned activities, the net costs to the applicant, and a schedule of the proposed uses of the requested HDF grant and the amounts proposed to be allocated to each use; and
4. Other matters with respect to the proposal, the applicant, and other parties involved as the Authority staff and the Chief Executive Officer and Executive Director require.

Nicole Beagle 5/16/25

Nicole Beagle Date
Homeless Solutions Program Manager

Clarence L. Stone, Jr. 5/16/2025

Clarence Stone Date
Chief Legal Affairs Officer

Amy Hovey 05/16/2025

Amy Hovey Date
Chief Executive Officer and Executive Director

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING AMENDMENT OF HOUSING DEVELOPMENT FUND GRANT TO THE CITY OF LANSING

May 22, 2025

WHEREAS, Section 23 of Public Act 346 of 1966, as amended (the "Act") creates and establishes a housing development fund (the "Housing Development Fund") under the jurisdiction and control of the Michigan State Housing Development Authority (the "Authority"); and

WHEREAS, Section 24(3) of the Act provides that the Authority may use the monies held in the Housing Development Fund to make grants ("HDF Grants") to local communities, as defined by the Authority in rules promulgated under the Act, or to public or private nonprofit organizations or local governmental agencies organized to provide assistance to persons and families of low or moderate income, in any amounts as the Authority determines, not to exceed the net costs, exclusive of any federal aid or assistance, incurred by the recipient in planning for or implementing housing assistance or community or housing development; and

WHEREAS, the Authority received an application for funding from the City of Lansing (the "City" or "Grantee"), a municipality proposing to use Authority funds to provide services to individuals and families who are homeless or at risk of homelessness in Ingham County, Michigan; and

WHEREAS, the Authority and the City previously entered into a grant agreement on October 1, 2023 (the "Grant Agreement"), which contemplated a total award amount of Two Hundred Forty-Nine Thousand Nine Hundred Ninety-Nine Dollars ($249,999); and

WHEREAS, the Authority and the City now wish to increase the award amount of the Grant Agreement to Two Hundred Sixty-Five Thousand Five Hundred Fifty-Seven Dollars ($265,557) for the purpose of reallocating unspent ESG funding from other grantees, which were unable to spend initially allocated funding amounts; and

WHEREAS, Administrative Rule 125.153 requires Authority approval for HDF Grants of Two Hundred Fifty Thousand Dollars ($250,000) or more; and

WHERAS, the proposed increase in the award amount of the Grant Agreement now requires Authority approval; and

WHEREAS, Authority staff and the Chief Executive Officer and Executive Director have reviewed the proposal and recommend that the Authority adopt a resolution authorizing an amendment to the Grant Agreement in accordance with the accompanying HDF Grant Report and Memorandum; and

WHEREAS, the Authority concurs in the recommendation.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. That the Authority hereby determines pursuant to Rule 125.153 of the Authority's General

Rules that:

a. the Grantee is a local community as defined in Rule 125.103(c);

b. the Grant shall be used in planning for or implementing activities authorized by the Authority's Act;

c. the Grantee is reasonably expected to be able to implement the plan outlined in its application successfully; and

d. the proposed activities satisfy the Authority's "Amended and Restated Priorities, Evaluation Factors and Criteria for Allocation of Housing Development Fund Grants dated April 21, 2022.

2. That a Grant not to exceed Two Hundred Sixty-Five Thousand Five Hundred Fifty-Seven Dollars ($265,557) be and is hereby authorized to be used for the purposes set forth in the accompanying HDF Grant Report, subject to the special conditions contained therein and to the execution of an amendment to the Grant Agreement between the Authority and the Grantee.

3. That, if an advance or a portion of the Grant for a specific purpose is not used for that purpose due to conditions that make it impossible to use as stated herein, or if the Grantee fails to use all or any portion of the Grant, any unused Grant proceeds that have been disbursed will be returned to the Authority immediately. All Grant proceeds that have not been used for approved Grant purposes on or before June 30, 2025, or such later deadline as the Authority may establish in the interest of accomplishing the purposes of the Grant, will be returned to the Authority's Housing Development Fund.

4. That the Chief Executive Officer and Executive Director may terminate or reduce the Grant at any time if (a) the Chief Executive Officer and Executive Director provides written notice to Authority members of the termination or reduction of the Grant and the reasons therefor and (b) on or before the 30th day after the mailing or electronic delivery of the written notice, no Authority member objects in writing to the termination or reduction of the Grant.

5. That the Chief Executive Officer and Executive Director, Chief Housing Investment Officer, Chief Financial Officer, Director of Finance, Chief Legal Affairs Officer, the Chief Hosing Solutions Officer, Director of Legal Transactions, Director of In-House Legal Services, or any person duly appointed and acting in that capacity (each an Authorized Officer) is authorized to make such changes as deemed necessary in the provision and special conditions contained in the accompanying Housing Development Fund Grant Report to assure the administration of the Grant is in compliance with the Act and the General Rules of the Authority.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: May 22, 2025

RE: Employer-Assisted Housing Pilot Program – Approval of Grants listed in Schedule A

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt a resolution authorizing the issuance of the following grants funded by the Employer-Assisted Housing "("EAH") Pilot Program.

1. An EAH-funded grant to Munson Medical Center as listed in Schedule A of this Memorandum.

   Munson Medical Center, a 442-bed hospital, is proposing a program administered by their organization to provide housing allowances to their employees to offset rent or mortgage payments. The program will provide housing stipends of up to $1,000 per month, serving an estimated 42-62 households who commit to a 24-month employment contract. It will support the recruitment and retention of newly hired clinical and support staff and encourage their long-term residency in northern Michigan. The parent organization, Munson Healthcare, oversees and manages Munson Medical Center along with other affiliated hospitals and healthcare facilities. They have committed to providing the EAH required employer cash match contribution to the housing stipend program.

   This project aligns with the Region D Housing Plan Priority Goal to increase the supply of the full spectrum of housing, including workforce housing and missing middle that is affordable and attainable to Michigan residents.

2. An EAH-funded grant to 301 Leonard, LLC, as listed in Schedule A of this Memorandum.

   301 Leonard, LLC, a single purpose entity created by Sun Title and Pinnacle Construction, is proposing the development of a five-story mixed-use building that will integrate residential and retail spaces. The project will provide 171 residential units across floors 2-5, ranging from studios to two-bedroom apartments. This project is aimed at providing workforce housing, catering to households earning below 120% of the area median income ("AMI"). The development will be located on the vacant area of the parcel adjacent

to Sun Title's offices at 385 Leonard St NE, Grand Rapids, MI 49503. The approximately 1.3 acres is valued at approximately $3,100,000 and will be contributed to the housing development as the EAH-required employer match contribution from Sun Title.

As noted by the applicant, "By delivering 171 new residential units, including approximately 43 studio units, 112 one-bedroom units, and 16 two-bedroom units, inclusive of 37 EAH units, this project will support the Region F goal of increasing the supply of the full spectrum of housing units."

3. An EAH-funded grant to Manthei, Inc. as listed in Schedule A of this Memorandum.

   Manthei, Inc (d/b/a Manthei Wood Products), a national leader in manufacturing hardwood face veneers and plywood is proposing to support a minimum of 14 employees each with the purchase of a new home through down payment assistance. Manthei Wood Products has a long history of supporting their employees through innovative programming and benefits and will administer the program to their employees. Through their program, a combination of EAH and employer match cash funds from Manthei Wood Products will lower each home's purchase price, making homeownership attainable by providing up to $70,000 total down payment assistance to an employee. The program will initially target existing employees to encourage talent retention but will be available to recruit new talent if funds remain.

   This program aligns locally and with Region D identified priorities: supporting workforce housing and increasing access to stable and affordable quality housing.

4. An EAH-funded grant to Lincoln and Troy, LLC as listed in Schedule A of this Memorandum.

   Lincoln and Troy, LLC proposes the development of a five-story mid-rise, multi-family residential development, Lincoln Place, in the heart of Downtown Royal Oak located on 2.44 acres to support the workforce of Royal Oak by providing attainable housing near their place of employment. The development will consist of 209 units, ranging from studios to two-bedroom apartments. The 20 EAH units will be restricted to tenant households within incomes at or below 120% AMI. Champion Automotive Group Inc has committed to providing a cash employer match to support the development of the project as an investment in the well-being, stability, and retention of their employees, ensuring that they have access to reasonable rental options.

   With the Royal Oak Planning Commission's approval of the site plan, Lincoln Place aligns with Region L housing needs and development goals to increase the supply of the full spectrum of housing that is affordable and attainable to Michigan residents.

5. An EAH-funded grant to Genesee County Land Bank Authority as listed in Schedule A of this Memorandum.

   Genesee County Land Bank Authority, a member of the Flint Employer Assisted Housing Consortium, will be the primary administrator of the proposed down payment assistance program targeting Greater Flint Health Coalition & Hurley Medical Center employees. The Greater Flint Health Coalition has committed to funding the $300,000 EAH employer cash match on behalf of its employees and Hurley staff. Program funds will be used as down payment assistance for individuals purchasing a home at The Gatehouse – a sixteen unit two- and three-bedroom condominium project, developed by the Genesee County Land Bank. The amount of assistance given to an employee will vary based on that employee's income, housing resources available, and debt-to-income ratio with the goal of keeping applicant housing costs below 36% of the household's gross monthly income.

The program aligns with the Region H Michigan Statewide Housing Action Plan Goal 7.2 Increase homeownership among households with low to moderate income.

6. An EAH funded grant to Southwest Organizations Unifying Resources for Community and Employers (The SOURCE) as listed in Schedule A of this Memorandum.

   The SOURCE is a Grand Rapids-based non-profit organization with more than 20 years' experience that partners with employers to provide comprehensive resource navigation, workforce and professional development programming, and financial education to stabilize households, increase employee retention rates among partner employers, and improve individual and community well-being. The Source is requesting EAH funding to provide down payment assistance for up to 27 eligible employees from two of its partner employers, Cascade Engineering and Spectrum Industries. Cascade Engineering, located in Grand Rapids, will match $50,000 cash in EAH funding to provide $6,000 in down-payment assistance for up to 17 of its eligible employees. Spectrum Industries, located in Grand Rapids, will match $50,000 cash in EAF funding to provide $10,000 in down payment assistance for up to 10 of its eligible employees. The SOURCE will administer this benefit on behalf of both employers.

   This program aligns with the Statewide Housing Action Plan for Region D, Housing Stock Goal 4.1 and Homeownership Goal 7.2 strategies.

If approved by the Authority, the total amount of EAH grants funded as listed in Schedule A will not exceed $5,390,000 of the total $10,000,000 available in the EAH.

EXECUTIVE SUMMARY:

The EAH Pilot Program is a housing development investment tool that brings employers, local units of government, housing development professionals, and the State of Michigan together to produce much needed housing opportunities for employees. EAH incentivizes employers to address the housing needs of their employees by matching their own investment with resources that the Authority will provide. Employers contribute matching funds – whether through cash investments, land donation, a below-market interest loan, or some combination thereof, to qualify for resources through the EAH to help develop new housing options for households with income at or below 120% AMI. In return, rental housing must remain affordable for at least 10 years and for-sale housing must remain affordable for five years to ensure long-term impact. Backed by $10 million in state funding, the Authority authorized the EHA Pilot Program in December 2024 and began accepting applications on February 24, 2025.

If approved, the EAH grant recipients identified in Schedule A will be funded under the EAH. The EAH grant funds will be used for either a rental housing development project or a housing assistance program as listed in Schedule A. The EAH grants have been evaluated by Authority staff for compliance with the EAH Program Plan and requirements and have been found to be acceptable for Authority approval.

ADVANCING THE AUTHORITY'S MISSION:

The proposed EAH Grants will serve Michigan residents by bringing together employers, local governments, housing professionals, and the Authority to provide quality affordable housing solutions through programs and services, as well as housing development for Michigan's workforce while also supporting Michigan's Statewide Housing Plan implementation and priorities that address the housing needs of Michigan residents**.**

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.

SCHEDULE A
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
EMPLOYER-ASSISTED HOUSING FUND (EAHF)
EAHF PILOT
May 2025 GRANTEE LIST

Name of Grantee	Amount of EAHF Grant	Employer(s) Name	Employer Contribution Match Type	Employer Contribution Match Value	Grant Use Type	Grant Use Detail	Location	SHP Region	Total Units/ Households Served	EAHF Units/ Households Served
Munson Medical Center	**$500,000**	Munson Healthcare	Cash	$500,000	Program	Housing Stipends: Rent or Mortgage for 42 employees	Traverse City	D	42	42
301 Leonard, LLC	**$2,000,000**	Sun Title Company	Land Donation	$3,100,000	Real Estate Development - New Construction	171 new units, 37 are EAHF	Grand Rapids	F	171	37
Manthei, Inc. (dba Manthei Wood Products)	**$490,000**	Manthei, Inc. (dba Manthei Wood Products)	Cash	$490,000	Program	Down Payment Assistance for 14 employees	Petoskey	D	14	14
Lincoln and Troy, LLC	**$2,000,000**	Champion Automotive Group Inc	Cash	$2,000,000	Real Estate Development - New Construction	209 new units, 20 are EAHF	Royal Oak	L	209	20
Genesee County Land Bank Authority	**$300,000**	Greater Flint Health Coalition	Cash	$300,000	Program	Down Payment Assistance for 16 employees	Flint	H	16	16
Southwest Organizations Unifying Resources for Community and Employers (The Source)	**$100,000**	Cascade Engineering; Spectrum Enterprise	Cash	$100,000	Program	Down Payment Assistance for 27 employees	Wyoming	F	27	27
TOTAL:	**$5,390,000**								479	156

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING GRANTS FROM THE EMPLOYER-ASSISTED HOUSING FUND

May 22, 2025

WHEREAS, at the December 19, 2024, meeting of the Michigan State Housing Development Authority (the "Authority"), the Authority adopted a resolution creating the Employer-Assisted Housing program (the “EAH”), a grant program funded by Ten Million Dollars ($10,000,000) in state funds appropriated by the Michigan Legislature within the FY 2025 Omnibus budget legislation (the “EAH Pilot Program”),

WHEREAS, the terms of the EAH Pilot Program instruct Authority staff to recommend to the Authority for approval proposed grants that are in accordance with the EAH Pilot Program Term Sheet and Administrative Plan (together, the “EAH Pilot Program Guidelines”); and

WHEREAS, Authority staff and the Chief Executive Officer and Executive Director have reviewed the EAH Pilot Program grant proposals listed in Schedule A (“EAH Pilot Program Grants”) and recommend that the Authority adopt a resolution authorizing the funding of the EAH Pilot Program Grants listed in Schedule A with EAH proceeds as described in the accompanying memorandum; and

WHEREAS, the Authority concurs in the recommendation.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The Authority hereby determines that:

    a. the EAH Pilot Program Grants shall be expended for one or more of the eligible activities outlined in the Authority's Act and permitted under the Authority’s adopted EAH Pilot Program Guidelines; and

    b. Employers, as defined by the program, that provide a match of cash investment or land, or a combination of both, may receive additional resources via the EAH Program to provide new housing opportunities for their employees

2. The EAH Pilot Program Grants are authorized to be used for the purposes and in the amounts set forth in the accompanying memorandum, subject to the conditions contained therein and to the execution of a grant agreement between the Authority and the grantees listed in Schedule A, that shall reflect the EAH Pilot Program Guidelines.

3. If an advance or any portion of any EAH Pilot Program Grant is not used for the intended purpose due to conditions that make it impossible to use as stated herein, or if the grantee fails to use all or any portion of the EAH Pilot Program Grant, any unused EAH Pilot Program Grant proceeds that have been disbursed will be returned to the Authority

immediately. All EAH Pilot Program Grant proceeds that have not been used for approved EAH Pilot Program Grant purposes within two (2) years of the date of this Resolution will be recaptured by the Authority and returned to the Authority's EAH Pilot Program fund.

4. The Chief Executive Officer and Executive Director, the Chief Financial Officer, the Director of Finance, the Chief Legal Affairs Officer, the Chief Operating Officer, the Director of In-House Legal Services, the Director of Legal Transactions, or any person duly appointed and acting in that capacity (each an "Authorized Officer") are each authorized to modify the terms of the EAH Pilot Program Grant or take such action as, in the discretion of the Authorized Officer, may be necessary to assure the administration of the Grant is in compliance with the Act, the General Rules of the Authority, and the EAH Pilot Program Guidelines, and to effectuate the proposals set forth in the accompanying memorandum.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: Mary 22, 2025

RE: Amended and Restated Resolution Authorizing Signatories

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt the attached Amended and Restated Resolution Authorizing Signatories ("Signatory Resolution").

EXECUTIVE SUMMARY:

The Signatory Resolution designates the Authority officers who are authorized to sign documents ("Authorized Signatories") on behalf of the Authority. The attached Amended and Restated resolution reflects changes in the Authority's organizational charts as to job titles. For example, the position "Manager, Audit: Single Family and Multi Family Mortgage Servicing" is now the "Audit Mortgage Servicing Manager," and the "Manager, Federal Contract Administrator" position is now the "Federal Contract Administration Manager."

Additionally, specific tasks are associated with authorized positions presently performing said tasks. For example, the Director of In-House Legal Services is responsible for the review and approval of the Affirmative Fair Housing Marketing Plans, and the Chief Housing Solutions Officer is authorized to address the Rental Assistance and Homeless Solutions Division's Homeless Solutions Grants.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AMENDED AND RESTATED
RESOLUTION AUTHORIZING SIGNATORIES

May 22, 2025

WHEREAS, Section 21 of Public Act No. 346 of the Public Acts of 1966, as amended (the "Act"), provides that the Michigan State Housing Development Authority (the "Authority") may delegate to one or more agents or employees those powers or duties as the Authority considers proper; and

WHEREAS, the Authority has from time to time adopted resolutions authorizing certain officers and employees to execute documents on behalf of the Authority (hereafter "Signatory Resolutions"); and

WHEREAS, the Chief Executive Officer and Executive Director has recommended that the Amended and Restated Resolution Authorizing Signatories, adopted by the Authority on May 16, 2024, be further amended; and

WHEREAS, the Authority concurs in the recommendation of the Executive Director.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. <u>Authorized Officers.</u> The Chief Executive Officer and Executive Director, Chief Housing Investment Officer, Chief Operating Officer, Chief Financial Officer (formerly, the Director of Finance), Director of Finance (formerly, the Deputy Director of Finance), Chief Legal Affairs Officer (formerly, the Director of Legal Affairs), the Director of Legal Transactions, and the Director of In-House Legal Services (formerly, the Deputy Director of Legal Affairs), together with any person duly appointed and acting in such capacity, or any of them, are designated Authorized Officers of the Authority. Any one of the Authorized Officers shall have the power and right to approve, give notice of or act on behalf of the Authority in accordance with the provisions of mortgages, notes, contracts, agreements, certificates, exhibits and other documents and amendments thereto executed on behalf of the Authority.

2. <u>Multi-Family Developments.</u>

(a) The Authorized Officers, the Director of Development, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits and other documents, and amendments or modifications thereto, or releases or discharges therefrom, which from time to time may be necessary or required in connection with Authority-authorized Multi-Family mortgage loans.

(b) Pursuant to Rule 143 of the Authority's General Rules, the Authorized Officers, or any one of them, be and they are hereby authorized to execute mortgage loan commitments on behalf of the Authority.

3. Low Income Housing Tax Credits. The Authorized Officers, the Director of Development, the Director of Asset Management, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits and other documents, extended low income housing commitments, land use restriction agreements, and amendments or modifications thereto, or releases or discharges therefrom, in whole or in part, which from time to time may be necessary or required or determined to be appropriate by any such Officer to administer the Authority's Low Income Housing Tax Credit Program.

4. Single-Family Programs; Property Improvement.

(a) The Authorized Officers, the Director of Homeownership, the Program and Business Development Manager of Homeownership, and the Homeownership Operations Manager, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all commitments, contracts, certificates, agreements, exhibits, and other documents, and amendments thereto, which from time to time may be necessary or required in connection with the programs administered by the Authority's Homeownership Division including, but not limited to, the Single-Family Loan Program, Mortgage-backed Security Program and Mortgage Credit Certificate Program.

(b) The Authorized Officers, the Director of Homeownership, the Program and Business Development Manager of Homeownership, the Homeownerships Operation Manager, and the Audit Mortgage Servicing Manager, together with any person duly appointed and acting in such capacity, or any one of them, are authorized to approve or consent to modifications of Authority mortgages for single family mortgage loans, or agreements related to such mortgage loans, and to execute any and all documents necessary to effectuate such modifications or agreements, in situations where they individually determine that such modification shall not detrimentally affect the Bondholders, or in other situations, provided that the mortgagor shall remain obligated to repay the mortgage loan in sufficient amounts to comply with the provisions of the applicable Bond Resolution.

(c) The Authorized Officers, the Director of Homeownership, the Program and Business Development Manager of Homeownership, the Homeownership Operations Manager, and the Audit Mortgage Servicing Manager, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver documents including, but not limited to, deeds, land contracts, and discharges of mortgages relative to the assignment, pay off, termination, or foreclosure of single family mortgages, or to the disposition of single family houses acquired by the Authority.

(d) The Authorized Officers, the Director of Homeownership, the Program and Business Development Manager of Homeownership, the Homeownership Operations Manager, and the Audit Mortgage Servicing Manager, together with any person duly appointed and acting in such capacity, or any one of them, are authorized to approve agreements with lenders and servicers to originate or service single family mortgage loans, or both.

(e) The Authorized Officers, the Director of Homeownership, the Program and

Business Development Manager of Homeownership, and the Homeownership Operations Manager, together with any person duly appointed and acting in such capacity, or any one of them are hereby authorized to execute and deliver on behalf of the authority any and all commitments, contracts, certificates, agreements, exhibits, and other documents, and amendments thereto, which from time to time may be necessary or required in connection with the Authority's property improvement program.

(f) The Authorized Officers, the Director of Homeownership, the Program and Business Development Manager of Homeownership, and the Homeownership Operations Manager, together with any person duly appointed and acting in such capacity, or any one of them, are hereby individually authorized to execute on behalf of the authority any and all agreements, claims, discharges, assignments, certificates, modifications and other documents which from time to time may be necessary or required in connection with the servicing of the Authority's property improvement program.

5. Land Acquisition and Development Fund. The Authorized Officers, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all agreements, contracts, certificates, exhibits and other documents and amendments thereto, which from time to time may be necessary or required in connection with authorized uses of the land acquisition and development fund.

6. Housing Development Fund; State and Federal Funds; Emergency Solutions Grants.

(a) The Authorized Officers, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits, and other documents and amendments thereto, which from time to time may be necessary or required in connection with Authority development fund loans, development fund grants, and federal and state funded grants and loans.

(b) The Authorized Officers, together with any person duly appointed and acting in such capacity, or any one of them, are hereby individually authorized to execute on behalf of the Authority any and all agreements, claims, discharges, assignments, certificates, modifications and other documents which from time to time may be necessary or required in connection with the servicing of the Authority's Revitalife Program.

(c) The Authorized Officers, the Chief Housing Solutions Officer, the Director of Rental Assistance and Homeless Solutions, the Homeless Solutions Programs Manager, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits, and other documents and amendments thereto, which from time to time may be necessary or required in connection with emergency solutions grants, and funds authorized by the McKinney-Vento Homeless Assistance Act.

7. Contract Administration Program. The Authorized Officers, the Director of Asset Management, the Federal Contract Administration Manager, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits and other

documents which from time to time may be necessary or required by the US Department of Housing and Urban Development ("HUD") in connection with the Contract Administration programs.

8. Multi-Family Loan Commitments Under $250,000. Pursuant to Rule 143 of the Authority's General Rules, the Executive Director is authorized to issue the Authority's mortgage loan commitments for mortgage loans having principal amounts less than $250,000. In addition, the Authorized Officers, or any one of them, are authorized to issue on behalf of the Authority, without further Authority action, mortgage loan commitments for such loans. Provided, however, that the Chief Executive Officer and Executive Director or other Authorized Officer determines that each applicant is an eligible applicant and that each application is consistent with applicable Authority processing and underwriting procedures and guidelines. Each mortgage loan commitment shall contain such terms, conditions and requirements as may be deemed appropriate by an Authorized Officer.

9. Approval of Documents of Organization. Pursuant to Rule 123 of the Authority's General Rules which empowers the Authority to authorize by resolution Authority employees in addition to the Executive Director to consent to or approve proposed corporate and partnership qualification documents, the Authority hereby authorizes the Chief Legal Affairs Officer, the Director of Legal Transactions, or Director of In-House Legal Services, together with any person duly appointed and acting in such capacity, to consent to or approve on behalf of the Authority proposed Articles of Incorporation, Amendments thereto, Articles of Organization, Operating Agreements, Certificates of Partnership, Partnership Agreements, and Amendments to any of the preceding, provided that they fully comply with the requirements of the Act.

10. Financial Matters. The Authorized Officers, or any one of them, are hereby individually authorized:

(a) to release from safekeeping, deliver, sell, redeem, exchange or otherwise dispose of, securities held by financial institutions on behalf of the Authority as collateral to secure investments of the Authority when the Authority's interest in the particular collateral is terminated or modified;

(b) to execute drafts or payment vouchers on letters of credit;

(c) to execute and deliver any and all contracts, agreements, certificates, exhibits, and other documents and amendments thereto which from time to time may be necessary or required in connection with the sale, delivery, purchase, redemption, and ongoing administration of the Authority's notes and bonds; and

(d) to authorize a paying agent of an Authority obligation to make payment of matured interest coupons lost, destroyed, or wrongfully taken upon the receipt of indemnification satisfactory to the paying agent.

11. Environmental Review. The Executive Director, Chief of Staff, Chief Housing Investment Officer, Chief Housing Solutions Officer, Chief Financial Officer, Chief Legal Affairs Officer, and the Director of Development are each authorized to prepare and execute all documents related to the Environmental Review Record and to certify compliance with the National Environmental Policy Act and other requisite environmental Federal Laws, including, but

not limited to, any environmental requirements set forth by the United States Department of Housing and Urban Development ("HUD"). The foregoing delegation of authority is intended to include any authority that is specifically delegated to the Executive Director by HUD.

12. Authorization Accorded Various Positions. The following members of the Authority Staff named or holding the positions noted hereafter, together with any person duly appointed and acting in such capacity, or their supervisor(s) are individually authorized to execute on behalf of the Authority the following documents or communications:

Director of Development
Chief Architect
- Change Orders

Chief Architect
Staff Architect
- Approval of Plans and Specifications
- Permission To Occupy

Physical Portfolio Manager
Costing Engineer
Chief Architect
- Trade Payment Breakdown

Chief Construction Manager
- Approval of Draw Request (as to percent of work completed)
- Approval or Rejection of Contractor's Equal Employment Opportunity Plans
- Letters of Approval or Rejection of Subcontractors on the Basis of Equal Opportunity Performance

Construction Specialist
- Punchlist

Director of In-House Legal Services
- Approval or Rejection of Affirmative Fair Housing Marketing Plans

Director of Rental Assistance and Homeless Solutions, or Rental Assistance and Homeless Solution Operations Manager
- Agreements and Certificates required by HUD in connection with Federal Programs administered by the Authority's Office of Rental Assistance and Homeless Solutions
- All agreements and certifications required in connection with the administration of the Housing Choice Voucher Program

Director of Asset Management
- Agreements and Certificates required by HUD in connection with the management of housing developments financed under the Section 8 New Construction Housing Program
- Management Agreements and Marketing Agreements

- Management Agent Qualification Approvals

Asset Management Transaction Manager
Asset Management Core Properties and Intake Manager

- Identity of Interest Disclosures
- Management Agreements, including Fee Addendums to the Management Agreements and Marketing Agreements

Single Family Underwriter

- Single Family Mortgage Loan Commitments

13. The Authorized Officers and any person authorized to execute any document by this resolution may execute any such document electronically if electronic signature of such document shall otherwise be valid.

14. This Resolution amends and restates the Authority's May 16, 2024 Resolution entitled "Amended and Restated Resolution Authorizing Signatories." All other resolutions specifically authorizing signatories which have not been previously repealed, superseded, or modified remain in full force and effect. This Resolution shall take immediate effect.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AMENDED AND RESTATED RESOLUTION AUTHORIZING SIGNATORIES

May 22, 2025~~16, 2024~~

WHEREAS, Section 21 of Public Act No. 346 of the Public Acts of 1966, as amended (the "Act"), provides that the Michigan State Housing Development Authority (the "Authority") may delegate to one or more agents or employees those powers or duties as the Authority considers proper; and

WHEREAS, the Authority has from time to time adopted resolutions authorizing certain officers and employees to execute documents on behalf of the Authority (hereafter "Signatory Resolutions"); and

WHEREAS, the Chief Executive Officer and Executive Director has recommended that the Amended and Restated Resolution Authorizing Signatories, adopted by the Authority on May~~April~~ 16~~8~~, 2024, be further amended; and

WHEREAS, the Authority concurs in the recommendation of the Executive Director.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. Authorized Officers. The Chief Executive Officer and Executive Director, Chief Housing Investment Officer, Chief Operating Officer, Chief Financial Officer (formerly, the Director of Finance), Director of Finance (formerly, the Deputy Director of Finance), Chief Legal Affairs Officer (formerly, the Director of Legal Affairs), the Director of Legal Transactions, and the Director of In-House Legal Services (formerly, the Deputy Director of Legal Affairs), together with any person duly appointed and acting in such capacity, or any of them, are designated Authorized Officers of the Authority. Any one of the Authorized Officers shall have the power and right to approve, give notice of or act on behalf of the Authority in accordance with the provisions of mortgages, notes, contracts, agreements, certificates, exhibits and other documents and amendments thereto executed on behalf of the Authority.

2. Multi-Family Developments.

(a) The Authorized Officers, the Director of Development, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits and other documents, and amendments or modifications thereto, or releases or discharges therefrom, which from time to time may be necessary or required in connection with Authority-authorized Multi-Family mortgage loans.

(b) Pursuant to Rule 143 of the Authority's General Rules, the Authorized Officers, or any one of them, be and they are hereby authorized to execute mortgage loan commitments on behalf of the Authority.

3. <u>Low Income Housing Tax Credits.</u> The Authorized Officers, the Director of Development, the Director of Asset Management, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits and other documents, extended low income housing commitments, land use restriction agreements, and amendments or modifications thereto, or releases or discharges therefrom, in whole or in part, which from time to time may be necessary or required or determined to be appropriate by any such Officer to administer the Authority's Low Income Housing Tax Credit Program.

4. <u>Single-Family Programs; Property Improvement.</u>

(a) The Authorized Officers, the Director of Homeownership, the Program and Business Development Manager of Homeownership, and the Homeownership Operations Manager, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all commitments, contracts, certificates, agreements, exhibits, and other documents, and amendments thereto, which from time to time may be necessary or required in connection with the programs administered by the Authority's Homeownership Division including, but not limited to, the Single-Family Loan Program, Mortgage-backed Security Program and Mortgage Credit Certificate Program.

(b) The Authorized Officers, the Director of Homeownership, the Program and Business Development Manager of Homeownership, the Homeownerships Operation Manager, <u>and the Audit Mortgage Servicing Manager,</u> ~~the Manager - Audit, Single Family and Multi-Family Mortgage Servicing~~, together with any person duly appointed and acting in such capacity, or any one of them, are authorized to approve or consent to modifications of Authority mortgages for single family mortgage loans, or agreements related to such mortgage loans, and to execute any and all documents necessary to effectuate such modifications or agreements, in situations where they individually determine that such modification shall not detrimentally affect the Bondholders, or in other situations, provided that the mortgagor shall remain obligated to repay the mortgage loan in sufficient amounts to comply with the provisions of the applicable Bond Resolution.

(c) The Authorized Officers, the Director of Homeownership, the Program and Business Development Manager of Homeownership, the Homeownership Operations Manager, <u>and the Audit Mortgage Servicing Manager</u>~~the Manager – Audit, Single Family and Multi-Family Mortgage Servicing~~, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver documents including, but not limited to, deeds, land contracts, and discharges of mortgages relative to the assignment, pay off, termination, or foreclosure of single family mortgages, or to the disposition of single family houses acquired by the Authority.

(d) The Authorized Officers, the Director of Homeownership, the Program and Business Development Manager of Homeownership, the Homeownership Operations Manager, <u>and the Audit Mortgage Servicing Manager</u> ~~the Manager - Audit, Single Family and Multi-Family Mortgage Servicing~~, together with any person duly appointed and acting in such capacity, or any one of them, are authorized to approve agreements with lenders and servicers to originate or service single family mortgage loans, or both.

(e) The Authorized Officers, the Director of Homeownership, the Program and Business Development Manager of Homeownership, and the Homeownership Operations Manager, together with any person duly appointed and acting in such capacity, or any one of them are hereby authorized to execute and deliver on behalf of the authority any and all commitments, contracts, certificates, agreements, exhibits, and other documents, and amendments thereto, which from time to time may be necessary or required in connection with the Authority's property improvement program.

(f) The Authorized Officers, the Director of Homeownership, the Program and Business Development Manager of Homeownership, and the Homeownership Operations Manager, together with any person duly appointed and acting in such capacity, or any one of them, are hereby individually authorized to execute on behalf of the authority any and all agreements, claims, discharges, assignments, certificates, modifications and other documents which from time to time may be necessary or required in connection with the servicing of the Authority's property improvement program.

5. <u>Land Acquisition and Development Fund.</u> The Authorized Officers, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all agreements, contracts, certificates, exhibits and other documents and amendments thereto, which from time to time may be necessary or required in connection with authorized uses of the land acquisition and development fund.

6. <u>Housing Development Fund; State and Federal Funds; Emergency Solutions Grants.</u>

(a) The Authorized Officers, ~~the Chief Strategy and Engagement Officer~~ and the ~~Director of Housing Initiatives~~**,** together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits, and other documents and amendments thereto, which from time to time may be necessary or required in connection with Authority development fund loans, development fund grants, and federal and state funded grants and loans.

(b) The Authorized Officers, together with any person duly appointed and acting in such capacity, or any one of them, are hereby individually authorized to execute on behalf of the Authority any and all agreements, claims, discharges, assignments, certificates, modifications and other documents which from time to time may be necessary or required in connection with the servicing of the Authority's Revitalife Program.

(c) The Authorized Officers,<u> the Chief Housing Solutions Officer,</u> the Director of Rental Assistance and Homeless Solutions, the Homeless<u> Solutions</u> Programs Manager, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits, and other documents and amendments thereto, which from time to time may be necessary or required in connection with emergency solutions grants, <u>and </u>funds authorized by the McKinney-Vento Homeless Assistance Act<u>.</u>~~, and the HOME program~~.

7. <u>Contract Administration Program.</u> The Authorized Officers, the Director of Asset Management, the ~~Manager, Federal Contract Administration~~<u>Federal Contract Administration</u>

Manager, together with any person duly appointed and acting in such capacity, or any one of them, are hereby authorized to execute and deliver on behalf of the Authority any and all contracts, agreements, certificates, exhibits and other documents which from time to time may be necessary or required by the US Department of Housing and Urban Development ("HUD") in connection with the Contract Administration programs.

8. Multi-Family Loan Commitments Under $250,000. Pursuant to Rule 143 of the Authority's General Rules, the Executive Director is authorized to issue the Authority's mortgage loan commitments for mortgage loans having principal amounts less than $250,000. In addition, the Authorized Officers, or any one of them, are authorized to issue on behalf of the Authority, without further Authority action, mortgage loan commitments for such loans. Provided, however, that the Chief Executive Officer and Executive Director or other Authorized Officer determines that each applicant is an eligible applicant and that each application is consistent with applicable Authority processing and underwriting procedures and guidelines. Each mortgage loan commitment shall contain such terms, conditions and requirements as may be deemed appropriate by an Authorized Officer.

9. Approval of Documents of Organization. Pursuant to Rule 123 of the Authority's General Rules which empowers the Authority to authorize by resolution Authority employees in addition to the Executive Director to consent to or approve proposed corporate and partnership qualification documents, the Authority hereby authorizes the Chief Legal Affairs Officer, the Director of Legal Transactions, or Director of In-House Legal Services, together with any person duly appointed and acting in such capacity, to consent to or approve on behalf of the Authority proposed Articles of Incorporation, Amendments thereto, Articles of Organization, Operating Agreements, Certificates of Partnership, Partnership Agreements, and Amendments to any of the preceding, provided that they fully comply with the requirements of the Act.

10. Financial Matters. The Authorized Officers, or any one of them, are hereby individually authorized:

(a) to release from safekeeping, deliver, sell, redeem, exchange or otherwise dispose of, securities held by financial institutions on behalf of the Authority as collateral to secure investments of the Authority when the Authority's interest in the particular collateral is terminated or modified;

(b) to execute drafts or payment vouchers on letters of credit;

(c) to execute and deliver any and all contracts, agreements, certificates, exhibits, and other documents and amendments thereto which from time to time may be necessary or required in connection with the sale, delivery, purchase, redemption, and ongoing administration of the Authority's notes and bonds; and

(d) to authorize a paying agent of an Authority obligation to make payment of matured interest coupons lost, destroyed, or wrongfully taken upon the receipt of indemnification satisfactory to the paying agent.

11. Environmental Review. The Executive Director, Chief of Staff, Chief Housing Investment Officer, Chief Housing Solutions Officer, Chief Financial Officer, Chief Legal Affairs Officer, and the Director of Development are each authorized to prepare and execute all

documents related to the Environmental Review Record and to certify compliance with the National Environmental Policy Act and other requisite environmental Federal Laws, including, but not limited to, any environmental requirements set forth by the United States Department of Housing and Urban Development ("HUD"). The foregoing delegation of authority is intended to include any authority that is specifically delegated to the Executive Director by HUD.

12. Authorization Accorded Various Positions. The following members of the Authority Staff named or holding the positions noted hereafter, together with any person duly appointed and acting in such capacity, or their supervisor(s) are individually authorized to execute on behalf of the Authority the following documents or communications:

Director of Development
Chief Architect
- Change Orders

Chief Architect
Staff Architect
- Approval of Plans and Specifications
- Permission To Occupy

Physical Portfolio Manager
Costing Engineer
Chief Architect
- Trade Payment Breakdown

Chief Construction Manager
- Approval of Draw Request (as to percent of work completed)
- Approval or Rejection of Contractor's Equal Employment Opportunity Plans
- Letters of Approval or Rejection of Subcontractors on the Basis of Equal Opportunity Performance

Construction Specialist
- Punchlist

~~Equal Opportunity Officer~~Director of In-House Legal Services
- Approval or Rejection of Affirmative Fair Housing Marketing Plans

Director of Rental Assistance and Homeless Solutions, or Rental Assistance and Homeless Solution Operations Manager
- Agreements and Certificates required by HUD in connection with Federal Programs administered by the Authority's Office of Rental Assistance and Homeless Solutions
- All agreements and certifications required in connection with the administration of the Housing Choice Voucher Program

Director of Asset Management
- Agreements and Certificates required by HUD in connection with the management of housing developments financed under the Section 8 New Construction Housing

Program
- Management Agreements and Marketing Agreements
- Management Agent Qualification Approvals

Asset Management Transaction Manager
Asset Management Core Properties and Intake Manager
- Identity of Interest Disclosures
- Management Agreements, including Fee Addendums to the Management Agreements and Marketing Agreements

Single Family Underwriter
- Single Family Mortgage Loan Commitments

13. The Authorized Officers and any person authorized to execute any document by this resolution may execute any such document electronically if electronic signature of such document shall otherwise be valid.

14. This Resolution amends and restates the Authority's ~~April 18~~May 16, 2024 Resolution entitled "Amended and Restated Resolution Authorizing Signatories." All other resolutions specifically authorizing signatories which have not been previously repealed, superseded, or modified remain in full force and effect. This Resolution shall take immediate effect.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: May 22, 2025

RE: Amended and Restated Resolution Designating Bank Accounts and Authorizing Officers as to Requisition and Investment of Funds

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RECOMMENDATION

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt the attached Amended and Restated Resolution Designating Bank Account and Authorizing Officers as to Requisition and Investment of Funds ("Bank Account Resolution").

EXECUTIVE SUMMARY

The Bank Account Resolution designates the Authority officers who are authorized to transfer funds to and from each Authority bank account. The Bank Account Resolution is being amended to update certain accounts and signatories based on changes to certain positions.

ADVANCING THE AUTHORITY'S MISSION

The Authority's Finance Division works to ensure the financial stability of the Authority's affordable housing portfolio, and the account update is a necessary administrative action.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS

None.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AMENDED AND RESTATED
RESOLUTION DESIGNATING BANK ACCOUNTS AND AUTHORIZING OFFICERS AS TO REQUISITION AND INVESTMENT OF FUNDS

May 22, 2025

WHEREAS, the Michigan State Housing Development Authority (hereinafter referred to as the "Authority"), pursuant to Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (hereinafter referred to as the "Act"), is authorized to prescribe a system of accounts, designate Authorized Officers to make requisitions from such accounts, and to invest any funds held in reserve or sinking funds or any monies not required for immediate use or disbursement at the discretion of the Authority; and

WHEREAS, the Authority hereby wishes to formally prescribe its systems of accounts and to designate Authorized Officers to make requisitions from and to invest funds in such accounts; and

WHEREAS, the Authority hereby wishes to designate Authorized Officers for the purpose of entering into contracts on behalf of the Authority as to the custody, collection, securing, investment, and payment of any monies of the Authority and thereby to open and close the accounts of the Authority; and

WHEREAS, the Authority hereby wishes to designate the staff authorized to execute, on a day-to-day basis, the paper bank checks or drafts issued by the Authority for various business purposes; and

WHEREAS, this resolution amends and supersedes all prior resolutions now in effect pertaining to the designation of bank accounts and Authorized Officers as to requisition and investment of funds and access to safe deposit boxes.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The following accounts be and they hereby are designated as the accounts of the Authority, and the following banks be and they hereby are designated as the depositories for the said accounts of the Authority:

FUND NUMBER	ACCOUNT	BANK NAME
35	Bank Proceeds Accounts - Home Improvement Program (2)	Comerica Bank
65-68	SF Remittance Accounts	U.S. Bank
70	Petty Cash Account	JP Morgan Chase

70	Housing Choice Voucher Program - Operating Expenses	Bank of America
70	Section 8 Family Self Sufficiency Operating Expenses	Bank of America
70	General Operating Account	JP Morgan Chase
70	Lock Box Depository Account	JP Morgan Chase
70	Affordable Housing Tax Credit Gap Financing Account	JP Morgan Chase
70	State Appropriations Account	JP Morgan Chase
75	Capital Reserve Capital Account	US Bank
80	Escrow Account for Mortgagors - Multi-Family	JP Morgan Chase
80	Escrow Account for Mortgagors - Multi-Family – HUD Projects	JP Morgan Chase
80	Escrow Account For Mortgagors - Multi-Family	U.S. Bank
80	Escrow Account For Mortgagors - Single Family	U.S. Bank
95	Home Program Account	First Independence National Bank
95	Mainstream 5	Bank of America
95	Section 8 Housing CHOICE Voucher Program Account	Bank of America
95	Section 8 Family Self Sufficiency Escrow Account	Bank of America
95	Section 8 Moderate Rehabilitation Housing Program Account	JP Morgan Chase
95	Contract Administration	JP Morgan Chase
95	Section 8 New Construction Housing Program Account	JP Morgan Chase
95	Section 8 Housing Voucher	JP Morgan Chase

	Program Account	
95	Federal Program Depository	JP Morgan Chase
95	Section 811 Project Rental Assistance Demonstration Program	JP Morgan Chase
95	MI-HOPE Program Account	JP Morgan Chase
95	Missing Middle Program Account	JP Morgan Chase
95	Housing and Community Development Fund Account	JP Morgan Chase
95	CARES Admin Account	Bank of America
95	Homeowner Assistance Fund	JP Morgan Chase
95	Emergency Rental Assistance Program	JP Morgan Chase
150-166	Single Family Homeownership Revenue Bonds	U.S. Bank
180	Mortgage Backed Security (MBS) Program	U.S. Bank
200-399	Single Family Mortgage Revenue Bonds - Trustee Accounts	U.S. Bank
400-599	Rental Housing Revenue Bonds Disbursement Account and Trustee Accounts	U.S. Bank

2. The Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Chief Legal Affairs Officer, the Director of Legal Transactions, the Director of In-House Legal Services, the Chief Operating Officer, the Director of Finance, and the Chief Financial Officer, together with any person duly appointed and acting in such capacity or any of them, be and they hereby are designated Authorized Officers of the Authority for the purpose of giving investment directions for the funds on deposit in and to open and close the aforementioned accounts of the Authority which may include as sub-accounts savings accounts and other time deposits evidenced by Certificate, Receipt, Passbook or otherwise as they, or any of them may determine to be necessary or desirable, within the limitations imposed on the investment of such funds by the terms of the Act and the resolutions of the Authority. In addition, the foregoing authorized officials are also authorized to purchase Certificates of Deposit from any other bank approved by the State Treasurer provided the Certificates are fully collateralized by obligations of this State or the United States or by obligations guaranteed by this State or the United States or by other obligations as may be approved by the State Treasurer. The Chief Executive Officer and Executive Director is further authorized to designate employees of the Authority who

may give telephonic orders to banks to transfer funds from any Authority account and to give telephonic orders to purchase and sell Authority investments. All telephonic orders must be immediately followed up with either a written confirmation with each such confirmation signed as provided in this Section 2 or Section 4 hereof or with a written statement of such transfer signed as provided in this Section 2 or Section 4 hereof and filed in the accounting records of the Authority.

3. The aforementioned depositories of the aforementioned accounts be, and they hereby are authorized and directed to accept, in accordance with their rules and regulations from time to time in effect, for credit to the aforementioned accounts of the Authority, any and all checks, drafts and other negotiable instruments when endorsed in the name of the Authority in writing, by rubber stamp or otherwise with or without a designation of the party making such endorsement.

4. (a) Any and all funds standing to the credit of the Authority in any of the aforementioned accounts, except for the Petty Cash Account and other time deposits may be paid out or withdrawn upon checks drawn against the respective accounts when signed in the name of the Authority by two (2) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

NAME	**TITLE**
Amy Hovey	Chief Executive Officer and Executive Director
Anthony Lentych	Chief Housing Investment Officer
Clarence L. Stone, Jr.	Chief Legal Affairs Officer
Geoffrey Ehnis-Clark	Director of In-House Legal Services
Margaret Meyers	Director of Legal Transactions
Timothy Klont	Chief Operating Officer
Jeffrey J. Sykes	Chief Financial Officer
Jason Fedewa	Director of Finance
Lisa Kemmis	Chief Housing Solutions Officer,

The aforementioned depositories of the aforementioned accounts be, and they hereby are authorized and directed to honor and pay any and all checks signed as provided above.

(b) The Chief Executive Officer and Executive Director is authorized to enter into Transfer Agreements between the Authority and any of the depositories of Authority funds for the transfer of such funds by telephonic advance by any employee of the Authority designated by the Chief Executive Officer and Executive Director. Such transfers shall be promptly confirmed in writing or by a written statement of such transfers that shall be filed in the accounting records of the Authority. Such confirmation or written statement shall be signed by any two of the above designated Authorized Officers, unless such transfer is being made to any other of the aforementioned accounts or to an approved servicer or originator under the Single Family or Home Improvement Programs, in which case such transfer may be so confirmed by any one of the above designated Authorized Officers. If any bank shall require a telephonic confirmation of any transfer, any of the individuals named in 4(a) may provide such confirmation or may designate Teena Briggs, Manager of Audit, Single Family and Multi-Family Mortgage Servicing; or Jeffrey J. Sykes, Chief

Financial Officer, to provide such confirmation.

(c) Any and all funds standing to the credit of the Authority in the Petty Cash Account may be paid out or withdrawn upon checks, which are not in excess of $100.00 drawn against such account when signed in the name of the Authority by any one (1) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

NAME	TITLE
Amy Hovey	Chief Executive Officer and Executive Director
Clarence L. Stone, Jr.	Chief Legal Affairs Officer
Geoffrey Ehnis-Clark	Director of In-House Legal Services
Margaret Meyers	Director of Legal Transactions
Timothy Klont	Chief Operating Officer
Teena Briggs	Manager of Audit, Single Family and Multi-Family Mortgage Servicing
Jeffrey J. Sykes	Chief Financial Officer
Anthony Lentych	Chief Housing Investment Officer
Jason Fedewa	Director of Finance
Lisa Kemmis	Chief Housing Solutions Officer

The depository of the Petty Cash Account be, and it hereby is authorized and directed to honor and pay any and all checks up $100.00 signed as provided above. Access to the safe deposit boxes of the Authority in the vaults of JP Morgan Chase Bank and Comerica Bank, shall be had by any one (1) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

NAME	TITLE
Jeffrey J. Sykes	Chief Financial Officer
Teena Briggs	Manager of Audit, Single Family and Multi-Family Mortgage Servicing
Cisco Potts	Senior Account Analyst
Jason Fedewa	Director of Finance

The aforementioned Authorized Officers are likewise authorized to surrender and exchange any one or all of the safe deposit boxes of the Authority at any time. JP Morgan Chase Bank, shall be entitled to rely on the right of access hereby given until it receives a written notification from the Authority of any change or revocation of the right of access, notwithstanding that this authority may have been otherwise revoked by the Authority or by operation of law.

5. The Authority from time to time may change the persons whose signatures may be honored in connection with the foregoing accounts and safe deposit boxes of the Authority by Resolution and shall thereafter notify such aforementioned depositories and the State Treasurer of such changes. The foregoing Resolution shall remain in full force and effect until written notice of its amendment or rescission shall have been received by such

aforementioned depositories, and receipt of such notice shall not affect any action taken by such aforementioned depositories prior thereto. The Chairperson or the Chief Executive Officer and Executive Director of the Authority are hereby authorized and directed to certify this Resolution to such aforementioned depositories.

6. This Resolution shall take effect on May 22, 2025.

I, Susan Corbin, hereby certify that I am the Chair of the Michigan State Housing Development Authority and that the foregoing is a true and exact copy of a Resolution duly adopted by the Authority at a duly convened meeting thereof held on May 22, 2025. I further certify that the true signatures of the signatories authorized to sign on the accounts referred to in the foregoing Resolution appear below.

Name	**Title**	
Amy Hovey	Chief Executive Officer and Executive Director	______________________
Anthony Lentych	Chief Housing Investment Officer	______________________
Clarence L. Stone, Jr.	Chief Legal Affairs Officer	______________________
Geoffrey Ehnis-Clark	Director of In-House Legal Services	______________________
Margaret Meyers	Director of Legal Transactions	______________________
Timothy Klont	Chief Operating Officer	______________________
Jeffrey J. Sykes	Chief Financial Officer	______________________
Teena Briggs	Manager of Audit, Single Family and Multi-Family Mortgage Servicing	______________________
Cisco Potts	Senior Account Analyst	______________________
Jason Fedewa	Director of Finance	______________________
Lisa Kemmis	Chief Housing Solutions Officer	______________________

IN WITNESS WHEREOF, I have hereunto set my hand as Chair of the Michigan State Housing Development Authority and the seal of the Authority this 22nd day of May, 2025.

____

Susan Corbin, Chair

~~DRAFT~~

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AMENDED AND RESTATED
RESOLUTION DESIGNATING BANK ACCOUNTS AND AUTHORIZING OFFICERS AS TO REQUISITION AND INVESTMENT OF FUNDS

~~December 19, 2024~~May 22, 2025

WHEREAS, the Michigan State Housing Development Authority (hereinafter referred to as the "Authority"), pursuant to Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (hereinafter referred to as the "Act"), is authorized to prescribe a system of accounts, designate Authorized Officers to make requisitions from such accounts, and to invest any funds held in reserve or sinking funds or any monies not required for immediate use or disbursement at the discretion of the Authority; and

WHEREAS, the Authority hereby wishes to formally prescribe its systems of accounts and to designate Authorized Officers to make requisitions from and to invest funds in such accounts; and

WHEREAS, the Authority hereby wishes to designate Authorized Officers for the purpose of entering into contracts on behalf of the Authority as to the custody, collection, securing, investment, and payment of any monies of the Authority and thereby to open and close the accounts of the Authority; and

WHEREAS, the Authority hereby wishes to designate the staff authorized to execute, on a day-to-day basis, the paper bank checks or drafts issued by the Authority for various business purposes; and

WHEREAS, this resolution amends and supersedes all prior resolutions now in effect pertaining to the designation of bank accounts and Authorized Officers as to requisition and investment of funds and access to safe deposit boxes.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The following accounts be and they hereby are designated as the accounts of the Authority, and the following banks be and they hereby are designated as the depositories for the said accounts of the Authority:

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70	Section 8 Family Self Sufficiency Operating Expenses	Bank of America
70	General Operating Account	JP Morgan Chase
70	Lock Box Depository Account	JP Morgan Chase
70	Affordable Housing Tax Credit Gap Financing Account	JP Morgan Chase
70	State Appropriations Account	JP Morgan Chase
75	Capital Reserve Capital Account	US Bank
80	Escrow Account for Mortgagors - Multi-Family	JP Morgan Chase
80	Escrow Account for Mortgagors - Multi-Family – HUD Projects	JP Morgan Chase
80	Escrow Account For Mortgagors - Multi-Family	U.S. Bank
80	Escrow Account For Mortgagors - Single Family	U.S. Bank
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95	Mainstream 5	Bank of America
95	Section 8 Housing CHOICE Voucher Program Account	Bank of America
95	Section 8 Family Self Sufficiency Escrow Account	Bank of America
95	Section 8 Moderate Rehabilitation Housing Program Account	JP Morgan Chase
95	Contract Administration	JP Morgan Chase

95	Section 8 New Construction Housing Program Account	JP Morgan Chase
95	Section 8 Housing Voucher Program Account	JP Morgan Chase
95	Federal Program Depository	JP Morgan Chase
95	Section 811 Project Rental Assistance Demonstration Program	JP Morgan Chase
95	MI-HOPE Program Account	JP Morgan Chase
95	Missing Middle Program Account	JP Morgan Chase
95	Housing and Community Development Fund Account	JP Morgan Chase
95	CARES Admin Account	Bank of America
95	Homeowner Assistance Fund	JP Morgan Chase
95	Emergency Rental Assistance Program	JP Morgan Chase
150-166	Single Family Homeownership Revenue Bonds	U.S. Bank
180	Mortgage Backed Security (MBS) Program	U.S. Bank
200-399	Single Family Mortgage Revenue Bonds - Trustee Accounts	U.S. Bank
400-599	Rental Housing Revenue Bonds Disbursement Account and Trustee Accounts	U.S. Bank

2. The Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Chief Legal Affairs Officer, the Director of Legal Transactions, the Director of In-House Legal Services, Chief Operating Officer, the Director of Finance, and the Chief Financial Officer, together with any person duly appointed and acting in such capacity or any of them, be and they hereby are designated Authorized Officers of the Authority for the purpose of giving investment directions for the funds on deposit in and to open and close the aforementioned accounts of the Authority which may include as sub-accounts savings

accounts and other time deposits evidenced by Certificate, Receipt, Passbook or otherwise as they, or any of them may determine to be necessary or desirable, within the limitations imposed on the investment of such funds by the terms of the Act and the resolutions of the Authority. In addition, the foregoing authorized officials are also authorized to purchase Certificates of Deposit from any other bank approved by the State Treasurer provided the Certificates are fully collateralized by obligations of this State or the United States or by obligations guaranteed by this State or the United States or by other obligations as may be approved by the State Treasurer. The Chief Executive Officer and Executive Director is further authorized to designate employees of the Authority who may give telephonic orders to banks to transfer funds from any Authority account and to give telephonic orders to purchase and sell Authority investments. All telephonic orders must be immediately followed up with either a written confirmation with each such confirmation signed as provided in this Section 2 or Section 4 hereof or with a written statement of such transfer signed as provided in this Section 2 or Section 4 hereof and filed in the accounting records of the Authority.

3. The aforementioned depositories of the aforementioned accounts be, and they hereby are authorized and directed to accept, in accordance with their rules and regulations from time to time in effect, for credit to the aforementioned accounts of the Authority, any and all checks, drafts and other negotiable instruments when endorsed in the name of the Authority in writing, by rubber stamp or otherwise with or without a designation of the party making such endorsement.

4. (a) Any and all funds standing to the credit of the Authority in any of the aforementioned accounts, except for the Petty Cash Account and other time deposits may be paid out or withdrawn upon checks drawn against the respective accounts when signed in the name of the Authority by two (2) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

NAME	TITLE
Amy Hovey	Chief Executive Officer and Executive Director
Anthony Lentych	Chief Housing Investment Officer
Clarence L. Stone, Jr.	Chief Legal Affairs Officer
Geoffrey Ehnis-Clark	Director of In-House Legal Services
Margaret Meyers	Director of Legal Transactions
~~Kelly A. Rose~~Timothy Klont	Chief Operating Officer
Jeffrey J. Sykes	Chief Financial Officer
Jason Fedewa	Director of Finance
Lisa Kemmis	Chief Housing Solutions Officer

The aforementioned depositories of the aforementioned accounts be, and they hereby are authorized and directed to honor and pay any and all checks signed as provided above.

(b) The Chief Executive Officer and Executive Director is authorized to enter into Transfer Agreements between the Authority and any of the depositories of Authority funds for the transfer of such funds by telephonic advance by any employee of the Authority designated by the Chief Executive Officer and Executive Director. Such transfers shall be promptly confirmed in writing or by a written statement of such transfers that shall be filed in the accounting records of the Authority. Such confirmation or written statement shall be signed by any two of the above designated Authorized Officers, unless such transfer is being made to any other of the aforementioned accounts or to an approved servicer or originator under the Single Family or Home Improvement Programs, in which case such transfer may be so confirmed by any one of the above designated Authorized O~~o~~fficers. If any bank shall require a telephonic confirmation of any transfer, any of the individuals named in 4(a) may provide such confirmation or may designate Teena Briggs, Manager of Audit, Single Family and Multi-Family Mortgage Servicing; or Jeffrey J. Sykes, Chief Financial Officer, to provide such confirmation.

(c) Any and all funds standing to the credit of the Authority in the Petty Cash Account may be paid out or withdrawn upon checks, which are not in excess of $100.00 drawn against such account when signed in the name of the Authority by any one (1) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

NAME	TITLE
Amy Hovey	Chief Executive Officer and Executive Director
Clarence L. Stone, Jr.	Chief Legal Affairs Officer
Geoffrey Ehnis-Clark	Director of In-House Legal Services
Margaret Meyers	Director of Legal Transactions
~~Kelly Rose~~Timothy Klont	Chief Operating Officer
Teena Briggs	Manager of Audit, Single Family and Multi-Family Mortgage Servicing
Jeffrey J. Sykes	Chief Financial Officer
Anthony Lentych	Chief Housing Investment Officer
Jason Fedewa	Director of Finance
Lisa Kemmis	Chief Housing Solutions Officer

The depository of the Petty Cash Account be, and it hereby is authorized and directed to honor and pay any and all checks up $100.00 signed as provided above. Access to the safe deposit boxes of the Authority in the vaults of JP Morgan Chase Bank and Comerica Bank, shall be had by any one (1) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

NAME	TITLE
Jeffrey J. Sykes	Chief Financial Officer
Teena Briggs	Manager of Audit, Single Family and Multi-Family Mortgage Servicing

Cisco Potts	Senior Account Analyst
Jason Fedewa	Director of Finance

The aforementioned Authorized Officers are likewise authorized to surrender and exchange any one or all of the safe deposit boxes of the Authority at any time. JP Morgan Chase Bank, shall be entitled to rely on the right of access hereby given until it receives a written notification from the Authority of any change or revocation of the right of access, notwithstanding that this authority may have been otherwise revoked by the Authority or by operation of law.

5. The Authority from time to time may change the persons whose signatures may be honored in connection with the foregoing accounts and safe deposit boxes of the Authority by Resolution and shall thereafter notify such aforementioned depositories and the State Treasurer of such changes. The foregoing Resolution shall remain in full force and effect until written notice of its amendment or rescission shall have been received by such aforementioned depositories, and receipt of such notice shall not affect any action taken by such aforementioned depositories prior thereto. The Chairperson or the Chief Executive Officer and Executive Director of the Authority are hereby authorized and directed to certify this Resolution to such aforementioned depositories.

6. This Resolution shall take effect on ~~December 19~~, ~~2024~~ May 22, 2025.

I, Susan Corbin, hereby certify that I am the Chair of the Michigan State Housing Development Authority and that the foregoing is a true and exact copy of a Resolution duly adopted by the Authority at a duly convened meeting thereof held on ~~December 19, 2024~~ May 22, 2025. I further certify that the true signatures of the signatories authorized to sign on the accounts referred to in the foregoing Resolution appear below.

Name	Title	
Amy Hovey	Chief Executive Officer and Executive Director	______________________
Anthony Lentych	Chief Housing Investment Officer	______________________
Clarence L. Stone, Jr.	Chief Legal Affairs Officer	______________________
Geoffrey Ehnis-Clark	Director of In-House Legal Services	______________________
Margaret Meyers	Director of Legal Transactions	

~~Kelly A. Rose~~ Timothy Klont	Chief Operating Officer	______________________
Jeffrey J. Sykes	Chief Financial Officer	______________________
Teena Briggs	Manager of Audit, Single Family and Multi-Family Mortgage Servicing	______________________
Cisco Potts	Senior Account Analyst	______________________
Jason Fedewa	~~Deputy~~ Director of Finance	______________________
Lisa Kemmis	Chief Housing Solutions Officer	______________________

IN WITNESS WHEREOF, I have hereunto set my hand as Chair of the Michigan State Housing Development Authority and the seal of the Authority this 22nd ~~19th~~ day of May~~December,~~ 202~~4~~5.

____
Susan Corbin, Chair

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: May 22, 2025

RE: Approval of Professional Service Contracts for Design Review

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RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt a resolution authorizing professional service contracts with the 3 contractors listed below for an amount not to exceed $60,000 per contract annually.

CONTRACT SUMMARY:

Name of Contractors:

Architectural Review Contractors:
- The Design Forum Inc.

Engineering Review Contractors
- A&A Engineering & Consulting

Landscape Architecture Review Contractors:
- Site Design Solutions, LLC (DBA: VIRIDIS Design Group)

Amount of Each Contract: $60,000 per contract annually
Length of Each Contract: 3 Years
Extension Options: 2 one-year extension options
Request for Proposal Date: March 20, 2025
Number of Bids Received:
- **Architectural Review:** 3 Bids Received
- **Engineering Review:** 4 Bids Received
- **Landscape Architecture Review:** 1 Bids Received

Authority Division Requesting the Contract: Rental Development

EXECUTIVE SUMMARY:

The Authority currently contracts with architectural, engineering and landscape architectural review consultants to verify that applications submitted under the 4% and 9% tax credit programs meet the Authority's Standards of Design. The current consultant contracts expire on May 31, 2025.

The contracts are for the professional services of licensed firms to review and accept construction documents for new and preservation multifamily developments. The firms will provide engineering, architectural and landscape architectural services, when needed, to assist the Chief Architect in the review of construction documents. These contracts provide the ability to conduct reviews during high volume periods to facilitate closing affordable multifamily developments in a timely manner.

The selected firms identified in the summary will be reviewed on a quarterly basis for the following deliverables:

- Quality of review
- Timeliness of required reports
- Accuracy
- Timeliness and accuracy of invoices

The Authority has previous experience with The Design Forum and VIRIDIS Design Group. These firms have provided quality services and met or exceeded the listed deliverables. Authority staff foresee no risk with these contracts.

ADVANCING THE MISSION AND COMMUNITY IMPACT/SUPPORT:

The use of licensed design review consultants allows the Authority to partner with developers to rehabilitate Michigan's aging housing stock and increase the housing opportunities throughout Michigan. This results in Michigan residents having access to safe and affordable housing.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING
AMENDMENTS FOR
PROFESSIONAL SERVICES CONTRACTS
FOR DESIGN REVIEW

May 22, 2025

WHEREAS, on May 21, 2020, the Michigan State Housing Development Authority (the "Authority") authorized professional services contracts to retain architectural and landscape architectural review consultants to facilitate design review services (i.e., design architectural, engineering, and landscape architectural reviews) of Authority-financed housing developments as required by the Authority's multifamily loan underwriting process; ("Design Services Contracts"); and

WHEREAS, on the Design Service Contracts were subsequently subject to Authority-approved annual extensions, and will expire on May 31, 2025; and

WHEREAS, the Chief Executive Officer and Executive Director recommends that the Authority authorize new Design Services Contracts each in an amount not to exceed $60,000 per contract, annually, as described in the accompanying memorandum; and

WHEREAS, the Authority concurs with the recommendations of the Chief Executive Officer and Executive Director; and

NOW, THEREFORE, Be it Resolved by the Michigan State Housing Development Authority that the Chief Executive Officer and Executive Director, or any Authorized Officer of the Authority, are hereby authorized to execute, on behalf of the Authority, the Design Services Contracts with The Design Forum, Inc., A&R Engineering & Consulting, and Site Design Solutions, LLC (d/b/a VIRIDIS Design Group) as described in the accompanying memorandum.

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: May 22, 2025

RE: Resolution Authorizing Professional Services Contract with Contractors below

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RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") authorize the execution of professional service contracts with the following firms for a twelve-month term to provide the Authority with market studies consistent with the Authority's Market Study Guidelines:

Baker Tilly US, LLP (Baker Tilly)

Kinetic Valuation Group, Inc.

Shaw Research and Consulting, LLC

Newmark Valuation and Advisory

Novogradac & Company LLP

Market Analyst Professionals, LLC

Vogt Strategic Insights (VSI)

CONTRACT SUMMARY:

Names of Contractors:	See contractors listed above
Amount of Contracts:	Fees are paid by real estate developers
Length of Contracts:	Twelve (12) months commencing on or about June 1, 2025 and expiring on or about May 31, 2026.
Extension Options:	No options years.
Request for Proposal Date:	February 4, 2025
Number of Bids Received:	8
Division Requesting Contracts:	Office of Market Research

EXECUTIVE SUMMARY:

Market studies are required for developments that seek either Low Income Housing Tax Credits ("LIHTC") or loans from the Authority. Under the Market Analysis system, the Authority uses responses from an RFP process to choose a set of vendors to place on its approved list. The Authority contracts directly with these approved market analysis firms to conduct market studies for those developments that include Authority debt. For developments seeking only 9% LIHTC or participating in the Authority's pass-through program, developers must choose analysts from the list of approved analysts to conduct their studies. Study content is determined by the Authority's Market Study Guidelines.

The above-referenced analysts were selected for inclusion on the Authority's approved list following the posting of a Request for Proposal. Scored by a seven-person panel, selections were based on analysts' experience, the content of proposals, and other considerations. The seven analysts referenced above responded to the RFP, all of which were on the approved list last year.

Fees for these contractors are paid by real estate developers. Civil Service Commission approval is therefore not required.

The fee structure for these contracts is as follows: $8,000 for a full study; $3,850 for a reduced scope study and $2,000 for a market study update. Each market study produced by these firms will be reviewed by an Authority staff member for content and quality. Emphasis will be placed on the thoroughness of the data and information in the study, the quality of the analysis and conclusions, and compliance with the Authority's Guidelines for Market Studies. This contract helps to reduce the risk of funding multifamily developments that do not perform financially by ensuring that the market analyst firms investigating market feasibility meet a minimum set of standards.

ADVANCING THE AUTHORITY'S MISSION:

The contracts will support the Authority's mission by providing data on local housing market conditions that are necessary to make prudent funding decisions. By doing this, the Authority ensures that quality affordable housing is available to Michigan residents and that public resources are allocated responsibly.

COMMUNITY IMPACT:

The market studies produced by these vendors will impact communities by providing evidence that proposed affordable housing developments meet local housing needs and should be leased in a timely fashion.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING PROFESSIONAL SERVICES CONTRACTS FOR MARKET STUDIES

May 22, 2025

WHEREAS, the Michigan State Housing Development Authority (the "Authority") has received the report of the Chief Executive Officer and Executive Director regarding the professional services needed to carry out the Authority's mission by providing market analysis for projects involving Authority financing; and

WHEREAS, the Chief Executive Officer and Executive Director has recommended that the Authority approve the list of market study vendors, for a contract period of one year beginning on or about June 1, 2025, and ending May 31, 2026; the contracts will set forth vendor performance standards in accordance with the Authority's Market Study Guidelines; and

WHEREAS, fees for the contractors will be paid by real estate developer applicants for Authority financing, as $8,000 for a full study, $3,850 for a reduced scope study and $2,000 for a market study update. Each market study produced by these firms will be reviewed by Authority staff members for content and quality

WHEREAS, the Authority concurs in the report and recommendation of the Chief Executive Officer and Executive Director and determines that the market study contracts are needed to inform the Authority's effective and efficient selection of financing proposed projects throughout the state, thereby enhancing its ability to provide affordable housing.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority, that the Chief Executive Officer and Executive Director, the Chief Legal Affairs Officer, the Chief Financial Officer, or any person duly acting in such capacity (each, an "Authorized Officer"), or any of them, is each hereby authorized to execute a final professional services contracts with Baker Tilly US, LLP (Baker Tilly), Novogradac & Company LLP, Kinetic Valuation Group, Inc., Market Analyst Professionals, LLC, Shaw Research and Consulting, LLC, Vogt Strategic Insights (VSI), and Newmark Valuation and Advisory for a period beginning on or about June 1, 2025, and ending May 31, 2026, according to a fee schedule to be paid by Authority financing applicants as described above and in the accompanying memorandum.

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director *Amy Hovey*

DATE: May 22, 2025

RE: Resolution Authorizing Renewal of Professional Services Contracts with On-Site Insight, Inc

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RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") authorize a one-year extension of the professional services contract with On-Site Insight, Inc. (the "Contractor") for the additional cost of $193,750.

CONTRACT SUMMARY:

Name of Contractor:	On-Site Insight, Inc.
Amount of Contract:	$943,750.00
Length of Contract:	Three (3) years
Extension Options:	Two One-Year periods
Request for Proposal Date:	October 19, 2022
Number of Bids Received:	One
MSHDA Division Requesting the Contract:	Asset Management

EXECUTIVE SUMMARY:

The Contractor currently provides new Comprehensive Needs Assessments ("CNAs") on Authority-financed multifamily developments that (a) have completed eight years of operation, (b) require updates of previous CNAs that are ten years old or older, and (c) are subject to Preservation proposals and other proposals received under the Authority's Multifamily Direct Lending Program that involve existing structures.

Since 2000, the Authority has contracted with On-Site Insight, Inc for approximately 970 CNAs. CNAs are used by Asset Management to help make informed decisions regarding financial and physical issues on the properties and to process Replacement Reserve ("RR") disbursements, establish RR escrow deposits to meet the development's physical needs, and approve annual operating budgets.

On-Site Insight, Inc's previous performance has been exceptional and has met the Authority's needs. The Contractor has established a good working relationship with Authority staff and has extensive knowledge of the Authority's multifamily portfolio and multifamily housing development across Michigan. Civil Service Commission approval has been received via the CS138 process.

ADVANCING THE MISSION AND COMMUNITY IMPACT/SUPPORT:

The contract provides greater awareness of the Authority's mission and availability to help.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING RENEWAL OF PROFESSIONAL SERVICES CONTRACT WITH ON-SITE INSIGHT, INC.

May 22, 2025

WHEREAS, the Michigan State Housing Development Authority (the "Authority") has received the report of the Chief Executive Officer and Executive Director regarding the professional services needed to carry out the Authority's mission by performing Comprehensive Needs Assessments, for Authority-financed multifamily developments; and

WHEREAS, the Chief Executive Officer and Executive Director has recommended that the Authority approve renewal of the professional services contract ("Contract") with On-Site Insight, Inc., extending the contract for one year beginning on or about June 1, 2025, and ending May 31, 2026, for an additional cost to the contract in an amount not to exceed $193,750; and

WHEREAS, the Contract, originally selected in conformance with the Authority's procurement process in 2022, and the services provided therein, are pre-authorized by the Civil Service Commission; and

WHEREAS, the Authority concurs in the report and recommendation of the Chief Executive Officer and Executive Director and determines that the Comprehensive Needs Assessment Contract is needed to assist the Authority in making informed decisions regarding financial and physical issues as to properties in the Authority's financing portfolio, thereby enhancing its ability to provide affordable housing.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority, that the Chief Executive Officer and Executive Director, the Chief Legal Affairs Officer, the Chief Financial Officer, the Chief Operating Officer, the Director of In-House Legal Services, the Director of Legal Transactions, or any person duly acting in such capacity (each, an "Authorized Officer"), is each hereby authorized to execute a one-year extension of the professional services contract On-Site Insight, Inc., for a period beginning on or about June 1, 2025, and ending May 31, 2026, for an amount not to exceed One Hundred Ninety-Three Thousand Seven Hundred Fifty Dollars ($193,750), as described above and in the accompanying memorandum.

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: May 22, 2025

RE: Amended and Restated Pass-Through Bond Program for Transactions Using (a) Credit Enhancement or (b) Private Placement

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RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt resolutions (a) authorizing an increase in the maximum set-aside of tax-exempt bonds available under the Amended and Restated Pass-Through Program as adopted on July 18, 2024, to an amount not to exceed $470 million, and (b) making the increase effective retroactively, as of July 18, 2024.

EXECUTIVE SUMMARY:

A. Section 44c—Limited Obligation Bonds or Notes and Credit Enhancement

Under Section 44c of its Act, the Authority can participate in "conduit" or "pass-through" financings in which the bonds (or notes) issued to finance a development are a limited obligation of the Authority. The bonds are neither backed by the moral obligation of the State of Michigan nor secured by the Authority's capital reserve capital account. Instead, the bonds may be secured by the revenues of the borrower, the real and personal property being financed, a form of credit enhancement acceptable to the Authority, a private placement structure acceptable to the Authority, or some combination of these.

B. History of the Pass-Through Program

The Pass-Through program was originally authorized in 1984. In 1991, Section 44c was amended to require the Authority to determine that the use of bond volume cap for a pass-through project would not impair the Authority's ability to carry out its programs or finance other housing developments or units targeted to lower income households. In 1998, the Authority offered a pilot Modified Pass-Through Program, which was made permanent in 1999.

In February 2012, the Authority approved the Pass-Through Short-Term Bond Pilot Program ("Short-Term Bond Program"). The Short-Term Bond Program provided construction loan financing with cash collateral from FHA-insured permanent loans serving as credit enhancement. The Short-Term Bond Program was extended in March 2014 and annually thereafter with the last extension being approved in June of 2019.

In 2020, the Authority authorized an Amended and Restated Pass-Through Program to increase the number of units financed and to expand the scope of the Short-Term Bond Program to include construction and permanent loans. From 2021 through 2023, the Authority annually extended the Amended and Restated Pass-Through Program. On July 18, 2024, the Authority adopted a new Amended and Restated Pass-Through Program to be effective through the date of the Authority's July 2025 meeting (the "Pass-Through Program"), allocated a maximum set-aside of tax-exempt bond volume cap for an amount not to exceed $350 million, and approved an updated program statement for both credit enhancement and private placement transactions.

C. Authorization of an Increase in Volume Cap

Increased interest in the Pass-Through Program since it was adopted on July 18, 2024, has exhausted the $350 million maximum set-aside of tax-exempt bond volume cap. An increase to the set-aside of $120 million of tax-exempt bond volume cap is necessary to fund projects in the current Pass-Through Program pipeline. The proposed $470 million maximum set-aside of tax-exempt bond volume cap is requested to be retroactive to July 18, 2024, and will be an aggregate cap that applies collectively to transactions approved under the Credit Enhancement Program Statement and the Private Placement Program Statement.

ADVANCING THE AUTHORITY'S MISSION:

Approximately half of renters in the state of Michigan are overburdened and pay more than 30% of their income for rent. The Pass-Through Program is part of a housing strategy to expand available resources to create and preserve more affordable housing and address these various housing needs throughout Michigan.

MUNICIPAL SUPPORT:

Developments are expected to be granted tax abatement and/or receive statements of support from municipal officials. Developments in the Authority's current Pass-Through Program pipeline are proposed to be constructed or rehabilitated throughout the state of Michigan.

COMMUNITY ENGAGEMENT/IMPACT:

It is anticipated that the rehabilitation and new construction of developments throughout the state will create numerous temporary jobs. Amending the Pass-Through Program to increase the maximum set-aside of tax-exempt bond volume cap to an amount not to exceed $470 million will provide an opportunity for existing pipeline projects to be funded, thereby providing increased access to affordable housing across Michigan.

RESIDENT IMPACT:

Affordable housing developments will be built or rehabilitated throughout the state, with a percentage of units in each development reserved for low or very low-income tenants.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

The proposed increase in tax-exempt bond volume cap under the Amended and Restated Pass-Through Program should not impede the Authority's ability to fulfill its mission under other programs that utilize volume-cap-limited bonds.

Project proposals will be reviewed to ensure that the Authority's various mission objectives are met. The mission objectives include, but are not limited to, increasing the supply of deep income targeted units, and addressing rural housing needs.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING AMENDMENT TO AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM

May 22, 2025

WHEREAS, pursuant to Section 44c of Act 346 of the Public Acts of 1966, the Michigan State Housing Development Authority (the “Authority”) may issue limited obligation bonds and use the proceeds from the sale of those limited obligation bonds to make loans directly or indirectly to certain eligible entities; and

WHEREAS, on July 18, 2024, the Authority adopted a new Amended and Restated Pass-Through Program through the date of the Authority’s July 2025 regular meeting, allocated a maximum set-aside of tax-exempt bond volume cap for an amount not to exceed $350 million, and approved an updated program statement; and

WHEREAS, on July 18, 2024, the Authority approved the Pass-Through Credit Enhancement Program Statement and the Pass-Through Private Placement Program Statement; and

WHEREAS, Section 44c(18) of the Act states that loans to be made pursuant to programs funded by the proceeds of limited obligation bonds shall not be made unless the Authority determines that the use of the State’s unified tax-exempt bond volume cap for a project will not impair the ability of the Authority to carry out programs or finance housing developments or housing units that are targeted to lower income persons; and

WHEREAS, the maximum set-aside of tax-exempt bond volume cap in the amount of $350 million has been exhausted, however, additional pass-through bond proposals remain in the Authority’s pipeline for inducement and commitment; and

WHEREAS, the Authority’s Chief Executive Officer and Executive Director and Chief Financial Officer have reviewed the availability of volume cap to the Authority in 2025; and

WHEREAS, the Chief Executive Officer and Executive Director is recommending that the Authority (a) increase the maximum set-aside of tax-exempt bond volume cap available under the Amended and Restated Pass-Through Program to an amount not to exceed $470 million, and (b) make the increase effective retroactively, as of July 18, 2024; and

WHEREAS, the Authority concurs in the recommendation of the Chief Executive Officer and Executive Director.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. Effective July 18, 2024, a maximum of $470 million in tax-exempt bond volume cap will be set aside for the Amended and Restated Pass-Through Program and apply collectively to transactions approved under the Credit Enhancement Program Statement and the Private Placement Program Statement.

2. The Amended and Restated Pass-Through Program will terminate, and the Authority will review it, at the earliest of (a) the Authority's regularly scheduled July 2025 meeting, or (b) the Authority's regularly scheduled June 2025 meeting if there will be no July 2025 meeting, or (c) the full subscription of the aforementioned $470 million set aside of tax-exempt bond volume cap. Developments for which the Authority has adopted an inducement resolution on or before the date the Program terminates will be allowed to proceed to closing.

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: May 22, 2025

RE: Boston Square Together I, Development No. 44c-209 (the "Development')

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt an inducement resolution with respect to the project described in the attached report.

PROJECT SUMMARY:

MSHDA No.:	44c-209
Development Name:	Boston Square Together I
Development Location:	City of Grand Rapids, Kent County
Eligible Distressed Area:	Yes
Sponsor:	BSQ Together I Manager, LLC
Borrower:	BSQ Together I Limited Dividend Housing Association, LLC
Number of Units:	45 family units
No. of Accessible Units:	5 Type A/UFAS units and 1 hearing/visually impaired unit
Construction Method:	New Construction
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Total Development Cost:	$ 21,856,963
Aggregate Basis:	$ 20,180,266
Total Loan Amount:	$13,900,000 (68.88% of aggregate basis)
PA5 Grant Amount:	$3,420,000
Private Placement:	Macatawa Bank (the "Bond Purchaser") will purchase the bonds as "a qualified institutional buyer" and/or "an accredited investor" (as defined under Rule 144A of the Securities Act of 1933 for "qualified institutional buyer" and Section 501 of Regulation D promulgated under the Securities Act of 1933 for "accredited investors.")

EXECUTIVE SUMMARY:

BSQ Together Manager I, LLC (the "Sponsor") proposes to acquire and construct the Development, which consists of 45 affordable housing units located in the City of Grand Rapids, Kent County, Michigan. The Development will be acquired and constructed using a construction loan financed with the proceeds of a single issue of bonds issued pursuant to Section 44c of the Authority's enabling act. The Development, as proposed, meets the requirements of Section 44c, and the Authority may determine that repayment of the bonds will be reasonably secure based on: (a) the Bond Purchaser's qualification as a qualified institutional buyer or accredited investor, (b) its review of this transaction, and (c) its representation to the Authority that repayment of the bonds is reasonably secure.

The private placement structure allows the bonds to be purchased by a qualified institutional buyer or an accredited investor that has the knowledge and experience to evaluate the risks of purchasing limited obligation bonds and is acceptable to the Authority.

The Development is located within Region F of the Statewide Housing Plan Regional Housing Partnerships and will support the following goal of the Region F Action Plan:

- Goal 4.1: Increase the supply of the full spectrum of housing that is affordable and attainable to Michigan residents.

I am recommending Board approval for the following reasons:

- The Sponsor's application satisfies the requirements for the issuance of an inducement resolution under Section 44c of the Authority's Act and the Amended and Restated Pass-Through Bond Program statement.
- Preliminary environmental and marketing reviews meet Authority requirements.
- The development team has the capacity and experience to complete the transaction.
- 45 units of affordable family housing will be newly constructed in the Grand Rapids community.
- The repayment of the limited obligation bonds will be reasonably secure based on the private placement structure.
- 7 of the residents of the Development will receive a deep rental subsidy under a PBV HAP Contract.

ADVANCING THE AUTHORITY'S MISSION:

- Approving an inducement resolution will allow this proposal to incur costs necessary for acquiring and rehabilitating the Development.
- 80% of the units will be reserved for tenants at no more than 60% of Area Median Income. In addition, ten percent (10%) of the units must be targeted to households whose income is at or below 40% of Area Median Income. Additional details are provided on page 2 of the Staff Report.
- 36 units of affordable housing in the Grand Rapids community will be newly constructed.

MUNICIPAL SUPPORT:

- The Development has been granted a tax exemption and payment in lieu of taxes under the Act.

- The Development has been awarded 7 Project Based Vouchers (PBVs) for from the Grand Rapids Housing Commission.
- The municipality has approved a Planned Residential Development (PRD) zoning overlay for the property to allow the development of this project.

COMMUNITY IMPACT:

Boston Square Together I is a mixed income, mixed use redevelopment of approximately 9 acres in the Boston Square neighborhood of the City of Grand Rapids. Phase I will be divided into three condominiums: a commercial condo, an affordable residential condo, and a market rate residential condo. This comprehensive redevelopment will include a community hub with early learning center, a public park, approximately 60,000 square feet of retail, up to 250 rental apartments and up to 40 for sale townhomes.

It is anticipated that the construction of the Development will help create 15 permanent jobs and 50 temporary jobs.

RESIDENT IMPACT:

- Low-income residents of the City of Grand Rapids community will benefit from the construction of new, affordable housing units.
- The Development will include the following amenities:
    - Frost-free refrigerators
    - Self-cleaning ovens
    - Dishwashers
    - Microwaves
    - In-unit washers and dryer and dishwashers
    - Central air conditioning
    - Vinyl plank flooring
    - A shared tot lot and community gardens in Phase II that will be made available to residents in Phase I.
    - A community hub building with an early learning center.
    - Proximity to bus lines and bike lanes.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

The Development is a three and four story, 45-unit mixed income rental and mixed-use building that is part of a twinning deal with both phases proposed to be built simultaneously. The 9% LIHTC side is a three and four story, 57-unit mixed income rental and mixed-use building. These mixed-income developments are part of a larger Planned Residential Development (PRD) site that will include commercial space designed to be a food hall, allowing local entrepreneurs to open restaurants with a low barrier to entry. The Commercial condo will be financed separately from the residential condos.

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM

INDUCEMENT RESOLUTION STAFF REPORT

May 22, 2025

RECOMMENDATION:

Adopt an inducement resolution with respect to the project described in this report.

PROJECT SUMMARY:

MSHDA No.:	44c-209
Development Name:	Boston Square Together I
Development Location:	City of Grand Rapids, Kent County
Eligible Distressed Area:	Yes
Sponsor:	BSQ Together I Manager, LLC
Borrower:	BSQ Together I Limited Dividend Housing Association, LLC
Number of Units:	45 family units
No. of Accessible Units:	5 Type A/UFAS units and 1 hearing/visually impaired unit
Construction Method:	New Construction
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Total Development Cost:	$ 21,856,963
Aggregate Basis:	$ 20,180,266
Total Loan Amount:	$13,900,000 (68.88% of aggregate basis)
PA5 Grant Amount:	$3,420,000
Private Placement:	Macatawa Bank (the “Bond Purchaser”) will purchase the bonds as “a qualified institutional buyer” and/or “an accredited investor” (as defined under Rule 144A of the Securities Act of 1933 for “qualified institutional buyer” and Section 501 of Regulation D promulgated under the Securities Act of 1933 for “accredited investors.”)

The material contained in this staff report is submitted to the Authority for information only. The Authority does not underwrite Pass-Through Bond loans. To the extent that any information contained herein conflicts with the documents relating to the sale of the bonds and the making of the loan, the latter documents shall control.

PROGRAM DESCRIPTION:

Section 44c of Public Act 346 of 1966, as amended (the "Act"), authorizes the Authority to issue notes or bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The bonds are "limited obligations" of the Authority being privately placed with the Bond Purchaser pursuant to the Act. These are generally referred to as "Pass Through" bonds.

On July 18, 2024, the Authority re-authorized the Amended and Restated Pass-Through Bond Program, increasing the maximum allocation to $350 million in tax-exempt bond volume cap, and further increased to $470 million on May 22, 2025. This program imposes minimum rent and income targeting requirements of either 40% of the units at 60% of area median income or 20% of the units at 50% of area median income. At least ten percent (10%) of the Development's units must be more deeply targeted to households whose income is at or below 40% MTSP Limit. The Program sets a limit on the bond allocation available per sponsor. It also requires limited market and environmental reviews, compliance with state EEO requirements and establishes a cap on the distributions of cash made to the owner.

Borrowers may qualify for a pass-through loan with the option of Authority-approved credit enhancement or a private placement structure. A borrower may select a private placement structure in lieu of credit enhancement if the proposed investor and transaction structure are acceptable to the Authority.

The private placement structure allows the bonds to be purchased by a qualified institutional buyer or an accredited investor that has the knowledge and experience to evaluate the risks of purchasing limited obligation bonds and that is acceptable to the Authority. The Private Placement Program Statement imposes the following requirements in transaction documents:

1. Bonds must be initially sold only to purchasers that are “qualified institutional buyers” as generally defined under Rule 144A of the Securities Act of 1933 or “accredited investors” as generally defined under Section 501 of Regulation D promulgated under the Securities Act of 1933 (each, an “Investor”). In each case, an investor letter (“Investor Letter”) acceptable to the Authority must be delivered to the Authority at the initial bond closing that will include in part the following:

    a. The Investor has sufficient knowledge and experience in business and financial matters in general and investments such as these bonds to evaluate their risks and merits. The Investor has concluded and represents to the Authority that repayment of the bonds is reasonably secure.
    b. The Investor is able to bear the economic risk of, and an entire loss of, an investment in the bonds.
    c. The Investor is purchasing the bonds for its own account for investment purposes and has no present intention to resell or distribute such bonds; provided, however, that the Investor may, with the Authority’s written consent, transfer its interest to a single investor that is a qualified institutional buyer or an accredited investor.
    d. The Investor has not relied on information provided by the Authority.
    e. The Investor acknowledges that any transfer of an ownership interest in the bonds shall be conditioned upon delivery to the Authority of an investor letter that confirms the foregoing with respect to the transferee.

2. The offering materials/disclosure documents, if any, must prominently indicate that bonds can only be sold to qualified institutional buyers or accredited investors.

3. The face of each bond must contain a legend stating that such bond can only be sold to qualified institutional buyers or accredited investors, as applicable. The bond documents must contain provisions that restrict the ability to transfer the bonds to only qualified institutional buyers or accredited investors.

4. Bonds must be sold in minimum denominations of $25,000 or greater.

CONDITIONS:

1. **Income Limits:**

The Borrower must enter into a Regulatory Agreement with the Authority requiring units in the Development to be rented or available for rental by tenants whose income does not exceed the limits established for Multifamily Tax Subsidy Projects ("MTSP") as determined by HUD with respect to projects financed pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), as further amended by the Housing and Economic Recovery Act of 2008 (P.L. 110-289) ("MTSP Limits"), adjusted for family size. The Regulatory Agreement will contain the following income restrictions: Three (3) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 30% MTSP Limit; three (3) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 40% MTSP Limit; Twenty-one (21) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 50% MTSP Limit; Nine (9) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 60% MTSP Limit; Nine (9) units may be rented without regard to household income.

These limitations on household income shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Bonds (as defined below) remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement or the period required by Section 142(d) of the Code.

2. **Limitations on Rental Rates:**

The Regulatory Agreement must require that the monthly tenant-paid rent (excluding subsidy) plus tenant-paid utilities (the “Total Housing Expense”) on the affordable units in the Development may not exceed 30% of 1/12 of the MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for three units may not exceed 30% of 1/12 of the 30% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for three units may not exceed 30% of 1/12 of the 40% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for twenty-one units may not exceed 30% of 1/12 of the 50% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for nine units may not exceed 30% of 1/12 of the 60% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. Nine (9) units may be rented without regard to household income.

These limitations on rental rates shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Bonds (as defined below) remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement or the period required by Section 142(d) of the Code.

3. **Bonds; Closing Documents; Organizational Documents:**

Prior to Bond closing, the Borrower must submit all of the documents relating to the sale of the obligations to be issued to finance the loan (the "Bonds"). The Borrower must also submit for review and approval such information relating to the Development as may be required by the Authority's Chief Legal Affairs Officer, including title and survey matters, and its organizational documents. All documents must be in compliance with the Authority’s Act and acceptable to the Michigan Attorney General, the Authority's Bond counsel and the Authority’s Chief Legal Affairs Officer.

At the Bond closing, the Borrower must enter into agreements establishing the terms and conditions of the bond issuance, including the holding and custody of funds by a trustee or fiscal agent, as well as an agreement with the Authority in which the Borrower agrees to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of the financing, construction, ownership, or operation of the Development, or from the violation of any environmental laws.

4. **Private Placement:**

Prior to the authorization of a commitment for issuance of the Bonds, the Borrower must submit a definitive commitment for the purchase of the bonds by the Bond Purchaser that includes representations that (i) the Bond Purchaser is either a qualified institutional buyer or an accredited investor and (ii) the Bond Purchaser has concluded that repayment of the bonds is reasonably secure.

At the Bond closing, the Bond Purchaser must provide an “Investor Letter” (described above) in form and substance acceptable to the Authority.

DEVELOPMENT TEAM AND PROJECT INFORMATION:

Sponsor and Borrower:

1. **Sponsor:** BSQ Together I Manager, LLC
   Contact: Brinshore Development, LLC (Michael Roane)
   Phone: 224-927-5057

2. **Borrower:** BSQ Together I Limited Dividend Housing Association, LLC

Bond Counsel: Hawkins (John Renken)

Bond Trustee: Zions Bancorporation (*Bob Cafarelli*)

Private Placement Bond Purchaser: Macatawa Bank (Andrew Schmidt)

<u>Other Members of the Development Team</u>:

Equity Partner:	Enterprise Community Partners
Borrower's Counsel:	Clark Hill, Ted Rozeboom
Borrower's Accountant:	Dauby O'Connor & Zaleski, LLC, Matt Catlin
General Contractor:	Rockford Construction, Adam Jones
Property Manager:	Lockhart Management and Consulting/Intrepid Professional Group, Tonya Phillips and Lisa Willcutt
Architect:	Integrated Architecture, Mike Corby

<u>Sources and Uses of Funds</u>:

Construction Sources:

Macatawa Bank	$13,900,000
Amplify GR	6,007,672
Amplify GR Seller Note	650,00
LIHTC Equity	1,093,391
Deferred Developer Fee	205,860
Total Construction Sources of Funds	**$ 21,856,963**

Permanent Sources:

Macatawa Bank	$13,900,000
Amplify GR	4,747,692
Amplify GR Seller Note	650,00
LIHTC Equity	7,289,271
PA5 Loan	3,240,000
State Appropriation	1,500,000
City of Grand Rapids HOME	400,000
City of Grand Rapids/EGLE Grant	500,000
MEDC RAP Grant	500,000
Deferred Developer Fee	250,000
Total Permanent Sources of Funds	**$ 21,856,963**

Acquisition (Land)	$ 650,000
Construction	15,442,224
Professional Fees	1,258,794
Interim Construction Costs	1,523,489
Reserves and Escrows	324,626
Permanent Financing Costs	420,270
Tax Credit & Bond Financing Application Fees	11,182
Compliance Monitoring Fees	21,375
Other Development Costs	411,295
Developer Fee	1,793,708
Total Uses of Funds	**$ 21,856,963**

APPROVALS:

Chad A Benson — 5/15/2025
Chad Benson, Director of Development — Date

Jeffrey J Sykes — 5-18-25
Jeffrey Sykes, Chief Financial Officer — Date

Clarence L. Stone, Jr. — 5/15/2025
Clarence L. Stone, Jr., Chief Legal Affairs Officer — Date

Amy Hovey — 05/15/2025
Amy Hovey, Chief Executive Officer and Executive Director — Date

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

INDUCEMENT RESOLUTION
BOSTON SQUARE TOGETHER I
CITY OF GRAND RAPIDS, KENT COUNTY
MSHDA No. 44c-209

May 22, 2025

WHEREAS, BSQ Together I Manager, LLC (the "Applicant") desires to develop a multifamily housing facility (the "Project") in the City of Grand Rapids, Kent County, Michigan; and

WHEREAS, the Applicant has applied to the Michigan State Housing Development Authority (the "Authority") for a loan in the amount of Thirteen Million Nine Hundred Thousand Dollars ($13,900,000) (the "Loan") pursuant to Section 44c of Act No. 346 of the Public Acts of 1966, as amended (the "Act"), to be made to BSQ Together I Limited Dividend Housing Association, LLC or an eligible borrower entity to be formed under the Act (the "Borrower") to finance the acquisition, construction and equipping of the Project, which constitutes a housing project as defined in the Act; and

WHEREAS, the Applicant has advised that the cost of the Project will not exceed Twenty-One Million Eight Hundred Fifty-Six Thousand Nine Hundred Sixty-Three Dollars ($21,856,963); and

WHEREAS, the Act authorizes the Authority to loan monies to limited dividend housing associations for the construction or rehabilitation and long-term financing of multifamily housing projects and to obtain the monies for such loans by the issuance of bonds in compliance with and pursuant to the terms and provisions of the Act; and

WHEREAS, it is necessary to assure the Applicant that the Authority intends to issue bonds (the "Bonds") upon meeting the requirements of the Act and the terms and conditions of this Resolution, it being the intent and purpose of the Authority in adopting this Resolution to provide the necessary official action with respect to the Bonds as will meet the requirements of the Internal Revenue Code and the regulations promulgated in connection therewith.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that:

1. In order to comply with Treasury Regulation Section 1.150-2, the Authority makes the following declarations:

   (a) The Authority reasonably expects to authorize the Loan for the purpose of reimbursing the Borrower for the costs of and/or financing the acquisition and equipping of the Project as further described in the Borrower's application, and the terms of the Inducement Resolution Staff Report attached hereto and incorporated herein;

   (b) The Loan shall not be used to reimburse the Borrower for expenditures earlier than the date on which the Borrower pays such expenditures and not later than the date that is eighteen months after the later of (i) the date on which the Borrower has paid the expenditure, or (ii) the date on which the Project is placed in service, but in no event more than three (3) years after the expenditure is paid. All reimbursement of expenditures shall follow the procedures described in Treasury Regulation Section 1.150-2(d);

(c) No Loan proceeds paid to reimburse the Borrower for expenditures incurred in the acquisition and equipping of the Project shall be used in a manner described in Treasury Regulation Section 1.150-2(h) with respect to abusive use of such proceeds;

(d) The costs to be reimbursed must be "capital expenditures" as defined in Treasury Regulation Section 1.150-1(b), which are costs of a type that are properly chargeable to a capital account under Federal Income Tax principles; and

(e) The maximum amount of the Loan to the Borrower shall not exceed Thirteen Million Nine Hundred Thousand Dollars ($13,900,000).

2. The Authority expects to authorize the Loan to the Borrower, subject to the Borrower's meeting the requirements of the Act, including without limitation, the requirements of Section 44c of the Act, the Authority's Amended and Restated Pass-Through Bond Program and the terms and conditions hereinafter set forth.

3. The Borrower shall be obligated to make loan repayment in an amount sufficient to pay the principal, interest and premium, if any, of the Bonds, establish appropriate reserves, and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.

4. The Authority's obligation to make the Loan shall be conditioned upon the ability of the Authority to issue, sell and deliver the Bonds.

5. The Loan shall be evidenced by agreements and secured by such instruments as are in form and substance satisfactory to the Authority, the Department of Attorney General of the State of Michigan and bond counsel to the Authority, which shall include such additional security as may be required by the purchaser of the Bonds.

6. Subject to compliance with the terms and conditions of this Resolution and any subsequent Resolution authorizing the Authority's loan commitment with respect to the Project, the Authority will authorize, pursuant to a Bond Resolution of the Authority, the issuance of the Bonds in a principal amount not exceeding Thirteen Million Nine Hundred Thousand Dollars ($13,900,000) for the purposes of making the Loan and funding the reserves and costs associated with the issuance and administration of the Bonds as aforesaid, and will enter into agreements and related documents with the Borrower, which proceedings shall be subject to the approval of the Department of Attorney General of the State of Michigan, bond counsel to the Authority and the Michigan Department of Treasury.

7. The Bonds shall not be general obligations of the Authority but shall be payable as to principal, premium, if any, and interest solely from the proceeds of the payments to be made by or on behalf of the Borrower to the Authority (or to a trustee or fiscal agent appointed by the Authority pursuant to the Bond Resolution), as provided in the Bond Resolution. The agreements relating to the Loan and the issuance of the Bonds shall contain such provisions as will be necessary to make absolutely clear and certain that under no circumstances will the Bonds or this Resolution be a debt of the State of Michigan, nor will the State of Michigan be liable on the Bonds.

8. All costs and expenses involved in the authorization, issuance, sale and delivery of the Bonds and in the making of the Loan, including the fees and disbursements of bond counsel, shall be paid from Bond proceeds or by the Borrower and the proceedings and agreements relating thereto, as hereafter adopted and undertaken, shall so provide.

9. The Chief Executive Officer and Executive Director, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly authorized to act in such capacity (each an "Authorized Officer"), or any one of them acting alone, are hereby authorized and directed to initiate the proceedings described in this Resolution and to enter into negotiations, subject to the approval of the Authority, with a Bond purchaser for the sale of the Bonds by the Authority.

10. Bond counsel to the Authority and the Department of Attorney General of the State of Michigan are authorized and directed to prepare and submit to the appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of the Bonds and to make applications on behalf of the Authority to the United States Internal Revenue Service and to other governmental agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of the Bonds. Any Authorized Officer is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. All costs and expenses pertaining to the above matter shall be paid from the Bond proceeds or by the Borrower.

11. Issuance of the Bonds shall be subject to the conditions contained in the Inducement Resolution Staff Report accompanying this Resolution, including but not limited to the conditions that the Bonds must be sold initially to a purchaser that is a qualified institutional buyer or an accredited investor and that the purchaser must deliver an investor letter at closing that complies with the Authority's Amended and Restated Pass-Through Bond Program Statement for Private Placements and the accompanying staff report.

12. All resolutions and parts of resolutions that conflict with the provisions of this Resolution are hereby rescinded.

13. This Resolution does not constitute a commitment of the Authority to loan funds under Section 44c(6) of the Act and does not serve as a reservation or allocation of bonding capability.

14. The Authority hereby determines that the likely benefit of the Project to the community or the proposed residents of the Project merits the use of Authority limited obligation bonds as a financing source for the proposed acquisition and construction of the Project.

15. This Resolution shall take effect immediately.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO:	Authority Members
FROM:	Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey
DATE:	May 22, 2025
RE:	900 Tuscola at Midtown West 4%, Development No. 44c-230 (the "Development')

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt an inducement resolution with respect to the project described in the attached report.

PROJECT SUMMARY:

MSHDA No.:	44c-230
Development Name:	900 Tuscola at Midtown West 4%
Development Location:	City of Detroit, Wayne County
Sponsor:	PDH Parcel 1 LLC
Borrower:	900 Tuscola 4% Owner Limited Dividend Housing Association LLC
Number of Units:	44 family units
No. of Accessible Units:	3 accessible units
Construction Method:	New Construction
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Pass-Through Gap PA 5:	$3,520,000
Total Development Cost:	$23,180,555
Aggregate Basis:	$21,628,297
Total Loan Amount:	$11,310,000 (52.29% of aggregate basis)
Credit Enhancement:	Cash Collateral from construction financing from Bank of America during the construction loan term; standby credit enhancement agreement issued by Freddie Mac during the permanent loan term.

EXECUTIVE SUMMARY:

PDH Parcel 1 LLC (the "Sponsor") proposes to acquire and rehabilitate the Development, which consists of 44 affordable housing units located in the City of Detroit, Wayne County, Michigan. The Development will be acquired and rehabilitated/constructed using a construction loan financed with the proceeds of a single issue of bonds issued pursuant to Section 44c of the Authority's enabling act. Upon completion of construction and certain other conditions of conversion, the Bonds will be subject to mandatory tender, purchase, partial payment and conversion to a tax-exempt note to provide permanent financing for the Development. In connection therewith, the Federal Home Loan Mortgage Corporation ("Freddie Mac") will enter into a Standby Credit Enhancement Agreement to serve as credit enhancement. The Development, as proposed, meets the requirements of Section 44c, and repayment of the bonds will be reasonably secure based on the following: (a) cash collateral intended to secure such repayment and held by the trustee for the bonds; and (b) a Freddie Mac Standby Credit Enhancement Agreement during the permanent loan term.

The Development is located in Region O of the Statewide Housing Plan Regional Housing Partnerships, and this development supports the following goals of the Region O Action Plan:

- Goal 4.1: increase the supply of the full spectrum of housing that is affordable and attainable to Michigan residents.
- Goal 4.4: increase the rehabilitation and/or preservation of housing stock.
- Goal 5.1: equitably expand the supply of affordable and accessible rental units statewide for older adults.
- Goal 6.3: increase the quality of rental housing.

I am recommending Board approval for the following reasons:

- The Sponsor's application satisfies the requirements for the issuance of an inducement resolution under Section 44c of the Authority's Act and the Amended and Restated Pass-Through Bond Program statement.
- Preliminary environmental and marketing reviews meet Authority requirements.
- The development team has the capacity and experience to complete the transaction.
- 44 units of affordable family housing will be newly constructed/rehabilitated in the Midtown Detroit community.
- The repayment of the limited obligation bonds will be reasonably secure based on the proposed collateral.

ADVANCING THE AUTHORITY'S MISSION:

- Approving an inducement resolution will allow this proposal to incur costs necessary for acquiring and rehabilitating the Development.
- 90% of the units will be reserved for tenants whose average income does not exceed 60% of Area Median Income ("AMI"). In addition, ten percent (10%) of the units must be targeted to households whose income is at or below 40% of AMI. Additional details are provided on page 2 of the Staff Report.
- 44 units of affordable housing in the Midtown Detroit community/area will be newly constructed/preserved.

MUNICIPAL SUPPORT:

- The Development will be eligible for a tax exemption and payment in lieu of taxes under the Act.
- The City of Detroit has committed funding to this project in the amount of $1,530,000.
- The City of Detroit has approved a Brownfield TIF (tax-increment financing) reimbursement.

COMMUNITY IMPACT:

- It is anticipated that the construction or rehabilitation of the Development will create 2 permanent jobs and 50 temporary construction jobs.

RESIDENT IMPACT:

- Low income residents of the Midtown Detroit community will benefit from the construction of 44 new, affordable housing units with microwaves and video phone-based intercoms.
- The Development will include the following amenities:
  - Common laundry
  - Community room
  - Package room
  - Gym
  - Parking
  - On site management/leasing office
  - Bike room
  - Dog park
  - Public playground / 1 acre park across the street (existing park maintained by the City)

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.

AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM

INDUCEMENT RESOLUTION STAFF REPORT

May 22, 2025

RECOMMENDATION:

Adopt an inducement resolution with respect to the project described in this report.

PROJECT SUMMARY:

MSHDA No.:	44c-230
Development Name:	900 Tuscola at Midtown West 4%
Development Location:	City of Detroit, Wayne County
Sponsor:	PDH Parcel 1 LLC
Borrower:	900 Tuscola 4% Owner Limited Dividend Housing Association LLC
Number of Units:	44 family units
No. of Accessible Units:	3 accessible units
Construction Method:	New Construction
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Pass-Through Gap PA 5:	$3,520,000
Total Development Cost:	$23,180,555 (estimated)
Aggregate Basis:	$21,628,297
Total Loan Amount:	$11,310,000 (52.29% of aggregate basis)
Credit Enhancement:	Cash Collateral from construction financing from Bank of America during the construction loan term; standby credit enhancement agreement issued by Freddie Mac during the permanent loan term.

The material contained in this staff report is submitted to the Authority for information only. The Authority does not underwrite Pass-Through Bond loans. To the extent that any information contained herein conflicts with the documents relating to the sale of the bonds and the making of the loan, the latter documents shall control.

PROGRAM DESCRIPTION:

Section 44c of Public Act 346 of 1966, as amended (the "Act"), authorizes the Authority to issue notes or bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The bonds are "limited obligations" of the Authority with the security limited to the assets of the borrower, the project itself, and the credit enhancement arranged by the borrower. These are generally referred to as "Pass Through" bonds.

On July 18, 2024, the Authority re-authorized the Amended and Restated Pass-Through Bond Program, increasing the maximum allocation to $350 million in tax-exempt bond volume cap, and further increased the maximum allocation to $470 million on May 22, 2025. This program imposes minimum rent and income targeting requirements of either 40% of the units at 60% of area median income or 20% of the units at 50% of area median income. At least ten percent (10%) of the Development's units must be more deeply targeted to households whose income is at or below 40% MTSP Limit. The Program sets a limit on the bond allocation available per sponsor. It also requires limited market and environmental reviews, compliance with state EEO requirements and establishes a cap on the distributions of cash made to the owner.

CONDITIONS:

1. **Income Limits:**

   The Borrower must enter into a Regulatory Agreement with the Authority requiring units in the Development to be rented or available for rental by tenants whose income does not exceed the limits established for Multifamily Tax Subsidy Projects ("MTSP") as determined by HUD with respect to projects financed pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), as further amended by the Housing and Economic Recovery Act of 2008 (P.L. 110-289) ("MTSP Limits"), adjusted for family size. The Regulatory Agreement will contain the following income restrictions: thirteen (13) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 30% MTSP Limit; four (4) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 60% MTSP Limit; twenty-one (21) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 70% MTSP Limit; and six (6) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 80% MTSP Limit, so long as the average income of the restricted units in the Development is no more than the 60% MTSP Limit.

   These limitations on household income shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Bonds (as defined below) remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement or the period required by Section 142(d) of the Code [retain since the QPP is broader and no longer described in a separate paragraph?].

2. **Limitations on Rental Rates:**

   The Regulatory Agreement must require that the monthly tenant-paid rent (excluding subsidy) plus tenant-paid utilities (the “Total Housing Expense”) on the 13 deeply-targeted units in the Development may not exceed 30% of 1/12 of the 30% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for 4 units may not exceed 30% of 1/12 of the 60% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for 21 units may not exceed 30% of 1/12 of the 70% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for 6 units may not exceed 30% of 1/12 of the 80% MTSP Limit, assuming occupancy by one and one-half persons per bedroom.

These limitations on rental rates shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Bonds (as defined below) remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement.

3. **Bonds; Closing Documents; Organizational Documents:**

Prior to Bond closing, the Borrower must submit all of the documents relating to the sale of the obligations to be issued to finance the loan (the "Bonds"). The Borrower must also submit for review and approval such information relating to the Development as may be required by the Authority's Chief Legal Affairs Officer, including title and survey matters, and its organizational documents. All documents must be in compliance with the Authority's Act and acceptable to the Michigan Attorney General, the Authority's Bond counsel and the Authority's Chief Legal Affairs Officer.

At the Bond closing, the Borrower must enter into a Trust Indenture which provides that all cash proceeds of the credit enhancement will be deposited with the trustee for the Bonds and shall be held and invested by the trustee in accordance with the Trust Indenture. The Borrower must also enter into a Loan Agreement with the Authority in which the Borrower agrees to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of the financing, construction, ownership, or operation of the Development, or from the violation of any environmental laws.

4. **Credit Enhancement:**

Prior to the authorization of a commitment for issuance of the Bonds, the Borrower must submit a definitive commitment that the credit enhancement will be provided. The proposed credit enhancement instrument and any other additional security offered to the Authority must be acceptable to the Chief Financial Officer and the Chief Legal Affairs Officer.

DEVELOPMENT TEAM AND PROJECT INFORMATION:

Sponsor and Borrower:

1.	**Sponsor:**	PDH Parcel 1 LLC 456 E. 173rd Street Bronx, NY 10457
	Contact:	Peter Procida
	Phone:	718-299-7000
2.	**Borrower**:	900 Tuscola 4% Owner Limited Dividend Housing Association LLC

Bond Underwriter: Stifel, Nicolaus & Company, Incorporated (John Sabatier)

Bond Counsel:	Hawkins Delafield & Wood LLP (John Renken)
Bond Trustee:	TBD
Credit Enhancement Provider:	Freddie Mac (Federal Home Loan Mortgage Corporation) TBD) and Bank of America (TBD)

Other Members of the Development Team:

Equity Partner:	National Equity Fund (*insert name of contact person*)
Borrower's Counsel:	Clark Hill (Ted Rozeboom)
Borrower's Accountant:	Plante Moran (Rob Edwards)
General Contractor:	The Monahan Company (Kevin Pruzinsky)
Property Manager:	Continental Management, LLC (*Troy Thelen)*
Architect:	VolumeOne (Lars Grabner) and McIntosh Poris Associates (Michael Poris)

Sources and Uses of Funds:

Permanent Loan	$3,360,000
City of Detroit HOME	1,530,000
GP Capital/Equity	2,380,000
PA 5 Grant/Contribution	3,520,000
LIHTC Equity	9,897,230
DDF Loan	601,152
Deferred Developer Fee	803,585
Positive Arbitrage	1,088,588
Total Sources of Funds	**$ 23,180,555**

Land Acquisition	$ 425,000
Construction/Rehabilitation	14,319,940
Professional Fees	871,500
Interim Construction Costs	3,292,391
Reserves and Escrows	246,917
Syndication Costs	50,000
Permanent Financing Costs	192,220
Market, Tax Credit and Other Costs	804,813
Developer Fee	2,977,774
Total Uses of Funds	**$ 23,180,555**

APPROVALS:

Chad A Benson 5/15/2025

Chad Benson, Director of Development Date

Jeffrey J Sykes 5-18-25

Jeffrey Sykes, Chief Financial Officer Date

Clarence L. Stone, Jr. 5/15/2025

Clarence L. Stone, Jr., Chief Legal Affairs Officer Date

Amy Hovey 05/15/2025

Amy Hovey, Chief Executive Officer and Executive Director Date

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

INDUCEMENT RESOLUTION
900 TUSCOLA AT MIDTOWN WEST 4%
CITY OF DETROIT, WAYNE COUNTY
MSHDA No. 44c-230

May 22, 2025

WHEREAS, PDH Parcel 1 LLC (the "Applicant"), desires to develop a multifamily housing facility (the "Project") in the City of Detroit, Wayne County, Michigan; and

WHEREAS, the Applicant has applied to the Michigan State Housing Development Authority (the "Authority") for a loan in the amount of Eleven Million Three Hundred Ten Thousand Dollars ($11.310,000) (the "Loan") pursuant to Section 44c of Act No. 346 of the Public Acts of 1966, as amended (the "Act"), to be made to 900 Tuscola 4% Owner Limited Dividend Housing Association LLC or an eligible borrower entity to be formed under the Act (the "Borrower"), to finance the acquisition, construction or rehabilitation and equipping of the Project, which constitutes a housing project as defined in the Act; and

WHEREAS, the Applicant has advised that the cost of the Project will not exceed Twenty-Three Million One Hundred Eighty Thousand Five Hundred Fifty-Five Dollars ($23,180,555); and

WHEREAS, the Act authorizes the Authority to loan monies to limited dividend housing associations for the construction or rehabilitation and long-term financing of multifamily housing projects and to obtain the monies for such loans by the issuance of bonds in compliance with and pursuant to the terms and provisions of the Act; and

WHEREAS, it is necessary to assure the Applicant that the Authority intends to issue bonds (the "Bonds") upon meeting the requirements of the Act and the terms and conditions of this Resolution, it being the intent and purpose of the Authority in adopting this Resolution to provide the necessary official action with respect to the Bonds as will meet the requirements of the Internal Revenue Code and the regulations promulgated in connection therewith.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that:

1. In order to comply with Treasury Regulation Section 1.150-2, the Authority makes the following declarations:

    (a) The Authority reasonably expects to authorize the Loan for the purpose of reimbursing the Borrower for the costs of and/or financing the acquisition and equipping of the Project as further described in the Borrower's application, and the terms of the Inducement Resolution Staff Report attached hereto and incorporated herein;

    (b) The Loan shall not be used to reimburse the Borrower for expenditures earlier than the date on which the Borrower pays such expenditures and not later than the date that is eighteen months after the later of (i) the date on which the Borrower has paid the expenditure, or (ii) the date on which the Project is placed in service, but in no event more than three (3) years after the expenditure is paid. All reimbursement of expenditures shall follow the procedures described in Treasury Regulation Section 1.150-2(d);

(c) No Loan proceeds paid to reimburse the Borrower for expenditures incurred in the acquisition and equipping of the Project shall be used in a manner described in Treasury Regulation Section 1.150-2(h) with respect to abusive use of such proceeds;

(d) The costs to be reimbursed must be "capital expenditures" as defined in Treasury Regulation Section 1.150-1(b), which are costs of a type that are properly chargeable to a capital account under Federal Income Tax principles; and

(e) The maximum amount of the Loan to the Borrower shall not exceed Eleven Million Three Hundred Ten Thousand Dollars ($11,310,000).

2. The Authority expects to authorize the Loan to the Borrower, subject to the Borrower's meeting the requirements of the Act, including without limitation, the requirements of Section 44c of the Act, the Authority's Amended and Restated Pass-Through Bond Program and the terms and conditions hereinafter set forth.

3. The Borrower shall submit a commitment from the proposed issuer of a credit enhancement with respect to the Bonds in a form and amount sufficient to assure the Authority that repayment of the Bonds issued will be reasonably secure.

4. The Borrower shall be obligated to make loan repayment in an amount sufficient to pay the principal, interest and premium, if any, of the Bonds, establish appropriate reserves, and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.

5. The Authority's obligation to make the Loan shall be conditioned upon the ability of the Authority to issue, sell and deliver the Bonds.

6. The Loan shall be evidenced by a loan agreement and secured by such instruments as are in form and substance satisfactory to the Authority, the Department of Attorney General of the State of Michigan and bond counsel to the Authority, which shall include such additional security as may be required by the purchaser of the Bonds.

7. Subject to compliance with the terms and conditions of this Resolution and any subsequent Resolution authorizing the Authority's loan commitment with respect to the Project, the Authority will authorize, pursuant to a Bond Resolution of the Authority, the issuance of the Bonds in a principal amount not exceeding Eleven Million Three Hundred Ten Thousand Dollars ($11,310,000) for the purposes of making the Loan and funding the reserves and costs associated with the issuance and administration of the Bonds as aforesaid, and will enter into a loan agreement and related documents with the Borrower, which proceedings shall be subject to the approval of the Department of Attorney General of the State of Michigan, bond counsel to the Authority and the Michigan Department of Treasury.

8. The Bonds shall not be general obligations of the Authority but shall be payable as to

principal, premium, if any, and interest solely from the proceeds of the payments to be made by or on behalf of the Borrower to the Authority (or to a trustee appointed by the Authority pursuant to the Bond Resolution), as provided in the Bond Resolution. The agreements relating to the Loan and the issuance of the Bonds shall contain such provisions as will be necessary to make absolutely clear and certain that under no circumstances will the Bonds or this Resolution be a debt of the State of Michigan, nor will the State of Michigan be liable on the Bonds.

9. All costs and expenses involved in the authorization, issuance, sale and delivery of the Bonds and in the making of the Loan, including the fees and disbursements of bond counsel, shall be paid from Bond proceeds or by the Borrower and the proceedings and agreements relating thereto, as hereafter adopted and undertaken, shall so provide.

10. The Chief Executive Officer and Executive Director, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly authorized to act in such capacity (each an "Authorized Officer"), or any one of them acting alone, are hereby authorized and directed to initiate the proceedings described in this Resolution and to enter into negotiations, subject to the approval of the Authority, with a Bond purchaser for the sale of the Bonds by the Authority.

11. Bond counsel to the Authority and the Department of Attorney General of the State of Michigan are authorized and directed to prepare and submit to the appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of the Bonds and to make applications on behalf of the Authority to the United States Internal Revenue Service and to other governmental agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of the Bonds. Any Authorized Officer is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. All costs and expenses pertaining to the above matter shall be paid from the Bond proceeds or by the Borrower.

12. Issuance of the Bonds shall be subject to the conditions contained in the Inducement Resolution Staff Report accompanying this Resolution.

13. All resolutions and parts of resolutions that conflict with the provisions of this Resolution are hereby rescinded.

14. This Resolution does not constitute a commitment of the Authority to loan funds under Section 44c(6) of the Act and does not serve as a reservation or allocation of bonding capability.

15. The Authority hereby determines that the likely benefit of the Project to the community or the proposed residents of the Project merits the use of Authority limited obligation bonds as a financing source for the proposed acquisition and construction of the Project.

16. This Resolution shall take effect immediately.

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey

DATE: May 22, 2025

RE: Asset Management – Prepayment – Park Terrace Apartments, MSHDA #1046

RECOMMENDATION:

I recommend the Michigan State Housing Development Authority (the "Authority") approve a waiver of the prepayment prohibition for the mortgage loan on Park Terrace Apartments, MSHDA #1046.

EXECUTIVE SUMMARY:

Park Terrace Apartments (the "Development") is a 151-unit family development located in the City of Muskegon, Muskegon County, Michigan. The Development consists of twenty-four (24) one-bedroom units, one-hundred-three (103) two-bedroom units and twenty-four (24) three-bedroom units. The Development is financed under the Authority's TEAM Lending Program and includes Tax-Exempt Bond financing, and 4% Low-Income Housing Tax Credits ("LIHTC").

Hackley Limited Dividend Housing Association, L.L.C. (the "Owner") is seeking permission to prepay the Authority's mortgage loan. Since the Development is ineligible for prepayment until October 1, 2039, the Authority will require this prepayment to be revenue neutral to the Authority. In addition, the Development will be required to keep all income and rent restrictions associated with the Authority's mortgage loan in place until October 1, 2039.

ADVANCING THE AUTHORITY'S MISSION:

The term of affordability will not be affected by this transaction, and the Development will remain affordable until October 1, 2039.

COMMUNITY IMPACT:

The community will be impacted through the preservation of affordable housing units. The units will remain affordable through October 1, 2039.

RESIDENT IMPACT:

No residents will be displaced due to the prepayment.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

The Owner will pay a prepayment penalty, and other costs related to the prepayment, so that this prepayment will be revenue neutral to the Authority.

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

ACTION REPORT

DATE:	**May 22, 2025**
ASSET MANAGER:	**Kathy Evans**
MSHDA #:	**1046**
DEVELOPMENT NAME:	**Park Terrace Apartments**
LOCATION:	**1290 W. Hackley Avenue Muskegon, MI 49441**
MORTGAGE CUTOFF DATE:	**October 10, 2004**
ASSIGNED ATTORNEY:	**Yolanda Bennett**
MANAGEMENT AGENT:	**Heritage Property Management, Inc.**
OWNER:	**Hackley Limited Dividend Housing Association, L.L.C.**
MANAGING MEMBER(S):	**Ruddiman Associates Limited Partnership and RW Properties I, LLC**
INVESTOR MEMBER(S):	**Ruddiman Associates Limited Partnership and RW Properties I, LLC**

RECOMMENDATION:

I recommend approving a waiver of the prepayment prohibition for the mortgage loan on Park Terrace Apartments, MSHDA #1046 (the "Development").

I. BACKGROUND:

Park Terrace is a 151-unit family development located on the north side of Muskegon, originally constructed in 2003 and financed under the TEAM tax-exempt bond program with LIHTC. Located in an "eligible distressed area," the site has been accruing 0.5% of the program interest rate, which is payable upon resale or refinance of the mortgage.

In February 2007, the Authority Board approved a five-year principal deferral which was to expire February 29, 2012. However, due to continued vacancy problems, the development was not able to resume full principal and interest payments, so the owner received approval for an additional 36 months of principal deferral as well as a 1% interest deferral through maturity. Under the terms of the workout, the Identity of Interest management agent collects a reduced management fee.

In December 2023, the Authority approved the transfer of the Michigan Capital Fund for Housing Limited Partnership VIII limited partnership interest (99.99%) to the managing members, Ruddiman Associates Limited Partnership (74.9925%) and RW Properties I, LLC (24.9975%).

The owner is seeking permission from the Michigan State Housing Development Authority ("Authority" or "MSHDA") to prepay the mortgage loan ("Mortgage Loan") due to a pending sale of the Development, with a target date of July 1, 2025. The Development's Mortgage

Loan is ineligible for prepayment until the loan maturity date of October 1, 2039, unless approval is granted by the Authority. To make this transaction revenue-neutral to the Authority, the owner is required to pay the lost interest spread and a prepayment penalty of 1% of the balance being paid. A swap termination fee and expense may be required depending on the interest rate at the time of the prepayment.

An amended MSHDA regulatory agreement will remain in effect until the original prepayment eligibility date, which is October 1, 2039. After that date, the MSHDA regulatory agreement will be discharged. The LIHTC restrictions will remain in effect and will not be altered by this transaction. No residents will be displaced due to the prepayment of the Authority's loan.

II. CURRENT FINANCIAL CONDITION:

A. The Development currently has 14 vacant units (9.27%) with an economic vacancy of 9.94%
B. The liquidity decreased from $427,709 in March 2024 to ($8,506) in February 2025. This notable change is due to $370,738 in excess operating cash being transferred to replacement reserve needs as required per annual audit.
C. The Development currently has $3,311 in receivables of which $25 are over 30 days.
D. The Development currently has $35,857 in payables, of which $0 is over 30 days.

III. SUMMARY OF PROPOSAL:

A. The Authority has received a request from the owner for approval to prepay the Authority's Mortgage Loan.
B. There is a prepayment penalty associated with this mortgage note, equal to the sum of 1% of the balance being prepaid. Ownership has agreed to pay this amount, which is expected to be approximately $87,499, based upon a payoff date of July 1, 2025.
C. To make this transaction revenue-neutral to the Authority, the owner is required to pay lost interest spread, which is expected to approximately $1,131,223. Lost spread will vary depending on financial market conditions; the exact amount will be determined at the time of prepayment.
D. A swap termination fee and expense may be required depending on the interest rate at the time of the prepayment. At this time there will not be a swap termination fee or expense. Swap termination fees vary depending on financial market conditions; the exact amount will be determined at the time of prepayment.
E. After the first mortgage is paid in full, the Authority mortgage will be discharged.
F. The Authority regulatory agreement will remain in effect until the original mortgage prepayment eligibility date, which is October 1, 2039, but it will be amended to reduce the level of monitoring required by the Authority, as there is no longer a risk of financial loss. Upon mortgage payoff, the Development will be monitored in the same manner as a LIHTC-only property. After October 1, 2039, the Authority regulatory agreement will be discharged.
G. The LIHTC regulatory agreement will remain in effect and will not be altered by this transaction.
H. No residents will be displaced due to the prepayment of the Authority's Mortgage Loan.
I. Authority staff have verified that no open conditions exist related to the Development for either owner or agent.

IV. CURRENT DEVELOPMENT STATUS:

Program Type:	TEAM / LIHTC
Original Loan Balance:	$11,135,000
Current Loan Balance:	$8,810,780
Payment Status:	Current
Current Interest Rate:	4.0% (additional 1.5% Deferred)
0.5% Partial Deferred Interest Balance:	$1,136,596
1% Deferred Interest Balance:	$1,333,677
LIHTC Initial Comp End Date:	December 31, 2019
LIHTC Ext Use End Date:	December 31, 2034

Vacancy: 14 Units are Vacant
Economic Vacancy: 9.94%

Reserve and Escrow Balances as of April 7, 2025:

Replacement Reserve:	$ 1,615,906
ORC Escrow:	$ 20,534
Operating Assurance	$ 617,437

Financial Status:

Liquidity:	$ (8,506)
One Month's Rent Potential:	$ 171,483

Prior Authority Action:
- October 23, 2002 – Resolution Determining Mortgage Loan Feasibility
- October 23, 2002 – Resolution Authorizing Loan Commitment
- February 28, 2007 – Resolution Authorizing Modification to Mortgage Terms and Mortgage Increase
- February 22, 2012 – Resolution Authorizing Modification to Mortgage Loan Terms

V. RENT SCHEDULE:

Bedroom	# Units	# Units Vacant	Current Rents	Utility Allowance
1BR 60%	12	1	$873	$82
2 BR 60%	38	2	$1,048	$98
2 BR 60%	7	0	$1,027	$98
2 BR 60%	1	0	$1,043	$98
3 BR 60%	9	1	$1,170	$139
3 BR 60%	3	0	$1,147	$139
1 BR MKT	12	2	$1,005	$0
2BR MKT	14	0	$1,230	$0
2BR MKT	43	7	$1,240	$0
3 BR MKT	12	1	$1,365	$0
TOTAL	**151**	**14**		

VI. SPECIAL CONDITIONS AND/OR REQUIREMENTS:

A. The parties must provide assignments, operating agreement amendments, attorney opinions, and such other documents as are deemed necessary by the Chief Legal Affairs Officer to effectuate the terms and conditions outlined in this report.
B. Any penalties and/or fees will be paid prior to or upon payoff of the outstanding Mortgage Loan.

APPROVED:

Matt Bergeon ______________________ 5/15/2025
Matt Bergeon Date
Director of Asset Management

Anthony Lentych ______________________ 5/15/2025
Tony Lentych Date
Chief Housing Investment Officer

Clarence L. Stone, Jr. ______________________ 5/15/2025
Clarence L. Stone, Jr. Date
Chief Legal Affairs Officer

Amy Hovey ______________________ 05/15/2025
Amy Hovey Date
Chief Executive Officer and Executive Director

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING WAIVER OF MORTGAGE LOAN PREPAYMENT PROHIBITION PARK TERRACE APARTMENTS, MSHDA DEVELOPMENT NO. 1046 CITY OF MUSKEGON, MUSKEGON COUNTY

May 22, 2025

WHEREAS, the Michigan State Housing Development Authority (the "Authority") made a mortgage loan (the “Mortgage Loan”) to Hackley Limited Dividend Housing Association, L.L.C., (the “Mortgagor”) for the acquisition and construction of Park Terrace Apartments, MSHDA Development No. 1046 (the “Development”); and

WHEREAS, the Mortgage Loan documents for such Development currently prohibit prepayment of the Mortgage Loan; and

WHEREAS, the Mortgagor has requested that the Authority waive the prepayment prohibition and allow a payoff of the Mortgage Loan for the reasons set forth in the accompanying Action Report dated May 22, 2025 (the "Action Report"); and

WHEREAS, the Chief Executive Director and Executive Director recommends that the Authority waive the prepayment prohibition and allow the prepayment of the Mortgage Loan, subject to compliance with the terms and conditions set forth in the Action Report; and

WHEREAS, the Authority concurs in the recommendation of the Chief Executive Officer and Executive Director.

NOW, THEREFORE, the Michigan State Housing Development Authority resolves as follows:

1. The Authority hereby approves the prepayment of the Mortgage Loan, subject to the terms and conditions described in the accompanying Action Report.

2. The Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly appointed to act in that capacity, is hereby authorized to (a) consent to a modification of the terms and conditions set forth in the attached Action Report, as he or she shall deem advisable and appropriate, and (b) enter into such agreements as may be necessary or appropriate to effectuate the prepayment transaction, including without limitation discharges, releases, swap termination agreements and amended regulatory agreements.

M E M O R A N D U M

TO:	Authority Members
FROM:	Amy Hovey, Chief Executive Officer and Executive Director Amy Hovey
DATE:	May 22, 2025
RE:	West of 10th, Development No. 44c-224 (the "Development')

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") 1) adopt a resolution authorizing the issuance of a loan (the "Loan") with respect to the project described in the attached report; and 2) adopt a resolution authorizing the issuance of bonds, the proceeds of which will finance the Loan.

PROJECT SUMMARY:

MSHDA No.:	44c-224
Development Name:	West of 10th
Development Location:	City of Detroit, Wayne County
Eligible Distressed Area:	Yes
Sponsor:	American Community Developers, Inc.
Borrower:	CKG West of 10th 2023 Limited Dividend Housing Association L.L.C.
Number of Units:	46 Elderly units
Number of Accessible Units:	5 Accessible Units
Construction Method:	New Construction
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Pass-Through Gap PA 5:	$3,399,600
Total Development Cost:	$20,040,300 (estimated)
Aggregate Basis:	$18,023,752
Total Loan Amount:	$9,915,000 (55.01% of aggregate basis)
Credit Enhancement:	Cash Collateral from the following sources: (a) Comerica Bank construction loan and (b) City of Detroit Choice Neighborhoods Initiative and HOME funds.

EXECUTIVE SUMMARY:

In the summer of 2021, the U.S. Department of Housing and Urban Development awarded the City of Detroit $30 million to implement a Transformation Plan for the greater Corktown area. The redevelopment of the former Clement Kern Gardens site has been identified as the Target Housing Site for the Transformation Plan and West of 10th will be part of the central phase of the Clement Kern Gardens redevelopment. West of 10th includes a 4-story, elderly designated, new construction building situated on the west side of the reconnected 10th Street and Bagley (between Bagley and 10th Street).

American Community Developers, Inc. (the "Sponsor") proposes to acquire and construct the Development, which consists of 40 affordable and 6 market rate housing units located in the City of Detroit, Wayne County, Michigan. The Development will be acquired and constructed using a construction loan financed with the proceeds of a single issue of bonds issued pursuant to Section 44c of the Authority's enabling act. The Development, as proposed, meets the requirements of Section 44c, and repayment of the bonds will be reasonably secure based on cash collateral intended to secure such repayment and held by the trustee for the bonds

I am recommending Board approval for the following reasons:

- The Developer's application satisfies the requirements for the issuance of a commitment resolution under Section 44c of the Authority's Act and the Amended and Restated Pass-Through Program Statement.
- 46 units of new, elderly housing will be constructed in the City of Detroit's historic Corktown community.
- The repayment of the limited obligation bonds will be reasonably secure based on the proposed collateral.

ADVANCING THE AUTHORITY'S MISSION:

- The development is comprised of 46 one-bedroom units, including 5 one-bedroom units that will be targeted to households at or below 40% of area median income ("AMI"); and 35 one-bedroom units that will be targeted to households with incomes at or below 60% of area median income.
- The income restrictions on the units will be as follows:
    - 5 units will be reserved for households with incomes at or below 40% of AMI.
    - 35 units will be reserved for households with incomes at or below 60% of AMI.
    - 6 units will be market rate.
- The Development supports the following the Statewide Housing Plan Region O goals:
    - Goal 4.1: Increase the supply of the full spectrum of housing that is affordable and attainable to Michigan residents.
    - Goal 4.8: Prevent the negative side effects of gentrification (e.g., displacement, loss of mixed-income housing) by promoting community-oriented revitalization.
    - Goal 5.1: Equitably expand the supply of affordable and accessible rental units statewide for older adults.

MUNICIPAL SUPPORT:

- The Development has support for and expects to be granted a tax exemption and 4% payment in lieu of taxes under the Act.

- The City of Detroit supports the Development by providing Choice Neighborhoods Implementation.
- The Detroit Housing Commission is expected to award 8 project-based vouchers to the Development.

COMMUNITY ENGAGEMENT/IMPACT:

- It is estimated that St. Clair Construction Company will engage a work force of approximately 40-60 workers in the following trades: carpenters, flooring installers, plumbers, HVAC installers, electricians, painters and supervision. Once complete, the property will employ a site manager, a maintenance person, and the equivalent of one office and maintenance assistant for a total of 3 permanent jobs.

RESIDENT IMPACT:

- Low income residents in the historic Corktown community will benefit from the construction of new, affordable housing units.
- The Development will include the following amenities: vinyl flooring, window blinds, central air conditioning, washer/dryer hookups, disposal, range, refrigerator, microwave and dishwasher. Additionally, the building will include a community room and rooftop terrace for residents.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

- None.

AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM

TAX EXEMPT LOAN COMMITMENT STAFF REPORT

May 22, 2025

RECOMMENDATION:

Adopt a resolution authorizing the issuance of a tax-exempt loan commitment with respect to the project described in this report and authorizing the issuance of bonds, the proceeds of which will finance the loan.

ISSUES, POLICY CONSIDERATIONS AND RELATED ACTIONS:

The application for this project was submitted and under review prior to the June amendment of the Authority's Act under 2024 Senate Bill 417 ("SB 417"), which permits the Authority to establish a fee of not more than 1.9% of the principal amount of the bonds for developments located in eligible distressed areas. It was also received and reviewed prior to the approval of the 2024 Amended and Restated Pass-Through Bond Program Statement, which approved a fee of 1.9% for all developments. Given that the application was submitted before approval of SB 417 and the 2024 Amended and Restated Pass-Through Bond Program Statement, Authority staff recommended at Inducement and the Authority approved applying the bond fee of .9% for the Development, which is located in an eligible distressed area, and the fee used under the 2023 Amended and Restated Pass-Through Bond Program.

PROJECT SUMMARY

MSHDA No.:	44c-224
Development Name:	West of 10th
Development Location:	City of Detroit, Wayne County
Eligible Distressed Area:	Yes
Sponsor:	American Community Developers, Inc.
Borrower:	CKG West of 10th 2023 Limited Dividend Housing Association L.L.C.
Number of Units:	46 Elderly one-bedroom units 5 Accessible Units
Construction Method:	New Construction
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Pass-Through Gap PA 5:	$3,399,600
Total Development Cost:	$20,040,300 (estimated)

Aggregate Basis:	$18,023,752
Total Loan Amount:	$9,915,000 (55.01% of aggregate basis)
Credit Enhancement:	Cash Collateral from the following sources: (a) Comerica Bank construction loan and (b) City of Detroit Choice Neighborhoods Initiative and HOME funds.
Commitment Fee:	1.0% of the Loan Amount

The material contained in this staff report is submitted to the Authority for information only. The Authority does not underwrite Pass-Through Bond loans. To the extent that any information contained herein conflicts with the documents relating to the sale of the notes or bonds and the making of the loan, the latter documents shall control.

PROGRAM DESCRIPTION:

Section 44c of Public Act 346 of 1966, as amended (the "Act"), authorizes the Authority to issue notes and bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The bonds are "limited obligations" of the Authority with the security limited to the assets of the borrower, the project itself, and the credit enhancement arranged by the borrower. These are generally referred to as "Pass-Through" bonds.

On July 18, 2024, the Authority re-authorized the Amended and Restated Pass-Through Bond Program, increasing the maximum allocation to $350 million in tax-exempt bond volume cap. This program imposes rent and income targeting requirements of either 40% of the units at 60% of area median income or 20% of the units at 50% of area median income and limits the bond allocation available per project and per sponsor. At least ten percent (10%) of the Development's units must be more deeply targeted to households whose incomes are at or below the 40% MTSP Limit. It also requires limited market and environmental reviews, compliance with state EEO requirements and establishes a cap on the distributions of cash made to the owner.

PROPOSAL SUMMARY:

The Borrower proposes to construct 46 elderly apartment units on a site located at the former Clement Kern Gardens site in the City of Detroit's historic Corktown neighborhood. 86.9% of the units (40 one-bedroom units) in the development will be restricted to households with incomes at or below 60% of area median income, utilizing the new income limits for Multifamily Tax Subsidy Projects ("MTSP") as determined by HUD with respect to projects financed pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), as further amended by the Housing and Economic Recovery Act of 2008 (P.L. 110-289) ("MTSP Limits"). At least ten percent (10%) of the units (5 one-bedroom units) in the development will be more restricted to households with incomes at or below 40% of area median income, using the MTSP Limits.

Authority staff has received and reviewed a commitment for the proposed credit enhancement and has determined that, if the proposed credit enhancement is delivered as set forth in the commitment, repayment of the Authority's notes or bonds will be reasonably secure.

<u>CONDITIONS:</u>

1. **<u>Income Limits:</u>**

The Borrower must enter into a Regulatory Agreement with the Authority requiring that 40 units in the Development (40 one-bedroom apartments) must be rented or available for rental by tenants whose income does not exceed the 60% MTSP Limit, adjusted for family size. Of these units, 5 units must be rented or available for rental by tenants whose income does not exceed the 40% MTSP Limit, adjusted for family size. These occupancy restrictions shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority obligations to be issued to finance the acquisition and construction or rehabilitation of the Development (the "Bonds") remain outstanding, but in no event for less than the period of time required by the terms of the Low Income Housing Tax Credit ("LIHTC") Regulatory Agreement or the period required by Section 142(d) of the Code. The remaining six (6) units may be rented without regard to limitations on rental rates.

The income of the individuals and the area gross median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of Treasury publishes its requirements, income of individuals shall be determined in accordance with the Section 8 regulations.

2. **<u>Limitations on Rental Rates:</u>**

The Regulatory Agreement must also require that the monthly Total Housing Expense (contract rent plus tenant-paid utilities) on 35 of the units in the Development may not exceed 30% of 1/12 of the 60% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for the more deeply targeted units in the Development (5 units) may not exceed 30% of 1/12 of the 40% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. These limitations on rental rates shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Bonds (as defined below) remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement or the period required by Section 142(d) of the Code. The remaining six (6) units may be rented without regard to limitations on rental rates.

3. **<u>Covenant Running with the Land:</u>**

The Borrower must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the Bonds. This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after 50 percent of the residential units in the project are occupied, the first day on which no Bonds are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates (the

"Qualified Project Period"). Additionally, during the Qualified Project Period, the minimum set-aside requirements of the Code must be maintained, namely, at least forty percent (40%) of the units in the Development must be occupied or held available for occupancy by individuals whose income is lower than the MTSP Limits 60% income limit, adjusted for family size. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, income of the individuals shall be determined in accordance with Section 8 regulations.

4. **Limitation on Return on Equity:**

The Borrower must agree that its return on equity will be limited to 12 percent for the first 12-month period following substantial completion of the Development, with annual one percent increases thereafter, and to submit an annual financial statement evidencing its eligibility for return no later than 90 days after the close of the Borrower's fiscal year. The Borrower's return is fully cumulative. The amount of the Borrower's equity will be determined by the Authority.

5. **Bond and Tax Credit Requirements:**

At the Bond closing, a Trust Indenture must be entered that provides all cash proceeds of the credit enhancement will be deposited with the trustee for the Bonds and will be held and invested by the trustee in accordance with the Trust Indenture. The Borrower must certify in writing to the sources and uses involved in the financing of the Development and must also provide the Authority with an opinion of tax counsel, a Useful Life Certificate prepared by the Borrower's accountants and/or such other evidence, as determined by the Authority's Chief Legal Affairs Officer, that respectively confirm that the structure of the transaction will permit the Borrower to claim the LIHTC 4% credit.

6. **Loan Agreement; Indemnification; Compliance Monitoring and Reporting Requirements:**

At the Bond closing, the Borrower must also enter into a Loan Agreement with the Authority. In the Loan Agreement, the Borrower must agree to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of the financing, construction, ownership, or operation of the Development, or from the violation of any environmental laws. The Borrower must also agree to provide the Authority on or before September 1 of each year with a report in a form acceptable to the Authority, including such information as is required by Section 44c of the Act. The Borrower must also agree to participate in compliance monitoring activities relative to the Bonds and the tax credits allocated to the Development, as required by the Authority's Compliance Monitoring staff, and to pay an annual compliance monitoring fee not to exceed 0.25% of the outstanding principal amount of the Bonds. The form and substance of the Loan Agreement must be acceptable to the Authority's Chief Legal Affairs Officer.

7. **Closing and Organizational Documents:**

Prior to Bond closing, the Borrower must submit all of the documents relating to the sale of the limited obligation bonds and the making of the loan, including title and survey matters, and its organizational documents. All documents must be in compliance with the Authority's Act and acceptable to the Michigan Attorney General, the Authority's Bond counsel and the Authority's Chief Legal Affairs Officer.

8. **Equal Employment Opportunity:**

At Bond closing, the Borrower and the general contractor must include the Authority's form Appendix to Construction Contract with the Construction Contract that is acceptable to the Authority's Chief Legal Affairs Officer.

9. **LIHTC Regulatory Agreement:**

Following the Placed in Service Date, the Borrower must enter into an LIHTC Regulatory Agreement in a form required by the Authority.

DEVELOPMENT TEAM AND PROJECT INFORMATION:

Sponsor and Borrower:

1. **Sponsor:** American Community Developers, Inc.
20250 Harper Avenue
Detroit, MI 48225

Contact: Gerald A. Krueger, President
Phone: (313) 881-8150
Email: Jerry@acdmail.com

Contact: Michael D. Essian, Vice President
Phone: (313) 881-8150 or 313-539-5017 (mobile)
Email: Mike@acdmail.com

2. **Borrower:** CKG West of 10th 2023 Limited Dividend Housing Association L.L.C.

Credit Enhancement:

The sponsor will provide cash collateral from the following sources: (a) Comerica Bank construction loan and (b) City of Detroit loan.

Bond Underwriter: The Sturges Company (Mike Sturges)

Bond Counsel: Dickinson Wright (Craig Hammond)

Bond Trustee: Huntington National Bank (John Alexander)

Credit Rating Agency: Moody's Investor Services, Inc.

Other Members of the Development Team:

Equity Partner:	City Real Estate Advisors, Inc. (Alison Anderson)
Borrower Counsel:	Kotz Sangster Wysocki, P.C. (Jeffrey S. Sternberg)
Borrower Accountant:	Schreiber Advisors, P.C. (Michael Schreiber)
Contractor:	St. Clair Construction Company (Nathan S. Hindle)
Property Manager:	Independent Management Services (Frank Carswell)
Architect:	DesignWerks Architecture, LLC (Paul F. Weber)

Sources and Uses of Funds:

Comerica Bank Loan	$ 3,282,757
Detroit CNI Funds	5,794,543
MSHDA PA 5 Gap Funding	3,399,600
LIHTC Equity	6,805,369
Deferred Developer Fee	760,385
Total Sources of Funds	**$20,042,654**

Land Acquisition	$ 934,000
Building Acquisition	175,000
Construction/Rehabilitation	13,679,413
Professional Fees	383,000
Interim Construction Costs	1,174,720
Reserves and Escrows	287,195
Other Costs	658,877
Tax Credit & Bond Financing Application Fees	53,800
Permanent Financing	98,483
Compliance Monitoring Fees	19,000
Developer Fee	2,534,616
Total Uses of Funds	**$ 20,042,654**

APPROVALS:

Chad A Benson 5/15/2025

Chad Benson, Director of Development Date

Jeffrey J Sykes 5-18-25

Jeffrey Sykes, Chief Financial Officer Date

Clarence L. Stone, Jr. 5/15/2025

Clarence L. Stone, Jr., Chief Legal Affairs Officer Date

Amy Hovey 05/15/2025

Amy Hovey, Chief Executive Officer and Executive Director Date

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING LOAN
WEST OF 10TH, MSHDA No. 44c-224
CITY OF DETROIT, WAYNE COUNTY

MAY 22, 2025

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized, under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (the "Act"), to make loans to qualified nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, limited dividend housing associations, mobile home park corporations, and certain public bodies or agencies; and

WHEREAS, an application (the "Application") has been filed with the Authority by American Community Developers, Inc. (the "Applicant") for a loan in an amount not to exceed Nine Million Nine Hundred Fifteen Thousand Dollars ($9,915,000) (the "Loan") for the acquisition, construction and equipping of a housing project having an estimated Total Development Cost of Twenty Million Forty Thousand Three Hundred Dollars ($20,040,300), to be known as West of 10th (the "Development"), located in the City of Detroit, Wayne County, Michigan and to be owned by CKG West of 10th 2023 Limited Dividend Housing Association L.L.C. (the "Borrower"); and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and her recommendation with respect thereto; and

WHEREAS, the Authority has reviewed the Application and the recommendations of the Chief Executive Officer and Executive Director and, on the basis of the Application and such recommendation, has made determinations that:

(a) The Borrower is an eligible applicant;

(b) The proposed housing project is eligible for financing under Section 44c of the Act;

(c) The Borrower has submitted evidence of commitments to issue credit enhancement in forms and amounts sufficient to assure the Authority that its loan to the Borrower is reasonably secure;

(d) The Borrower has agreed to compensate, as it considers appropriate and at no cost to the Authority, any underwriters, trustees, counsel, and other professionals as are necessary to complete the financing of the proposed housing project;

(e) The Borrower has paid to the Authority its nonrefundable application fee;

(f) The amount of the loan authorized hereby is consistent with the requirements of the Act as to the maximum limitation of loan amount; and

(g) Use of the bond authority from the State uniform volume cap for the project will not impair the ability of the Authority to carry out programs or finance housing developments or housing units which are targeted to lower income persons.

WHEREAS, Sections 82 and 93 of the Act provide that the Authority shall determine a reasonable and proper rate of return to limited dividend housing corporations and associations on their investment in a housing project.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The Application be and it hereby is approved, subject to the terms and conditions of this Resolution, the Act, the General Rules of the Authority and the Loan Commitment Staff Report dated May 22, 2025 and attached hereto (the “Commitment Report”).

2. A loan (the "Loan") be and it hereby is authorized and Chief Executive Officer and Executive Director, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly authorized to act in such capacity (each an "Authorized Officer"), or any one of them acting alone, are authorized to issue to the Applicant and the Borrower the Authority's loan commitment (the "Commitment") for the construction of the proposed housing project, with the Loan to have an initial principal amount not to exceed Nine Million Nine Hundred Fifteen Thousand Dollars ($9,915,000), to have a term not to exceed four (4) years *OR* not longer than April 1, 2029, and to bear interest at a rate not to exceed seven percent (7) per annum. Any Authorized Officer is authorized to modify or waive any condition or provision contained in the Commitment.

3. This Resolution and issuance of the Commitment are based on the information obtained from the Applicant. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or changes in any materially adverse respect, this Resolution, together with the Commitment issued pursuant hereto may, at the option of an Authorized Officer, be rescinded.

4. Notwithstanding passage of this Resolution or execution of any documents in anticipation of the closing of the proposed Loan, no contractual rights to receive the Loan authorized herein shall arise unless and until an Authorized Officer shall have issued the Commitment and the Applicant shall have agreed in writing within fifteen days after receipt thereof, to the terms and conditions contained therein.

5. Availability of funds for financing the Loan of the proposed housing project is subject to the Authority's ability to sell its limited obligation notes or bonds in the amount and at a rate or rates of interest and at a sufficient length of maturity, as determined by the Chief Executive Officer and Executive Director, necessary to make the Loan.

6. In accordance with Sections 93(b) and 44c(12) of the Act, the maximum reasonable and proper rate of return on the investment in the Development be and it hereby is determined to be 12 percent for the first 12 months of operation of the Development following substantial completion. The allowable rate of return shall be increased by 1 percent for each 12-month period after the first 12 months. Any return less than the allowable rate in any preceding period may be received in any subsequent period on a cumulative basis.

7. The Loan shall be subject to, and the Commitment shall contain, the conditions set forth in the Commitment Report attached hereto, which conditions are hereby incorporated by reference as if fully set forth herein.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
RESOLUTION AUTHORIZING ISSUANCE AND SALE OF MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2025 (WEST OF 10TH APARTMENTS PROJECT)

TO FINANCE A LOAN TO CKG WEST OF 10TH 2023 LIMITED DIVIDEND HOUSING ASSOCIATION L.L.C. SO AS TO ENABLE THE BORROWER TO ACQUIRE, CONSTRUCT AND EQUIP A CERTAIN MULTIFAMILY RENTAL HOUSING FACILITY, AUTHORIZING THE EXECUTION OF THE BOND PURCHASE AGREEMENT, THE LOAN AGREEMENT AND THE TRUST INDENTURE SECURING THE BONDS, AND DETERMINING AND AUTHORIZING OTHER MATTERS RELATIVE THERETO

May 22, 2025

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized by Act 346, Michigan Public Acts, 1966, as amended (the "Act"), to issue bonds for the purpose of making loans to limited dividend housing associations (as defined in the Act) to provide financing for multifamily housing projects (as defined in the Act); and

WHEREAS, CKG West of 10th 2023 Limited Dividend Housing Association L.L.C., a Michigan limited liability company (the "Borrower"), is a limited dividend housing association (as defined in the Act); and

WHEREAS, the Borrower has applied to the Authority for a loan in a maximum amount of nine million nine hundred fifteen thousand dollars ($9,915,000) to finance the costs of acquiring, constructing, equipping and improving a certain multifamily rental housing facility located in the City of Detroit, Wayne County, Michigan (the "Project"); and

WHEREAS, the Authority proposes to issue its Multifamily Housing Revenue Bonds, Series 2025 (West of 10th Apartments Project) in an aggregate principal amount not to exceed $9,915,000 (the "Bonds") pursuant to this Resolution and the Trust Indenture, dated as of June 1, 2025 (the "Indenture"), between the Authority and The Huntington National Bank, as Trustee (the "Trustee"), to obtain funds to lend to the Borrower, pursuant to a Loan Agreement, dated as of June 1, 2025 (the "Loan Agreement"), between the Authority and the Borrower to finance the costs of acquiring, constructing, equipping and improving the Project (the "Loan"); and

WHEREAS, the Authority has determined that making the Loan requested by the Borrower and issuing and selling the Bonds, as hereinafter provided, will promote and serve the intended purposes of, and in all respects will conform to the provisions and requirements of, the Act and the rules of the Authority; and

WHEREAS, pursuant to Section 27(*l*) of the Act, the Authority proposes to delegate to the Chairperson, Vice Chairperson, Chief Executive Officer and Executive Director, Chief Financial Officer, Director of Finance, Chief Legal Affairs Officer, Director of Legal Transactions and Director of In-House Legal Services of the Authority or any person duly authorized to act in such capacity (each hereinafter individually referred to as an "Authorized Officer") the power to determine certain terms and conditions of the Bonds, subject to the limitations established herein.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority, as follows:

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the Loan requested by the Borrower and thereby assisting in the financing of the acquisition, construction and equipping of the Project, the issuance of the Bonds in an aggregate principal amount not to exceed $9,915,000 is authorized. The Bonds shall be designated "*Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2025 (West of 10th Apartments Project),*" shall be issuable only in fully registered form, substantially as set forth in the Indenture; shall be numbered in such manner as determined by the Trustee in order to distinguish each Bond from any other Bond; shall be in Authorized Denominations; shall be dated as of the first day of the month in which the Bonds are issued and shall bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their date.

The Bonds shall be subject to mandatory tender and redemption, and may be transferred and registered, all as provided in the Indenture and the form of the Bonds attached to the Indenture, with such modifications as may be approved by an Authorized Officer.

The Bonds shall be issued pursuant to this Resolution and the Indenture in substantially the form on file with the Chief Executive Officer and Executive Director, with such changes as may be acceptable to an Authorized Officer of the Authority.

The Bonds and the interest obligation thereon shall never constitute a debt or general obligation of the State of Michigan or the Authority within the meaning of any constitutional or statutory provision or limitation, and shall never constitute nor give rise to a charge against the general credit or taxing powers of the State of Michigan or the general funds or assets of the Authority (including funds relating to other Authority loans or activities) but shall be a limited obligation, and not a general obligation, of the Authority payable solely from those certain revenues derived from the Loan Agreement, the Note (as hereinafter defined) and otherwise as provided in the Indenture including moneys and investments on deposit in the Special Funds created under the Indenture (collectively, the "Credit Enhancement"). The Authority hereby approves the Credit Enhancement and determines that repayment of the Bonds thereby will be reasonably secure.

SECTION 2. Application of Proceeds of Bonds. Immediately upon the receipt thereof, the proceeds of the sale of the Bonds shall be deposited in the applicable funds and accounts created pursuant to the Indenture as provided in the Indenture.

SECTION 3. No Capital Reserve Requirement. The Bonds shall not be secured by the capital reserve capital account of the Authority.

SECTION 4. Form of the Bonds. The form of the Bonds shall be substantially in the form attached to the Indenture, with such appropriate changes, omissions and insertions as are permitted or required by the Indenture or by subsequent action of an Authorized Officer.

SECTION 5. Execution of the Bonds. The Bonds shall bear the facsimile signature of the Chairperson or Chief Executive Officer and Executive Director of the Authority, shall have the official seal of the Authority (or a facsimile thereof) impressed or imprinted thereon, and shall be authenticated by the manual signature of an authorized signer of the Trustee.

SECTION 6. Approval of Loan Agreement and Indenture. The form of the Loan Agreement and the form of the Indenture on file with the Chief Executive Officer and Executive Director and on which an Authorized Officer has endorsed the date of adoption of this Resolution, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 7. Approval of the Note and Regulatory Agreement. The form of the promissory note, dated the date thereof (the "Note"), from the Borrower to the Authority, and the Regulatory Agreement, dated as of June 1, 2025 (the "Regulatory Agreement"), between the Authority and the Borrower, each on file with the Chief Executive Officer and Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 8. Bond Purchase Agreement. Each Authorized Officer is severally authorized to negotiate, execute and deliver, on behalf of the Authority, a Bond Purchase Agreement with The Sturges Company (the "Underwriter") in substantially the form on file with the Chief Executive Officer and Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, together with such exhibits or appendices therein as are deemed necessary or desirable by such Authorized Officer and are permitted or required by the Act and otherwise by law.

SECTION 9. Preliminary Official Statement. The Preliminary Official Statement of the Authority with respect to the offering of the Bonds, substantially in the form presented to this meeting, is hereby approved and the distribution thereof by the Underwriter is hereby authorized, with such changes, omissions, insertions and revisions as an Authorized Officer shall deem advisable or appropriate.

SECTION 10. Final Official Statement. The form of Preliminary Official Statement of the Authority, substantially in the form presented to this meeting, is hereby authorized and approved as the final Official Statement of the Authority, with such changes, omissions, insertions and revisions as an Authorized Officer shall deem advisable or appropriate, and such final Official Statement is approved for distribution to the Underwriter.

SECTION 11. Execution and/or Delivery of Loan Agreement, the Note, the Indenture, the Bond Purchase Agreement and the Regulatory Agreement and Changes Therein. Each Authorized Officer is severally authorized to execute, seal in his or her discretion, deliver, and/or accept delivery, as appropriate, of the Loan Agreement, the Note (and the endorsement thereof), the Indenture, the Bond Purchase Agreement and the Regulatory Agreement in substantially the forms approved, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority.

SECTION 12. Sale and Delivery of the Bonds. The Bonds shall be sold by the Authority to the Underwriter pursuant to the Bond Purchase Agreement subject to the following conditions:

a) The maximum principal amount of the Bonds shall not exceed $9,915,000.

b) The initial interest rate on the Bonds shall not exceed 7.00% per annum.

c) The maximum interest rate shall not exceed 7.00% per annum.

d) The maximum principal amount coming due on the Bonds in any calendar year shall not exceed $9,915,000.

e) The Bonds shall have stated maturities that are not later than April 1, 2029.

f) The Bonds shall be subject to mandatory and optional redemption as set forth in the related form of Indenture on file with the Chief Executive Officer and Executive Director.

g) Prior to the delivery of the Bonds, the Authority shall have received all fees provided in Section 44c of the Act.

The Bonds shall be delivered to the Underwriter as provided in the Indenture upon receipt of payment therefor and upon delivery to the Trustee of each of the following:

A. A certified copy of this Resolution.

B. An executed counterpart of the Loan Agreement.

C. An executed counterpart of the Indenture.

D. An executed counterpart of the Bond Purchase Agreement.

E. An executed counterpart of the Note.

F. An executed counterpart of the Regulatory Agreement.

G. A copy of the final Official Statement.

H. An opinion or opinions of Dickinson Wright PLLC, as bond counsel to the Authority ("Bond Counsel"), dated as of the date of issuance of the Bonds, in form acceptable to the Chief Legal Affairs Officer and the Attorney General of the State of Michigan (the "Attorney General").

I. An opinion or opinions of the Attorney General dated as of the date of issuance of the Bonds, in form acceptable to the Chief Legal Affairs Officer.

J. An opinion or opinions of legal counsel for the Borrower, dated as of the date of issuance of the Bonds, in form acceptable to the Chief Legal Affairs Officer, Bond Counsel and the Attorney General.

K. A certificate dated the date of the issuance of the Bonds made by the Authority, based upon a certificate of similar import from the Borrower and upon certain use and occupancy restrictions relating to the Project in recordable form, to the effect that the Bond proceeds will be used, and the Project will be operated, in a manner consistent with the requirements of the Internal Revenue Code of 1986, as amended, and the arbitrage regulations of the United States Department of Treasury.

L. Such additional certificates, instruments, opinions of counsel and other documents as the Underwriter, the Trustee, Bond Counsel or the Attorney General may reasonably deem necessary or desirable to evidence the truth and accuracy on the date of issuance of the Bonds, of the representations and warranties set forth in the Loan Agreement, the Indenture or the Bond Purchase Agreement, and such other matters as the Underwriter, Bond Counsel, the Borrower or the Attorney General may reasonably request.

SECTION 13. Approval of Filings and Submissions with Other Governmental Agents. Each Authorized Officer is severally authorized on behalf of the Authority to apply for such rulings, orders and approvals and file or submit such elections or other documents to any governmental agency in order that the Bonds may be validly issued and the interest on the Bonds may be exempt from federal income taxation. Applications for any such rulings, orders, approvals or elections previously submitted on behalf of the Authority are hereby ratified and confirmed.

SECTION 14. Authorization of Other Documents and Actions. An Authorized Officer, as well as counsel to the Authority, and each of them, are hereby authorized to execute and deliver such other certificates, documents, instruments, and opinions and other papers and to take such other actions as may be required by the Loan Agreement, the Indenture or the Bond Purchase Agreement, or as may be necessary or convenient to effectuate the sale and delivery of the Bonds and the closing of the Loan.

SECTION 15. Appointment of Trustee. The Huntington National Bank is hereby appointed Trustee under the Indenture.

SECTION 16. Conflict. All resolutions and parts of resolutions or other proceedings of the Authority in conflict herewith are repealed to the extent of such conflict.

SECTION 17. Effectiveness. This Resolution shall become effective upon adoption. If the Bonds are not sold and delivered on or before August 31, 2025, the authority granted by this Resolution shall lapse. In the event such sale and delivery occurs later than June 30, 2025, all references to June 1, 2025 herein may be permissibly changed to the month and year reflecting the actual date of delivery of the Bonds.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director

Amy Hovey

DATE: May 22, 2025

RE: City View in the Square, Development No. 4266

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt resolutions that 1) determine Mortgage Loan Feasibility as to the following proposal, 2) authorize tax-exempt bond construction and permanent mortgage loans in the amounts set forth in this report, and 3) authorize the Chief Executive Officer and Executive Director, or an Authorized Officer of the Authority, to issue the Authority's Mortgage Loan Commitment with respect to this development, subject to the terms and conditions set forth in this report.

PROJECT SUMMARY:

MSHDA No:	4266
Development Name:	City View in the Square
Development Location:	City of Kalamazoo, Kalamazoo County
Sponsor:	CSI Support & Development Services
Mortgagor:	CSI Kalamazoo Limited Dividend Housing Association Limited Partnership
Number of Units:	219 senior, affordable units
Number of Units Designated for Accessible Use:	11 accessible units
Occupancy Rate:	95%
Total Development Cost:	$42,187,207
TE Bond Construction Loan:	$21,937,348
TE Bond Permanent Loan:	$21,626,045
Other Funds:	
LIHTC Equity:	$13,641,067
Income from Operations:	$ 1,004,871
Transferred Reserves:	$ 266,160
Seller Note:	$ 4,590,288
Deferred Developer Fee:	$ 1,058,776

EXECUTIVE SUMMARY:

City View in the Square (City View), located at 710 Collins Street in Kalamazoo, is an existing 14-story, 216-unit affordable apartment building exclusively for low-income seniors earning no more than 50% of AMI. All 216 units at this property are supported by a Section 8 Housing Assistance Payments ("HAP") contract and are 1-bedroom/1-bath. They will be adding 3 additional affordable units at 60% AMI, bringing the development total to 219 units.

In 1984, CSI Support & Development Services (CSI), a non-profit corporation (the "Sponsor") developed City View in the Square under the U.S. Department of Housing and Urban Development's ("HUD") Section 202 Direct Loan Program. The project was subsequently refinanced and partially renovated in 2006 using an FHA-insured Section 223(f) loan. City View has never obtained funding from, nor been placed in service under, the Low Income Housing Tax Credit (“LIHTC”) program. While City View has received consistently high REAC and MOR scores, it has not undergone substantial rehabilitation since it was first constructed, and several building systems need modernization or replacement.

The development is eligible for market rate conversion when the original Section 202 Use Agreement expires on February 1, 2025, and the current Section 8 HAP contract expires on January 31, 2030. However, CSI is committed to keeping this project affordable, true to its mission of providing the highest quality, cooperatively managed affordable senior housing, and has applied for a long term renewal with HUD.

The Sponsor and development team have experience with Authority-financed developments, and the Sponsor has other properties in the Authority’s portfolio.

This refinancing will benefit the Authority by adding a very low-risk project to our portfolio. Since most of the units are subsidized, this project presents very little concern.

ADVANCING THE AUTHORITY’S MISSION:

City View in the Square is located within Region J of the Statewide Housing Plan Regional Housing Partnerships, and this development supports the following goals of the Region J Action Plan:

- Goal 3.2, increasing access to stable and affordable housing options for households with extremely low incomes
- Goal 4.4, increasing the rehabilitation and/or preservation of housing stock
- Goal 5.1: Equitably expand the supply of affordable and accessible rental units statewide for older adults
- Goal 5.2: Promote the ability of older adults to age in a place of their choice

MUNICIPAL SUPPORT:

- This development currently receives the Senior Citizen and Disabled Family Exemption (MCL 211.7d)

COMMUNITY ENGAGEMENT/IMPACT:

The City View in the Square co-op system engages their residents (who they call members) by giving them a voice in decisions. Their residents can participate in the leasing committee, volunteer as treasurer or other council positions, and participate as floor representatives. The general council meets each month, and residents can raise issues and vote on decisions in their building. CSI staff support residents through each step of the process.

In addition, CSI's co-op system extends to involving residents in the rehabilitation process. Residents vote on the color scheme options for the common area and unit finishes. In addition, they display photos from previous renovations at the building to give residents an idea of what their finished apartment and common areas will look like. City View's first floor is entirely common space which displays the first-floor plan on-site so they can see how it will be refitted (and where their new fitness room will be located). The CSI construction team meets with residents to keep them informed and engaged and allows them to ask questions.

RESIDENT IMPACT:

- There will be no displacement of residents or rent increase due to the rehabilitation of the property.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

The existing HAP contract for 216 units was recently extended to January 31, 2030. The Sponsor is in the process of renewing this contract now under option 1B (mark-up-to-market), which allows eligible property owners to increase their contract rents to match market levels. To appropriately size the permanent mortgage, the underwritten Section 8 rents are "As Renovated," which determines what the rents will be following completion of the rehabilitation. To ensure the correct revenue is forecast for the construction period, income from operations is based on the current rents, not the "As Renovated" rents.

This proposal is using long-term Tax-Exempt Bond financing coupled with 4% LIHTC without Authority gap funding and is eligible for an interest rate reduction on the Tax-Exempt Bond Loan (construction and permanent) equal to 25 basis points via the Authority's Reduced-Rate Fast-Track Loan Program.

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

MORTGAGE LOAN FEASIBILITY/COMMITMENT STAFF REPORT

May 22, 2025

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt resolutions that 1) determine Mortgage Loan Feasibility as to the following proposal, 2) authorize tax-exempt bond construction and permanent mortgage loans in the amounts set forth in this report, and 3) authorize the Chief Executive Officer and Executive Director, or an Authorized Officer of the Authority, to issue the Authority's Mortgage Loan Commitment with respect to this development, subject to the terms and conditions set forth in this report.

MSHDA No.:	4266
Development Name:	City View in the Square
Development Location:	City of Kalamazoo, Kalamazoo County
Sponsor:	CSI Support & Development Services
Mortgagor:	CSI Kalamazoo Limited Dividend Housing Association Limited Partnership
TE Bond Construction Loan:	$21,937,348 (52% of TDC)
TE Bond Permanent Loan:	$21,626,045
Total Development Cost:	$42,187,207
Mortgage Amortization and Term:	40 years for the tax-exempt bond loan
Interest Rate:	6% for the tax-exempt bond loan
Program:	Tax-Exempt Bond Program/Reduced-Rate Fast-Track Loan Program
Number of Units:	219 elderly units of rehabilitation.
Accessible Units:	11 accessible units
Unit Configuration:	219 one-bedroom, one-bath units
Builder:	Wolverine Building Group
Syndicator:	Enterprise
Date Application Received:	December 26, 2024
HDO:	Ryan Koenigsknecht

Issuance of the Authority's Mortgage Loan Commitment is subject to fulfillment of all Authority processing and review requirements and obtaining all necessary staff approvals as required by the Authority's underwriting standards.

ISSUES, POLICY CONSIDERATIONS AND RELATED ACTIONS:

The existing Housing Assistance Payments (HAP) contract for 216 units was recently extended to January 31, 2030. CSI Support & Development Services, a non-profit corporation (the "Sponsor"), is in the process of renewing this contract now under option 1B (mark-up-to-market) that allows eligible property owners to increase their contract rents to match market levels. To appropriately size the permanent mortgage, the underwritten Section 8 rents are “As Renovated,” which determines what the rents will be following completion of the rehabilitation. To ensure the correct revenue is forecasted for the construction period, income from operations is based on the current rents, not the “As Renovated” rents.

This development currently receives the Senior Citizen and Disabled Family Exemption (MCL 211.7d), meaning they do not pay property taxes.

This proposal is using long-term Tax-Exempt Bond financing coupled with 4% Low-Income Housing Tax Credits (LIHTC) without MSHDA gap funding and is eligible for an interest rate reduction on the Tax-Exempt Bond Loan (construction and permanent) equal to 25 basis points via the Authority’s Reduced-Rate Fast-Track Loan Program.

EXECUTIVE SUMMARY:

City View in the Square (City View), located at 710 Collins Street in Kalamazoo is an existing 14-story, 216-unit affordable apartment building exclusively for low-income seniors earning no more than 50% of AMI. All 216 units at this property are supported by a Section 8 HAP contract and are 1-bedroom/1-bath.

In 1984, the Sponsor developed City View in the Square under the U.S. Department of Housing and Urban Development's ("HUD") Section 202 Direct Loan Program. The project was subsequently refinanced and partially renovated in 2006 using an FHA insured Section 223(f) loan. City View has never obtained funding from, nor been placed in service under, the LIHTC program. While City View has received consistently high REAC and MOR scores, it has not undergone substantial rehabilitation since it was first constructed, and several building systems need modernization or replacement.

The project is eligible for market rate conversion when the original Section 202 Use Agreement expires on February 1, 2025, and the current Section 8 HAP Contract will expire on January 31, 2030. However, the Sponsor is committed to keeping this project affordable, true to its mission of providing the highest quality, cooperatively managed affordable senior housing.

Structure of the Transaction and Funding:

There are several elements to this transaction that are common to preservation transactions:

- A tax-exempt bond construction loan (the “Mortgage Loan”) will be provided by the Authority in the amount of $21,937,348 at 6% interest with a 14-month term. Payments of interest only will be required during the construction loan. The principal balance of the construction loan must be reduced to the permanent loan amount on the first day of the month following the month in which the 14-month construction loan term expires or such later date as is established by an Authorized Officer of the Authority (the “Permanent Financing Date”).

- A permanent Mortgage Loan will be provided by the Authority in the amount of $21,626,045. The permanent loan amount is based upon the "As-Renovated" rents, less vacancy loss, payments to reserves and escrows, operating costs based on historical data unless modified by project improvements and construction and soft costs at levels appropriate for this specific transaction. The permanent loan is based on a 1.15 debt service coverage ratio, an annual interest rate of 6%, with a fully amortizing term of 40 years commencing on the Permanent Financing Date. The permanent Mortgage Loan will be in **First Position**.

- An equity bridge loan (“EBL”) from CSI Support and Development Services in the amount of $8,000,000 will be provided at 8% interest. The EBL will be used during construction and will continue to bridge LIHTC investor contributions due after construction completion. The EBL must be available during construction and may not be secured. See Special Condition No. 2.

- A Seller’s Note loan is being added in the amount of $4,590,288. See Special Condition No. 3.

- Equity support comes from an investment related to the 4% LIHTC in the estimated amount of $13,641,067.

- The HAP Contract will, subject to HUD approval, be extended and transferred to the Mortgagor and will continue to provide deep subsidy assistance for all of the assisted units.

- Income from operations will be used as a source of funding to make interest only payments and the tax and insurance payments during the construction period in the amount of $1,004,871.

- The Sponsor has agreed to defer $1,058,776 of the developer fee to fill the remaining funding gap.

- An amount equal to one month’s gross rent potential will be funded in the Development’s operating account.

- An operating assurance reserve (“OAR”) will be required in the amount identified in the proforma. The reserve will be capitalized at closing in an amount which, along with accumulated interest, is expected to meet the Development’s unanticipated operating needs. This reserve will be held by the Authority.

- The Development will be renovated, and a new replacement reserve requirement will be imposed, based on a capital needs assessment (“CNA”), to ensure an extension of the useful life of the property and to maintain an excellent quality of life for the residents. At closing, the Mortgagor must deposit the amount determined necessary to satisfy the requirements of the Authority-approved CNA over a 20-year period. This reserve will be held by the Authority.

- Existing Replacement Reserve escrow funds in the amount identified in the proforma will be used as a source of funding.

<u>Scope of Rehabilitation:</u>

While the building is well-maintained, City View has not had a substantial rehabilitation since it was developed in 1984. The proposed $10.6 million construction budget will allow the Mortgagor to upgrade all units, common areas, building systems, and improve greenspace. Unit kitchens will be completely upgraded with new flooring, countertops, cabinets, and new garbage disposals. In addition, unit bathrooms will be like-new with new vanities, bathroom fixtures, new medicine cabinets, and new flooring.

City View boasts a significant amount of common space. During the rehab, the entire first floor will be reconfigured and upgraded to encourage socialization, promote services, and facilitate the co-op system. The building's large community kitchen, community room, library, and sundries shop will be updated. A computer room, fitness room, and wellness space will be added. To improve comfort, heating and cooling systems will be modernized. Among the scheduled improvements, heating Whalen units will be upgraded, and through-wall AC units will be replaced. Safety features – including the fire alarm system and intercom system – will be upgraded. The building's original boilers were recently replaced with a high efficiency boiler ahead of the rehab. The corridors will be updated for safety. All hallways will receive new flooring, new paint, new handrailing, and new lighting. In addition, new flooring will be added to the laundry room.

Residents enjoy a large green space at City View, including a garden with raised beds. A fully accessible walkway and wooden pergola will be added to improve the safety, usability and beauty of green amenity.

Affordability Requirements:

The Authority's tax-exempt bond regulatory agreement will require that all the dwelling units in the property remain occupied by households with incomes at or below 60% of the Multifamily Tax Subsidy Project ("MTSP") income limit, adjusted for family size. The number of restricted units is controlled by the number of eligible households in place at closing, estimated to be 100% of the units. 216 units will be further restricted to the income limits required by the HAP Contract.

Protections for Existing Residents:

The preservation and renovation of the Development will not result in a rent increase for the existing tenants. There will be no tenant displacement as a result of this transaction.

Site Selection:

The site has been reviewed by Authority Staff and the Authority's Manager of the Office of Market Research has indicated that the site meets the Authority's current site selection criteria.

Market Evaluation:

The unit mix as well as the amenities package and rent levels have been approved by the Manager of the Office of Market Research.

Valuation of the Property:

An appraisal dated November 19, 2024, estimates the value of the building at $18,266,160.

CONDITIONS:

At or prior to (i) issuance of the Authority's mortgage loan commitment ("Mortgage Loan Commitment"), (ii) the initial Mortgage Loan Closing (the "Initial Closing"), or (iii) such other date as may be specified herein, the new Mortgagor and other members of the Development team, where appropriate, must satisfy each of the following conditions by entering into a written agreement or providing documentation acceptable to the Authority:

Standard Conditions:

1. **Limitation for Return on Equity:**

   For each year of the Development's operation, beginning in the year in which the Mortgage Cut-Off Date occurs, as determined by the Authority, payments are limited to six percent (6%) of the Mortgagor's equity, or any other amount approved by HUD, but not to exceed twelve percent (12%). Following expiration of the HAP Contract, the Mortgagor's rate of return shall not exceed twenty-five (25%) per annum. For purposes of distributions, the Mortgagor's equity will be the sum of (i) the LIHTC equity; (ii) the brownfield tax credit equity; (iii) the historic tax credit equity; (iv) general partner capital contributions; and (v) any interest earned on an equity escrow held by the Authority, unless HUD or other federal regulations require a different calculation. All such payments shall be referred to as "Limited Dividend Payments." The Mortgagor's return shall be fully cumulative.

2. **Income Limits:**

   The income limitations for 219 units of this proposal are as follows:

   a. 216 units (216 one-bedroom units) must be occupied or available for occupancy by households whose incomes do not exceed the income limits in the HAP Contract for so long as the HAP Contract between the Mortgagor and the Authority is in effect (including extensions and renewals), or for such longer period as determined by HUD.

   b. 219 units (219 one-bedroom units) must be available for occupancy by households whose incomes do not exceed the MTSP 60% income limits, adjusted for family size, until the latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 40 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.

   To the extent units within the Development are subject to multiple sets of income limits, the most restrictive income limit will apply so long as the applicable term of affordability continues.

   The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size.

3. **Limitations on Rental Rates:**

   The Total Housing Expense (contract rent plus tenant-paid utilities) for 219 units is subject to the following limitations:

   a. So long as the HAP Contract remains in effect, the Mortgagor agrees to establish and maintain rents ("Contract Rents") for all HAP-assisted units (216 one-bedroom units) that comply with the rent levels established by the HAP contract and that do not exceed the rent levels approved by HUD.

b. The Total Housing Expense for all 219 units (219 one-bedroom units), may not exceed one-twelfth (1/12th) of 30% of the 60% MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 40 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.

To the extent units within the Development is subject to multiple sets of rent limits, the most restrictive rent limit will apply so long as the applicable term of affordability continues.

While rental increases for these units may be permitted from time to time as HUD publishes updated median income limits, the Mortgagor must further agree that rental increases for units that do not receive assistance under the HAP Contract will be limited to not more than 5% for any resident household during any 12-month period.

For the initial lease term of the first household occupying each rent-restricted unit in the Development the initial rent may not exceed 105% of the rent approved in this Mortgage Loan Feasibility/Commitment Staff Report. Exceptions to these limitations may be granted by the Authority's Director of Asset Management for extraordinary increases in project operating expenses (exclusive of limited dividend payments) or mortgage loan increases to fund cost overruns pursuant to the Authority's policy on Mortgage Loan increases. Rents on vacated units may be increased to the maximum level permissible by the applicable programs. Rents and utility allowances must be approved annually by the Authority's Division of Asset Management.

4. <u>Covenant Running with the Land</u>:

The Mortgagor must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the obligations issued or to be issued to finance the Mortgage Loan. This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after the date on which 50% of the residential units in the Development are occupied, the first day on which no bonds are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, the income of the individuals shall be determined in accordance with Section 8 regulations. Additionally, if LIHTC is awarded to the Development, the Mortgagor must agree to subject the property to the extended low-income use commitment required by Section 42 of the Internal Revenue Code.

5. <u>Restriction on Prepayment and Subsequent Use</u>:

The Mortgage Loan is eligible for prepayment after the expiration of fifteen (15) years after the commencement of amortization. The Mortgagor must provide the Authority with at least 60 days' written notice prior to any such prepayment.

In the event of a prepayment, however, the Mortgagor must pay a prepayment fee equal to the sum of:

a. 1% of the balance being prepaid;
b. Any bond call premium, prepayment or swap penalty, or any other cost that the Authority incurs to prepay the bonds or notes that were used to fund the Mortgage Loan; and
c. Any loss of debt service spread between the Mortgage Loan and the bonds used to finance the loan from the date of the prepayment through the end of the 20th year of amortization.

Once the Mortgagor has been approved for the early prepayment of the underlying loan, it must sign an agreement with the Authority stating it is responsible for the cost of terminating the swap. The Mortgagor can then choose the timing of the termination and participate in the transaction with the swap counterparty. The swap counterparty will quote the cost of terminating the swap and the Mortgagor will have the ability to execute the transaction or cancel at its sole discretion. If the Mortgagor chooses not to terminate the swap, it will forfeit the right to prepay the Mortgage Loan.

6. Operating Assurance Reserve:

At Initial Closing, the Mortgagor shall fund an operating assurance reserve ("OAR") in the amount equal to 4 months of estimated Development operating expenses (estimated to be $1,133,695). The OAR will be used to fund operating shortfalls incurred at the Development and will be disbursed by the Authority in accordance with the Authority's written policy on the use of the Operating Assurance Reserve, as amended from time to time. The OAR must be either (i) fully funded with cash, or (ii) funded with a combination of cash and an irrevocable, unconditional letter of credit acceptable to the Authority, in an amount that may not exceed 50% of the OAR requirement. To the extent that any portion of the OAR is drawn for use prior to the final closing of the Mortgage Loan, the Mortgagor must restore the OAR to its original balance at final closing.

7. Replacement Reserve:

At Initial Closing, the Mortgagor must establish a replacement reserve fund (“Replacement Reserve”) with an initial deposit in an amount of $7,275 per unit. The Mortgagor must agree to make annual deposits to the Replacement Reserve, beginning on the Mortgage Cut-Off Date, at a minimum of $300 per unit for the first year of operation, payable in monthly installments, with deposits in subsequent years to be the greater of (i) the prior year’s deposit, increased by 3%, or (ii) a percentage of the Development’s projected annual rental income or gross rent potential (“GRP”) for the year using the percentage obtained by dividing the first year’s deposit by the first year’s GRP shown on the operating proforma for the Development. The annual deposit to the Replacement Reserve may also be increased to any higher amount that is determined to be necessary by the Authority, based on a CNA and the Authority’s Replacement Reserve policies. The Authority may update any CNA or obtain a new CNA every five years, or upon any frequency, as determined necessary by the Authority.

9. **One Month's Gross Rent Potential:**

   At Initial Closing, the Mortgagor shall deposit an amount equal to one month's gross rent potential ($284,316) into the Development's operating account.

10. **Architectural Plans and Specifications; Contractor's Qualification Statement:**

    Prior to Mortgage Loan Commitment, the architect must submit architectural drawings and specifications that address all design review comments, acceptable to the Authority's Chief Architect and the Director of Development.

    Prior to Mortgage Loan Commitment, the general contractor must submit AIA Document A305 as required by the Authority's Chief Architect.

11. **Owner/Architect Agreement:**

    Prior to Mortgage Loan Commitment, the Mortgagor must provide the Authority with an executed Owner Architect Agreement acceptable in form and substance to the Chief Legal Affairs Officer.

12. **Trade Payment Breakdown:**

    Prior to Mortgage Loan Commitment, the general contractor must submit a signed Trade Payment Breakdown acceptable to the Authority's Chief Construction Manager.

13. **Equal Opportunity and Fair Housing:**

    Prior to Mortgage Loan Commitment, the management and marketing agent's Affirmative Fair Housing Marketing Plan must be reviewed and found acceptable to the Authority's Equal Employment Officer for Fair Housing Requirements.

    In addition, prior to Mortgage Loan Commitment, the general contractor's Equal Employment Opportunity Plan must be reviewed and found acceptable to the Authority's Equal Employment Officer.

14. **Cost Certification:**

    The contractor's cost certification must be submitted within 90 days following the completion of construction, and the Mortgagor's cost certification must be submitted within 90 days following the Mortgage Cut-off Date. For LIHTC, the owner is obligated to submit cost certifications applicable to itself and the contractor prior to issuance of IRS form 8609 (see LIHTC Program Cost Certification Guidelines).

15. **Environmental Review and Indemnification:**

    Prior to Mortgage Loan Commitment, the Mortgagor must address any outstanding environmental issues, in form and substance acceptable to the Authority's Environmental Review Officer.

    At Initial Closing, the Mortgagor must enter an agreement to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of any violation of environmental laws. The indemnification agreement must be acceptable to the Chief Legal Affairs Officer.

16. **Title Insurance Commitment and Survey:**

Prior to Mortgage Loan Commitment, the Mortgagor must provide an updated title insurance commitment, including zoning, pending disbursement, comprehensive, survey and such other endorsements as deemed necessary by the Authority's Chief Legal Affairs Officer. The updated title commitment must contain only exceptions to the insurance acceptable to the Authority's Chief Legal Affairs Officer.

Additionally, prior to Mortgage Loan Commitment, the Mortgagor must provide a surveyor's certificate of facts together with an ALTA survey certified to the 2021 minimum standards, and that appropriately reflects all easements, rights of way, and other issues noted on the title insurance commitment. All documents must be acceptable to the Chief Legal Affairs Officer.

17. **Organizational Documents/Equity Pay-In Schedule:**

Prior to Mortgage Loan Commitment, the Mortgagor must submit a substantially final form syndication partnership agreement, including an equity pay-in schedule, that is acceptable in form and substance to the Director of Development and Chief Legal Affairs Officer.

At or prior to Initial Closing, the final, executed syndication partnership agreement must become effective and the initial installment of equity must be paid in an amount approved by the Director of Development.

18. **Designation of Authority Funds:**

The Authority reserves the express right, in its sole discretion, to substitute alternate subordinate funding sources.

19. **Management & Marketing:**

Prior to Mortgage Loan Commitment, the management and marketing agent must submit the following documents, which must be found acceptable to the Director of Asset Management:

a. Management Agreement
b. Marketing/Construction Transition Plan

20. **Guaranties:**

At Initial Closing, the Sponsor, General Partner, and any entity receiving a developer fee in connection with the Development must deliver certain guaranties. The required guaranties include a guaranty of an operating deficit guaranty and a performance completion guaranty. The required guaranties, the terms thereof and the parties who shall be required to deliver the guaranty must be determined and approved by the Authority's Director of Development.

21. Financial Statements:

Prior to Mortgage Loan Commitment, financial statements for the Sponsor, the guarantor(s) and the general contractor must be reviewed and found acceptable by the Authority's Chief Financial Officer.

If prior to Initial Closing the financial statements that were approved by the Authority become more than six months old, the Sponsor, the guarantor(s) and/or the general contractor must provide the Authority with updated financial statements meeting Authority requirements upon request.

22. Ownership of Development Reserves:

At the Initial Closing, the Mortgagor must enter into an agreement confirming the Authority's ultimate ownership of excess cash reserves, escrows and accounts as may exist at the time the Authority's mortgage loans are paid off or the Development is sold or refinanced. However, the Authority's claim to these funds shall be subject to any lawful claim to such funds by HUD. This agreement must be acceptable to the Authority's Chief Legal Affairs Officer.

23. Section 8 Required Approvals - HUD and the Authority:

This transaction is subject to certain HUD approvals including but not limited to 1) assignment of the HAP Contract and 2) previous participation approval (HUD Form 2530) for the Mortgagor, its partners, and property management agent. Prior to the Initial Closing, the HUD approvals must be obtained and must be consistent with the loan structure and intent of the transaction as described in this report. The approvals by HUD are subject to review and concurrence by the Authority's Chief Legal Affairs Officer. The Mortgagor must enter into all agreements as may be required by HUD and to abide by all terms, conditions, and requirements of the Section 8 Program and all other Authority rules, guidelines, and procedures as required under the Regulatory Agreement.

24. HAP Extension:

At Initial Closing, the Mortgagor must enter into an agreement to apply for and accept any HAP or other HUD subsidy extensions available in the future, subject to Authority approval.

25. Application for Disbursement:

Prior to Initial Closing, the Mortgagor must submit an "Application for Disbursement" along with supporting documentation, which must be found acceptable to the Authority's Director of Development.

Special Conditions:

1. **Legal Requirements:**

The Mortgagor and/or Sponsor must submit documentation acceptable to the Authority's Chief Legal Affairs Officer for the items listed below:

- Prior to Initial Closing, the Michigan Attorney General's Office must complete its review of the transaction and provide the Chief Legal Affairs Officer its recommendation.
- Any other documentation as required by the Chief Legal Affairs Officer, including acceptable evidence of insurance, permits, licenses, zoning approvals, utility availability, payment and performance bonds and other closing requirements.

2. **Equity Bridge Loan:**

The Sponsor has agreed to provide an equity bridge loan (EBL) in an amount of not more than $8,000,000. The terms of the EBL will include an 8% interest rate, a 24-month term and a 1% origination fee. The EBL documents must be acceptable in form and substance to the Authority's Chief Legal Affairs Officer. The EBL must:

a) Be deposited with the Authority upon initial disbursement;
b) Not be secured by a lien or mortgage on the Development or any kind of Development's property, income, funds, escrows and reserves or asset of any kind;
c) Be repayable from future LIHTC equity contributions that are not conditioned upon property performance such as economic occupancy levels;

d) Be expressly subordinate to all Authority Loans, as specified in an intercreditor agreement, as applicable; and
e) Not be available to bridge any other credits or sources of funding.

In the event LIHTC equity is structured to be available prior to construction completion, this Special Condition may be modified consistent with the subordinate loan provisions of the Parameters as acceptably modified by the Chief Legal Affairs Officer.

3. **Seller Note:**

Prior to Mortgage Loan Commitment, the Mortgagor must submit substantially final documents evidencing the Seller Note acceptable to the Authority's Chief Legal Affairs Officer and Director of Development. The Seller Note must:

a) not be secured by a lien on the Development or any of the Development's property, funds or assets of any kind;
b) be payable solely from approved Limited Dividend payments, and not from other development funds;
c) be expressly subordinate to all Authority mortgage loans; and
d) have a loan term not less than the longest term of all Authority mortgage loans.

At or prior to Initial Closing, the final, executed Seller Note documents must become effective and initial funding of the loan must be made in an amount approved by the Director of Development.

DEVELOPMENT TEAM AND SITE INFORMATION

I. MORTGAGOR: CSI Kalamazoo Limited Dividend Housing Association Limited Partnership

II. GUARANTOR(S):

A. Guarantor #1:

Name: CSI Support & Development Services
Address: 8425 E. Twelve Mile Road
Warren, MI 48093

III. DEVELOPMENT TEAM ANALYSIS:

A. Sponsor:

Name: CSI Support & Development Services
Address: 8425 E. Twelve Mile Road
Warren, MI 48093

Individuals Assigned: Diane Smith
Telephone: 586-753-9029
E-mail: diane.smith@csi.coop

1. **Experience**: The Sponsor has experience working on Authority-financed developments.

2. **Interest in the Mortgagor and Members**: The LP is still to-be-determined. The GP is CSI Kalamazoo GP, LLC (and the GP's sole member is CSI Kalamazoo Non-Profit Housing Corporation, which is a wholly-owned subsidiary of the Sponsor)

B. Architect:

Name: Fusco, Shaffer & Pappas, Inc.
Address: 550 E. Nine Mile Road
Ferndale, MI 48220

Individual Assigned: James Pappas
Telephone: 248-543-4100
Fax: 248-543-4141
E-Mail: jpappas@fsparch.com

1. **Experience**: Architect has previous experience with Authority-financed developments.

2. **Architect's License**: License number 1301029064, exp. 04/01/2025.

C. <u>Attorney</u>:

Name: Mallory, Lapka, Scott & Selin, PLLC
Address: 605 S. Capitol Ave.
Lansing, MI 48933

Individual Assigned: Tom Lapka
Telephone: 517-482-0222
E-Mail: toml@mclpc.com

1. **<u>Experience</u>**: This firm has experience in closing Authority-financed developments.

D. <u>Builder</u>:

Name: Wolverine Building Group
Address: 4045 Barden Dr. SE
Grand Rapids, MI 49512

Individual Assigned: Brian Steinberg
Telephone: 616-281-6467
E-mail: bsteinberg@wolvgroup.com

1. **<u>Experience</u>**: The firm has previous experience in constructing Authority-financed developments.
2. **<u>State Licensing Board Registration</u>**: License number 2102199076, with an expiration date of 05/31/2025.

E. <u>Management and Marketing Agent</u>:

Name: CSI Support & Development Services
Address: 8425 E. Twelve Mile Road
Warren, MI 48093

Individual Assigned: Tim Braunscheidel
Telephone: 586-753-9053
E-mail: tim.braunscheidel@csi.coop

1. **<u>Experience</u>:** This firm has significant experience managing Authority-financed developments.

F. <u>Development Team Recommendation:</u> GO

IV. <u>SITE DATA</u>:

A. <u>Land Control/Purchase Price</u>:

The purchase agreement is acceptable; however, there are a few errors in the agreement that need to be updated. The purchase price of $18,266,160 needs to be added.

B. Site Location:
710 Collins Street, Kalamazoo, MI 49001

C. Size of Site:
5.46 land acres

D. Density:
Appropriate

E. Physical Description:

1. Present Use: 216 units senior apartment complex
2. Existing Structures: one, 14-story building
3. Relocation Requirements: None

F. Zoning:
Residential-Multi-Dwelling Zone District (RM-15)

G. Contiguous Land Use:

1. North: residential
2. South: residential
3. East: commercial
4. West: residential

H. Tax Information:
This development currently receives the Senior Citizen and Disabled Family Exemption (MCL 211.7d) meaning they do not pay property taxes.

I. Utilities:
Electric – Consumers Energy
Gas – Consumers Energy
Water/Sewer – City of Kalamazoo

J. Community Facilities:

1. Shopping:
There are a few shopping centers located within 3 miles of the site including Mall Plaza, North Kalamazoo Mall, and Willow Creek Shopping Center.
2. Recreation:
Upjohn Playground, Sutherland Park, and Crane Park are all within one

mile of the development.

3. Public Transportation:
   The Kalamazoo Transit Center is a mile away which offers transportation throughout the City of Kalamazoo.
4. Road Systems
   The major highways are I-94 which runs west to Chicago and east to Detroit. 131 goes north to Grand Rapids and south towards Indiana.
5. Medical Services and other Nearby Amenities:
   Bronson Methodist Hospital is just over a half mile from the development.
6. Description of Surrounding Neighborhood:
   The development is mostly surrounded by single family residences.
7. Local Community Expenditures Apparent:
   None
8. Indication of Local Support:
   The Development Team met with the City of Kalamazoo to introduce their construction team and to discuss the project. They have a zoning letter showing the project is legally non-conforming and does not require site plan approval. They also receive the Senior Tax Exemption, MCL 2117.d.

V. ENVIRONMENTAL FACTORS:

A Phase I Environmental Site Assessment was submitted to the Authority and has been reviewed by the Authority's Environmental Manager. (See Standard Condition No. 15).

VI. DESIGN AND COSTING STATUS:

Architectural plans and specifications consistent with the scope of work have been reviewed by the Chief Architect. A response to all design review comments and the submission of corrected and final plans and specifications must be made prior to initial closing.

This proposal will satisfy the State of Michigan barrier-free requirements, the Authority's policy regarding accessibility and non-discrimination for the disabled, the Fair Housing Amendments Act of 1988, and the HOME requirements for barrier-free vision and hearing designed units. Construction documents must be acceptable to the Authority's Chief Architect.

VII. MARKET SUMMARY:

The Market study has been reviewed by the Authority's Manager of the Office of Market Research and found to be acceptable. The Authority's Manager of the Office of Market Research has reviewed and approved the unit mix, rental structure, and unit amenities.

VIII. EQUAL OPPORTUNITY AND FAIR HOUSING:

The contractor's Equal Employment Opportunity Plan is currently being reviewed and must be approved by the Authority's Chief Construction Manager prior to initial closing. The management and marketing agent's Affirmative Fair Housing Marketing Plan has been approved.

IX. MANAGEMENT AND MARKETING:

The management/marketing agent has submitted application-level management and marketing information, to be approved prior to initial closing by the Authority's Director of Asset Management.

X. FINANCIAL STATEMENTS:

The sponsor's/guarantor's and the builder's financial statements have been submitted and are to be approved prior to initial closing by the Authority's Director of Rental Development.

XI. DEVELOPMENT SCHEDULING:

A. Mortgage Loan Commitment:	May 2025
B. Initial Closing and Disbursement:	August 2025
C. Construction Completion:	September 2026
D. Cut-Off Date:	September 2026

APPROVALS:

Chad A Benson — 5/15/2025

Chad Benson — Date
Director of Development

Anthony Lentych — 5/15/2025

Tony Lentych — Date
Chief Housing Investment Officer

Clarence L. Stone, Jr. — 5/15/2025

Clarence L. Stone, Jr. — Date
Chief Legal Affairs Officer

Amy Hovey — 05/15/2025

Amy Hovey — Date
Chief Executive Officer and Executive Director

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION DETERMINING MORTGAGE LOAN FEASIBILITY
CITY VIEW IN THE SQUARE, MSHDA DEVELOPMENT NO. 4266
CITY OF KALAMAZOO, KALAMAZOO COUNTY

May 22, 2025

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (the "Act"), to make mortgage loans to qualified non-profit housing corporations, consumer housing cooperatives and limited dividend housing corporations and associations; and

WHEREAS, an Application for Mortgage Loan Feasibility has been filed with the Authority by CSI Support & Development Services (the "Applicant") for a multifamily housing project to be located in the City of Kalamazoo, Kalamazoo County, Michigan, having a total estimated replacement cost of Forty-Two Million One Hundred Eighty-Seven Thousand Two Hundred Seven Dollars ($42,187,207) and a total estimated maximum mortgage loan amount of Twenty-One Million Nine Hundred Thirty-Seven Thousand Three Hundred Forty-Eight Dollars ($21,937,348) (hereinafter referred to as the "Application"); and

WHEREAS, a housing association to be formed by the Applicant may become eligible to receive a Mortgage Loan from the Authority under the provisions of the Act and the Authority's General Rules; and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and her recommendation with respect thereto; and

WHEREAS, the Authority has considered the Application in the light of the Authority's project mortgage loan feasibility evaluation factors.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The following determinations be and they hereby are made:

   a. The proposed housing project will provide housing for persons of low and moderate income and will serve and improve the residential area in which Authority-financed housing is located or is planned to be located, thereby enhancing the viability of such housing.

   b. The Applicant is reasonably expected to be able to achieve successful completion of the proposed housing project.

   c. The proposed housing project will meet a social need in the area in which it is to be located.

   d. A mortgage loan, or a mortgage loan not made by the Authority that is a federally-aided mortgage, can reasonably be anticipated to be obtained to provide financing for the proposed housing project.

e. The proposed housing project is a feasible housing project.

f. The Authority expects to allocate to the financing of the proposed housing project proceeds of its bonds issued or to be issued for multifamily housing projects a maximum principal amount not to exceed Twenty-Five Million Eight Hundred Ninety Thousand Dollars ($25,890,000).

2. The proposed housing project be and it is hereby determined to be feasible for a mortgage loan on the terms and conditions set forth in the Mortgage Loan Feasibility/Commitment Report of the Authority Staff presented to the meeting, subject to any and all applicable determinations and evaluations issued or made with respect to the proposed housing project by other governmental agencies or instrumentalities or other entities concerning the effects of the proposed housing project on the environment as evaluated pursuant to the federal National Environmental Policy Act of 1969, as amended, and the regulations issued pursuant thereto as set forth in 24 CFR Part 58.

3. The determination of feasibility is based on the information obtained from the Applicant and the assumption that all factors necessary for the successful construction and operation of the proposed project shall not change in any materially adverse respect prior to the closing. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or any factors necessary for the successful construction and operation of the proposed project change in any materially adverse respect, this feasibility determination resolution may, at the option of the Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly authorized to act in any of the foregoing capacities (each an "Authorized Officer"), be immediately rescinded.

4. Neither this determination of feasibility nor the execution prior to closing of any documents requested to facilitate processing of a proposed mortgage loan to be used in connection therewith constitutes a promise or covenant by the Authority that it will make a Mortgage Loan to the Applicant.

5. This determination of Mortgage Loan Feasibility is conditioned upon the availability of financing to the Authority. The Authority does not covenant that funds are or will be available for the financing of the subject proposed housing development.

6. The Mortgage Loan Feasibility determination is subject to the conditions set forth in the Mortgage Loan Feasibility/Commitment Staff Report dated May 22, 2025, which conditions are hereby incorporated by reference as if fully set forth herein.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING MORTGAGE LOAN
CITY VIEW IN THE SQUARE, MSHDA DEVELOPMENT NO. 4266
CITY OF KALAMAZOO, KALAMAZOO COUNTY

May 22, 2025

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized, under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (hereinafter referred to as the "Act"), to make mortgage loans to qualified nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations and associations and certain qualified individuals; and

WHEREAS, an application (the "Application") has been filed with the Authority by CSI Support & Development Services (the "Applicant") for a construction mortgage loan in the amount of Twenty-One Million Nine Hundred Thirty-Seven Thousand Three Hundred Forty-Eight Dollars ($21,937,348) and a permanent mortgage loan in the amount of Twenty-One Million Six Hundred Twenty-Six Thousand Forty-Five Dollars ($21,626,045), for the construction and permanent financing of a multi-family housing project having an estimated total development cost of Forty-Two Million One Hundred Eighty-Seven Thousand Two Hundred Seven Dollars ($42,187,207), to be known as City View in the Square, located in the City of Kalamazoo, Kalamazoo County, Michigan, and to be owned by CSI Kalamazoo Limited Dividend Housing Association Limited Partnership (the "Mortgagor"); and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and her recommendation with respect thereto; and

WHEREAS, the Authority has reviewed the Application and the recommendation of the Chief Executive Officer and Executive Director and, on the basis of the Application and recommendation, has made determinations that:

(a) The Mortgagor is an eligible applicant;

(b) The proposed housing project will provide housing for persons of low and moderate income and will serve and improve the residential area in which Authority-financed housing is located or is planned to be located thereby enhancing the viability of such housing;

(c) The Applicant and the Mortgagor are reasonably expected to be able to achieve successful completion of the proposed housing project;

(d) The proposed housing project will meet a social need in the area in which it is to be located;

(e) The proposed housing project may reasonably be expected to be marketed successfully;

(f) All elements of the proposed housing project have been established in a manner consistent with the Authority's evaluation factors, except as otherwise provided herein;

(g) The construction or rehabilitation will be undertaken in an economical manner and it will not be of elaborate design or materials; and

(h) In light of the estimated total project cost of the proposed housing project, the amount of the mortgage loan authorized hereby is consistent with the requirements of the Act as to the maximum limitation on the ratio of mortgage loan amount to estimated total project cost.

WHEREAS, the Authority has considered the Application in the light of the criteria established for the determination of priorities pursuant to General Rule 125.145 and hereby determines that the proposed housing project is consistent therewith; and

WHEREAS, Sections 83 and 93 of the Act provide that the Authority shall determine a reasonable and proper rate of return to limited dividend housing corporations and associations on their investment in Authority-financed housing projects.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The Application be and it hereby is approved, subject to the terms and conditions of this Resolution, the Act, the General Rules of the Authority, and of the Mortgage Loan Commitment hereinafter authorized to be issued to the Applicant and the Mortgagor.

2. A mortgage loan (the "Mortgage Loan") be and it hereby is authorized and the Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly authorized to act in any of the foregoing capacities, or any one of them acting alone (each an "Authorized Officer"), are hereby authorized to issue to the Applicant and the Mortgagor the Authority's Mortgage Loan Commitment (the "Commitment") for the construction financing of the proposed housing project in an amount not to exceed Twenty-One Million Nine Hundred Thirty-Seven Thousand Three Hundred Forty-Eight Dollars ($21,937,348), and permanent financing in an amount not to exceed Twenty-One Million Six Hundred Twenty-Six Thousand Forty-Five Dollars ($21,626,045), and to have a term of forty (40) years after amortization of principal commences and to bear interest at a rate of Six percent (6%) per annum. The amount of proceeds of tax exempt bonds issued or to be issued and allocated to the financing of this housing project shall not exceed Twenty-Five Million Eight Hundred Ninety Thousand Dollars ($25,890,000). Any Authorized Officer is hereby authorized to modify or waive any condition or provision contained in the Commitment.

3. The mortgage loan commitment resolution and issuance of the Mortgage Loan Commitment are based on the information obtained from the Applicant and the assumption that all factors necessary for the successful construction and operation of the proposed project shall not change in any materially adverse respect prior to the closing. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or any factors necessary for the successful construction and operation of the proposed project change in any materially adverse respect, this mortgage loan commitment resolution together with the commitment issued pursuant hereto may, at the option of an Authorized Officer, be rescinded.

4. Notwithstanding passage of this resolution or execution of any documents in anticipation of the closing of the proposed mortgage loan, no contractual rights to receive the mortgage loan authorized herein shall arise unless and until an Authorized Officer shall have issued a Mortgage Loan Commitment and the Applicant shall have agreed in writing within fifteen days after receipt thereof, to the terms and conditions contained therein.

5. The proposed housing project be and it hereby is granted a priority with respect to proceeds from the sale of Authority securities which are determined by the Chief Executive Officer and Executive Director to be available for financing the construction and permanent loans of the proposed housing project. Availability of funds is subject to the Authority's ability to sell bonds at a rate or rates of interest and at a sufficient length of maturity so as not to render the permanent financing of the development unfeasible.

6. In accordance with Section 93(b) of the Act, the maximum reasonable and proper rate of return on the investment of the Mortgagor in the housing project be and it hereby is determined to be as follows:

(a) So long as the Housing Assistance Payments Contract or any other federal subsidy is in effect, the rate of return shall be six percent (6%) of the Mortgagor's equity, as determined by the Authority, unless a higher rate of return is allowed and approved by HUD, but not to exceed twelve percent (12%).

(b) Following the expiration of the Housing Assistance Payments Contract or any other federal subsidy, the rate of return shall not exceed twenty-five percent (25%) of the Mortgagor's equity, as determined by the Authority.

7. The Mortgage Loan shall be subject to, and the Commitment shall contain, the conditions set forth in the Mortgage Loan Feasibility/Commitment Staff Report dated May 22, 2025, which conditions are hereby incorporated by reference as if fully set forth herein.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director *Amy Hovey*

DATE: May 22, 2025

RE: Gracious Grounds, Development No. 4134

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt a resolution authorizing a short term construction loan from Independent Bank, and other changes from initial Authority approval on September 21, 2024, as set forth in Modification #1 to Loan Feasibility/Commitment Staff Report dated May 22, 2025 ("Modification #1"), which accompanies this memorandum.

PROJECT SUMMARY:

MSHDA No:	4134
Development Name:	Gracious Grounds
Development Location:	Grand Haven Township, Ottawa County
Sponsor:	R W Properties I L. L. C.
Mortgagor:	Gracious Grounds Limited Dividend Housing Association Limited Partnership
Number of Units:	75 units of new construction for persons with disabilities
Number of Units for Accessible Use:	4 accessible units

	Original Board	**Update**	**Difference**
Total Development Cost:	$18,190,298	$18,254,155	$ 63,857
Independent Bank Construction Loan:	$ 0	$ 9,458,955	$ 9,458,955
TE Bond Construction Loan:	$ 9,458,955	$ 9,458,955	$ 0
TE Bond Permanent Loan:	$ 6,610,464	$ 6,545,118	($ 65,346)
MSHDA Permanent HOME:	$ 1,775,000	$ 1,775,000	$ 0
MSHDA Permanent CERA:	$ 3,322,687	$ 3,322,687	$ 0
Income from Operations	$ 96,187	$ 96,187	$ 0
4% LIHTC Equity:	$ 5,763,286	$ 5,762,420	($ 866)
Deferred Developer Fee:	$ 622,674	$ 752,743	$ 130,069

EXECUTIVE SUMMARY:

R W Properties I L.L.C. (the "Sponsor") is working with Gracious Grounds Inc. ("Gracious Grounds") to construct independent living apartments for the disabled in one (1) three-story elevatored building. Unit amenities will include central heating and air conditioning with individual climate controls, mini-blinds, frost-free refrigerators, microwaves, ovens, cable television hook-ups, internet access, and in-unit laundry. The building's common spaces will include a community room with a kitchen, fitness center, library/computer room, and lounge area. Outdoor spaces will include a picnic area and community garden. There will be 75 one-bedroom apartments, and 2 one-bedroom manager units.

Gracious Grounds is a non-profit housing corporation established in 2013 to serve adults with intellectual disabilities. Gracious Grounds supports successful independent living, and staff work to ensure residents have opportunities for social engagement, employment and are fully integrated into a welcoming community where they can live and thrive. Gracious Grounds opened its first home with six residents in 2013 and has expanded to three housing locations with a total capacity of 50 residents. The goal of this new development is to consolidate existing residential units at one location and meet additional needs.

ADVANCING THE AUTHORITY'S MISSION:

The Development is located within Region F of the Statewide Housing Plan Regional Housing Partnerships, and this Development supports the following goals of the Region F Action Plan:

- Goal 3.2, increase access to stable and affordable quality housing options for households with extremely low incomes.
- Goal 4.1, increase the supply of the full spectrum of housing that is affordable and attainable to Michigan residents.

MUNICIPAL SUPPORT:

- A 4% PILOT has been approved by Grand Haven Township.

COMMUNITY ENGAGEMENT/IMPACT:

The Sponsor engaged the community by surveying current residents and their families to identify their needs related to housing and amenities. Affordable one-bedroom apartments were the top priority of current residents and their families. The proposed project would allow the Sponsor to meet the needs of current and future residents by providing 75 affordable 1-bedroom units.

The project will impact the community by addressing the growing affordable housing crisis in West Michigan. Gracious Grounds receives numerous requests weekly from prospective residents and their families seeking affordable housing for adults with disabilities.

The community recommended one-bedroom apartments to address the issues that arise from two-bedroom roommate scenarios and ensure the privacy and dignity requested by Gracious Grounds residents. Residents also requested indoor and outdoor gathering spaces, and spaces for fitness, crafting, and cooking classes. The development team included the requests from the Gracious Grounds community and will continue to offer opportunities for feedback to ensure needs are met.

RESIDENT IMPACT:

- This project is new construction; no residents will be affected.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

The Sponsor has requested a waiver of the Authority's Parameters regarding the MSHDA Multifamily Standards of Design, which require a parking ratio of 2:1, to allow only 0.25 parking spots for every 1 unit, because the Development is restricted to disabled individuals who are unlikely to have a driver's license, and van transportation will be provided.

Independent Bank will purchase the low income housing tax credits in this deal and as a condition to this investment, will also be providing a short-term construction loan that matures at substantial completion of the Development. The Authority's tax-exempt bond loan will be used to replace the Independent Bank construction financing through the end of the rent-up and absorption period and will be converted at the end of that period to a permanent, amortizing loan. This is the fourth Authority-financed transaction with Independent Bank utilizing this loan structure. To ensure that the 50% Test is met, the following conditions must be satisfied: (1) the Authority's feasibility (aka inducement) resolution for this Development must (a) be issued before the commencement of construction and (b) confirm the Authority's intent that the tax-exempt bond loan will be used to repay the Independent Bank construction loan; (2) proceeds from the tax-exempt bonds that fund the Authority's take-out and permanent loan must repay the Independent Bank construction loan before the Development's placed-in-service date; and (3) the Authority's tax-exempt bond loan must exceed 50% of the total Development costs.

TO: Jeffrey Sykes, Kara Hart-Negrich, Tyler Hull, Michelle Jurkovic, Teena Briggs, Irene VanNocker, Stephen Kantola, Debbie Monroy, and Christy Capelin

FROM: Drew Brown

DATE: Mary 22, 2025

RE: Gracious Grounds, #4134
Mortgage Loan Modification #1

Developer: R W Properties I L. L. C.

Location: Vacant lots at the intersections of West Wall Street and 8th Street on North-West corner, and Oak Street and Colfax Avenue on South-East corner, Grand Haven Township.

Reason for Change: This report is being generated in order to reconcile the changes made to the Staff Report and Proforma since Board approval on September 21, 2024. These changes, which include the addition of a third-party construction lender, changes to revenue, changes to both hard and soft construction costs, and a change to project sources, are being made to ensure the integrity and security of the funds being used within the development of this project.

MSHDA No.:	4134
Development Name:	Gracious Grounds
Development Location:	Grand Haven Township, Ottawa County
Sponsor:	R W Properties I L.L.C.
Mortgagor:	Gracious Grounds Limited Divided Housing Association Limited Partnership
TE Bond Construction Loan:	$9,458,955 (~~52%~~ **51.82%** of TDC)
TE Bond Permanent Loan:	~~$6,610,464~~ **$6,545,118**
MSHDA Permanent HOME Loan:	$1,775,000
MSHDA Permanent CERA Loan:	$3,322,687
Total Development Cost:	~~$18,190,298~~ **$18,254,155**
Mortgage Amortization and Term:	40 years for the tax-exempt bond loan; 50 years for the HOME loan; 50 years for the CERA loan
Interest Rate:	5.625% for the tax-exempt bond loan; 1% simple interest for the HOME and CERA loans
Program:	Tax-Exempt Bond and Gap Financing Programs
Number of Units:	75 units of new construction for persons with disabilities
Accessible Units:	4 accessible units
Unit Configuration:	75 one-bedroom units in a 3-story building with elevator access, plus 2 manager units
Builder:	Reenders, Inc.
Syndicator:	Cinnaire
Date Application Received:	4/1/2023
HDO:	Drew Brown

Issuance of the Authority's Mortgage Loan Commitment is subject to fulfillment of all Authority processing and review requirements and obtaining all necessary staff approvals as required by the Authority's underwriting standards.

ISSUES, POLICY CONSIDERATIONS AND RELATED ACTIONS:

R W Properties I L.L.C. (the "Sponsor") has requested and staff has approved a waiver of Section II.A.6 of the Parameters regarding the MSHDA Multifamily Standards of Design relative to parking. The waiver allows for the required parking ratio to be reduced from 2:1, or 2 parking spaces for every 1 unit, to 0.25 parking spaces for every 1 unit, because the Development is restricted to disabled individuals who are unlikely to have a driver's license, and van transportation will be provided.

Independent Bank will purchase the low income housing tax credits ("LIHTC") in this deal and as a condition to this investment, will also be providing a short-term construction loan that matures at substantial completion of the development. The Authority's tax-exempt bond loan will be used to replace the Independent Bank construction financing through the end of the rent-up and absorption period and will be converted at the end of that period to a permanent, amortizing loan. This is the fourth Authority-financed transaction with Independent Bank utilizing this loan structure. To ensure that the 50% Test is met, the following conditions must be satisfied: (1) the Authority's feasibility (aka inducement) resolution for this development must (a) be issued before the commencement of construction and (b) confirm the Authority's intent that the tax-exempt bond loan will be used to repay the Independent Bank construction loan; (2) proceeds from the tax-exempt bonds that fund the Authority's take-out and permanent loan must repay the Independent Bank construction loan before the development's placed-in-service date; and (3) the Authority's tax-exempt bond loan must exceed 50% of the total development costs.

EXECUTIVE SUMMARY:

The Sponsor is working with Gracious Grounds Inc., a non-profit organization, to construct independent living apartments for the disabled in one (1) three-story elevatored building. Unit amenities will include central heating and air conditioning with individual climate controls, mini-blinds, frost-free refrigerators, microwaves, ovens, cable television hook-ups, internet access, and in-unit laundry. The building's common spaces will include a community room with a kitchen, fitness center, library/computer room, and lounge area. Outdoor spaces will include a picnic area and community garden. There will be 75 one-bedroom apartments, and 2 one-bedroom manager units.

Gracious Grounds Inc. ("Gracious Grounds") was established in 2013 to serve adults with intellectual disabilities. Gracious Grounds supports successful independent living, and staff works to ensure each resident has opportunities for social engagement, employment and are fully integrated into a welcoming community where they can live and thrive. Gracious Grounds opened its first home with six residents in 2013 and has expanded to three housing locations with a total capacity of 50 residents. The goal of this new development is to consolidate existing residential units at one location and meet additional needs.

Structure of the Transaction and Funding:

There are several elements to this transaction that are common to new construction transactions:

- ~~A tax-exempt bond construction loan (the "Mortgage Loan") will be provided by the Authority in the amount of $9,458,955 at 5.625% interest with a 23-month term (a 14-month construction term and a 9-month rent-up period), which will be used to bridge an extended equity pay-in period. Payments of interest only will be required during the construction loan. The principal balance of the construction loan must be reduced to the permanent loan amount on the first day of the month following the month in which the 23-month construction loan term expires or such later date as is established by an Authorized Officer of the Authority (the "Permanent Financing Date").~~

- ~~A permanent Mortgage Loan will be provided by the Authority in the amount of $6,610,464. The permanent loan amount is based upon the current rents, less vacancy loss, payments to reserves and escrows, operating costs based on historical data unless modified by project improvements and construction and soft costs at levels appropriate for this specific transaction. The permanent loan is based on a 1.15 debt service coverage ratio, an annual interest rate of 5.625%, with a fully amortizing term of 40 years commencing on the Permanent Financing Date. The permanent Mortgage Loan will be in **First Position**.~~

- **Independent Bank will provide construction financing in the approximate amount of $9,458,955 at a floating interest rate (currently 7.25%) and with a term of 23-months or until the substantial completion of construction, if earlier. This construction loan will be repaid by the Authority's tax-exempt bond construction loan. The construction lender must enter into a Subordination and Intercreditor Agreement (see Special Condition No. 3) and a Construction Oversight Agreement (see Special Condition No. 6). The third-party construction loan will be in first position during the 23-month term; however, it must be subordinated to the HOME and CERA program restrictions to be set forth in the Authority Regulatory Agreement so that they will survive, and the HOME and CERA loans will not be subject to recapture in the event of a foreclosure by the construction lender. See Special Condition No. 4.**

- **The Authority will provide tax-exempt bond financing in the amount of $9,458,955 to take out the Independent Bank construction loan at substantial construction completion. This construction take-out loan will require payments of interest only at the rate of 5.625% per annum through a 9-month rent-up and absorption period and will end on the Permanent Financing Date, at which time the Authority's construction loan will be converted to a permanent loan. The Authority's feasibility (aka inducement) resolution for this development must (i) be issued before the commencement of construction and (ii) confirm the Authority's intent for the tax-exempt bond loan to repay the Independent Bank construction loan. Proceeds from the tax-exempt bonds funding the Authority's loan must be used to take out the Independent Bank construction loan before the Development's placed-in-service date (see Special Condition No. 5). The Authority's tax-exempt bond loan must be in First Position at the time those funds are advanced to take out the Independent Bank loan.**

- A permanent subordinate loan using HOME funds (the "HOME Loan") in the amount of $1,775,000 will be provided at 1% simple interest with payments initially deferred. The HOME Loan will be in **Second Position**.

- A permanent subordinate loan using Authority CERA Funds (the "CERA Loan") in the amount of $3,322,687 will be provided at 1% simple interest with payments initially deferred. The CERA Loan will be in **Third Position**.

- Equity support comes from an investment related to the 4% LIHTC in the estimated amount of ~~$5,763,286~~ **$5,762,420**

- Income from operations will be used as a source of funding to make the interest only payments and the tax and insurance payments during the construction period in the amount of $96,187.

- The Sponsor has agreed to defer ~~$622,674~~ **$752,743** of the developer fee to fill the remaining funding gap.

- An operating assurance reserve ("OAR") will be required in the amount identified in the proforma. **This reserve will be held by the Authority.**

- The Grand Rapids Housing Commission is expected to award a project-based voucher ("PBV") housing assistance payments ("HAP") contract to the Development, which will provide deep rental subsidy for eight (8) residents.

<u>Site Selection</u>:

The site has been reviewed by Authority Staff and the Authority's Manager of the Office of Market Research has indicated that the site meets the Authority's current site selection criteria.

<u>Market Evaluation</u>:

The unit mix as well as the amenities package and rent levels have been approved by the Manager of the Office of Market Research.

<u>Valuation of the Property</u>:

An appraisal dated August 23, 2023, estimates the value of the vacant land selected for the Development site at $330,000.

<u>CONDITIONS:</u>

At or prior to (i) issuance of the Authority's mortgage loan commitment ("Mortgage Loan Commitment"), (ii) the initial Mortgage Loan Closing (the "Initial Closing"), or (iii) such other date as may be specified herein, the new Mortgagor, and other members of the Development team, where appropriate, must satisfy each of the following conditions by entering into a written agreement or providing documentation acceptable to the Authority:

Standard Conditions:

1. **Limitation for Return on Equity:**

   For each year of the Development's operation, beginning in the year in which the Mortgage Cut-Off Date occurs, payments are limited to twelve percent (12%) of the Mortgagor's equity. For purposes of distributions, the Mortgagor's equity will be the sum of (i) the LIHTC equity; (ii) the brownfield tax credit equity; (iii) the historic tax credit equity; (iv) general partner capital contributions; and (v) any interest earned on an equity escrow held by the Authority (estimated to be a total of ~~$5,763,286~~ **$5,762,420**). All such payments shall be referred to as "Limited Dividend Payments". The Mortgagor's return shall be fully cumulative. If Authority gap funds are included in the Development sources, the Limited Dividend Payments are capped at 12% per annum while those loans remain outstanding. If there are no Authority gap loans outstanding, the Limited Dividend Payments may increase 1% per annum until a cap of 25% per annum is reached.

2. **Income Limits:**

   The income limitations for 75 units of this proposal are as follows:

   a. 8 units have been designated as Low-HOME units and during the Period of Affordability required under the HOME program (20 years) must be available for occupancy by households whose incomes do not exceed the Low HOME income limit as published by the U.S. Department of Housing and Urban Development ("HUD"), adjusted for family size.

   b. 3 units have been designated as High-HOME units and during the Period of Affordability required under the HOME program (20 years) must be available for occupancy by households whose incomes do not exceed the lesser of 60% of the Multifamily Tax Subsidy Project ("MTSP") income limits as published by HUD, or the High HOME income limit, as published by HUD, adjusted for family size.

   c. 15 units (15 one-bedroom units) have been designated as CERA units and during the Period of Affordability required under the CERA program (20) years must be available for occupancy by households whose incomes do not exceed 50% of the MTSP income limits.

   d. 51 units (51 one-bedroom units) must be available for occupancy by households whose incomes do not exceed the MTSP 60% income limit, adjusted for family size, until the latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.

   e. 8 units (8 one-bedroom units) must be available for occupancy by households whose incomes do not exceed the MTSP 50% income limit, adjusted for family size, until the latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.

   f. 8 units (8 one-bedroom units) must be available for occupancy by households whose incomes do not exceed the MTSP 40% income limit, adjusted for family size, until the latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.

g. 8 units (8 one-bedroom units) must be available for occupancy by households whose incomes do not exceed the MTSP 30% income limit, adjusted for family size, until the latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.

h. 8 units (8 one-bedroom units) assisted by the PBV HAP Contract ("PBV HAP-Assisted Units") must be occupied or available for occupancy by households whose incomes do not exceed the income limits in the PBV HAP Contract for so long as the PBV HAP Contract between the Mortgagor and the Grand Rapids Housing Commission is in effect (including extensions and renewals), or for such longer period as determined by HUD.

i. 2 units (1-bedroom unit) will be used as manager's units. If either of these units is later converted to rental use, it must be available for occupancy by households whose incomes do not exceed the MTSP 60% income limits, adjusted for family size as determined by HUD.

The PBV HAP-Assisted Units will receive PBVs from the Grand Rapids Housing Commission. The Authority is not responsible for the non-Authority PBV compliance monitoring or oversight of the occupancy or the regulations applicable to these PBV units.

To the extent units within the Development are subject to multiple sets of income limits, the most restrictive income limit will apply so long as the applicable term of affordability continues.

The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size.

3. <u>Limitations on Rental Rates</u>:

The Total Housing Expense (contract rent plus tenant-paid utilities) for 75 units is subject to the following limitations:

a. During the Period of Affordability required under the HOME program (20 years), the Total Housing Expense for the 8 Low-HOME units may not exceed the "Low-HOME Rent Limit" for the unit established and published annually by HUD.

b. During the Period of Affordability required under the HOME program (20 years), the Total Housing Expense for the 3 High-HOME units may not exceed the "High-HOME Rent Limit" established and published annually by HUD.

c. During the period of affordability required under the CERA program (20 years), the Total Housing Expense for all 15 CERA units (15 one-bedroom units), may not exceed one-twelfth (1/12th) of 30% of 50% of the MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom.

d. The Total Housing Expense for 8 units (8 one-bedroom units), may not exceed one-twelfth (1/12th) of 30% of the 30% MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.

e. The Total Housing Expense for 8 units (8 one-bedroom units), may not exceed one-twelfth (1/12th) of 30% of the 40% MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.

f. The Total Housing Expense for 8 units (8 one-bedroom units), may not exceed one-twelfth (1/12th) of 30% of the 50% MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.

g. The Total Housing Expense for 51 units (51 one-bedroom units), may not exceed one-twelfth (1/12th) of 30% of the 60% MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.

h. The Total Housing Expense for the 8 PBV HAP-Assisted units may not exceed the rent limits established by the Grand Rapids Housing Commission or HUD.

i. 2 units (2-bedroom unit) will be used as a manager’s unit. If this unit is later converted to rental use, the Total Housing Expense will be limited to one-twelfth (1/12th) of 30% of 60% of the MTSP income limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom.

The Authority is not responsible for the compliance monitoring or oversight of the PBV rents charged for or the regulations applicable to the PBV HAP-Assisted Units.

While rental increases for these units may be permitted from time to time as HUD publishes updated median income limits, the Mortgagor must further agree that rental increases for units that do not receive assistance under the PBV HAP Contract will be limited to not more than 5% for any resident household during any 12-month period.

For the initial lease term of the first household occupying each rent-restricted unit in the Development, the initial rent may not exceed 105% of the rent approved in this Mortgage

Loan Feasibility/Commitment Staff Report. Exceptions to these limitations may be granted by the Authority's Director of Asset Management for extraordinary increases in project operating expenses (exclusive of limited dividend payments) or mortgage loan increases to fund cost overruns pursuant to the Authority's policy on Mortgage Loan increases. Rents on vacated units may be increased to the maximum level permissible by the applicable programs. Rents and utility allowances must be approved annually by the Authority's Division of Asset Management.

4. **Covenant Running with the Land:**

The Mortgagor must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the obligations issued or to be issued to finance the Mortgage Loan. This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after the date on which 50% of the residential units in the Development are occupied, the first day on which no bonds are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, income of the individuals shall be determined in accordance with Section 8 regulations. Additionally, if LIHTC is awarded to the Development, the Mortgagor must agree to subject the property to the extended low-income use commitment required by Section 42 of the Internal Revenue Code.

5. **Restriction on Prepayment and Subsequent Use:**

The Mortgage Loan is eligible for prepayment after the expiration of fifteen (15) years after the commencement of amortization **and/or expiration of the LIHTC initial compliance period, whichever is later.** The Mortgagor must provide the Authority with at least 60 days' written notice prior to any such prepayment.

In the event of a prepayment, however, the Mortgagor must pay a prepayment fee equal to the sum of:

a. 1% of the balance being prepaid;
b. Any bond call premium, prepayment or swap penalty, or any other cost that the Authority incurs to prepay the bonds or notes that were used to fund the Mortgage Loan; and
c. Any loss of debt service spread between the Mortgage Loan and the bonds used to finance the loan from the date of the prepayment through the end of the 20th year of amortization.

Once the Mortgagor has been approved for the early prepayment of the underlying loan, it must sign an agreement with the Authority stating it is responsible for the cost of terminating the swap. The Mortgagor can then choose the timing of the termination and participate in the transaction with the swap counterparty. The swap counterparty will quote the cost of terminating the swap and the Mortgagor will have the ability to execute the transaction or cancel at its sole discretion. If the Mortgagor chooses not to terminate the swap, it will forfeit the right to prepay the Mortgage Loan.

Subordinate loans are eligible to prepay at any time upon 60 days' prior written notice to the Authority, but prepayment may not extinguish federal affordability and compliance requirements.

6. **Operating Assurance Reserve:**

At Initial Closing, the Mortgagor shall fund an OAR in the amount equal to 4 months of estimated Development operating expenses (estimated to be $296,723). The OAR will be used to fund operating shortfalls incurred at the Development and will be disbursed by the Authority in accordance with the Authority's written policy on the use of the Operating Assurance Reserve, as amended from time to time. The OAR must be either (i) fully funded with cash, or (ii) funded with a combination of cash and an irrevocable, unconditional letter of credit acceptable to the Authority, in an amount that may not exceed 50% of the OAR requirement. To the extent that any portion of the OAR is drawn for use prior to the final closing of the Mortgage Loan, the Mortgagor must restore the OAR to its original balance at final closing.

7. **Replacement Reserve:**

The Mortgagor must agree to establish a replacement reserve fund ("Replacement Reserve") by making annual deposits to the Replacement Reserve, beginning on the Mortgage Cut-Off Date, at a minimum of $350 per unit for the first year of operation, payable in monthly installments, with deposits in subsequent years to be the greater of (i) the prior year's deposit, increased by 3%, or (ii) a percentage of the Development's projected annual rental income or gross rent potential ("GRP") for the year using the percentage obtained by dividing the first year's deposit by the first year's GRP shown on the operating proforma for the Development attached hereto. The annual deposit to the Replacement Reserve may also be increased to any higher amount that is determined to be necessary by the Authority, based on a CNA and the Authority's Replacement Reserve policies. The Authority may update any CNA or obtain a new CNA every five years, or upon any frequency, as determined necessary by the Authority.

10. **Authority Subordinate Loan(s)**

At Initial Closing, the Mortgagor must enter into agreements relating to the permanent HOME Loan and the CERA Loan. The HOME Loan and the CERA Loan will each be secured by a subordinate mortgage. The CERA Loan will bear simple interest at 1% with a 50-year term, and the HOME Loan will bear simple interest at 1% with a 50-year term. No loan payments will be required on either the HOME Loan or the CERA Loan until the earlier of (a) the year in which the sum of all annual surplus funds available for distribution equals or exceeds the amount of the deferred developer fee, or (b) the 13th year following the commencement of amortization of the Mortgage Loan. Interest will continue to accrue on each loan until paid in full.

At the earlier of (a) the year in which the sum of all annual surplus funds available for distribution equals or exceeds the amount of the deferred developer fee or (b) the 13th year following the date that Mortgage Loan amortization commences, repayment of the HOME Loan and the CERA Loan will commence according to the following:

- So long as the Mortgage Loan and the HOME remain outstanding, then repayment of the HOME Loan will be made from fifty percent (50%) of any surplus cash available for distribution ("Surplus Funds"), applied first to accrued interest, then to current interest and principal, and no payments will be required on the CERA Loan.

- Upon payment in full of the Mortgage Loan, if both the HOME and CERA Loan remain outstanding, then the outstanding balance of the HOME Loan, including accrued interest, will become the new first mortgage loan and will begin amortization with monthly payments equal to the payments made under the original Mortgage Loan. At this time, payments on the CERA Loan will commence and be made from fifty percent (50%) of Surplus Funds, applied first to accrued interest, then to current interest and principal.

- Upon payment in full of both the Mortgage Loan and the HOME Loan, the outstanding balance of the CERA Loan, including accrued interest, will become the new first mortgage loan and will begin amortization with monthly payments equal to the payments made under the original Mortgage Loan.

The entire principal balance and any accrued interest of the HOME Loan and the CERA Loan will be due and payable after 50 years.

Notwithstanding the foregoing, in the event of any sale or refinance of the Development, the HOME Loan and the CERA Loan will be due and payable at that time.

11. Architectural Plans and Specifications; Contractor's Qualification Statement:

Prior to Mortgage Loan Commitment, the architect must submit architectural drawings and specifications that address all design review comments, acceptable to the Authority's Chief Architect and the Director of Development.

Prior to Mortgage Loan Commitment, the general contractor must submit AIA Document A305 as required by the Authority's Chief Architect.

12. Owner/Architect Agreement:

Prior to Mortgage Loan Commitment, the Mortgagor must provide the Authority with an executed Owner Architect Agreement acceptable in form and substance to the Chief Legal Affairs Officer.

13. Trade Payment Breakdown:

Prior to Mortgage Loan Commitment, the general contractor must submit a signed Trade Payment Breakdown acceptable to the Authority's Chief Construction Manager.

14. Section 3 Requirements:

Prior to Mortgage Loan Commitment, the general contractor must agree to comply with all federal Section 3 hiring requirements. The general contractor must provide a copy of the contractor's "Section 3 Hiring Plan" which must be reviewed and found acceptable to the Authority's Section 3 Compliance Officer. In addition, the general contractor must agree to adhere to follow-up reporting requirements as established by the Authority.

15. Equal Opportunity and Fair Housing:

Prior to Mortgage Loan Commitment, the management and marketing agent's Affirmative Fair Housing Marketing Plan must be reviewed and found acceptable to the Authority's Equal Employment Officer for Fair Housing Requirements.

In addition, prior to Mortgage Loan Commitment, the general contractor's Equal Employment Opportunity Plan must be reviewed and found acceptable to the Authority's Equal Employment Officer.

16. Cost Certification:

The contractor's cost certification must be submitted within 90 days following the completion of construction, and the Mortgagor's cost certification must be submitted within 90 days following the Mortgage Cut-off Date. For LIHTC, the owner is obligated to submit cost certifications applicable to itself and the contractor prior to issuance of IRS form 8609 (see LIHTC Program Cost Certification Guidelines).

17. Environmental Review and Indemnification:

Prior to Mortgage Loan Commitment, the Mortgagor must address any outstanding environmental issues, in form and substance acceptable to the Authority's Environmental Review Officer.

At Initial Closing, the Mortgagor must enter an agreement to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of any violation of environmental laws. The indemnification agreement must be acceptable to the Chief Legal Affairs Officer.

18. Title Insurance Commitment and Survey:

Prior to Mortgage Loan Commitment, the Mortgagor must provide an updated title insurance commitment, including zoning, pending disbursement, comprehensive, survey and such other endorsements as deemed necessary by the Authority's Chief Legal Affairs Officer. The updated title commitment must contain only exceptions to the insurance acceptable to the Authority's Chief Legal Affairs Officer.

Additionally, prior to Mortgage Loan Commitment, the Mortgagor must provide a surveyor's certificate of facts together with an ALTA survey certified to the 2021 minimum standards, and that appropriately reflects all easements, rights of way, and other issues noted on the title insurance commitment. All documents must be acceptable to the Chief Legal Affairs Officer.

19. Organizational Documents/Equity Pay-In Schedule:

Prior to Mortgage Loan Commitment, the Mortgagor must submit a substantially final form syndication partnership agreement, including an equity pay-in schedule, that is acceptable in form and substance to the Director of Development and Chief Legal Affairs Officer.

At or prior to Initial Closing, the final, executed syndication partnership agreement must become effective, and the initial installment of equity must be paid in an amount approved by the Director of Development.

20. Designation of Authority Funds:

The Authority reserves the express right, in its sole discretion, to substitute alternate subordinate funding sources.

21. Management & Marketing:

Prior to Mortgage Loan Commitment, the management and marketing agent must submit the following documents, which must be found acceptable to the Director of Asset Management:

a. Management Agreement
b. Marketing Addendum

22. Guaranties:

At Initial Closing, the Sponsor, General Partner, and any entity receiving a developer fee in connection with the Development must deliver certain guaranties. The required guaranties include a guaranty of HOME recapture liability, an operating deficit guaranty and a performance completion guaranty. The required guaranties, the terms thereof and the parties who shall be required to deliver the guaranty must be determined and approved by the Authority's Director of Development.

23. Financial Statements:

Prior to Mortgage Loan Commitment, financial statements for the Sponsor, the guarantor(s) and the general contractor must be reviewed and found acceptable by the Authority's Chief Financial Officer.

If prior to Initial Closing the financial statements that were approved by the Authority become more than six months old, the Sponsor, the guarantor(s) and/or the general contractor must provide the Authority with updated financial statements meeting Authority requirements upon request.

24. Future Contributions:

To ensure the Authority is contributing the least amount of funding necessary to achieve project feasibility, any decrease in Development costs or future contributions not included in the Development proforma may, at the Authority's discretion, be utilized to reduce, in equal proportions, any deferred developer fee and Authority soft funds.

25. Seller Responsibilities & Surplus Cash/Cumulative Limited Dividend Payment Waiver:

The Seller is responsible for all Development payables due up to the date that Seller's loan is repaid, and ownership of the Development is transferred to Buyer (the "Closing Date"). The Seller must settle its accounts payable on or before the Closing Date and reconcile those amounts in a manner acceptable to the Authority's Director of Asset Management. Within thirty (30) days after the Closing Date, the Seller must submit copies of records and other documents as required by the Authority's Asset Management Division to account for any surplus cash that the Seller may be holding and must remit that cash to the Authority.

The Seller waives any and all rights to any limited dividend payments, unpaid or accrued, cumulative or noncumulative, to which it may have been entitled for the time prior to and including the Closing Date.

26. <u>Services for Residents:</u>

All 75 of the units in the Development will be designated as Permanent Supportive Housing ("PSH") units and must be marketed to persons with disabilities. At or prior to Initial Closing, the Mortgagor must enter into a memorandum of understanding ("MOU") with local service providers and a Supportive Services Agreement to provide support services as described in Addendum III for these tenants. The agreement must be acceptable to the Chief Legal Affairs Officer. The cost of these services must be paid from other than loan proceeds, Development operating income and residual receipts.

27. <u>HUD Authority to Use Grant Funds:</u>

Prior to Mortgage Loan Commitment, the Authority must receive HUD's Authority to Use Grant Funds (HUD 7015.16) in connection with the proposed HOME Loan from the Authority or confirmation that the Development is categorically excluded from NEPA review.

28. <u>HUD Subsidy Layering Review:</u>

Prior to Initial Closing, the subsidy layering review must be performed by Authority staff and must be submitted to HUD for approval. The subsidy layering approval is subject to review and approval by the Authority's Director of Development.

29. <u>Application for Disbursement:</u>

Prior to Initial Closing, the Mortgagor must submit an "Application for Disbursement" along with supporting documentation, which must be found acceptable to the Authority's Director of Development.

Special Conditions:

1. <u>Legal Requirements:</u>

The Mortgagor and/or Sponsor must submit documentation acceptable to the Authority's Chief Legal Affairs Officer for the items listed below:

- Prior to Initial Closing, the Michigan Attorney General's Office must complete its review of the transaction and provide the Chief Legal Affairs Officer its recommendation.
- Any other documentation as required by the Chief Legal Affairs Officer, including acceptable evidence of insurance, permits, licenses, zoning approvals, utility availability, payment and performance bonds and other closing requirements.

2. <u>Van Transportation:</u>

The Mortgagor will enter into an agreement with the Authority to provide regular van transportation for the residents of the Development for the purposes of grocery and other shopping, and for recreational outings, at no charge to the tenants. The times, frequency and destination of the outing for which van transportation will be established by the Mortgagor, subject to the approval of the Authority's Director of Asset Management, whose approval will not be unreasonably withheld. The van transportation shall be in addition to Spec-Tran, or any other service provided by the local public transportation system or its equivalent. The cost of providing van transportation services may be paid from Development operating funds, residual receipts, or mortgage loan proceeds to the extent available. If, however, there are not sufficient funds from these sources, Mortgagor shall pay the cost of providing the van transportation services from the Mortgagor's own funds.

3. <u>Construction Loan, Regulatory Agreement Priority and Inter-Creditor Agreement</u>:

Prior to Mortgage Loan Commitment, the Mortgagor must submit a loan commitment from Independent Bank that provides for a construction loan take-out by the Authority and a prepayment or maturity date consistent with meeting the 50% test. Prior to Mortgage Loan closing, substantially final documents evidencing the construction loan, including a subordination and intercreditor agreement and a funding schedule acceptable to the Authority's Chief Legal Affairs Officer and Director of Development. The Subordination and Intercreditor Agreement will identify the Bank's construction loan in first priority position; however, the agreement must state that the construction loan and other security interests granted to the Bank are subordinate to the rental and occupancy restrictions in the Authority's bond Regulatory Agreement as well as other provisions of the Regulatory Agreement.

At or prior to Initial Closing, the final, executed construction loan documents must become effective and initial funding of the construction loan must be made in an amount approved by the Director of Development.

The construction lender must also agree not to violate the tax-exempt bond covenants applicable to loans made with the proceeds of tax-exempt bonds.

4. <u>Authority Tax-Exempt Bond Loan Closing</u>:

At Initial Closing, the Authority loan documents, including the tax-exempt bond loan mortgage, and the regulatory agreement, will be fully executed. As described above, no proceeds of the tax-exempt bond loan will be disbursed until the Independent Bank construction loan is paid in full and all liens and security

interests relating thereto (including the construction loan mortgage) are released, at which time the tax-exempt bond loan mortgage will be the first priority lien on the Development.

5. **Tax-Exempt Bonds Proceeds and Placed in Service Date:**

   Proceeds from the tax-exempt bonds that will fund the Authority's construction take-out and permanent mortgage loan shall be used to repay the Independent Bank construction loan prior to Development's "placed in service" date.

6. **Construction Oversight Agreement:**

   At or prior to Initial Closing, the Mortgagor, Independent Bank, and the General Contractor must enter into a Construction Oversight Agreement with the Authority. The terms and conditions must be acceptable to the Chief Legal Affairs Officer.

DEVELOPMENT TEAM AND SITE INFORMATION

I. MORTGAGOR: Gracious Grounds Limited Dividend Housing Association Limited Partnership

II. GUARANTOR:

Name: R W Properties I L.L.C.
Address: 950 Taylor Avenue
Grand Haven, MI 49417

III. DEVELOPMENT TEAM ANALYSIS:

A. Sponsor:

Name: R W Properties I L.L.C.
Address: 950 Taylor Avenue
Grand Haven, MI 49417

Individuals Assigned: Shirely Woodruff
Telephone: 616-842-2425
Fax: 616-842-8939
E-mail: swoodruff@reendersinc.com

1. **Experience**: The Sponsor has experience working on Authority-financed developments.

2. **Interest in the Mortgagor and Members**: 99.99% LP, .01% GP

B. Architect:

Name: Hooker DeJong, Inc.
Address: 316 Morris Avenue, #410
Muskegon, MI 49440

Individual Assigned: Phil Komar
Telephone: 616-635-4068

E-Mail: philk@jdjinc.com

1. **Experience**: Architect has previous experience with Authority-financed developments.

2. **Architect's License**: License number 1301044071, exp. 06/08/2025.

C. **Attorney**:

Name: Clark Hill
Address: 215 South Washington Square, Suite 200
Lansing, MI 48933

Individual Assigned: Ted Rozeboom
Telephone: 517-318-3019
Fax: 517-318-3071
E-Mail: trozeboom@clarkhill.com

1. **Experience**: This firm has experience in closing Authority-financed developments.

D. **Builder**:

Name: Reenders, Inc.
Address: 950 Taylor Avenue
Grand Haven, MI 49417

Individual Assigned: Dennis Reenders
Telephone: 616-842-2425
Fax: 616-842-8939
E-mail: dreenders@reendersinc.com

1. **Experience**: The firm has previous experience in constructing Authority-financed developments.

2. **State Licensing Board Registration**: License number 2102095836, with an expiration date of 05/31/2026.

E. **Management and Marketing Agent**:

Name: Heritage Property Management, Inc.
Address: 950 Taylor Avenue
Grand Haven, MI 49417

Individual Assigned: Scott Reenders
Telephone: 616-846-7800

Fax: 616-842-8938
E-mail: sreenders@reendersinc.com

1. **Experience:** This firm has significant experience managing Authority-financed developments.

F. Development Team Recommendation: Go

IV. SITE DATA:

A. Land Control/Purchase Price:
$285,000

B. Site Location:
16925 Ability Way, Grand Haven, MI 49417

C. Size of Site:
Approximately 4 acres

D. Density:
Assumed appropriate

E. Physical Description:
1. Present Use: Vacant
2. Existing Structures: None
3. Relocation Requirements: None

F. Zoning:
Deemed appropriate.

G. Contiguous Land Use:
1. North: Commercial
2. South: Commercial
3. East: Commercial
4. West: Residential

H. Tax Information:
4% Pilot from Grand Haven Township

I. Utilities: Grand Haven Charter Township will provide Water and Sewer, Michigan Gas Utilities will provide natural gas, and Grand Haven Board of Power & Light will provide electricity.

J. Community Facilities:
1. Shopping:
   Most shopping if a few miles from site but accessible through the Harbor Transit.
2. Recreation:
   Grand Haven boasts multiple recreational venues
3. Public Transportation:

Muskegon Area Transit System is available in the nearby area or requested on demand. Gracious Grounds will also be providing community transportation.

4. Road Systems
   Ability Way is closely accessible to US-31 to the West.
5. Medical Services and other Nearby Amenities:
   Trinity Health Medical Group, Munson Healthcare, and Spectrum Medical Heath Group.
6. Description of Surrounding Neighborhood:
   A mixture of residential and commercial.
7. Local Community Expenditures Apparent:
   Not apparent
8. Indication of Local Support:
   Approval of site plan, PILOT

V. ENVIRONMENTAL FACTORS:

A Phase I Environmental Site Assessment was submitted to the Authority and has been reviewed by the Authority's Environmental Manager.

VI. DESIGN AND COSTING STATUS:

Architectural plans and specifications consistent with the scope of work have been reviewed by the Chief Architect. A response to all design review comments and the submission of corrected and final plans and specifications must be made prior to initial closing.

This proposal will satisfy the State of Michigan barrier-free requirements, the Authority's policy regarding accessibility and non-discrimination for the disabled, the Fair Housing Amendments Act of 1988, and the HOME requirements for barrier-free vision and hearing designed units. Construction documents must be acceptable to the Authority's Chief Architect.

VII. MARKET SUMMARY:

The Market study has been reviewed by the Authority's Manager of the Office of Market Research and found to be acceptable. The Authority's Manager of the Office of Market Research has reviewed and approved the unit mix, rental structure, and unit amenities.

VIII. EQUAL OPPORTUNITY AND FAIR HOUSING:

The contractor's Equal Employment Opportunity Plan is currently being reviewed and must be approved by the Authority's Chief Construction Manager prior to initial closing. The management and marketing agent's Affirmative Fair Housing Marketing Plan has been approved.

IX. MANAGEMENT AND MARKETING:

The management/marketing agent has submitted application-level management and marketing information, to be approved prior to initial closing by the Authority's Director of

Asset Management.

X. FINANCIAL STATEMENTS:

The sponsor's/guarantor's and the builder's financial statements have been submitted and are to be approved prior to initial closing by the Authority's Director of Development.

XI. DEVELOPMENT SCHEDULING:

A. Mortgage Loan Commitment:	June 2024
B. Initial Closing and Disbursement:	July 2025
C. Construction Completion:	September 2026
D. Cut-Off Date:	June 2027

APPROVALS:

Chad A Benson — 5/15/2025

Chad Benson — Date
Director of Development

Anthony Lentych — 5/15/2025

Tony Lentych — Date
Chief Housing Investment Officer

Clarence L. Stone, Jr. — 5/15/2025

Clarence L. Stone, Jr. — Date
Chief Legal Affairs Officer

Amy Hovey — 05/15/2025

Amy Hovey — Date
Chief Executive Officer and Executive Director

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING MODIFICATION TO MORTGAGE TERMS
GRACIOUS GROUNDS, MSHDA DEVELOPMENT NO. 4134
GRAND HAVEN TOWNSHIP, OTTAWA COUNTY

Mary 22, 2025

WHEREAS, the Authority has made a construction and permanent mortgage loan to Gracious Grounds Limited Divided Housing Association Limited Partnership (the "Mortgagor") in the original principal amount of $9,458,955 (the "Mortgage Loan") for the acquisition and construction or rehabilitation of Gracious Grounds, MSHDA Development No. 4134 (the "Development"); and

WHEREAS, the Mortgagor has requested approval to utilize a third-party construction loan from Independent Bank during the initial construction of the Development, which will be replaced by the Authority's construction loan at the point in time required to meet the 50% test; and

WHEREAS, for the reasons set forth in the Staff Report dated May 22, 2025, which is attached hereto and incorporated herein, the Chief Executive Officer and Executive Director has recommended that the Mortgage Loan be modified as set forth in the Staff Report; and

WHEREAS, the Authority concurs in the recommendation of the Chief Executive Officer and Executive Director.

NOW, THEREFORE, the Michigan State Housing Development Authority hereby resolves as follows:

1. The loan modification proposal for Gracious Grounds, MSHDA No. 4134 as set forth in the accompanying Staff Report is hereby approved and further, the Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the Director of Finance or any person duly acting in such capacity (each, an "Authorized Officer"), or any of them, is hereby authorized to take any further actions that, in the discretion of the Authorized Officer, are necessary to effectuate the proposal as set forth in the Staff Report.

Reports

2026-2027 QUALIFIED ALLOCATION PLAN
STAFF REPORT

INTRODUCTION

The Low-Income Housing Tax Credit (LIHTC) program has long been one of the most impactful resources that Michigan has for developing affordable rental housing. As statewide housing needs and priorities evolve, so does the Qualified Allocation Plan (QAP), which sets the guidelines and priorities for the LIHTC program.

The 2026-2027 QAP includes new initiatives that align with recent significant progress that has been made in Michigan's statewide housing policy. These new initiatives are described in further detail below and cover the following topic areas:

1. Job Growth Opportunities: Creating affordable housing around new Job Centers
2. Community Supported Initiatives: Alignment with local housing policy
3. Tribal Housing: Alignment of Tribal Housing policies with Tribal Housing needs

To address these focus areas, several changes have been implemented throughout the QAP, Scoring Criteria, and accompanying program documents. Following is a list of the more significant revisions to the 2026-2027 Qualified Allocation Plan, Scoring Criteria, and other related policies. This is not intended to be an all-encompassing list. Therefore, in addition to reviewing this list, stakeholders are encouraged to review all of the program documents in their entirety to gain a full understanding of the policies and program requirements contained within them.

JOB GROWTH OPPORTUNITIES: CREATING HOUSING AROUND NEW JOB CENTERS

According to the Bureau of Labor Statistics and Builder Permits Survey from the US Census Bureau, between 2014 and 2023, the United States produced one (1) new housing unit for every six (6) new jobs. In Michigan that ratio was much worse – we created one (1) new housing unit for every fourteen (14) new jobs created. This is a ratio that is unsustainable for real growth in Michigan.

In February of 2025, MSHDA launched the Employer Assisted Housing Fund (EAHF), designed to provide employers with an easy entry-point to begin investing in housing for their employees. The EAHF provides MSHDA matching funds to large and small employers that are committed to investing in various forms of housing.

Further, the Bureau of Labor Statistics (BLS) also recently reported that in 2022 the median wage for the "Top 5" occupation groups is at below $40k per year. This means that for those new jobs, a rent of about $1,000 per month is necessary for household to NOT be "housing burdened."

Building on the goals of the EAHF, the 2026-2027 QAP includes "Job Growth Opportunities" points for projects that are located within 15 or 25 miles of economic development projects funded by SOAR funds through the Michigan Economic Development Corporation. This not only aligns new affordable housing with new jobs, but also further aligns the work being done across state agencies.

COMMUNITY SUPPORTED INITIATIVES: ALIGNMENT WITH LOCAL HOUSING POLICIES

In June of 2022, Michigan released its first-ever Statewide Housing Plan as a bold response to the state's affordable housing crisis. Fifteen Regional Housing Partnerships were established to assist with the implementation of the Plan, as well as develop regional action plans – each with regional priorities. A hallmark of the Statewide Housing Plan and its implementation is recognizing that each community has individualized local needs and alignment of state and local partners is critical to meeting those needs most productively.

Recognizing this, the 2026-2027 QAP includes "Community Supported Initiatives" points for projects that align with local initiatives and utilize place-based developers. Developments located or developed in accordance with local unit of government approval, through a community-supported development plan, request for proposal, and/or other specific project alignment with community programming will be eligible for this point item. Additional points will be available for developments that include a place-based developer with at least 25% ownership in the development.

These new criteria will identify and promote developments and developers that are directly responsive to the unique and documented housing needs of the local community.

TRIBAL HOUSING: ALIGNMENT OF TRIBAL HOUSING POLICIES WITH TRIBAL HOUSING NEEDS

In 2024, in anticipation of the upcoming QAP changes, the United Tribes of Michigan, on behalf of its members and the future of tribal housing in Michigan, requested that MSHDA honor a request for Consultation on the QAP in which the Michigan Tribes are afforded a meaningful opportunity to advocate for change leading to implementation of a fair and equitable process that recognizes the unique housing needs of Tribal communities as well as the capacity of the Michigan Tribes to successfully administer LIHTC projects.

In the following months, MSHDA staff and representatives from various Michigan Tribes participated in multiple formal Consultation meetings to discuss the QAP and its policies. MSHDA staff deeply appreciated this opportunity as it highlighted some significant deficiencies with past QAP policies and opportunities for changes to future QAP policies.

As a result of this process, the QAP has a new Tribal Housing definition that is directly responsive to the feedback received from Michigan Tribes during the consultation. This new definition of Tribal Housing requires that the Tribe or tribally owned entity must be a general partner or managing member of the LIHTC applicant/owner and must have at least a 75% ownership. The new definition further requires that the development must be on lands held by the Tribe, the tribally designated housing entity, or tribally owned entity in fee or restricted fee; or lands held in trust by the United States of America for the benefit of the tribe.

MSHDA staff believe that this new Tribal Housing definition will focus resources on those Tribal Housing projects that best align with the needs that were identified by the Tribes in the Consultation, while also continuing to allow tribally owned economic-development entities to participate in projects and be competitively awarded based on score.

MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Low-Income Housing Tax Credit Program

2026-2027 Qualified Allocation Plan

www.michigan.gov/mshda

CONTENTS

2026-2027 QUALIFIED ALLOCATION PLAN

STATE OF MICHIGAN LOW-INCOME HOUSING TAX CREDIT PROGRAM

I. INTRODUCTION

The Michigan State Housing Development Authority (MSHDA) allocates the Low-Income Housing Tax Credit (LIHTC) program according to the Qualified Allocation Plan (QAP).

II. TAX-EXEMPT FINANCED PROJECTS NOT SUBJECT TO HOUSING CREDIT CEILING

In accordance with Section 42 of the Internal Revenue Code (IRC), tax-exempt bond financed projects are subject to the QAP other than the LIHTC allocation limits and requirements from which they are expressly excepted (see Tab W – Policy Bulletins).

III. APPROVAL AND MODIFICATION OF THE QUALIFIED ALLOCATION PLAN

A. QAP APPROVAL

Pursuant to federal and state law, the QAP (including the LIHTC Scoring Criteria) shall be prepared by MSHDA, submitted to the legislature, and approved by the Governor after notice to the public and public hearing. The Scoring Criteria, Addendum III, and Green Policy are incorporated herein as though they were a part of the body of this QAP. Notice of the public hearing will be published on MSHDA's website and in newspapers of general circulation throughout the state at least fourteen (14) days prior to the public hearing. MSHDA will hold at least one informational hearing prior to publication of proposed changes to the QAP for any interested stakeholder. After proposed changes have been published, MSHDA will conduct at least three public hearings, held at such time and place as determined by MSHDA; however, MSHDA shall give priority to locations and/or meeting methods that provide the greatest opportunity for public comment. Comments received shall be taken into consideration. The QAP and related documents shall be provided to the Governor with the request for approval. The QAP, once approved, is valid until it is changed by MSHDA.

B. QAP MODIFICATION

MSHDA may modify the QAP to the extent necessary to facilitate the award of LIHTCs that would not otherwise be awarded. This modification process will follow the approval process delineated above unless specifically stated otherwise in this document.

The MSHDA Director of Development may deem it prudent to modify the QAP to address unpredictable, unforeseen, and/or insurmountable industry changes. In these rare occurrences, the Director of Development may do so by publishing notice of the amendment to the MSHDA website no less than 60 days ahead of the implementation of the change. The Director of Development will prepare and send a

Delegated Action Report to the MSHDA Board in the event that they decide to amend the QAP in these circumstances.

In the event the MSHDA Director of Development deems it necessary and appropriate to make additional credit available to previously funded projects in order to address unpredictable, unforeseen, and/or insurmountable industry changes, they may do so by announcing an additional credit funding round. The round will be announced prior to the start of the April funding round and will include the deadline for application, the amount of additional funding available per project, any cap on additional funding, and other relevant information. Any such additional credit funding round is not considered an amendment to the QAP and is not subject to information in the preceding paragraph. The Director of Development will prepare and send a Delegated Action Report to the MSHDA Board in the event that they decide to amend the QAP for this purpose.

IV. AUTHORITY DISCLAIMER AND ANTI-DISCRIMINATION OBLIGATION

MSHDA shall administer the QAP and the allocation of LIHTC in a manner consistent with both federal and state housing policy governing non-discrimination and MSHDA's statutory non-discrimination requirements. The allocation of LIHTCs is made at the sole discretion of MSHDA. MSHDA and its board members, directors, employees, and agents shall not be liable for any matters arising out of or in relation to the allocation or administration of LIHTC.

MSHDA may waive any requirements and/or conditions that are not mandated by Section 42 of the IRC on a case-by-case basis, including project-specific deadlines. MSHDA may charge a fee for such waivers. Additionally, MSHDA may make adjustments to standard policies/procedures, if needed, to resolve any administrative errors made in the evaluation of an application following conclusion of a funding round. Potential remedies may include, but are not limited to, making an allocation of LIHTC from a future funding round to a project that would have otherwise received an award of credit. To the extent that anything contained in this QAP does not meet the minimum requirements of federal law or regulation, or state law or regulation, such law or regulation shall take precedence over the QAP.

V. FUNDING ROUND AND PRIORITIES

A. FUNDING ROUNDS

The Authority intends to hold two competitive funding rounds for 2026 and 2027 LIHTC, which will be publicized on the Authority's website (www.michigan.gov/mshda).

Applicants must complete the following prior to each funding round deadline:

(1) Permanent Supportive Housing projects must have their initial meeting with the Continuum of Care (CoC).

(2) Preservation projects must submit documentation to determine if the project is competitive under the MSHDA Direct Lending Gap Financing Program (see Section V.C.1. for further information).
(3) Developments that are proposing a 4%/9% Mixed Transaction will be required to submit documentation (see Policy Bulletin #1).
(4) Any projects requesting a waiver of any QAP provisions must request that waiver prior to the waiver deadline. Waivers requested after that deadline will be processed as capacity allows.
(5) Permanent Supportive Housing projects that are applying for the first time must meet with the Addendum III Review Team.
(6) Affordable Assisted Living (AAL) projects must submit a review packet to the AAL Steering Committee for review and approval.
(7) Projects that are not required to order a market study directly through MSHDA must indicate to MSHDA where the proposal is located. This notification will include either the address of the site or a legible site map showing its boundaries sufficient to allow MSHDA staff to find the site. Notifications are to be sent to MSHDA-Marketstudies@michigan.gov.

A timeline of applicable deadlines leading up to and including the funding round is included below:

Stage of Process	Due Date

October 2025 Funding Round Approximately 60% of the 2026 credit	
Initial Meeting with CoC Deadline (PSH only)	Friday, August 1, 2025
Waiver Request Due Date	Friday, August 1, 2025
Preservation Level 1 Review Due Date	Friday, August 1, 2025
4%/9% Mixed Transaction Level 1 Review Due Date	Friday, August 1, 2025
Addendum III Initial Concept Letter Due Date (PSH only)	Friday, August 1, 2025
Affordable Assisted Living Steering Committee Review Packet Due Date	Friday, August 1, 2025
Notification of Selected Site Due to MSHDA Office of Market Research	Friday, August 1, 2025
Funding Round Due Date	Wednesday, October 1, 2025
Expected Award Notification Date	January 2026

April 2026 Funding Round Approximately 40% of the 2026 credit	
Initial Meeting with CoC Deadline (PSH only)	Friday, January 30, 2026
Waiver Request Due Date	Friday, January 30, 2026
Preservation Level 1 Review Due Date	Friday, January 30, 2026
4%/9% Mixed Transaction Level 1 Review Due Date	Friday, January 30, 2026
Addendum III Initial Concept Letter Due Date (PSH only)	Friday, January 30, 2026
Affordable Assisted Living Steering Committee Review Packet Due Date	Friday, January 30, 2026
Notification of Selected Site Due to MSHDA Office of Market Research	Friday, January 30, 2026
Funding Round Due Date	Wednesday, April 1 2026
Expected Award Notification Date	July 2026

October 2026 Funding Round Approximately 60% of the 2027 credit	
Initial Meeting with CoC Deadline (PSH only)	Friday, July 31, 2026
Waiver Request Due Date	Friday, July 31, 2026
Preservation Level 1 Review Due Date	Friday, July 31, 2026
4%/9% Mixed Transaction Level 1 Review Due Date	Friday, July 31, 2026
Addendum III Initial Concept Letter Due Date (PSH only)	Friday, July 31, 2026
Affordable Assisted Living Steering Committee Review Packet Due Date	Friday, July 31, 2026

Notification of Selected Site Due to MSHDA Office of Market Research	Friday, July 31, 2026
Funding Round Due Date	Thursday, October 1, 2026
Expected Award Notification Date	January 2027

April 2027 Funding Round Approximately 40% of the 2027 credit	
Initial Meeting with CoC Deadline (PSH only)	Monday, February 1, 2027
Waiver Request Due Date	Monday, February 1, 2027
4%/9% Mixed Transaction Level 1 Review Due Date	Monday, February 1, 2027
Addendum III Initial Concept Letter Due Date (PSH only)	Monday, February 1, 2027
Affordable Assisted Living Steering Committee Review Packet Due Date	Monday, February 1, 2027
Notification of Selected Site Due to MSHDA Office of Market Research	Monday, February 1, 2027
Funding Round Due Date	Thursday, April 1, 2027
Expected Award Notification Date	July 2027

Applicants must submit their application electronically no later than 5:00pm Eastern time on the applicable funding round deadline. MSHDA will create a project folder and provide access and instructions to the person(s) identified. In advance of each funding round, MSHDA staff will publish guidance updating potential applicants on the acceptable method(s) for submitting an application.

Application items received after the due date and time will not be processed.

B. FUNDING PRIORITIES

All applicants will be required to apply in only one Primary Category as listed in the table below. These Primary Categories are described in more detail in Section V.C. The percentages listed below are based on the LIHTC credit ceiling.

Primary Categories	Percentages
Preservation Category (subject to sufficient demand, a minimum of 35% of this Category must be allocated to projects located in a Rural area)	10%
Permanent Supportive Housing (PSH) Category	21%

Open Category - Urban	28%
Open Category - Rural	16%

Applicants that apply in one of the Primary Categories above may also apply in one or both of the Optional Categories listed in the table below, subject to eligibility. It is not required that applicants apply in any of the Optional Categories but doing so may increase the applicant's chances of receiving funding. More detail is provided in Section V.D.

Optional Categories	Percentages
Strategic Investment Category	15%

Lastly, MSHDA will hold back a portion of LIHTC as Undesignated Credit. This LIHTC will be used primarily for ensuring that the required set-asides are met. Applicants do not specifically apply under the Undesignated Category but may be considered by MSHDA for funding under this Category. More detail is provided in Section V.E.

Undesignated Credit	10%

C. PRIMARY CATEGORIES

1. PRESERVATION CATEGORY

This Category is only available in the October 2025 and October 2026 funding rounds. MSHDA will allocate a minimum of the first 35% of the preservation credit ceiling to projects located in a Rural municipality according to highest final score and will utilize the 90% rule as stated in Section V.G.3. Once the 35% minimum has been achieved or if there is not sufficient demand for the full 35% minimum, the remaining LIHTC in this Category will be awarded to the highest scoring projects in the Category. All projects must meet the requirements found in Section VII.B., Exhibit II, and follow the process outlined below:

For a preservation project to be eligible to apply for 9% LIHTC, the applicant must first submit documentation to MSHDA in order to evaluate whether it is likely to be competitive under the MSHDA Direct Lending Gap Financing Program (this requirement does not apply to existing United States Department of Agriculture Rural Development ("USDA RD") financed preservation projects that are composed of 49 units or less). To perform its evaluation, MSHDA will consider the following:

1. The financial viability of a project based on the pro-forma analysis, site, and preliminary market analysis.

2. The overall capacity and experience of the development team.

3. The likelihood that the project will be competitive and be able to proceed with the funds available in the Gap Financing Program. MSHDA will primarily evaluate a project's soft to hard debt ratio.

Following the analysis above, MSHDA will determine whether a project is eligible for the Gap Financing Program or 9% LIHTC round. If, based on MSHDA's determination, a preservation project is unlikely to be competitive in the Gap Financing Program; the project will be eligible to submit for consideration as part of a 9% funding round under the Preservation Category.

An applicant may be evaluated by MSHDA at any time as long as the submission of the required documentation takes place no later than the Preservation Level 1 Review Due Date listed in the table in Section V.A. In order to complete the review outlined above, the applicant must submit the Notice of Intent to Apply package found on MSHDA's Multifamily Direct Lending Program webpage. MSHDA's determination of the project as it relates to this assessment and the project's eligibility for 9% LIHTC will be good for a period of one year or two funding rounds provided that there are no changes made to the project that would cause it to be materially different from what was originally reviewed under the determination. After one year or in the case where there are material differences in the application, another assessment would need to be made by MSHDA to determine a project's eligibility for future 9% LIHTC funding rounds. The term "material differences" generally includes, but is not limited to, any differences in land and building costs, site work and hard construction costs, soft costs, income projections, operating expense projections, replacement reserve projections, equity pricing, soft sources, seller financing, and any other funding sources from interim operations or transfers of existing escrows. Programmatic differences between the 9% LIHTC Program and MSHDA Direct Lending Gap Financing Program regarding developer fee calculations, financing fees, and capitalized reserve requirements will generally not be considered differences in these areas to be material differences if they are solely a result of the project taking advantage of differing program requirements.

2. PERMANENT SUPPORTIVE HOUSING (PSH) CATEGORY

Allocated to projects setting aside at least the greater of 10 units (Rural) or 15 units (Urban) or 35% of the units in the development for new tenants that are PSH-eligible and that also meet the requirements of Addendum III. A project that has more than 75 PSH units requires a waiver from MSHDA prior to the funding round deadline. Projects meeting the definition of a PSH project, according to Addendum III, must be submitted in this Category. Please see Addendum III for more information.

3. OPEN CATEGORY (URBAN)

Allocated to projects located in "Urban" areas not meeting the requirements for either the Preservation Category or the PSH Category. Please see the USDA RD Multifamily tool for areas delineated as "Rural", which will not be eligible in the Urban category.

4. OPEN CATEGORY (RURAL)

Allocated to projects located in "Rural" areas not meeting the requirements for either the Preservation Category or the PSH Category. Please see the USDA RD Multifamily tool for areas delineated as "Rural."

D. OPTIONAL CATEGORY

1. STRATEGIC INVESTMENT CATEGORY

Projects applying in any of the four Primary Categories above can also apply in this Strategic Investment Category by submitting the documentation necessary to satisfy the requirements outlined in Exhibit III attached hereto. Projects funded under this Strategic Investment Category will not be subject to the standard Scoring Criteria and will be evaluated based on Exhibit III and the applicable threshold requirements. If MSHDA determines that not all of the LIHTC under this Strategic Investment Category will be used, the credit will be moved to the "Undesignated Credit" below. Projects that apply under the Strategic Investment Category and one of the Primary Categories will be first considered for funding from the Primary Category it qualifies under. LIHTC staff have sole discretion to determine if a development receives an award from the Strategic Investment Category.

E. UNDESIGNATED CREDIT

The Undesignated Credit consists of LIHTCs not awarded in other Categories in the April 2026 and April 2027 funding rounds. MSHDA will make awards in the following order:

a. MSHDA will use its discretion to place projects awarded from the Categories above (including the Strategic Investment Category) into the Statutory Set-Asides below, with the only goal being to fill the Statutory Set-Asides from the projects awarded. If a project qualifies for more than one Statutory Set-Aside, MSHDA will count that project towards the Statutory Set-Aside that best furthers the goal of filling all the Statutory Set-Asides. If any Statutory Set-Asides remain unmet after awards have been made from the Categories above, Undesignated Credit will be used to fill the remaining Statutory Set-Aside(s). If the amount remaining in Undesignated Credit is insufficient to fully fund all the Set-Asides, MSHDA will pull credit forward from future years in order to have enough credit to fully fund the Statutory Set-Asides. Following the conclusion of the funding round, MSHDA will post a list of awards, which will include an indication regarding which Statutory Set-Aside each project was awarded from.

Projects may count towards both a Statutory Set-Aside and non-Statutory Set-Aside. A project may not count towards two Statutory Set-Asides.

b. The highest scoring applications (excluding points for PSH in Section E. of the Scoring Criteria).

PSH projects awarded from the Undesignated Credit will not be eligible to reduce the number of PSH units or make changes which would reduce the points awarded under the PSH section of the scoring criteria.

F. SET-ASIDES

To the extent any Set-Asides have not been met through awards already made, MSHDA will use Undesignated Credit to fulfill the set-asides in the April 2026 and April 2027 funding rounds.

Statutory Set-Asides:

- **Nonprofits, 10%** - Qualified nonprofit organizations as required by Section 42 of the IRC and that meet the requirements outlined in Addendum I.
- **Rural Housing, 10%** - Proposed or existing housing projects that fall into one or more of the following categories: a) financed by a loan guaranteed by Rural Housing Services or a successor agency; b) funded by a federal program for the development of rural housing; or c) is located in a USDA RD Multifamily Housing eligibility area.
- **Elderly, 10%** - Projects in which 100% of the units serve tenants that conform to the federal agency(s) definition of elderly or the MSHDA definition of elderly under the MSHDA Act.
- **Eligible Distressed Areas, 30%** - Housing projects in eligible distressed areas, which include proposed or existing housing projects in distressed areas pursuant to MCL 125.1411(u). A list of Eligible Distressed Areas can be found on MSHDA's website at Eligible Distressed Areas List.

Non-Statutory Set-Asides:

- **Emerging Developers, 10% of LIHTC –** Designated for projects that meet the Emerging Developer requirements as noted in Exhibit III – Strategic Investment Category Requirements.
- **Tribal Housing – To Be Determined –** Designated for projects that meet the following requirements:
  a. The proposed project is developed by a federally recognized tribe, a tribally designated housing entity (TDHE), or other tribally owned entity. The Tribe or tribally owned entity must be a general partner or managing member of *the LIHTC applicant/owner* and must have at least 75% ownership.
  b. Tribal funds are being leveraged within the proposed project to help finance the development costs and/or provide an ongoing tenant subsidy. "Tribal funds" shall include any and all tribal monies contributed to the project; including, but not limited to, equity, vouchers, NAHASDA funds, loans, and grants.
  c. The development must be on lands held by the tribe, TDHE, or tribally-owned entity in fee or restricted fee; or lands held in trust by the United States of America for the benefit of the tribe.
  d. The development has a targeted marketing strategy for households with at least one tribal member or descendent. In this marketing strategy, the LIHTC Applicant/Owner should include contact information for the tribally designated housing entity or tribal entity responsible for making tenant referrals to the development, methods for marketing, the marketing budget, and sample brochures, flyers, mailers, and other outreach activities.
  e. Project must prove annually that the project complies with the set-aside.

  Native American Housing projects will be subject to the credit caps outlined in the appropriate category, as detailed in the QAP.

With the exception of the nonprofit set-aside, if the LIHTC allocated falls below the set-aside threshold by October 1 of the year in which that credit amount is authorized, MSHDA may reapportion unallocated LIHTC amounts thereafter.

G. LIHTC ALLOCATION LIMITS

1. Maximum award per project:

   a. Open Urban and PSH projects located in Urban areas $1,650,000

   b. All others $1,500,000

2. Maximum award per Principal (annual credit ceiling): $3,300,000

   LIHTCs in projects with co-developers will count against the per-Principal limit based upon the percentage of interest in the developer fee, including any costs or other fees that would typically be included in and paid from the developer fee as described in Section X below. For example, if co-developers retain a fifty percent (50%) interest each in the developer fee, fifty percent (50%) of the tax credits will be counted against each of the developer's per-Principal caps. Parties that have an identity of interest may be treated as a single developer (or Principal) for purposes of the cap if MSHDA concludes, based on the relevant facts and circumstances, that the submission of an application by one or more of the applicants is intended, in whole or in part, as a means of circumventing the annual credit ceiling per-Principal cap.

   Developers that receive credits as an Emerging Developer project may increase their developer fee cap by $300,000 for each Emerging Developer project awarded to them in the credit year.

   If a Principal has not exceeded its annual maximum award, and there is enough credit under the per Principal award limits to fund 90% of the proposed project, then MSHDA, in its discretion, may consider 1) fully funding that project; 2) awarding an amount less than the amount requested, but that still makes the project feasible; or 3) awarding only the remaining 90% if it is enough credit to make the project financially viable.

   For this purpose, a Principal is defined as any person or entity receiving a portion of the developer fee, which shall also be reflected in the Development Team Information portion of the Low-Income Housing Tax Credit Program Application.

3. If the credit remaining in a Category that is allotted for a specific funding round is sufficient to fund 90% of the credit amount approved for the next highest scoring project in the corresponding Category, MSHDA may 1) consider fully funding that project; or 2) award an amount less than the amount requested, but that still makes the project feasible; or 3) award only the remaining amount of credit to a project if it is shown to be financially viable. Otherwise, MSHDA will either skip the project to fund the next highest scoring project that is financially viable with lesser credit or move the balance of the credit to the Undesignated Credit or the following funding round as

applicable, at its sole discretion. In order to fully fund a project, MSHDA may pull LIHTC from the Undesignated Credit or from the amount designated for that specific Category in the April funding round.

H. WAIVER REQUESTS

Applicants seeking a waiver of any QAP provisions (other than alternative underwriting standards) as part of an application for a competitive funding round must submit their request in writing no later than the due date(s) noted in the table in Section V.A. Requests for the use of alternative underwriting standards may be made as part of a funding round submission. Waivers requested after that deadline will be processed as capacity allows.

VI. LIHTC FUNDING ROUND TIMING

MSHDA will hold two funding rounds for 2026 and 2027 as outlined below and make awards to the highest scoring applications in each of the main Categories regardless of the Statutory Set-Aside(s). Any LIHTC not awarded in any of the Categories from the October Funding Round will be moved to the April Funding Round for the same credit year. Percentages below are based on the estimated annual LIHTC ceiling less the amount of Disaster Credits.

A. FUNDING ROUND #1: OCTOBER 2025 (APPRX 43% OF ANNUAL CREDIT CEILING)

- Preservation Category – 10%
- Permanent Supportive Housing Category – 10.5%
- Open Urban – 14%
- Open Rural – 8%

B. FUNDING ROUND #2: APRIL 2026 (APPRX 42% OF ANNUAL CREDIT CEILING)

- Permanent Supportive Housing Category – 10.5%
- Open Urban – 14%
- Open Rural – 8%
- Undesignated – 10%

C. FUNDING ROUND #2: OCTOBER 2026 (APPRX 43% OF ANNUAL CREDIT CEILING)

- Preservation Category – 10%
- Permanent Supportive Housing Category – 10.5%
- Open Urban – 14%
- Open Rural – 8%

D. FUNDING ROUND #3: APRIL 2027 (APPRX 42% OF ANNUAL CREDIT CEILING)

- Permanent Supportive Housing Category – 10.5%
- Open Urban – 14%
- Open Rural – 8%
- Undesignated – 10%

E. STRATEGIC INVESTMENT CATEGORY - 15%

The Strategic Investment Category may be used to fund qualifying developments from any competitive funding round at any time at MSHDA's discretion. If MSHDA determines that not all of the credit under this Strategic Investment Category will be used, the credit will be moved to the Undesignated Credit in the April Funding Round of the corresponding year.

VII. ELIGIBILITY REQUIREMENTS

Certain threshold requirements must be met for all projects, unless otherwise stated in any Addenda or Policy Bulletins, or waived. Proposals not meeting threshold requirements will not be processed further.

A. GENERAL THRESHOLD REQUIREMENTS

The following Threshold requirements, described in greater detail in Exhibit I attached hereto, will apply to all projects:

1. Application Completeness
2. Project Narrative
3. Site Control
4. Zoning
5. Utilities
6. Market Study
7. Environmental
8. Title Insurance Commitment
9. Financing
10. Acquisition Transfer
11. Equity Investor Letter
12. Green Policy
13. Development Team Capacity
14. Affirmative Fair Housing Marketing Plan
15. Ownership Formation
16. Waiver of Qualified Contract
17. Vouchers and Public Housing
18. MSHDA Financing Signage
19. Minimum Hard Construction Costs
20. Maximum Total Development Cost Per Unit Limit

21. Trade Payment Breakdown
22. Michigan Products
23. Phased Developments in the Same Building
24. Type C Units
25. Development Team Demographic Forms

B. THRESHOLD REQUIREMENTS – PRESERVATION PROJECTS

'Preservation' applies to rental properties, which are currently subject to a low-income use restriction. Adaptive reuse projects, entirely vacant residential buildings, and Permanent Supportive Housing projects will be ineligible to apply under the Preservation category. Only Preservation projects that meet this definition and the threshold requirements outlined in Exhibit II attached hereto, in addition to the General Threshold Requirements may receive points for Preservation and apply under the Preservation Category.

VIII. SELECTION CRITERIA

MSHDA will evaluate applications for LIHTC in accordance with the requirements of federal and state law and the QAP Scoring Criteria (including any related Policy Bulletins and Addenda) and make awards based on the Scoring Criteria. Under no circumstances will any application scoring process give rise to an entitlement or legal right to an allocation of LIHTCs. The allocation of LIHTCs shall be entirely at the discretion of MSHDA.

A. HOUSING IN AREAS OF OPPORTUNITY & OTHER NOTES

Many of the policies in the QAP are designed to further the goals and mission of MSHDA.

The following are key criteria:

1) Job Growth Opportunities: Creating affordable housing around new Job Centers
2) Community Supported Initiatives: Alignment with local housing policy
3) Tribal Housing: Alignment of Tribal Housing policies with Tribal Housing needs

Additionally, on March 7, 2013, the Violence Against Women Reauthorization Act (VAWA) of 2013 was signed into law and on September 12, 2024, HUD, U.S. Department of Agriculture, U.S. Department of the Treasury, U.S. Department of Veterans Affairs, and U.S. Department of Justice issued an Interagency Statement on VAWA's Housing Provisions affirming the housing rights of survivors of domestic violence, dating violence, sexual assault, and stalking as well as others under the Violence Against Women Act (VAWA). The Statement outlines the housing programs included in VAWA's housing title, as well as potential scenarios that highlight the need for VAWA's housing protections, the VAWA housing rights of survivors and others, agency obligations to implement VAWA's housing title, and certain agency authorities to enforce these provisions. The Authority is committed to working closely with property owners to ensure onsite compliance and enforcement when necessary.

B. TIEBREAKERS

If two projects have identical scores, MSHDA will select between them in order of: highest total score under the Permanent Supportive Housing Developments section score for those projects in the Permanent Supportive Housing Category, lowest actual amount of credit per 9% LIHTC unit; highest total score under the Opportunity Criteria of the Scoring Criteria; lowest average targeted area median income level in the project. If an additional tiebreaker is necessary, the decision will be made at the discretion of MSHDA staff.

C. RE-EVALUATION PROCESS

Within seven days of MSHDA posting a list of awards to its website, an applicant may ask MSHDA in writing to re-evaluate a specific portion of an application. For purposes of this re-evaluation, MSHDA will not consider any additional documentation that was not provided with the application but may consider information intended to clarify portions of the application. MSHDA, in its sole discretion, will determine whether or not the re-evaluation warrants a LIHTC award.

IX. UNDERWRITING STANDARDS & APPLICATION OF BASIS BOOST

MSHDA's determination of the LIHTC amount and underwriting does not constitute a representation or warranty as to a project's feasibility or viability. See Exhibit IV attached hereto for further information on underwriting process and standards.

A. APPLICATION OF BASIS BOOST

Properties meeting any of the criteria found in Exhibit V attached hereto are eligible for a basis boost up to the percentages listed therein, although they are still subject to the usual evaluation of minimum credits needed to achieve feasibility.

X. FEE LIMITS

A. DEVELOPER FEES

The total amount of any developer fees, developer guaranty fees, and consulting fees (excluding fees to a third party, non-related construction manager included and paid from the construction contract), will be no more than the maximum developer fee allowed as outlined below.

1. DEVELOPER FEE - TAX-EXEMPT BOND FINANCED PROJECTS

For projects financed with tax-exempt bonds eligible for 4% credit, the maximum developer fee shall be calculated as follows:

a. For projects of 49 units or fewer, the developer fee will be the sum of the following:

i. 7.5% of acquisition costs

ii. 7.5% of project reserves

iii. 20% of all other development costs, excluding developer fee, developer overhead, and developer consulting fee.

b. For projects of 50 units or more, the developer fee will be the sum of the following:

i. 7.5% of acquisition costs

ii. 7.5% of project reserves

iii. 15% of all other development costs, excluding developer fee, developer overhead, and developer consulting fee.

NOTE FOR TAX-EXEMPT BOND FINANCED PROJECTS: for purposes of sizing the amount of gap financing that the project is eligible to receive, the maximum developer fee will be based on the lesser of the applicable calculation outlined above or $2,100,000.

2. DEVELOPER FEE – 9% LIHTC PROJECTS

For 9% LIHTC projects that do not have an Emerging Developer partnership, the maximum developer fee shall be the lesser of $1,8000,000 or the sum of the following:

i. 7.5% of acquisition costs,

ii. 7.5% of project reserves,

iii. 15% of all other development costs, excluding developer fee, developer overhead, and developer consulting fee.

9% projects that are funded with an Emerging Developer partnership will be limited to the lesser of $2,100,000 or the amount calculated using the method above plus $300,000.

3. DEVELOPER FEE – OTHER LIMITATIONS

The following limitations also apply:

a. If either a new building or physical structure is split into two or more phases, or an existing project, building, or physical structure is split into two or more phases, the aggregate 9% LIHTC developer fee for all phases shall not exceed the limitations stated above. This also applies if the project is funded in different funding rounds.

b. For projects involving both acquisition and rehabilitation credits, an amount of the developer fee equal to at least 5% of the acquisition cost of the land and building(s) must be allocated to the acquisition basis for purposes of attribution to the developer fee. MSHDA will review other approaches on a case-by-case basis.

c. Up to 50% of the total developer fee can be deferred to cover a gap in funding sources. If the application proforma indicates that cash flow is insufficient to repay the deferred developer fee within 15 years, the Applicant must provide an explanation in the narrative as to how the deferred developer fee will be repaid.

B. CONSTRUCTION CONTRACT ITEMS

- General Requirements - 6% of construction costs, exclusive of builder profit, builder overhead and general requirements.
- Builder Overhead - 2% of construction costs, exclusive of builder profit and builder overhead.
- Builder Profit - 6% of construction costs, exclusive of builder profit.

C. CONSTRUCTION MANAGEMENT

Payments to a construction manager or a consultant serving a similar capacity (as determined by MSHDA) included in the construction contract are subject to the General Requirements, Builder Overhead, and Builder Profit fee limits. Otherwise, such amounts are part of the developer fee. MSHDA will deduct excess fees from total development costs when performing the gap calculation.

D. IDENTITY OF INTEREST FEES

If an identity of interest exists between the Applicant and the General Contractor, any incentive fees are included in the limitations above. A general contractor may be entitled to additional overhead and profit when acting as a subcontractor as long as the amounts are within industry standards (as determined by MSHDA). The general contractor's overhead, profit, and general requirements included as allowable project costs are limited to the percentages noted above.

XI. FIRST EVALUATION AND AWARD OF RESERVATIONS

Applications will only be evaluated if MSHDA determines that the application is in a position to be competitive for an award of credit.

Following a LIHTC award, project owners must move forward with closing on financing sources and commencement of construction in a timely manner. Owners must submit progress reports to MSHDA quarterly. Failure to submit accurate progress reports on a timely basis may result in negative points on future applications or a loss of the award.

XII. SECOND EVALUATION

All projects receiving an allocation of 9% LIHTC must provide evidence, acceptable to MSHDA and in accordance with any applicable federal regulations, from a Certified Public Accountant that the taxpayer has incurred 10% of the project's reasonably anticipated basis within 12 months of the allocation date. MSHDA will also conduct a financial review according to the procedures described in Exhibit IV.

In conjunction with meeting the 10% test, 9% projects owners must submit the items in the 10% Certification Exhibit Checklist. Failure to provide such documentation may result in the allocation being rescinded.

All projects receiving an allocation of 4% LIHTC must submit the items in the Commitment Exhibit Checklist with the exception of the Independent Accountant's Report. MSHDA will also conduct a financial review according to the procedures described in Exhibit IV. Failure to provide such documentation may result in the allocation being rescinded.

XIII. FINAL EVALUATION

MSHDA will further evaluate the project prior to the issuance of IRS Form 8609. Owners must request a LIHTC Regulatory Agreement no later than November 1st of the year a project is placed in service.

Owners also must submit acceptable evidence of the items listed on the LIHTC Placed in Service Exhibit Checklist the year after the project is placed in service.

XIV. HOUSING CHOICE VOUCHERS

This QAP awards LIHTC through a competitive process that can also serve as a form of competitive selection for purposes of applications for project-based vouchers and other forms of assistance. MSHDA will continue to make project-based vouchers available on a case-by-case basis to projects that agree to set-aside at least five PSH units.

XV. PROJECT OR DEVELOPMENT TEAM CHANGES

Owners will not be allowed to make changes to a project that would result in a change to any of the specific items for which points were awarded, unless extraordinary and well-documented circumstances would warrant it. Any such changes to a project that require a re-scoring or re-evaluation which causes the project's position to fall below its original position may cause the allocation of LIHTC to be rescinded or an assessment of negative points on future applications.

Additionally, Reservations, and/or Carryover Allocations are non-transferable either to another entity or within the same entity where there is a change in control or general partner interests, except with the express written consent of MSHDA, it being the explicit intention of the QAP to prevent one party from obtaining such a Reservation and/or Carryover Allocation in order to sell or broker its interest in the proposal (except for syndication purposes). Because all representations made with respect to the owner, applicant, developer or related party or entity, or any member of the development team, their experience and previous participation are material to the evaluation made by MSHDA, it is not expected that MSHDA's consent will be granted for such transfers unless a new application is submitted and scores no less than the original application, and the transfer is a benefit for the project.

XVI. EXCHANGE OF CREDIT

MSHDA may allow an owner to return an allocation and may issue a Carryover Allocation without competing. MSHDA will evaluate such requests as a facts and circumstances test. Projects that receive an award of 2026 or 2027 credit will be charged a fee equal to 5% of the annual LIHTC award. Projects originally funded with 2026 or 2027 credit will be charged a fee equal to 10% of the annual LIHTC award for a second exchange. Exchanges must be requested not later than November 1 of the current year.

XVII. FEES

All applications must be accompanied by a check or money order in an amount equal to $45 for each proposed low-income unit, with a $2,500 maximum limit. This fee is non-refundable and must be paid in each funding round in which a project is seeking to be scored and/or evaluated. A fee of $100 will be assessed each time a check is returned to MSHDA for non-sufficient funds.

For any project that receives an award, MSHDA will charge a fee equal to 7% of the annual LIHTC dollar amount reserved for a project. Owners will pay a sum equal to 3% of the annual LIHTC dollar amount at the time of Reservation. The remaining 4% shall be paid at the time of the 10% Certification.

In addition to the fees listed above, MSHDA may establish such other fees as may be necessary to effectively administer the program. Such fees may include, but are not limited to, charges to process waiver requests, changes in ownership, and site visits. MSHDA shall publish a schedule of such fees 60 days prior to implementation (see Fee Schedule Policy Bulletin).

All units must pay the sum of $525 per low-income unit. Such amount will cover the initial 15-year compliance monitoring period and is payable prior to the issuance of Form 8609. Also, a fee of $25 per LIHTC unit will be charged annually during the extended use period.

MSHDA will assess a fee on a sliding scale basis if an owner fails to have a representative present for a scheduled tenant file audit and/or physical inspection which results in the inability to conduct the file audit and/or physical inspection (see Fee Schedule Policy Bulletin).

MSHDA will assess a fee of $50 per unit for significant and repeated noncompliance issues.

Failure to submit any compliance or inspection fee is deemed non-compliance.

Compliance monitoring fees are subject to change based on changes in costs associated with administration of the compliance monitoring function by MSHDA and other changes in MSHDA and/or IRS mandated monitoring requirements.

XVIII. COMPLIANCE MONITORING

Owners receiving an allocation of LIHTC shall be required to meet minimum compliance requirements and to follow the requirements outlined in MSHDA's LIHTC Compliance Manual, which is available on MSHDA's website. Please see Exhibit VI attached hereto for further compliance monitoring requirements.

XIX. COMBINED APPLICATION, POLICY BULLETINS AND ADDENDA

Additional program requirements are set forth in the Policy Bulletins, MSHDA's Combined Application, and the applicable Addenda. These requirements are applicable to all projects applying for Low Income Housing Tax Credits. MSHDA may modify these at its discretion following notice to the public.

XX. ACCESS, ACCOMMODATIONS, TRANSLATION, OR OTHER SERVICES

Michigan State Housing Development Authority is committed to providing meaningful access. For accommodations, translation, interpretation, or other services, please contact MSHDA's Low Income Housing Tax Credit Department at 517-335-9802 or MSHDA-RD@michigan.gov or MSHDA's Legal Department at MSHDA-ADA@michigan.gov.

This document can be published in English, Spanish, and Arabic and any other language/dialect based on local community needs. Please contact MSHDA's Low Income Housing Tax Credit Department at 517-335-9802 or MSHDA-RD@michigan.gov for more information or access to those translations. Requests for translation must be made at least two weeks before the application deadlines and are subject to availability.

EXHIBIT I – GENERAL THRESHOLD REQUIREMENTS

I. APPLICATION COMPLETENESS

Submission of a complete and consistent application includes, but is not limited to, a fully completed LIHTC Excel Application following application instructions, the required application fee, the scoring criteria, and all applicable exhibits. MSHDA will reject applications with multiple material errors in documentation, incomplete information, and/or general inconsistencies. Decisions under this threshold requirement are intentionally made on a subjective basis and are entirely under MSHDA's discretion.

II. PROJECT NARRATIVE AND MAP

A narrative description which includes, at a minimum, the type of project; location; prior LIHTC status, if any; type(s) of financing; tenants served; bedroom mix; local, state, federal, or tribal subsidies; number of jobs created, including an explanation/analysis for how this number was determined; tenant relocation strategy and budget; and any other relevant descriptive information.

The narrative should include a section that explains and demonstrates how the development meets the community needs and falls in line with the MSHDA Statewide Housing Plan and the Regional Housing Partnership plans. This may be a bulleted list highlighting those aspects.

A map and site plan clearly detailing the proposed project site must be included with the narrative.

III. SITE CONTROL

Evidence of site control by the Applicant: an exclusive option to purchase, land contract, offer to purchase, purchase agreement, long-term lease, or other appropriate documentation. The control must be in effect for 120 days from the application due date, with the ability to provide additional extensions as necessary to accommodate application processing timelines. If site control is vested in an entity other than the anticipated owner, the control must be unilaterally assignable to the proposed owner. Site control documents must clearly identify the physical location of the property (i.e. property address, full legal description or plat map identifying street names) and be consistent with the rest of the development information provided in the application including the title insurance commitment. If the site control documentation does not clearly identify a detailed breakdown of the components of the purchase price to be paid to the seller, the applicant must provide a written narrative.

IV. ZONING

Evidence dated within one year from the local governing body of the property's current zoning designation and what, if any, steps are in process to obtain proper zoning for the proposed development if it is not already properly zoned.

V. UTILITIES

Evidence dated within one year of the funding round deadline from the local governing body and/or utility companies regarding the availability of all utilities and confirming they will have the capacity to serve the property – electricity, gas, water, sewer, and high speed internet.

This will include conformation from the applicant and architect that:

1. all units will be equipped with high-speed internet capability, either by connecting each unit to a separate data network using Category 5e wiring, by installing a wireless Local Area Network (LAN) server and providing each unit with at least one wireless LAN card, or by installation of cable service to the project and to each unit, and
2. The project will have an active internet connection between the project and a local internet service provider.

Additionally, all New Construction, Adaptive Reuse, and Substantial (Gut) Rehab projects located in Urban areas will be required to incorporate the following requirements in order to accommodate future EV charging stations.

- A conduit system installed between the building electrical service panel to the EV-Ready parking spaces. The conduit system is required to be sufficient to support electrical wiring associated with the future installation of Electric Vehicle Charging Stations that will serve Future EV parking spaces.
- The project's electrical system is required to be designed to accommodate the future electrical loads and electrical equipment associated with providing a minimum Level 2 charge capability to the required number of spaces.
- The building's electrical panel must be sized to accommodate the future overcurrent devices needed for the EV-Ready system or space for an additional panel may be reserved to accommodate such devices.
- Conduit, electrical panel slots, and floor/wall space reserved for future EV system components are required to be durably labeled: "For Future EV Charging Stations."
- The EV infrastructure installed must be sized sufficiently to accommodate Level 2 charging stations equal to at least 5% of the total units in the building. For scattered site projects, the infrastructure must be evenly distributed between sites.

VI. MARKET STUDY

A market study completed in accordance with MSHDA's guidelines (see Tab C of MSHDA's Combined Application) that indicates the housing needs of low-income individuals in the area to be served. A completed market study must be submitted with the application and dated within ten months of the application deadline. Applications must submit an executed statement attesting that the market study is materially consistent with the project information presented in the LIHTC submission.

VII. ENVIRONMENTAL

Submission of environmental studies (i.e. current ASTM Phase I Environmental Site Assessment ("ESA") report) in accordance with the current MSHDA Environmental Review Standards (see Tab D of MSHDA's Combined Application) are required at time of application. Projects may be rejected if the environmental review and/or supporting documentation do not meet MSHDA's standards or if MSHDA determines additional testing or modifications are necessary. Phase I ESA reports must be dated within the 180-day ASTM validity period. See current revision of the MSHDA Environmental Review Requirements for complete details.

VIII. TITLE INSURANCE COMMITMENT

Submission of a title insurance commitment, dated within six months of the funding round deadline meeting the following requirements:

- the name of the individual(s) or entity that owns the property matches the site control documents,
- the entity to be insured is correct,
- all parcels match the application,
- there is a signature of the authorized title insurance company agent or employee,
- indicates the availability of a title insurance underwriter, and
- is otherwise complete and without defect.

For projects located on federally recognized American Indian reservations, MSHDA may accept an attorney's opinion letter describing chain of title and land control or a Title Status Report.

For proposed projects that contain multiple sites, applicants must submit the Property Identification form found in the LIHTC Application to accompany the title insurance documentation. The documentation must be organized in the same order as shown on this form.

IX. FINANCING

Applicants must not plan on using solely LIHTC equity financing. MSHDA may determine an application is ineligible due to not appropriately leveraging available sources of financing or require the applicant to secure additional sources.

All applicants must submit evidence of a commitment(s) from mortgage lender(s) stating the amount of the loan, terms, interest rate, and guarantors for all sources of financing. In the case of a USDA RD project, an original letter signed by an authorized official. In the case of Federal Historic tax credit, documentation indicating that Part I of the required application has been made. The financing documents must be dated within six months of the funding round deadline.

MSHDA will accept LIHTC applications that are proposing to apply for funding sources that are only available as part of a funding round held by another entity. If, at the time LIHTC awards are made, MSHDA is unable to determine that there is a strong likelihood of funding availability, it may disregard the funding source, which may result in disqualification. Applications submitted listing other competitive funding should also identify a contingency plan which may include deferring developer fee if the deferral is within the applicable limits. Projects that do not clearly outline the contingency plan will not be eligible for an award of credit.

X. ACQUISITION TRANSFER

For acquisition/rehabilitation involving properties currently regulated by another government body (including HUD, USDA RD, DI-BIA, or MSHDA), statement from the Applicant of the requirements for such approval and how the Applicant intends to meet them consistent with the LIHTC timetables.

XI. EQUITY INVESTOR LETTER

A letter from the proposed syndicator or investor that includes all of the following:

- The amount, price, and terms of the investment.
- If the project has a joint venture agreement or partnership or is relying upon the equity provider review to demonstrate financial capacity as per LIHTC Policy Bulletin #7, the equity letter must also include certification that investor has conducted financial review of development team, including identification of which entities and/or individuals will be providing guarantees.

The equity documents must be dated within one month of the funding round deadline. MSHDA reserves the right to request additional information from any project in order to further verify equity pricing and terms.

XII. ENERGY EFFICIENT BUILDINGS POLICY

All projects must incorporate one of the available third-party standards in the Energy Efficient Buildings Policy (Tab M of the Combined Application).

XIII. DEVELOPMENT TEAM CAPACITY

Each application must include information regarding the entire Development Team including any of the following (without limitation): (i) the Applicant entity, (ii) the proposed owner, (iii) principal(s) of the owner(s) or Applicant(s), (iv) the developer(s), (v) the general contractor, (vi) the property management company(ies), (vii) any third party development consultant(s), (viii) architect, and (ix) any related party(ies) or entity(ies) in the seller of any land or property. For this purpose, a party or entity is related if one party or entity directly or indirectly has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

The Development Team must demonstrate professional and financial capacity to plan, build, market, and operate the proposed development. MSHDA will measure the quality and quantity of previous development(s); design, construction, and property management efforts; and affirmative fair housing marketing records. Each team member must demonstrate satisfactory prior experience on projects of similar scale and complexity; have satisfactory professional references; and devote sufficient staffing and resources, including financial resources, to complete the proposed development. MSHDA will evaluate the Development Team's capacity based on the following:

- A certification regarding their previous experience in the development and ownership of affordable housing, which includes at a minimum a list of all affordable housing developments the Development Team has participated in during the three (3) years preceding the application, and a statement concerning any felony criminal convictions, indictments, and pending criminal investigations of all Development Team members, and details of each circumstance, unless otherwise prohibited by court order, statute or regulation.
- The Applicant's and contractor's financial statements that meet the requirements of **MSHDA Policy Bulletin #7** and demonstrates adequate professional and financial capacity.

MSHDA may require a written plan outlining how deficiencies in experience and financial capacity will be rectified.

MSHDA will disqualify any member of the Development Team that has failed to pay any fee or expense due to MSHDA, been in default or in major non-compliance with LIHTC or any other MSHDA program, been debarred or suspended from any MSHDA, HUD, or Rural Housing programs, is in foreclosure or been foreclosed, or is under felony investigation, indicted or been convicted of a felony until the event or events are corrected or resolved. MSHDA may contact other local, state, and/or federal housing agencies to solicit feedback related to a specific development team member.

MSHDA has the sole and absolute discretion to determine those parties ineligible for LIHTC due to lack of capacity, non-compliance, or disqualification status.

XIV. AFFIRMATIVE FAIR HOUSING MARKETING PLAN

Submission of an Affirmative Fair Housing Marketing Plan consistent with MSHDA requirements (see Tab P of MSHDA's Combined Application).

XV. OWNERSHIP FORMATION DOCUMENT

Copy of the most recent version of the certificate of Limited Dividend Housing Association limited partnership or limited liability company and any amendments on file with the Department of Licensing and Regulatory Affairs, Corporations Division, which accurately reflects the entities involved in the project ownership shown in the application. Out-of-state entities must submit a copy of an endorsed application for certificate of authority to transact business or conduct affairs in Michigan, along with the supporting documentation submitted with the application. In addition, a certificate of good standing should be dated within six months should also be included.

There are a few specific types of projects that do not require a Limited Dividend Housing Association. If you believe your project is one such type, contact MSHDA staff for a waiver ahead of the funding round.

XVI. WAIVER OF QUALIFIED CONTRACT

By submitting an application for LIHTCs, all Applicants waive the right to request a qualified contract under Section 42(h)(6)(E)(i) of the Internal Revenue Code. Thus, MSHDA's required extended use commitment shall not terminate at the end of the compliance period but is instead a minimum of 30 years.

XVII. VOUCHERS AND PUBLIC HOUSING

A written statement signed by the Applicant and local Public Housing Commission, Public Housing Authority, and/or tribally designated housing entity stating it will:

- give priority to persons whose names are on appropriate Public Housing, Housing Choice Voucher, or Tribal Housing waiting lists maintained by a Public Housing Commission (PHC), Public Housing Authority (PHA) or tribally designated housing entity (TDHE) in the area in which the project is located, and
- partner with the PHC, the PHA, and/or TDHE to take referrals to the project and market the relevant project information on any listing the PHC or PHA makes available to persons on their waiting lists. This should be documented in the form of a Memorandum of Understanding between the development entity and the PHC, PHA, and/or TDHE.

Owners must keep a copy of the written statement and documentation of ongoing efforts as evidenced by a referral agreement or other appropriate memorandum of commitment on file at the development's office and be available for compliance inspection and review at all times.

XVIII. MSHDA FINANCING SIGNAGE

A certification that if the Applicant is awarded LIHTC it shall post signage at the project construction site listing MSHDA as a financing source.

XIX. MINIMUM HARD CONSTRUCTION COSTS

All applications for 9% credit must indicate a need for at least $25,000 per unit in hard rehab or construction costs (including both building and site costs, but excluding allowable amounts for General Requirements, Builder Overhead, Builder Profit, contingencies, etc.) and must include this amount in the construction budget. Projects seeking 4% credit to be used in conjunction with tax-exempt bond financing will only need to meet the minimum requirements found in Section 42 of the Internal Revenue Code.

XX. MAXIMUM TOTAL DEVELOPMENT COST PER UNIT LIMIT

All projects will be subject to a maximum Total Development Cost per unit that cannot be exceeded. The Maximum Total Development Cost per unit limit is determined by multiplying the average of the Construction Cost Index for the most recent year available, as published by Engineering News-Record, by a conversion factor. For Open Urban, PSH or adaptive reuse projects in Urban areas, that factor is 36. For all other projects, that factor is 33. Applicants seeking more information or clarification on this calculation are encouraged to view the Cost Reasonableness with Credit Efficiency section of the Scoring Criteria where projects will be evaluated to determine whether they meet this test based on the information entered in the form.

XXI. TRADE PAYMENT BREAKDOWN

All projects will be required to submit a Trade Payment Breakdown signed by the General Contractor that is listed in the application. Please see Tab AA in the Combined Application. This form should be signed by the Owner and General Contractor and dated within one month of the funding round deadline.

XXII. MICHIGAN PRODUCTS

All projects must demonstrate the use of products and goods that are manufactured in and by Michigan-based corporations and incorporate them into the proposed development. This inclusion of Michigan products should be substantial and meaningful to the development. (Submit certification from architect, See Addendum I)

XXIII. PHASED PROJECTS

Developments proposing multiple 9% LIHTC phases and/or a twinned 4% phase within the same building must present a plan for financing in the event that only one of the phases is funded. The plan must avoid the situation where 9% LIHTC are allocated to a phase of a building that cannot begin construction until funding is secured on the other phase(s). Otherwise, each phase will only be eligible for 9% LIHTC only if all phases are in a position to be awarded. The plan cannot depend on any phases receiving a 9% LIHTC award or 4% funds in future competitive funding rounds.

When multiple phases of a development are submitted in the same round, the scoring and tiebreaker rules will apply when determining the funding order of the phases, if applicable. In events where the phases have the same score and/or tiebreakers, MSHDA reserves the right to fund the projects either in order of phase numbers and/or at MSHDA’s discretion.

XXIV. VISITABLE / FHA TYPE C UNITS

All projects must incorporate FHA Type C design features into all units with first floor living space or access to units by elevator.

Preservation projects that cannot incorporate these units should contact the LIHTC department to discuss the possibility of a waiver of this threshold.

XXV. MINIMUM UNIT SIZE

Any new construction or adaptive reuse project that is creating units smaller than 500 square feet must provde a narrative that explains how the design, layout of the units, and amenities within the project will ensure that units are marketable and functional within the project's specific market.

EXHIBIT II – PRESERVATION THRESHOLD REQUIREMENTS

I. ELIGIBLE PRESERVATION PROJECTS

Eligible Preservation projects include those with any of the following elements:

a. *Government financing* from HUD (including Section 236, Section 8, and Section 202), USDA Rural Development (including 515), MSHDA, or preservation of federally funded Tribal housing;

b. *Other below-market financing*;

c. *Rehabilitation of existing public housing* provided the project will involve rehabilitation of existing units, and not demolition and construction of new units;

d. *Rehabilitation of existing public housing* that involves the demolition and construction of an equal number of new units at the same site (these projects must choose prior to the funding round deadline to submit in one of the four main categories and will not be allowed to change their category selection. If there is any uncertainty regarding the choice made, MSHDA reserves the right to place the project in the appropriate category and/or determine it ineligible for funding consideration); or

e. Post-Year 15 LIHTCs. Projects' Year 15 must be prior to the year of the credit award in order to be eligible for consideration.

Projects must retain any federal assistance. MSHDA may approve prepayment of a HUD loan and conversion to enhanced vouchers.

II. MSHDA DIRECT LENDING GAP FINANCING PROGRAM SUBMISSION

As outlined in Section VII.B of the QAP, an applicant will not be able to submit a preservation project for 9% LIHTC unless MSHDA has determined the project is unlikely to be competitive in the Gap Financing Program.

III. PROJECT MUST BE 'AT RISK'

Projects must either:

a. be within five years of any permitted prepayment or equivalent loss of low-income use restrictions; or

b. involve the repair or replace of components that are:

    i. in immediate need of repair or replacement; or

ii. either substantially functionally obsolete or being improved to provide modifications or betterments consistent with new building code requirements and MSHDA's Design Requirements.

IV. PROPERTIES INELIGIBLE FOR PRESERVATION

Preservation projects are ineligible if they:

a. Are deteriorated to the point of requiring demolition and the replacement units are not being reconstructed on the same physical site, or

b. Have completed a full debt restructuring under the Mark to Market process within the last five (5) years.

EXHIBIT III – STRATEGIC INVESTMENT CATEGORY REQUIREMENTS

There may be extraordinary circumstances where the evaluation of an application by the standard review process outlined in the QAP does not necessarily take into consideration the contribution that a development would make to the state's overall economic and community development strategy. These situations may include, but are not limited to, applications that demonstrate transformative neighborhood revitalization, and/or unique financial funding and leveraging opportunities, and/or the opportunity to promote significant job growth in proximity to such housing, and/or projects representing a new and strategic partnership supporting an emerging developer. The Strategic Investment Category has been created to attempt to address these circumstances.

Projects that are a part of an overall development plan with multiple different components that will be transformative to the community or neighborhood in which it is located.

While a single affordable housing development can undoubtedly be a significant benefit to a community, one of the intents of the Strategic Investment Category is to be used for affordable housing developments that are a part of a larger plan that incorporates multiple different strategic components, which in total creates something very transformative for a community.

Projects representing a new and strategic housing initiative that meets a demonstrated need, an initiative which may not currently be contemplated by the QAP.

As housing policy and housing needs are constantly evolving, there are often new initiatives that are brought to the forefront, which the QAP may not yet contemplate and can be complicated to bring together in the form of an affordable housing development. In these cases, choosing a development as a pilot or test case is often an effective way to determine whether the development model is successful and for MSHDA to see how it works to determine whether it is something that makes sense to incorporate into the QAP as a specific policy on an ongoing basis.

Projects representing a new and strategic partnership, supporting an emerging developer who fills a needed role in the industry.

In order to encourage and support emerging development teams in Michigan, the Strategic Category can be used to prioritize those meaningful mentoring partnerships between experienced and emerging developers. These may be part of a larger strategic plan or may be the best examples of meaningful mentorship aimed at creating strong, knowledgeable partners.

The term Emerging Developer is used to describe a wide range of individuals or entities that are seeking to but have not yet fully established themselves as an experienced developer with the resources to independently navigate the challenges that come with developing housing throughout the state. This may include newer for-profit and nonprofit developers with a unique perspective or specific focus area, Tribes that are looking to serve specific housing needs and areas, housing commissions that want to grow their development capacity, etc. emerging developers often have a unique perspective or focus area, a connection to a local community or population, and the potential to further diversify the statewide housing development community and enhance statewide housing development capacity. However, emerging developers may lack the financial resources for pre-development costs and to overcome unexpected challenges, the human resources to manage the various components of a development, the professional relationships and connections to assemble a strong development team, the track record to easily attract investors, or the specific technical knowledge to navigate complex federal programs. Each of these areas is critical to successfully developing and operating a large housing development and without them, the likelihood of a development being successfully completed is less. On the other hand, through years of successful experience, experienced developers and other established development team members have a significant amount of capacity in these areas.

The emerging developer project submission must include a complete narrative highlighting that the proposal is the strongest example of how an experienced development team is partnering with an emerging developer to create a strong mentorship and helping to introduce and support emerging development teams. The project must also submit documents here or in applicable sections of the application that demonstrate each of the following:

i) Both GP/Members must intend to remain a part of the ownership entity for the 15-year Compliance Period, at a minimum. Members who deliberately circumvent this requirement will be subject to negative points in future funding rounds.
ii) A fully executed agreement between each of the entities must be provided, specifically calling out, at a minimum, the roles and responsibilities of each partner or entity during the development period as well as the operational period, the length of time each partner/member will remain a part of the ownership entity, the amount of developer fee each will receive, and which partners will be providing the guarantees for the equity investment and construction financing. It is anticipated that both the experienced and emerging development partners will have shared roles and responsibilities throughout the development and compliance periods. The experienced development partner should be responsible for the guarantees. Additionally, the agreement should specifically include language that allows MSHDA the right to approve any changes to the ownership entity of the project.
iii) The emerging developer must hold at least a 25% interest in the GP or Managing Member of the partnership and must earn a percentage of the paid and deferred developer fee, ongoing cash flow, and disposition proceeds at least equal to their percentage of the ownership. Partnerships that recognize a greater contribution of time and energy from the emerging developer and therefore allow the emerging

developer to have a larger share of the benefits will be prioritized. The emerging developer shall not have a disproportionately larger share of deferred developer fees than their ownership interest.

iv) To be considered an experienced partner, the experienced partner must demonstrate that they have previous experience developing LIHTC developments and receive the maximum points for Previous Experience of GP/Member.

v) To be considered an emerging developer, the inexperienced partner must:
   (1) provide a narrative describing their continuing goals in the housing field. This must include a description of past, current, and future goals as they relate specifically to affordable housing and community development and should explain how this entity fills a needed role in the community;
   (2) be a community-based development team that is working primarily in one localized market within Michigan;
   (3) not be connected to or a related entity to any development entity that would qualify for GP or management experience points;
   (4) demonstrate they have limited experience and financial resources as per the following:
      (a) The organization has received less than three LIHTC allocations from any LIHTC allocating agency on a project in which they were a general partner or managing member. Allocation in this section is intended to refer to an award of credit, including 9% LIHTC announcements and/or reservations. These may be in any LIHTC program (9%, 4% Direct Lending, 4% Pass-through, or others as applicable) in any state and in any year; and
      (b) Be a federally recognized tribe or housing commission; or
      (c) the emerging developer organization has insufficient financial capacity to independently support a development. In order to determine this, MSHDA will use the metrics outlined below as a general framework.
         (i) a net worth/position of less than $3,400,000;
         (ii) adjusted gross income of $1,600,000 or less, and
         (iii) assets totaling $13 million or less.

vi) The partnership should be committed to continued development in their localized community, prompting local capacity and growing experienced, local teams. Partnerships that commit to continued development in their communities will be prioritized.

vii) Developments with a successful partnership that meets the requirements outlined above will be allowed to increase their total developer fee by $300,000.

Established development teams, their owners, members, and/or others that are known to the industry will not be eligible to be considered as emerging developers. This includes related party entities, consultants, general contractors, and other similar individuals or entities. Determination of emerging developer status is made at the sole discretion of MSHDA.

Projects applying in any of the four Categories outlined in the QAP can also apply in this Strategic Investment Category. MSHDA, in its sole discretion, will make the determination of which, if any, applications shall receive an award from this Category.

EXHIBIT IV – UNDERWRITING STANDARDS

I. PROJECT FEASIBILITY

MSHDA has established minimum standards for operating expenses, vacancy rates, increases in operating costs and expenses, project income, debt service coverage ratio, operating reserves, and replacement reserves. Requests for use of alternative standards other than those established by MSHDA must be supported by written explanation and appropriate documentation. For developments seeking only competitively allocated 9% credits without financing from MSHDA, applicants may request waivers from these standards based on the submission of written documentation with their application indicating that the alternative underwriting standards have been reviewed and approved in advance by both the debt and equity providers for the project. An application will be ineligible if MSHDA determines that the project is not financially feasible.

MSHDA will review a project's feasibility at three different stages: 1) prior to making an award of credit, 2) at 10% Certification/closing, and 3) at Placed in Service. The following is a breakdown of how this provision will apply to each of the underwriting stages in the allocation process and what this provision will mean in practice:

- **Initial Application/Prior to LIHTC Award –** In order to receive an initial award of credit, the project must be financially feasible for the 15-year compliance period utilizing the underwriting standards as applied to the proforma.
- **10% Certification/One Year Review –** MSHDA will review the sources and uses of funds and the total financing planned for the project to ensure that the amount of credit being allocated to the project does not exceed the amount necessary for the project to be financially feasible during the entire initial 15-year compliance period. MSHDA will continue to monitor a project's income and expenses during this phase of the allocation process but will not hold up the issuance of Carryover documentation because of this portion of the review.
- **Placed in Service/Issuance of 8609 –** MSHDA will review the sources and uses of funds and the total financing planned for the project to ensure that the amount of credit being allocated to the project does not exceed the amount necessary for the project to be financially feasible for the 15-year compliance period. MSHDA will continue to monitor a project's income and expenses during this phase of the allocation process but will not hold up the issuance of 8609s to a project because of this portion of the review.

If project-based rental assistance ends due to events outside the owner's control, any rent and income restrictions on the property that the owner agreed to for points as part of a competitive funding round will revert to the AMI level as selected by the owner subject to the requirements of income averaging, if applicable.

The amount of LIHTC awarded will be calculated on the lesser of 1) the equity gap calculation; 2) the pricing identified in the Equity Investor Letter as applied to the statutory maximum; or 3) the amount of LIHTC requested by the Applicant. MSHDA may use an alternative equity pricing that is more indicative of current market conditions.

II. RENT INCREASES

Increases on the tenant-paid portion of rent for occupied units will be limited to no more than 5% per year for the first three years. This limitation does not apply to occupied units protected by project-based rental assistance or enhanced vouchers.

EXHIBIT V – STATE-DESIGNATED BASIS BOOST CRITERIA

Pursuant to Section IX.A., MSHDA will use the following criteria in awarding the basis boost.

For projects financed with tax-exempt bonds eligible for 4% credit, the following basis boost will be available:

1. Projects located in a QCT or DDA will be eligible for up to a 30% basis boost.

For projects eligible for 9% LIHTC, the following basis boost will be available:

Up to 30% Basis Boost:

2. Projects located in a QCT or DDA or census tracts listed on the MSHDA Census Tract list available at Tab J of the Combined Application for Rental Housing Programs.
3. Permanent Supportive Housing projects.
4. Projects restricting 25% of the total units to 30% AMI or less (in order to be eligible for the boost under this criterion, the 30% or lower AMI units must not have project based rental assistance).
5. USDA RD 515 Financed Developments.
6. Projects located in a Rural municipality, as per the USDA RD Multifamily Mapping Tool.
7. Historic Projects – Projects that are completing a certified rehabilitation of an existing certified historic property listed, either individually or as part of a district, on the National or State Historic Register; or that the State Historic Preservation Office expects to be listed on the National or State Historic Register. Project must also incorporate the use of the Historic Credit and apply for Historic points.
8. Energy Efficient Buildings - Projects that meet the requirements for points in the MSHDA Energy Efficient Buildings Policy.
9. Projects are subject to Davis-Bacon or BABA requirements.

Please note that MSHDA reserves the right to modify the State-Designated Basis Boost Policy on an as-needed basis and/or as boost options are updated by Congress. Should revision be necessary, MSHDA will post a notice on its website.

EXHIBIT VI – COMPLIANCE MONITORING & NOTIFICATION OF NONCOMPLIANCE

Owners (Applicants) receiving a LIHTC allocation shall be required to follow the requirements outlined in MSHDA's LIHTC Compliance Manual (Compliance Manual or Manual) (available on MSHDA's website).

1. OWNER RESPONSIBILITIES

Within thirty (30) days of completion of Part II of the Form 8609 and filing of the form with the Internal Revenue Service, owners must send MSHDA a completed copy. Failure to do so will count as noncompliance.

The records for the first year of the LIHTC period must be kept for six years after the due date (with extensions) for filing the federal income tax return for the last year of the compliance period (a total of 21 years). Owners must keep subsequent records on file for six years after the due date (with extensions) for filing the federal income tax return for that year. These records must include:

- The total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each unit);
- The percentage of residential rental units in the building that are low-income units;
- The rent charged and utility allowance for each residential rental unit in the building;
- The number of occupants in each low-income unit;
- The low-income unit vacancies in the building and information that shows when and to whom the next available units were rented;
- Income certifications of each low-income tenant and the documentation to support the certification;
- The eligible basis and qualified basis of the building at the end of the first year of the credit period;
- The character and use of the nonresidential portion of any building included in the project's eligible basis; and
- Documentation regarding calculation of utility allowances.

Owners must submit to MSHDA Compliance on an annual basis the following:

- An Owner Certification of Continuing Program Compliance (Owner Certification) Form certifying that for the preceding twelve-month period the project met conditions outlined in Section 42;
- The original local health, safety or building code violation reports or notices that are issued by the state or local government unit. Copies of these reports or notices must also be kept on-site at the

development for review by MSHDA during the physical inspection. These reports may be destroyed following a MSHDA inspection and the owner's notification to MSHDA that the violations have been corrected. Code violation reports must be retained for uncorrected violations.

Owners must submit to MSHDA electronically, on an on-going basis, data stating the number of qualifying units, number of bedrooms in each unit, information on each low-income tenant household (including income, rent amount, utility allowance, number of occupants, AMI % designation, etc.), and any other information as set forth on the MSHDA website and in the Manual. The tenant income and rent information must be provided in the format required by MSHDA, which includes electronic submission via a web-based reporting system.

Owners must submit to MSHDA in writing, responses to the physical inspections and tenant file audits conducted, unless no inspection or file audit noncompliance findings are identified.

Owners must notify MSHDA in writing (Notice of Change in Management form) within five (5) business days of any changes in the management of the project, including changes in the company managing the project or in the address, telephone number or email address of the management agent company and/or contact person.

Owners must notify MSHDA in writing (Notice of Change in Ownership form) within five (5) business days of any changes in the ownership of the project, including a foreclosure, deed in lieu of foreclosure, or any other sale or disposition of the project or any portion of the project and any changes in the ownership entity, including any changes in the name of the entity, address and telephone number of the entity, percent of ownership changes, and changes in the principals comprising the ownership entity.

Owners must notify MSHDA immediately in writing (Notice of Building Casualty Loss or Damage form) of any unit(s) or building(s) in the project that are anticipated to be unavailable for occupancy either permanently or temporarily for a period of time anticipated to exceed 30 calendar days due to casualty loss, damage, or any other reason.

2. MSHDA RESPONSIBILITIES

MSHDA will review the Owner Certification Forms and tenant data and income and rent reporting for compliance with program requirements.

MSHDA, or its authorized agent, will conduct a physical inspection of all buildings, common areas, and at least 20% of the low-income units in a project. MSHDA, or its authorized agent, will conduct tenant file audits consisting of a review of the low-income certification, the documentation the owner has received to support that certification, and the rent record for 20% of the low income units.

Physical inspections and tenant file audits of LIHTC projects will commence no later than the end of the second calendar year following the year the last building in the project is placed in service and will be conducted at least once every 3 years thereafter throughout the initial 15 year compliance period. MSHDA will continue to conduct physical inspections and file audits throughout the extended use period. MSHDA retains the right to perform an on-site inspection and/or file audit of any low-income building at any time or frequency during the initial compliance period and the remainder of the extended use period.

MSHDA will retain records of noncompliance or failure to certify for a minimum of six years after the filing of Form 8823. MSHDA will retain all certifications and records for not less than three years from the end of the calendar year in which they are received.

3. NOTIFICATION OF NONCOMPLIANCE

If any of the submissions required in Section I are not submitted in a timely fashion, or should there be omissions, MSHDA shall request such information from the owner. If the owner fails to provide the required documentation within the specified time period, MSHDA shall notify the Internal Revenue Service of the owner's failure to provide the required information.

Should MSHDA discover, as a result of an inspection or audit, or in any other manner, that the project is not in compliance with Section 42, or that credit has been claimed or will be claimed for units that are ineligible, MSHDA will notify the owner. The owner shall have a minimum of 30 days from the date of notification to cure the noncompliance. In extraordinary circumstances, and only if MSHDA determines that there is good cause, an extension of up to six months to complete a cure for noncompliance may be granted.

MSHDA will notify the Internal Revenue Service, utilizing Form 8823, no later than 45 days after the end of the correction period, and no earlier than the end of the correction period, of the nature of the noncompliance and will indicate to the Service whether or not the owner has made appropriate corrections.

While MSHDA will notify the owner of compliance issues, neither a finding of noncompliance nor a determination that noncompliance has been cured is binding on the Internal Revenue Service. Owners who have received notification from MSHDA that a project is in compliance may still be subject to an IRS audit and the possibility of loss or recapture of Housing Credits. Refer to the Internal Revenue Code for additional information about federal compliance issues.

The absence of a notice of noncompliance should not be relied upon by any owners or their investors as a warranty or representation by MSHDA that the project is in compliance with application requirements.

MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Low-Income Housing Tax Credit Program

2026-2027 Qualified Allocation Plan

www.michigan.gov/mshda

CONTENTS

2026-2027 QUALIFIED ALLOCATION PLAN

STATE OF MICHIGAN LOW-INCOME HOUSING TAX CREDIT PROGRAM

I. INTRODUCTION

The Michigan State Housing Development Authority (MSHDA) allocates the Low-Income Housing Tax Credit (LIHTC) program according to the Qualified Allocation Plan (QAP).

II. TAX-EXEMPT FINANCED PROJECTS NOT SUBJECT TO HOUSING CREDIT CEILING

In accordance with Section 42 of the Internal Revenue Code (IRC), tax-exempt bond financed projects are subject to the QAP other than the LIHTC allocation limits and requirements from which they are expressly excepted (see Tab W – Policy Bulletins).

III. APPROVAL AND MODIFICATION OF THE QUALIFIED ALLOCATION PLAN

A. QAP APPROVAL

Pursuant to federal and state law, the QAP (including the LIHTC Scoring Criteria) shall be prepared by MSHDA, submitted to the legislature, and approved by the Governor after notice to the public and public hearing. The Scoring Criteria, Addendum III, and Green Policy are incorporated herein as though they were a part of the body of this QAP. Notice of the public hearing will be published on MSHDA's website and in newspapers of general circulation throughout the state at least fourteen (14) days prior to the public hearing. MSHDA will hold at least one informational hearing prior to publication of proposed changes to the QAP for any interested stakeholder. After proposed changes have been published, MSHDA will conduct at least three public hearings, held at such time and place as determined by MSHDA; however, MSHDA shall give priority to locations and/or meeting methods that provide the greatest opportunity for public comment. Comments received shall be taken into consideration. The QAP and related documents shall be provided to the Governor with the request for approval. The QAP, once approved, is valid until it is changed by MSHDA.

B. QAP MODIFICATION

MSHDA may modify the QAP to the extent necessary to facilitate the award of LIHTCs that would not otherwise be awarded. This modification process will follow the approval process delineated above unless specifically stated otherwise in this document.

The MSHDA Director of Development may deem it prudent to modify the QAP to address unpredictable, unforeseen, and/or insurmountable industry changes. In these rare occurrences, the Director of Development may do so by publishing notice of the amendment to the MSHDA website no less than 60 days ahead of the implementation of the change. The Director of Development will prepare and send a

Delegated Action Report to the MSHDA Board in the event that they decide to amend the QAP in these circumstances.

In the event the MSHDA Director of Development deems it necessary and appropriate to make additional credit available to previously funded projects in order to address unpredictable, unforeseen, and/or insurmountable industry changes, they may do so by announcing an additional credit funding round. The round will be announced prior to the start of the April funding round and will include the deadline for application, the amount of additional funding available per project, any cap on additional funding, and other relevant information. Any such additional credit funding round is not considered an amendment to the QAP and is not subject to information in the preceding paragraph. The Director of Development will prepare and send a Delegated Action Report to the MSHDA Board in the event that they decide to amend the QAP for this purpose.

IV. AUTHORITY DISCLAIMER AND ANTI-DISCRIMINATION OBLIGATION

MSHDA shall administer the QAP and the allocation of LIHTC in a manner consistent with both federal and state housing policy governing non-discrimination and MSHDA's statutory non-discrimination requirements. The allocation of LIHTCs is made at the sole discretion of MSHDA. MSHDA and its board members, directors, employees, and agents shall not be liable for any matters arising out of or in relation to the allocation or administration of LIHTC.

MSHDA may waive any requirements and/or conditions that are not mandated by Section 42 of the IRC on a case-by-case basis, including project-specific deadlines. MSHDA may charge a fee for such waivers. Additionally, MSHDA may make adjustments to standard policies/procedures, if needed, to resolve any administrative errors made in the evaluation of an application following conclusion of a funding round. Potential remedies may include, but are not limited to, making an allocation of LIHTC from a future funding round to a project that would have otherwise received an award of credit. To the extent that anything contained in this QAP does not meet the minimum requirements of federal law or regulation, or state law or regulation, such law or regulation shall take precedence over the QAP.

V. FUNDING ROUND AND PRIORITIES

A. FUNDING ROUNDS

The Authority intends to hold two competitive funding rounds for 2026 and 2027 LIHTC, which will be publicized on the Authority's website (www.michigan.gov/mshda).

Applicants must complete the following prior to each funding round deadline:

(1) Permanent Supportive Housing projects must have their initial meeting with the Continuum of Care (CoC).

(2) Preservation projects must submit documentation to determine if the project is competitive under the MSHDA Direct Lending Gap Financing Program (see Section V.C.1. for further information).
(3) Developments that are proposing a 4%/9% Mixed Transaction will be required to submit documentation (see Policy Bulletin #1).
(4) Any projects requesting a waiver of any QAP provisions must request that waiver prior to the waiver deadline. Waivers requested after that deadline will be processed as capacity allows.
(5) Permanent Supportive Housing projects that are applying for the first time must meet with the Addendum III Review Team.
(6) Affordable Assisted Living (AAL) projects must submit a review packet to the AAL Steering Committee for review and approval.
(7) Projects that are not required to order a market study directly through MSHDA must indicate to MSHDA where the proposal is located. This notification will include either the address of the site or a legible site map showing its boundaries sufficient to allow MSHDA staff to find the site. Notifications are to be sent to MSHDA-Marketstudies@michigan.gov.

A timeline of applicable deadlines leading up to and including the funding round is included below:

Stage of Process	Due Date

October 2025 Funding Round Approximately 60% of the 2026 credit	
Initial Meeting with CoC Deadline (PSH only)	Friday, August 1, 2025
Waiver Request Due Date	Friday, August 1, 2025
Preservation Level 1 Review Due Date	Friday, August 1, 2025
4%/9% Mixed Transaction Level 1 Review Due Date	Friday, August 1, 2025
Addendum III Initial Concept Letter Due Date (PSH only)	Friday, August 1, 2025
Affordable Assisted Living Steering Committee Review Packet Due Date	Friday, August 1, 2025
Notification of Selected Site Due to MSHDA Office of Market Research	Friday, August 1, 2025
Funding Round Due Date	Wednesday, October 1, 2025
Expected Award Notification Date	January 2026

April 2026 Funding Round Approximately 40% of the 2026 credit	
Initial Meeting with CoC Deadline (PSH only)	Friday, January 30, 2026
Waiver Request Due Date	Friday, January 30, 2026
Preservation Level 1 Review Due Date	Friday, January 30, 2026
4%/9% Mixed Transaction Level 1 Review Due Date	Friday, January 30, 2026
Addendum III Initial Concept Letter Due Date (PSH only)	Friday, January 30, 2026
Affordable Assisted Living Steering Committee Review Packet Due Date	Friday, January 30, 2026
Notification of Selected Site Due to MSHDA Office of Market Research	Friday, January 30, 2026
Funding Round Due Date	Wednesday, April 1 2026
Expected Award Notification Date	July 2026

October 2026 Funding Round Approximately 60% of the 2027 credit	
Initial Meeting with CoC Deadline (PSH only)	Friday, July 31, 2026
Waiver Request Due Date	Friday, July 31, 2026
Preservation Level 1 Review Due Date	Friday, July 31, 2026
4%/9% Mixed Transaction Level 1 Review Due Date	Friday, July 31, 2026
Addendum III Initial Concept Letter Due Date (PSH only)	Friday, July 31, 2026
Affordable Assisted Living Steering Committee Review Packet Due Date	Friday, July 31, 2026

Notification of Selected Site Due to MSHDA Office of Market Research	Friday, July 31, 2026
Funding Round Due Date	Thursday, October 1, 2026
Expected Award Notification Date	January 2027

April 2027 Funding Round Approximately 40% of the 2027 credit	
Initial Meeting with CoC Deadline (PSH only)	Monday, February 1, 2027
Waiver Request Due Date	Monday, February 1, 2027
4%/9% Mixed Transaction Level 1 Review Due Date	Monday, February 1, 2027
Addendum III Initial Concept Letter Due Date (PSH only)	Monday, February 1, 2027
Affordable Assisted Living Steering Committee Review Packet Due Date	Monday, February 1, 2027
Notification of Selected Site Due to MSHDA Office of Market Research	Monday, February 1, 2027
Funding Round Due Date	Thursday, April 1, 2027
Expected Award Notification Date	July 2027

Applicants must submit their application electronically no later than 5:00pm Eastern time on the applicable funding round deadline. MSHDA will create a project folder and provide access and instructions to the person(s) identified. In advance of each funding round, MSHDA staff will publish guidance updating potential applicants on the acceptable method(s) for submitting an application.

Application items received after the due date and time will not be processed.

B. FUNDING PRIORITIES

All applicants will be required to apply in only one Primary Category as listed in the table below. These Primary Categories are described in more detail in Section V.C. The percentages listed below are based on the LIHTC credit ceiling.

Primary Categories	Percentages
Preservation Category (subject to sufficient demand, a minimum of 35% of this Category must be allocated to projects located in a Rural area)	10%
Permanent Supportive Housing (PSH) Category	21%

Open Category - Urban	28%
Open Category - Rural	16%

Applicants that apply in one of the Primary Categories above may also apply in one or both of the Optional Categories listed in the table below, subject to eligibility. It is not required that applicants apply in any of the Optional Categories but doing so may increase the applicant's chances of receiving funding. More detail is provided in Section V.D.

Optional Categories	Percentages
Strategic Investment Category	15%

Lastly, MSHDA will hold back a portion of LIHTC as Undesignated Credit. This LIHTC will be used primarily for ensuring that the required set-asides are met. Applicants do not specifically apply under the Undesignated Category but may be considered by MSHDA for funding under this Category. More detail is provided in Section V.E.

Undesignated Credit	10%

C. PRIMARY CATEGORIES

1. PRESERVATION CATEGORY

This Category is only available in the October 2025 and October 2026 funding rounds. MSHDA will allocate a minimum of the first 35% of the preservation credit ceiling to projects located in a Rural municipality according to highest final score and will utilize the 90% rule as stated in Section V.G.3. Once the 35% minimum has been achieved or if there is not sufficient demand for the full 35% minimum, the remaining LIHTC in this Category will be awarded to the highest scoring projects in the Category. All projects must meet the requirements found in Section VII.B., Exhibit II, and follow the process outlined below:

For a preservation project to be eligible to apply for 9% LIHTC, the applicant must first submit documentation to MSHDA in order to evaluate whether it is likely to be competitive under the MSHDA Direct Lending Gap Financing Program (this requirement does not apply to existing United States Department of Agriculture Rural Development ("USDA RD") financed preservation projects that are composed of 49 units or less). To perform its evaluation, MSHDA will consider the following:

1. The financial viability of a project based on the pro-forma analysis, site, and preliminary market analysis.

2. The overall capacity and experience of the development team.

3. The likelihood that the project will be competitive and be able to proceed with the funds available in the Gap Financing Program. MSHDA will primarily evaluate a project's soft to hard debt ratio.

Following the analysis above, MSHDA will determine whether a project is eligible for the Gap Financing Program or 9% LIHTC round. If, based on MSHDA's determination, a preservation project is unlikely to be competitive in the Gap Financing Program; the project will be eligible to submit for consideration as part of a 9% funding round under the Preservation Category.

An applicant may be evaluated by MSHDA at any time as long as the submission of the required documentation takes place no later than the Preservation Level 1 Review Due Date listed in the table in Section V.A. In order to complete the review outlined above, the applicant must submit the Notice of Intent to Apply package found on MSHDA's Multifamily Direct Lending Program webpage. MSHDA's determination of the project as it relates to this assessment and the project's eligibility for 9% LIHTC will be good for a period of one year or two funding rounds provided that there are no changes made to the project that would cause it to be materially different from what was originally reviewed under the determination. After one year or in the case where there are material differences in the application, another assessment would need to be made by MSHDA to determine a project's eligibility for future 9% LIHTC funding rounds. The term "material differences" generally includes, but is not limited to, any differences in land and building costs, site work and hard construction costs, soft costs, income projections, operating expense projections, replacement reserve projections, equity pricing, soft sources, seller financing, and any other funding sources from interim operations or transfers of existing escrows. Programmatic differences between the 9% LIHTC Program and MSHDA Direct Lending Gap Financing Program regarding developer fee calculations, financing fees, and capitalized reserve requirements will generally not be considered differences in these areas to be material differences if they are solely a result of the project taking advantage of differing program requirements.

2. PERMANENT SUPPORTIVE HOUSING (PSH) CATEGORY

Allocated to projects setting aside at least the greater of 10 units (Rural) or 15 units (Urban) or 35% of the units in the development for new tenants that are PSH-eligible and that also meet the requirements of Addendum III. A project that has more than 75 PSH units requires a waiver from MSHDA prior to the funding round deadline. Projects meeting the definition of a PSH project, according to Addendum III, must be submitted in this Category. Please see Addendum III for more information.

3. OPEN CATEGORY (URBAN)

Allocated to projects located in "Urban" areas not meeting the requirements for either the Preservation Category or the PSH Category. Please see the USDA RD Multifamily tool for areas delineated as "Rural", which will not be eligible in the Urban category.

4. OPEN CATEGORY (RURAL)

Allocated to projects located in “Rural” areas not meeting the requirements for either the Preservation Category or the PSH Category. Please see the USDA RD Multifamily tool for areas delineated as “Rural.”

D. OPTIONAL CATEGORY

1. STRATEGIC INVESTMENT CATEGORY

Projects applying in any of the four Primary Categories above can also apply in this Strategic Investment Category by submitting the documentation necessary to satisfy the requirements outlined in Exhibit III attached hereto. Projects funded under this Strategic Investment Category will not be subject to the standard Scoring Criteria and will be evaluated based on Exhibit III and the applicable threshold requirements. If MSHDA determines that not all of the LIHTC under this Strategic Investment Category will be used, the credit will be moved to the “Undesignated Credit” below. Projects that apply under the Strategic Investment Category and one of the Primary Categories will be first considered for funding from the Primary Category it qualifies under. LIHTC staff have sole discretion to determine if a development receives an award from the Strategic Investment Category.

E. UNDESIGNATED CREDIT

The Undesignated Credit consists of LIHTCs not awarded in other Categories in the April 2026 and April 2027 funding rounds. MSHDA will make awards in the following order:

a. MSHDA will use its discretion to place projects awarded from the Categories above (including the Strategic Investment Category) into the Statutory Set-Asides below, with the only goal being to fill the Statutory Set-Asides from the projects awarded. If a project qualifies for more than one Statutory Set-Aside, MSHDA will count that project towards the Statutory Set-Aside that best furthers the goal of filling all the Statutory Set-Asides. If any Statutory Set-Asides remain unmet after awards have been made from the Categories above, Undesignated Credit will be used to fill the remaining Statutory Set-Aside(s). If the amount remaining in Undesignated Credit is insufficient to fully fund all the Set-Asides, MSHDA will pull credit forward from future years in order to have enough credit to fully fund the Statutory Set-Asides. Following the conclusion of the funding round, MSHDA will post a list of awards, which will include an indication regarding which Statutory Set-Aside each project was awarded from.

Projects may count towards both a Statutory Set-Aside and non-Statutory Set-Aside. A project may not count towards two Statutory Set-Asides.

b. The highest scoring applications (excluding points for PSH in Section E. of the Scoring Criteria).

PSH projects awarded from the Undesignated Credit will not be eligible to reduce the number of PSH units or make changes which would reduce the points awarded under the PSH section of the scoring criteria.

F. SET-ASIDES

To the extent any Set-Asides have not been met through awards already made, MSHDA will use Undesignated Credit to fulfill the set-asides in the April 2026 and April 2027 funding rounds.

Statutory Set-Asides:

- **Nonprofits, 10%** - Qualified nonprofit organizations as required by Section 42 of the IRC and that meet the requirements outlined in Addendum I.
- **Rural Housing, 10%** - Proposed or existing housing projects that fall into one or more of the following categories: a) financed by a loan guaranteed by Rural Housing Services or a successor agency; b) funded by a federal program for the development of rural housing; or c) is located in a USDA RD Multifamily Housing eligibility area.
- **Elderly, 10%** - Projects in which 100% of the units serve tenants that conform to the federal agency(s) definition of elderly or the MSHDA definition of elderly under the MSHDA Act.
- **Eligible Distressed Areas, 30%** - Housing projects in eligible distressed areas, which include proposed or existing housing projects in distressed areas pursuant to MCL 125.1411(u). A list of Eligible Distressed Areas can be found on MSHDA's website at Eligible Distressed Areas List.

Non-Statutory Set-Asides:

- **Emerging Developers, 10% of LIHTC –** Designated for projects that meet the Emerging Developer requirements as noted in Exhibit III – Strategic Investment Category Requirements.
- **Tribal Housing – To Be Determined –** Designated for projects that meet the following requirements:
    a. The proposed project is developed by a federally recognized tribe, a tribally designated housing entity (TDHE), or other tribally owned entity. The Tribe or tribally owned entity must be a general partner or managing member of *the LIHTC applicant/owner* and must have at least 75% ownership.
    b. Tribal funds are being leveraged within the proposed project to help finance the development costs and/or provide an ongoing tenant subsidy. "Tribal funds" shall include any and all tribal monies contributed to the project; including, but not limited to, equity, vouchers, NAHASDA funds, loans, and grants.
    c. The development must be on lands held by the tribe, TDHE, or tribally-owned entity in fee or restricted fee; or lands held in trust by the United States of America for the benefit of the tribe.
    d. The development has a targeted marketing strategy for households with at least one tribal member or descendent. In this marketing strategy, the LIHTC Applicant/Owner should include contact information for the tribally designated housing entity or tribal entity responsible for making tenant referrals to the development, methods for marketing, the marketing budget, and sample brochures, flyers, mailers, and other outreach activities.
    e. Project must prove annually that the project complies with the set-aside.

  Native American Housing projects will be subject to the credit caps outlined in the appropriate category, as detailed in the QAP.

With the exception of the nonprofit set-aside, if the LIHTC allocated falls below the set-aside threshold by October 1 of the year in which that credit amount is authorized, MSHDA may reapportion unallocated LIHTC amounts thereafter.

G. LIHTC ALLOCATION LIMITS

1. Maximum award per project:

    a. Open Urban and PSH projects located in Urban areas $1,650,000

    b. All others $1,500,000

2. Maximum award per Principal (annual credit ceiling): $3,300,000

    LIHTCs in projects with co-developers will count against the per-Principal limit based upon the percentage of interest in the developer fee, including any costs or other fees that would typically be included in and paid from the developer fee as described in Section X below. For example, if co-developers retain a fifty percent (50%) interest each in the developer fee, fifty percent (50%) of the tax credits will be counted against each of the developer's per-Principal caps. Parties that have an identity of interest may be treated as a single developer (or Principal) for purposes of the cap if MSHDA concludes, based on the relevant facts and circumstances, that the submission of an application by one or more of the applicants is intended, in whole or in part, as a means of circumventing the annual credit ceiling per-Principal cap.

    Developers that receive credits as an Emerging Developer project may increase their developer fee cap by $300,000 for each Emerging Developer project awarded to them in the credit year.

    If a Principal has not exceeded its annual maximum award, and there is enough credit under the per Principal award limits to fund 90% of the proposed project, then MSHDA, in its discretion, may consider 1) fully funding that project; 2) awarding an amount less than the amount requested, but that still makes the project feasible; or 3) awarding only the remaining 90% if it is enough credit to make the project financially viable.

    For this purpose, a Principal is defined as any person or entity receiving a portion of the developer fee, which shall also be reflected in the Development Team Information portion of the Low-Income Housing Tax Credit Program Application.

3. If the credit remaining in a Category that is allotted for a specific funding round is sufficient to fund 90% of the credit amount approved for the next highest scoring project in the corresponding Category, MSHDA may 1) consider fully funding that project; or 2) award an amount less than the amount requested, but that still makes the project feasible; or 3) award only the remaining amount of credit to a project if it is shown to be financially viable. Otherwise, MSHDA will either skip the project to fund the next highest scoring project that is financially viable with lesser credit or move the balance of the credit to the Undesignated Credit or the following funding round as

applicable, at its sole discretion. In order to fully fund a project, MSHDA may pull LIHTC from the Undesignated Credit or from the amount designated for that specific Category in the April funding round.

H. WAIVER REQUESTS

Applicants seeking a waiver of any QAP provisions (other than alternative underwriting standards) as part of an application for a competitive funding round must submit their request in writing no later than the due date(s) noted in the table in Section V.A. Requests for the use of alternative underwriting standards may be made as part of a funding round submission. Waivers requested after that deadline will be processed as capacity allows.

VI. LIHTC FUNDING ROUND TIMING

MSHDA will hold two funding rounds for 2026 and 2027 as outlined below and make awards to the highest scoring applications in each of the main Categories regardless of the Statutory Set-Aside(s). Any LIHTC not awarded in any of the Categories from the October Funding Round will be moved to the April Funding Round for the same credit year. Percentages below are based on the estimated annual LIHTC ceiling less the amount of Disaster Credits.

A. FUNDING ROUND #1: OCTOBER 2025 (APPRX 43% OF ANNUAL CREDIT CEILING)

- Preservation Category – 10%
- Permanent Supportive Housing Category – 10.5%
- Open Urban – 14%
- Open Rural – 8%

B. FUNDING ROUND #2: APRIL 2026 (APPRX 42% OF ANNUAL CREDIT CEILING)

- Permanent Supportive Housing Category – 10.5%
- Open Urban – 14%
- Open Rural – 8%
- Undesignated – 10%

C. FUNDING ROUND #2: OCTOBER 2026 (APPRX 43% OF ANNUAL CREDIT CEILING)

- Preservation Category – 10%
- Permanent Supportive Housing Category – 10.5%
- Open Urban – 14%
- Open Rural – 8%

D. FUNDING ROUND #3: APRIL 2027 (APPRX 42% OF ANNUAL CREDIT CEILING)

- Permanent Supportive Housing Category – 10.5%
- Open Urban – 14%
- Open Rural – 8%
- Undesignated – 10%

E. STRATEGIC INVESTMENT CATEGORY - 15%

The Strategic Investment Category may be used to fund qualifying developments from any competitive funding round at any time at MSHDA's discretion. If MSHDA determines that not all of the credit under this Strategic Investment Category will be used, the credit will be moved to the Undesignated Credit in the April Funding Round of the corresponding year.

VII. ELIGIBILITY REQUIREMENTS

Certain threshold requirements must be met for all projects, unless otherwise stated in any Addenda or Policy Bulletins, or waived. Proposals not meeting threshold requirements will not be processed further.

A. GENERAL THRESHOLD REQUIREMENTS

The following Threshold requirements, described in greater detail in Exhibit I attached hereto, will apply to all projects:

1. Application Completeness
2. Project Narrative
3. Site Control
4. Zoning
5. Utilities
6. Market Study
7. Environmental
8. Title Insurance Commitment
9. Financing
10. Acquisition Transfer
11. Equity Investor Letter
12. Green Policy
13. Development Team Capacity
14. Affirmative Fair Housing Marketing Plan
15. Ownership Formation
16. Waiver of Qualified Contract
17. Vouchers and Public Housing
18. MSHDA Financing Signage
19. Minimum Hard Construction Costs
20. Maximum Total Development Cost Per Unit Limit

21. Trade Payment Breakdown
22. Michigan Products
23. Phased Developments in the Same Building
24. Type C Units
25. Development Team Demographic Forms

B. THRESHOLD REQUIREMENTS – PRESERVATION PROJECTS

'Preservation' applies to rental properties, which are currently subject to a low-income use restriction. Adaptive reuse projects, entirely vacant residential buildings, and Permanent Supportive Housing projects will be ineligible to apply under the Preservation category. Only Preservation projects that meet this definition and the threshold requirements outlined in Exhibit II attached hereto, in addition to the General Threshold Requirements may receive points for Preservation and apply under the Preservation Category.

VIII. SELECTION CRITERIA

MSHDA will evaluate applications for LIHTC in accordance with the requirements of federal and state law and the QAP Scoring Criteria (including any related Policy Bulletins and Addenda) and make awards based on the Scoring Criteria. Under no circumstances will any application scoring process give rise to an entitlement or legal right to an allocation of LIHTCs. The allocation of LIHTCs shall be entirely at the discretion of MSHDA.

A. HOUSING IN AREAS OF OPPORTUNITY & OTHER NOTES

Many of the policies in the QAP are designed to further the goals and mission of MSHDA.

The following are key criteria:

1) Job Growth Opportunities: Creating affordable housing around new Job Centers
2) Community Supported Initiatives: Alignment with local housing policy
3) Tribal Housing: Alignment of Tribal Housing policies with Tribal Housing needs

Additionally, on March 7, 2013, the Violence Against Women Reauthorization Act (VAWA) of 2013 was signed into law and on September 12, 2024, HUD, U.S. Department of Agriculture, U.S. Department of the Treasury, U.S. Department of Veterans Affairs, and U.S. Department of Justice issued an Interagency Statement on VAWA's Housing Provisions affirming the housing rights of survivors of domestic violence, dating violence, sexual assault, and stalking as well as others under the Violence Against Women Act (VAWA). The Statement outlines the housing programs included in VAWA's housing title, as well as potential scenarios that highlight the need for VAWA's housing protections, the VAWA housing rights of survivors and others, agency obligations to implement VAWA's housing title, and certain agency authorities to enforce these provisions. The Authority is committed to working closely with property owners to ensure onsite compliance and enforcement when necessary.

B. TIEBREAKERS

If two projects have identical scores, MSHDA will select between them in order of: highest total score under the Permanent Supportive Housing Developments section score for those projects in the Permanent Supportive Housing Category, lowest actual amount of credit per 9% LIHTC unit; highest total score under the Opportunity Criteria of the Scoring Criteria; lowest average targeted area median income level in the project. If an additional tiebreaker is necessary, the decision will be made at the discretion of MSHDA staff.

C. RE-EVALUATION PROCESS

Within seven days of MSHDA posting a list of awards to its website, an applicant may ask MSHDA in writing to re-evaluate a specific portion of an application. For purposes of this re-evaluation, MSHDA will not consider any additional documentation that was not provided with the application but may consider information intended to clarify portions of the application. MSHDA, in its sole discretion, will determine whether or not the re-evaluation warrants a LIHTC award.

IX. UNDERWRITING STANDARDS & APPLICATION OF BASIS BOOST

MSHDA's determination of the LIHTC amount and underwriting does not constitute a representation or warranty as to a project's feasibility or viability. See Exhibit IV attached hereto for further information on underwriting process and standards.

A. APPLICATION OF BASIS BOOST

Properties meeting any of the criteria found in Exhibit V attached hereto are eligible for a basis boost up to the percentages listed therein, although they are still subject to the usual evaluation of minimum credits needed to achieve feasibility.

X. FEE LIMITS

A. DEVELOPER FEES

The total amount of any developer fees, developer guaranty fees, and consulting fees (excluding fees to a third party, non-related construction manager included and paid from the construction contract), will be no more than the maximum developer fee allowed as outlined below.

1. DEVELOPER FEE - TAX-EXEMPT BOND FINANCED PROJECTS

For projects financed with tax-exempt bonds eligible for 4% credit, the maximum developer fee shall be calculated as follows:

a. For projects of 49 units or fewer, the developer fee will be the sum of the following:

i. 7.5% of acquisition costs

ii. 7.5% of project reserves

iii. 20% of all other development costs, excluding developer fee, developer overhead, and developer consulting fee.

b. For projects of 50 units or more, the developer fee will be the sum of the following:

i. 7.5% of acquisition costs

ii. 7.5% of project reserves

iii. 15% of all other development costs, excluding developer fee, developer overhead, and developer consulting fee.

NOTE FOR TAX-EXEMPT BOND FINANCED PROJECTS: for purposes of sizing the amount of gap financing that the project is eligible to receive, the maximum developer fee will be based on the lesser of the applicable calculation outlined above or $2,100,000.

2. DEVELOPER FEE – 9% LIHTC PROJECTS

For 9% LIHTC projects that do not have an Emerging Developer partnership, the maximum developer fee shall be the lesser of $1,8000,000 or the sum of the following:

i. 7.5% of acquisition costs,

ii. 7.5% of project reserves,

iii. 15% of all other development costs, excluding developer fee, developer overhead, and developer consulting fee.

9% projects that are funded with an Emerging Developer partnership will be limited to the lesser of $2,100,000 or the amount calculated using the method above plus $300,000.

3. DEVELOPER FEE – OTHER LIMITATIONS

The following limitations also apply:

a. If either a new building or physical structure is split into two or more phases, or an existing project, building, or physical structure is split into two or more phases, the aggregate 9% LIHTC developer fee for all phases shall not exceed the limitations stated above. This also applies if the project is funded in different funding rounds.
b. For projects involving both acquisition and rehabilitation credits, an amount of the developer fee equal to at least 5% of the acquisition cost of the land and building(s) must be allocated to the acquisition basis for purposes of attribution to the developer fee. MSHDA will review other approaches on a case-by-case basis.

c. Up to 50% of the total developer fee can be deferred to cover a gap in funding sources. If the application proforma indicates that cash flow is insufficient to repay the deferred developer fee within 15 years, the Applicant must provide an explanation in the narrative as to how the deferred developer fee will be repaid.

B. CONSTRUCTION CONTRACT ITEMS

- General Requirements - 6% of construction costs, exclusive of builder profit, builder overhead and general requirements.
- Builder Overhead - 2% of construction costs, exclusive of builder profit and builder overhead.
- Builder Profit - 6% of construction costs, exclusive of builder profit.

C. CONSTRUCTION MANAGEMENT

Payments to a construction manager or a consultant serving a similar capacity (as determined by MSHDA) included in the construction contract are subject to the General Requirements, Builder Overhead, and Builder Profit fee limits. Otherwise, such amounts are part of the developer fee. MSHDA will deduct excess fees from total development costs when performing the gap calculation.

D. IDENTITY OF INTEREST FEES

If an identity of interest exists between the Applicant and the General Contractor, any incentive fees are included in the limitations above. A general contractor may be entitled to additional overhead and profit when acting as a subcontractor as long as the amounts are within industry standards (as determined by MSHDA). The general contractor's overhead, profit, and general requirements included as allowable project costs are limited to the percentages noted above.

XI. FIRST EVALUATION AND AWARD OF RESERVATIONS

Applications will only be evaluated if MSHDA determines that the application is in a position to be competitive for an award of credit.

Following a LIHTC award, project owners must move forward with closing on financing sources and commencement of construction in a timely manner. Owners must submit progress reports to MSHDA quarterly. Failure to submit accurate progress reports on a timely basis may result in negative points on future applications or a loss of the award.

XII. SECOND EVALUATION

All projects receiving an allocation of 9% LIHTC must provide evidence, acceptable to MSHDA and in accordance with any applicable federal regulations, from a Certified Public Accountant that the taxpayer has incurred 10% of the project's reasonably anticipated basis within 12 months of the allocation date. MSHDA will also conduct a financial review according to the procedures described in Exhibit IV.

In conjunction with meeting the 10% test, 9% projects owners must submit the items in the 10% Certification Exhibit Checklist. Failure to provide such documentation may result in the allocation being rescinded.

All projects receiving an allocation of 4% LIHTC must submit the items in the Commitment Exhibit Checklist with the exception of the Independent Accountant's Report. MSHDA will also conduct a financial review according to the procedures described in Exhibit IV. Failure to provide such documentation may result in the allocation being rescinded.

XIII. FINAL EVALUATION

MSHDA will further evaluate the project prior to the issuance of IRS Form 8609. Owners must request a LIHTC Regulatory Agreement no later than November 1st of the year a project is placed in service.

Owners also must submit acceptable evidence of the items listed on the LIHTC Placed in Service Exhibit Checklist the year after the project is placed in service.

XIV. HOUSING CHOICE VOUCHERS

This QAP awards LIHTC through a competitive process that can also serve as a form of competitive selection for purposes of applications for project-based vouchers and other forms of assistance. MSHDA will continue to make project-based vouchers available on a case-by-case basis to projects that agree to set-aside at least five PSH units.

XV. PROJECT OR DEVELOPMENT TEAM CHANGES

Owners will not be allowed to make changes to a project that would result in a change to any of the specific items for which points were awarded, unless extraordinary and well-documented circumstances would warrant it. Any such changes to a project that require a re-scoring or re-evaluation which causes the project's position to fall below its original position may cause the allocation of LIHTC to be rescinded or an assessment of negative points on future applications.

Additionally, Reservations, and/or Carryover Allocations are non-transferable either to another entity or within the same entity where there is a change in control or general partner interests, except with the express written consent of MSHDA, it being the explicit intention of the QAP to prevent one party from obtaining such a Reservation and/or Carryover Allocation in order to sell or broker its interest in the proposal (except for syndication purposes). Because all representations made with respect to the owner, applicant, developer or related party or entity, or any member of the development team, their experience and previous participation are material to the evaluation made by MSHDA, it is not expected that MSHDA's consent will be granted for such transfers unless a new application is submitted and scores no less than the original application, and the transfer is a benefit for the project.

XVI. EXCHANGE OF CREDIT

MSHDA may allow an owner to return an allocation and may issue a Carryover Allocation without competing. MSHDA will evaluate such requests as a facts and circumstances test. Projects that receive an award of 2026 or 2027 credit will be charged a fee equal to 5% of the annual LIHTC award. Projects originally funded with 2026 or 2027 credit will be charged a fee equal to 10% of the annual LIHTC award for a second exchange. Exchanges must be requested not later than November 1 of the current year.

XVII. FEES

All applications must be accompanied by a check or money order in an amount equal to $45 for each proposed low-income unit, with a $2,500 maximum limit. This fee is non-refundable and must be paid in each funding round in which a project is seeking to be scored and/or evaluated. A fee of $100 will be assessed each time a check is returned to MSHDA for non-sufficient funds.

For any project that receives an award, MSHDA will charge a fee equal to 7% of the annual LIHTC dollar amount reserved for a project. Owners will pay a sum equal to 3% of the annual LIHTC dollar amount at the time of Reservation. The remaining 4% shall be paid at the time of the 10% Certification.

In addition to the fees listed above, MSHDA may establish such other fees as may be necessary to effectively administer the program. Such fees may include, but are not limited to, charges to process waiver requests, changes in ownership, and site visits. MSHDA shall publish a schedule of such fees 60 days prior to implementation (see Fee Schedule Policy Bulletin).

All units must pay the sum of $525 per low-income unit. Such amount will cover the initial 15-year compliance monitoring period and is payable prior to the issuance of Form 8609. Also, a fee of $25 per LIHTC unit will be charged annually during the extended use period.

MSHDA will assess a fee on a sliding scale basis if an owner fails to have a representative present for a scheduled tenant file audit and/or physical inspection which results in the inability to conduct the file audit and/or physical inspection (see Fee Schedule Policy Bulletin).

MSHDA will assess a fee of $50 per unit for significant and repeated noncompliance issues.

Failure to submit any compliance or inspection fee is deemed non-compliance.

Compliance monitoring fees are subject to change based on changes in costs associated with administration of the compliance monitoring function by MSHDA and other changes in MSHDA and/or IRS mandated monitoring requirements.

XVIII. COMPLIANCE MONITORING

Owners receiving an allocation of LIHTC shall be required to meet minimum compliance requirements and to follow the requirements outlined in MSHDA's LIHTC Compliance Manual, which is available on MSHDA's website. Please see Exhibit VI attached hereto for further compliance monitoring requirements.

XIX. COMBINED APPLICATION, POLICY BULLETINS AND ADDENDA

Additional program requirements are set forth in the Policy Bulletins, MSHDA's Combined Application, and the applicable Addenda. These requirements are applicable to all projects applying for Low Income Housing Tax Credits. MSHDA may modify these at its discretion following notice to the public.

XX. ACCESS, ACCOMMODATIONS, TRANSLATION, OR OTHER SERVICES

Michigan State Housing Development Authority is committed to providing meaningful access. For accommodations, translation, interpretation, or other services, please contact MSHDA's Low Income Housing Tax Credit Department at 517-335-9802 or MSHDA-RD@michigan.gov or MSHDA's Legal Department at MSHDA-ADA@michigan.gov.

This document can be published in English, Spanish, and Arabic and any other language/dialect based on local community needs. Please contact MSHDA's Low Income Housing Tax Credit Department at 517-335-9802 or MSHDA-RD@michigan.gov for more information or access to those translations. Requests for translation must be made at least two weeks before the application deadlines and are subject to availability.

EXHIBIT I – GENERAL THRESHOLD REQUIREMENTS

I. APPLICATION COMPLETENESS

Submission of a complete and consistent application includes, but is not limited to, a fully completed LIHTC Excel Application following application instructions, the required application fee, the scoring criteria, and all applicable exhibits. MSHDA will reject applications with multiple material errors in documentation, incomplete information, and/or general inconsistencies. Decisions under this threshold requirement are intentionally made on a subjective basis and are entirely under MSHDA's discretion.

II. PROJECT NARRATIVE AND MAP

A narrative description which includes, at a minimum, the type of project; location; prior LIHTC status, if any; type(s) of financing; tenants served; bedroom mix; local, state, federal, or tribal subsidies; number of jobs created, including an explanation/analysis for how this number was determined; tenant relocation strategy and budget; and any other relevant descriptive information.

The narrative should include a section that explains and demonstrates how the development meets the community needs and falls in line with the MSHDA Statewide Housing Plan and the Regional Housing Partnership plans. This may be a bulleted list highlighting those aspects.

A map and site plan clearly detailing the proposed project site must be included with the narrative.

III. SITE CONTROL

Evidence of site control by the Applicant: an exclusive option to purchase, land contract, offer to purchase, purchase agreement, long-term lease, or other appropriate documentation. The control must be in effect for 120 days from the application due date, with the ability to provide additional extensions as necessary to accommodate application processing timelines. If site control is vested in an entity other than the anticipated owner, the control must be unilaterally assignable to the proposed owner. Site control documents must clearly identify the physical location of the property (i.e. property address, full legal description or plat map identifying street names) and be consistent with the rest of the development information provided in the application including the title insurance commitment. If the site control documentation does not clearly identify a detailed breakdown of the components of the purchase price to be paid to the seller, the applicant must provide a written narrative.

IV. ZONING

Evidence dated within one year from the local governing body of the property's current zoning designation and what, if any, steps are in process to obtain proper zoning for the proposed development if it is not already properly zoned.

V. UTILITIES

Evidence dated within one year of the funding round deadline from the local governing body and/or utility companies regarding the availability of all utilities and confirming they will have the capacity to serve the property – electricity, gas, water, sewer, and high speed internet.

This will include conformation from the applicant and architect that:

1. all units will be equipped with high-speed internet capability, either by connecting each unit to a separate data network using Category 5e wiring, by installing a wireless Local Area Network (LAN) server and providing each unit with at least one wireless LAN card, or by installation of cable service to the project and to each unit, and
2. The project will have an active internet connection between the project and a local internet service provider.

Additionally, all New Construction, Adaptive Reuse, and Substantial (Gut) Rehab projects located in Urban areas will be required to incorporate the following requirements in order to accommodate future EV charging stations.

- A conduit system installed between the building electrical service panel to the EV-Ready parking spaces. The conduit system is required to be sufficient to support electrical wiring associated with the future installation of Electric Vehicle Charging Stations that will serve Future EV parking spaces.
- The project's electrical system is required to be designed to accommodate the future electrical loads and electrical equipment associated with providing a minimum Level 2 charge capability to the required number of spaces.
- The building's electrical panel must be sized to accommodate the future overcurrent devices needed for the EV-Ready system or space for an additional panel may be reserved to accommodate such devices.
- Conduit, electrical panel slots, and floor/wall space reserved for future EV system components are required to be durably labeled: "For Future EV Charging Stations."
- The EV infrastructure installed must be sized sufficiently to accommodate Level 2 charging stations equal to at least 5% of the total units in the building. For scattered site projects, the infrastructure must be evenly distributed between sites.

VI. MARKET STUDY

A market study completed in accordance with MSHDA's guidelines (see Tab C of MSHDA's Combined Application) that indicates the housing needs of low-income individuals in the area to be served. A completed market study must be submitted with the application and dated within ten months of the application deadline. Applications must submit an executed statement attesting that the market study is materially consistent with the project information presented in the LIHTC submission.

VII. ENVIRONMENTAL

Submission of environmental studies (i.e. current ASTM Phase I Environmental Site Assessment ("ESA") report) in accordance with the current MSHDA Environmental Review Standards (see Tab D of MSHDA's Combined Application) are required at time of application. Projects may be rejected if the environmental review and/or supporting documentation do not meet MSHDA's standards or if MSHDA determines additional testing or modifications are necessary. Phase I ESA reports must be dated within the 180-day ASTM validity period. See current revision of the MSHDA Environmental Review Requirements for complete details.

VIII. TITLE INSURANCE COMMITMENT

Submission of a title insurance commitment, dated within six months of the funding round deadline meeting the following requirements:

- the name of the individual(s) or entity that owns the property matches the site control documents,
- the entity to be insured is correct,
- all parcels match the application,
- there is a signature of the authorized title insurance company agent or employee,
- indicates the availability of a title insurance underwriter, and
- is otherwise complete and without defect.

For projects located on federally recognized American Indian reservations, MSHDA may accept an attorney's opinion letter describing chain of title and land control or a Title Status Report.

For proposed projects that contain multiple sites, applicants must submit the Property Identification form found in the LIHTC Application to accompany the title insurance documentation. The documentation must be organized in the same order as shown on this form.

IX. FINANCING

Applicants must not plan on using solely LIHTC equity financing. MSHDA may determine an application is ineligible due to not appropriately leveraging available sources of financing or require the applicant to secure additional sources.

All applicants must submit evidence of a commitment(s) from mortgage lender(s) stating the amount of the loan, terms, interest rate, and guarantors for all sources of financing. In the case of a USDA RD project, an original letter signed by an authorized official. In the case of Federal Historic tax credit, documentation indicating that Part I of the required application has been made. The financing documents must be dated within six months of the funding round deadline.

MSHDA will accept LIHTC applications that are proposing to apply for funding sources that are only available as part of a funding round held by another entity. If, at the time LIHTC awards are made, MSHDA is unable to determine that there is a strong likelihood of funding availability, it may disregard the funding source, which may result in disqualification. Applications submitted listing other competitive funding should also identify a contingency plan which may include deferring developer fee if the deferral is within the applicable limits. Projects that do not clearly outline the contingency plan will not be eligible for an award of credit.

X. ACQUISITION TRANSFER

For acquisition/rehabilitation involving properties currently regulated by another government body (including HUD, USDA RD, DI-BIA, or MSHDA), statement from the Applicant of the requirements for such approval and how the Applicant intends to meet them consistent with the LIHTC timetables.

XI. EQUITY INVESTOR LETTER

A letter from the proposed syndicator or investor that includes all of the following:

- The amount, price, and terms of the investment.
- If the project has a joint venture agreement or partnership or is relying upon the equity provider review to demonstrate financial capacity as per LIHTC Policy Bulletin #7, the equity letter must also include certification that investor has conducted financial review of development team, including identification of which entities and/or individuals will be providing guarantees.

The equity documents must be dated within one month of the funding round deadline. MSHDA reserves the right to request additional information from any project in order to further verify equity pricing and terms.

XII. ENERGY EFFICIENT BUILDINGS POLICY

All projects must incorporate one of the available third-party standards in the Energy Efficient Buildings Policy (Tab M of the Combined Application).

XIII. DEVELOPMENT TEAM CAPACITY

Each application must include information regarding the entire Development Team including any of the following (without limitation): (i) the Applicant entity, (ii) the proposed owner, (iii) principal(s) of the owner(s) or Applicant(s), (iv) the developer(s), (v) the general contractor, (vi) the property management company(ies), (vii) any third party development consultant(s), (viii) architect, and (ix) any related party(ies) or entity(ies) in the seller of any land or property. For this purpose, a party or entity is related if one party or entity directly or indirectly has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

The Development Team must demonstrate professional and financial capacity to plan, build, market, and operate the proposed development. MSHDA will measure the quality and quantity of previous development(s); design, construction, and property management efforts; and affirmative fair housing marketing records. Each team member must demonstrate satisfactory prior experience on projects of similar scale and complexity; have satisfactory professional references; and devote sufficient staffing and resources, including financial resources, to complete the proposed development. MSHDA will evaluate the Development Team's capacity based on the following:

- A certification regarding their previous experience in the development and ownership of affordable housing, which includes at a minimum a list of all affordable housing developments the Development Team has participated in during the three (3) years preceding the application, and a statement concerning any felony criminal convictions, indictments, and pending criminal investigations of all Development Team members, and details of each circumstance, unless otherwise prohibited by court order, statute or regulation.
- The Applicant's and contractor's financial statements that meet the requirements of **MSHDA Policy Bulletin #7** and demonstrates adequate professional and financial capacity.

MSHDA may require a written plan outlining how deficiencies in experience and financial capacity will be rectified.

MSHDA will disqualify any member of the Development Team that has failed to pay any fee or expense due to MSHDA, been in default or in major non-compliance with LIHTC or any other MSHDA program, been debarred or suspended from any MSHDA, HUD, or Rural Housing programs, is in foreclosure or been foreclosed, or is under felony investigation, indicted or been convicted of a felony until the event or events are corrected or resolved. MSHDA may contact other local, state, and/or federal housing agencies to solicit feedback related to a specific development team member.

MSHDA has the sole and absolute discretion to determine those parties ineligible for LIHTC due to lack of capacity, non-compliance, or disqualification status.

XIV. AFFIRMATIVE FAIR HOUSING MARKETING PLAN

Submission of an Affirmative Fair Housing Marketing Plan consistent with MSHDA requirements (see Tab P of MSHDA's Combined Application).

XV. OWNERSHIP FORMATION DOCUMENT

Copy of the most recent version of the certificate of Limited Dividend Housing Association limited partnership or limited liability company and any amendments on file with the Department of Licensing and Regulatory Affairs, Corporations Division, which accurately reflects the entities involved in the project ownership shown in the application. Out-of-state entities must submit a copy of an endorsed application for certificate of authority to transact business or conduct affairs in Michigan, along with the supporting documentation submitted with the application. In addition, a certificate of good standing should be dated within six months should also be included.

There are a few specific types of projects that do not require a Limited Dividend Housing Association. If you believe your project is one such type, contact MSHDA staff for a waiver ahead of the funding round.

XVI. WAIVER OF QUALIFIED CONTRACT

By submitting an application for LIHTCs, all Applicants waive the right to request a qualified contract under Section 42(h)(6)(E)(i) of the Internal Revenue Code. Thus, MSHDA's required extended use commitment shall not terminate at the end of the compliance period but is instead a minimum of 30 years.

XVII. VOUCHERS AND PUBLIC HOUSING

A written statement signed by the Applicant and local Public Housing Commission, Public Housing Authority, and/or tribally designated housing entity stating it will:

- give priority to persons whose names are on appropriate Public Housing, Housing Choice Voucher, or Tribal Housing waiting lists maintained by a Public Housing Commission (PHC), Public Housing Authority (PHA) or tribally designated housing entity (TDHE) in the area in which the project is located, and

- partner with the PHC, the PHA, and/or TDHE to take referrals to the project and market the relevant project information on any listing the PHC or PHA makes available to persons on their waiting lists. This should be documented in the form of a Memorandum of Understanding between the development entity and the PHC, PHA, and/or TDHE.

Owners must keep a copy of the written statement and documentation of ongoing efforts as evidenced by a referral agreement or other appropriate memorandum of commitment on file at the development's office and be available for compliance inspection and review at all times.

XVIII. MSHDA FINANCING SIGNAGE

A certification that if the Applicant is awarded LIHTC it shall post signage at the project construction site listing MSHDA as a financing source.

XIX. MINIMUM HARD CONSTRUCTION COSTS

All applications for 9% credit must indicate a need for at least $25,000 per unit in hard rehab or construction costs (including both building and site costs, but excluding allowable amounts for General Requirements, Builder Overhead, Builder Profit, contingencies, etc.) and must include this amount in the construction budget. Projects seeking 4% credit to be used in conjunction with tax-exempt bond financing will only need to meet the minimum requirements found in Section 42 of the Internal Revenue Code.

XX. MAXIMUM TOTAL DEVELOPMENT COST PER UNIT LIMIT

All projects will be subject to a maximum Total Development Cost per unit that cannot be exceeded. The Maximum Total Development Cost per unit limit is determined by multiplying the average of the Construction Cost Index for the most recent year available, as published by Engineering News-Record, by a conversion factor. For Open Urban, PSH or adaptive reuse projects in Urban areas, that factor is 36. For all other projects, that factor is 33. Applicants seeking more information or clarification on this calculation are encouraged to view the Cost Reasonableness with Credit Efficiency section of the Scoring Criteria where projects will be evaluated to determine whether they meet this test based on the information entered in the form.

XXI. TRADE PAYMENT BREAKDOWN

All projects will be required to submit a Trade Payment Breakdown signed by the General Contractor that is listed in the application. Please see Tab AA in the Combined Application. This form should be signed by the Owner and General Contractor and dated within one month of the funding round deadline.

XXII. MICHIGAN PRODUCTS

All projects must demonstrate the use of products and goods that are manufactured in and by Michigan-based corporations and incorporate them into the proposed development. This inclusion of Michigan products should be substantial and meaningful to the development. (Submit certification from architect, See Addendum I)

XXIII. PHASED PROJECTS

Developments proposing multiple 9% LIHTC phases and/or a twinned 4% phase within the same building must present a plan for financing in the event that only one of the phases is funded. The plan must avoid the situation where 9% LIHTC are allocated to a phase of a building that cannot begin construction until funding is secured on the other phase(s). Otherwise, each phase will only be eligible for 9% LIHTC only if all phases are in a position to be awarded. The plan cannot depend on any phases receiving a 9% LIHTC award or 4% funds in future competitive funding rounds.

When multiple phases of a development are submitted in the same round, the scoring and tiebreaker rules will apply when determining the funding order of the phases, if applicable. In events where the phases have the same score and/or tiebreakers, MSHDA reserves the right to fund the projects either in order of phase numbers and/or at MSHDA’s discretion.

XXIV. VISITABLE / FHA TYPE C UNITS

All projects must incorporate FHA Type C design features into all units with first floor living space or access to units by elevator.

Preservation projects that cannot incorporate these units should contact the LIHTC department to discuss the possibility of a waiver of this threshold.

XXV. MINIMUM UNIT SIZE

Any new construction or adaptive reuse project that is creating units smaller than 500 square feet must provde a narrative that explains how the design, layout of the units, and amenities within the project will ensure that units are marketable and functional within the project's specific market.

EXHIBIT II – PRESERVATION THRESHOLD REQUIREMENTS

I. ELIGIBLE PRESERVATION PROJECTS

Eligible Preservation projects include those with any of the following elements:

a. *Government financing* from HUD (including Section 236, Section 8, and Section 202), USDA Rural Development (including 515), MSHDA, or preservation of federally funded Tribal housing;

b. *Other below-market financing*;

c. *Rehabilitation of existing public housing* provided the project will involve rehabilitation of existing units, and not demolition and construction of new units;

d. *Rehabilitation of existing public housing* that involves the demolition and construction of an equal number of new units at the same site (these projects must choose prior to the funding round deadline to submit in one of the four main categories and will not be allowed to change their category selection. If there is any uncertainty regarding the choice made, MSHDA reserves the right to place the project in the appropriate category and/or determine it ineligible for funding consideration); or

e. Post-Year 15 LIHTCs. Projects' Year 15 must be prior to the year of the credit award in order to be eligible for consideration.

Projects must retain any federal assistance. MSHDA may approve prepayment of a HUD loan and conversion to enhanced vouchers.

II. MSHDA DIRECT LENDING GAP FINANCING PROGRAM SUBMISSION

As outlined in Section VII.B of the QAP, an applicant will not be able to submit a preservation project for 9% LIHTC unless MSHDA has determined the project is unlikely to be competitive in the Gap Financing Program.

III. PROJECT MUST BE 'AT RISK'

Projects must either:

a. be within five years of any permitted prepayment or equivalent loss of low-income use restrictions; or

b. involve the repair or replace of components that are:

   i. in immediate need of repair or replacement; or

ii. either substantially functionally obsolete or being improved to provide modifications or betterments consistent with new building code requirements and MSHDA's Design Requirements.

IV. PROPERTIES INELIGIBLE FOR PRESERVATION

Preservation projects are ineligible if they:

a. Are deteriorated to the point of requiring demolition and the replacement units are not being reconstructed on the same physical site, or

b. Have completed a full debt restructuring under the Mark to Market process within the last five (5) years.

EXHIBIT III – STRATEGIC INVESTMENT CATEGORY REQUIREMENTS

There may be extraordinary circumstances where the evaluation of an application by the standard review process outlined in the QAP does not necessarily take into consideration the contribution that a development would make to the state's overall economic and community development strategy. These situations may include, but are not limited to, applications that demonstrate transformative neighborhood revitalization, and/or unique financial funding and leveraging opportunities, and/or the opportunity to promote significant job growth in proximity to such housing, and/or projects representing a new and strategic partnership supporting an emerging developer. The Strategic Investment Category has been created to attempt to address these circumstances.

Projects that are a part of an overall development plan with multiple different components that will be transformative to the community or neighborhood in which it is located.

While a single affordable housing development can undoubtedly be a significant benefit to a community, one of the intents of the Strategic Investment Category is to be used for affordable housing developments that are a part of a larger plan that incorporates multiple different strategic components, which in total creates something very transformative for a community.

Projects representing a new and strategic housing initiative that meets a demonstrated need, an initiative which may not currently be contemplated by the QAP.

As housing policy and housing needs are constantly evolving, there are often new initiatives that are brought to the forefront, which the QAP may not yet contemplate and can be complicated to bring together in the form of an affordable housing development. In these cases, choosing a development as a pilot or test case is often an effective way to determine whether the development model is successful and for MSHDA to see how it works to determine whether it is something that makes sense to incorporate into the QAP as a specific policy on an ongoing basis.

Projects representing a new and strategic partnership, supporting an emerging developer who fills a needed role in the industry.

In order to encourage and support emerging development teams in Michigan, the Strategic Category can be used to prioritize those meaningful mentoring partnerships between experienced and emerging developers. These may be part of a larger strategic plan or may be the best examples of meaningful mentorship aimed at creating strong, knowledgeable partners.

The term Emerging Developer is used to describe a wide range of individuals or entities that are seeking to but have not yet fully established themselves as an experienced developer with the resources to independently navigate the challenges that come with developing housing throughout the state. This may include newer for-profit and nonprofit developers with a unique perspective or specific focus area, Tribes that are looking to serve specific housing needs and areas, housing commissions that want to grow their development capacity, etc. emerging developers often have a unique perspective or focus area, a connection to a local community or population, and the potential to further diversify the statewide housing development community and enhance statewide housing development capacity. However, emerging developers may lack the financial resources for pre-development costs and to overcome unexpected challenges, the human resources to manage the various components of a development, the professional relationships and connections to assemble a strong development team, the track record to easily attract investors, or the specific technical knowledge to navigate complex federal programs. Each of these areas is critical to successfully developing and operating a large housing development and without them, the likelihood of a development being successfully completed is less. On the other hand, through years of successful experience, experienced developers and other established development team members have a significant amount of capacity in these areas.

The emerging developer project submission must include a complete narrative highlighting that the proposal is the strongest example of how an experienced development team is partnering with an emerging developer to create a strong mentorship and helping to introduce and support emerging development teams. The project must also submit documents here or in applicable sections of the application that demonstrate each of the following:

i) Both GP/Members must intend to remain a part of the ownership entity for the 15-year Compliance Period, at a minimum. Members who deliberately circumvent this requirement will be subject to negative points in future funding rounds.

ii) A fully executed agreement between each of the entities must be provided, specifically calling out, at a minimum, the roles and responsibilities of each partner or entity during the development period as well as the operational period, the length of time each partner/member will remain a part of the ownership entity, the amount of developer fee each will receive, and which partners will be providing the guarantees for the equity investment and construction financing. It is anticipated that both the experienced and emerging development partners will have shared roles and responsibilities throughout the development and compliance periods. The experienced development partner should be responsible for the guarantees. Additionally, the agreement should specifically include language that allows MSHDA the right to approve any changes to the ownership entity of the project.

iii) The emerging developer must hold at least a 25% interest in the GP or Managing Member of the partnership and must earn a percentage of the paid and deferred developer fee, ongoing cash flow, and disposition proceeds at least equal to their percentage of the ownership. Partnerships that recognize a greater contribution of time and energy from the emerging developer and therefore allow the emerging developer to have a larger share of the benefits will be prioritized. The emerging developer shall not have a disproportionately larger share of deferred developer fees than their ownership interest.

iv) To be considered an experienced partner, the experienced partner must demonstrate that they have previous experience developing LIHTC developments and receive the maximum points for Previous Experience of GP/Member.

v) To be considered an emerging developer, the inexperienced partner must:

(1) provide a narrative describing their continuing goals in the housing field. This must include a description of past, current, and future goals as they relate specifically to affordable housing and community development and should explain how this entity fills a needed role in the community;

(2) be a community-based development team that is working primarily in one localized market within Michigan;

(3) not be connected to or a related entity to any development entity that would qualify for GP or management experience points;

(4) demonstrate they have limited experience and financial resources as per the following:

(a) The organization has received less than three LIHTC allocations from any LIHTC allocating agency on a project in which they were a general partner or managing member. Allocation in this section is intended to refer to an award of credit, including 9% LIHTC announcements and/or reservations. These may be in any LIHTC program (9%, 4% Direct Lending, 4% Pass-through, or others as applicable) in any state and in any year; and

(b) Be a federally recognized tribe or housing commission; or

(c) the emerging developer organization has insufficient financial capacity to independently support a development. In order to determine this, MSHDA will use the metrics outlined below as a general framework.

(i) a net worth/position of less than $3,400,000;

(ii) adjusted gross income of $1,600,000 or less, and

(iii) assets totaling $13 million or less.

vi) The partnership should be committed to continued development in their localized community, prompting local capacity and growing experienced, local teams. Partnerships that commit to continued development in their communities will be prioritized.

vii) Developments with a successful partnership that meets the requirements outlined above will be allowed to increase their total developer fee by $300,000.

Established development teams, their owners, members, and/or others that are known to the industry will not be eligible to be considered as emerging developers. This includes related party entities, consultants, general contractors, and other similar individuals or entities. Determination of emerging developer status is made at the sole discretion of MSHDA.

Projects applying in any of the four Categories outlined in the QAP can also apply in this Strategic Investment Category. MSHDA, in its sole discretion, will make the determination of which, if any, applications shall receive an award from this Category.

EXHIBIT IV – UNDERWRITING STANDARDS

I. PROJECT FEASIBILITY

MSHDA has established minimum standards for operating expenses, vacancy rates, increases in operating costs and expenses, project income, debt service coverage ratio, operating reserves, and replacement reserves. Requests for use of alternative standards other than those established by MSHDA must be supported by written explanation and appropriate documentation. For developments seeking only competitively allocated 9% credits without financing from MSHDA, applicants may request waivers from these standards based on the submission of written documentation with their application indicating that the alternative underwriting standards have been reviewed and approved in advance by both the debt and equity providers for the project. An application will be ineligible if MSHDA determines that the project is not financially feasible.

MSHDA will review a project's feasibility at three different stages: 1) prior to making an award of credit, 2) at 10% Certification/closing, and 3) at Placed in Service. The following is a breakdown of how this provision will apply to each of the underwriting stages in the allocation process and what this provision will mean in practice:

- **Initial Application/Prior to LIHTC Award –** In order to receive an initial award of credit, the project must be financially feasible for the 15-year compliance period utilizing the underwriting standards as applied to the proforma.

- **10% Certification/One Year Review –** MSHDA will review the sources and uses of funds and the total financing planned for the project to ensure that the amount of credit being allocated to the project does not exceed the amount necessary for the project to be financially feasible during the entire initial 15-year compliance period. MSHDA will continue to monitor a project's income and expenses during this phase of the allocation process but will not hold up the issuance of Carryover documentation because of this portion of the review.

- **Placed in Service/Issuance of 8609 –** MSHDA will review the sources and uses of funds and the total financing planned for the project to ensure that the amount of credit being allocated to the project does not exceed the amount necessary for the project to be financially feasible for the 15-year compliance period. MSHDA will continue to monitor a project's income and expenses during this phase of the allocation process but will not hold up the issuance of 8609s to a project because of this portion of the review.

If project-based rental assistance ends due to events outside the owner's control, any rent and income restrictions on the property that the owner agreed to for points as part of a competitive funding round will revert to the AMI level as selected by the owner subject to the requirements of income averaging, if applicable.

The amount of LIHTC awarded will be calculated on the lesser of 1) the equity gap calculation; 2) the pricing identified in the Equity Investor Letter as applied to the statutory maximum; or 3) the amount of LIHTC requested by the Applicant. MSHDA may use an alternative equity pricing that is more indicative of current market conditions.

II. RENT INCREASES

Increases on the tenant-paid portion of rent for occupied units will be limited to no more than 5% per year for the first three years. This limitation does not apply to occupied units protected by project-based rental assistance or enhanced vouchers.

EXHIBIT V – STATE-DESIGNATED BASIS BOOST CRITERIA

Pursuant to Section IX.A., MSHDA will use the following criteria in awarding the basis boost.

For projects financed with tax-exempt bonds eligible for 4% credit, the following basis boost will be available:

1. Projects located in a QCT or DDA will be eligible for up to a 30% basis boost.

For projects eligible for 9% LIHTC, the following basis boost will be available:

Up to 30% Basis Boost:

2. Projects located in a QCT or DDA or census tracts listed on the MSHDA Census Tract list available at Tab J of the Combined Application for Rental Housing Programs.
3. Permanent Supportive Housing projects.
4. Projects restricting 25% of the total units to 30% AMI or less (in order to be eligible for the boost under this criterion, the 30% or lower AMI units must not have project based rental assistance).
5. USDA RD 515 Financed Developments.
6. Projects located in a Rural municipality, as per the USDA RD Multifamily Mapping Tool.
7. Historic Projects – Projects that are completing a certified rehabilitation of an existing certified historic property listed, either individually or as part of a district, on the National or State Historic Register; or that the State Historic Preservation Office expects to be listed on the National or State Historic Register. Project must also incorporate the use of the Historic Credit and apply for Historic points.
8. Energy Efficient Buildings - Projects that meet the requirements for points in the MSHDA Energy Efficient Buildings Policy.
9. Projects are subject to Davis-Bacon or BABA requirements.

Please note that MSHDA reserves the right to modify the State-Designated Basis Boost Policy on an as-needed basis and/or as boost options are updated by Congress. Should revision be necessary, MSHDA will post a notice on its website.

EXHIBIT VI – COMPLIANCE MONITORING & NOTIFICATION OF NONCOMPLIANCE

Owners (Applicants) receiving a LIHTC allocation shall be required to follow the requirements outlined in MSHDA's LIHTC Compliance Manual (Compliance Manual or Manual) (available on MSHDA's website).

1. OWNER RESPONSIBILITIES

Within thirty (30) days of completion of Part II of the Form 8609 and filing of the form with the Internal Revenue Service, owners must send MSHDA a completed copy. Failure to do so will count as noncompliance.

The records for the first year of the LIHTC period must be kept for six years after the due date (with extensions) for filing the federal income tax return for the last year of the compliance period (a total of 21 years). Owners must keep subsequent records on file for six years after the due date (with extensions) for filing the federal income tax return for that year. These records must include:

- The total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each unit);
- The percentage of residential rental units in the building that are low-income units;
- The rent charged and utility allowance for each residential rental unit in the building;
- The number of occupants in each low-income unit;
- The low-income unit vacancies in the building and information that shows when and to whom the next available units were rented;
- Income certifications of each low-income tenant and the documentation to support the certification;
- The eligible basis and qualified basis of the building at the end of the first year of the credit period;
- The character and use of the nonresidential portion of any building included in the project's eligible basis; and
- Documentation regarding calculation of utility allowances.

Owners must submit to MSHDA Compliance on an annual basis the following:

- An Owner Certification of Continuing Program Compliance (Owner Certification) Form certifying that for the preceding twelve-month period the project met conditions outlined in Section 42;
- The original local health, safety or building code violation reports or notices that are issued by the state or local government unit. Copies of these reports or notices must also be kept on-site at the

development for review by MSHDA during the physical inspection. These reports may be destroyed following a MSHDA inspection and the owner's notification to MSHDA that the violations have been corrected. Code violation reports must be retained for uncorrected violations.

Owners must submit to MSHDA electronically, on an on-going basis, data stating the number of qualifying units, number of bedrooms in each unit, information on each low-income tenant household (including income, rent amount, utility allowance, number of occupants, AMI % designation, etc.), and any other information as set forth on the MSHDA website and in the Manual. The tenant income and rent information must be provided in the format required by MSHDA, which includes electronic submission via a web-based reporting system.

Owners must submit to MSHDA in writing, responses to the physical inspections and tenant file audits conducted, unless no inspection or file audit noncompliance findings are identified.

Owners must notify MSHDA in writing (Notice of Change in Management form) within five (5) business days of any changes in the management of the project, including changes in the company managing the project or in the address, telephone number or email address of the management agent company and/or contact person.

Owners must notify MSHDA in writing (Notice of Change in Ownership form) within five (5) business days of any changes in the ownership of the project, including a foreclosure, deed in lieu of foreclosure, or any other sale or disposition of the project or any portion of the project and any changes in the ownership entity, including any changes in the name of the entity, address and telephone number of the entity, percent of ownership changes, and changes in the principals comprising the ownership entity.

Owners must notify MSHDA immediately in writing (Notice of Building Casualty Loss or Damage form) of any unit(s) or building(s) in the project that are anticipated to be unavailable for occupancy either permanently or temporarily for a period of time anticipated to exceed 30 calendar days due to casualty loss, damage, or any other reason.

2. MSHDA RESPONSIBILITIES

MSHDA will review the Owner Certification Forms and tenant data and income and rent reporting for compliance with program requirements.

MSHDA, or its authorized agent, will conduct a physical inspection of all buildings, common areas, and at least 20% of the low-income units in a project. MSHDA, or its authorized agent, will conduct tenant file audits consisting of a review of the low-income certification, the documentation the owner has received to support that certification, and the rent record for 20% of the low income units.

Physical inspections and tenant file audits of LIHTC projects will commence no later than the end of the second calendar year following the year the last building in the project is placed in service and will be conducted at least once every 3 years thereafter throughout the initial 15 year compliance period. MSHDA will continue to conduct physical inspections and file audits throughout the extended use period. MSHDA retains the right to perform an on-site inspection and/or file audit of any low-income building at any time or frequency during the initial compliance period and the remainder of the extended use period.

MSHDA will retain records of noncompliance or failure to certify for a minimum of six years after the filing of Form 8823. MSHDA will retain all certifications and records for not less than three years from the end of the calendar year in which they are received.

3. NOTIFICATION OF NONCOMPLIANCE

If any of the submissions required in Section I are not submitted in a timely fashion, or should there be omissions, MSHDA shall request such information from the owner. If the owner fails to provide the required documentation within the specified time period, MSHDA shall notify the Internal Revenue Service of the owner's failure to provide the required information.

Should MSHDA discover, as a result of an inspection or audit, or in any other manner, that the project is not in compliance with Section 42, or that credit has been claimed or will be claimed for units that are ineligible, MSHDA will notify the owner. The owner shall have a minimum of 30 days from the date of notification to cure the noncompliance. In extraordinary circumstances, and only if MSHDA determines that there is good cause, an extension of up to six months to complete a cure for noncompliance may be granted.

MSHDA will notify the Internal Revenue Service, utilizing Form 8823, no later than 45 days after the end of the correction period, and no earlier than the end of the correction period, of the nature of the noncompliance and will indicate to the Service whether or not the owner has made appropriate corrections.

While MSHDA will notify the owner of compliance issues, neither a finding of noncompliance nor a determination that noncompliance has been cured is binding on the Internal Revenue Service. Owners who have received notification from MSHDA that a project is in compliance may still be subject to an IRS audit and the possibility of loss or recapture of Housing Credits. Refer to the Internal Revenue Code for additional information about federal compliance issues.

The absence of a notice of noncompliance should not be relied upon by any owners or their investors as a warranty or representation by MSHDA that the project is in compliance with application requirements.

2026-2027 LIHTC SCORING CRITERIA

Completion and Submission of this Scoring Criteria is **Mandatory**.

Applications that contain material errors in documentation, incomplete information, or inconsistencies may be rejected.

Funding Round:	
Project Name:	
City/Township:	
County:	

Self-Identification

Please choose the project's primary funding category from the following list:

Please use an "x" to select whether the project is in an Urban or Rural area:

Urban	☐
Rural	☐

Please select Urban or Rural above.

Please use an "x" to select all that apply:

1. Strategic Investment Category	☐
2. Non Profit - Statutory Set-Aside	☐
3. Rural Housing - Statutory Set-Aside	☐
4. Eligible Distressed Areas - Statutory Set-Aside	☐
5. Elderly - Statutory Set-Aside	☐
6. Emerging Developer - Non-Statutory Set-Aside	☐
7. Tribal Housing - Non-Statutory Set-Aside	☐
8. Tax Exempt Bond Financing (with 4% LIHTC)	☐

Projects must submit supporting documentation for all points scored. Unless otherwise noted, documentation should be complete and dated within one year of the funding round deadline.

SCORING CRITERIA		
A. Urban Opportunity Criteria	**Possible Points**	**Self Score**

Developments located in an rural area as defined by the USDA RD Multifamily map should use Tab B - Rural Opportunity Criteria. Developments located outside of the rural areas as defined by the USDA RD Multifamily map should use Tab A - Urban Opportunity Criteria. A project will only be eligible for points from the applicable Tab A or B.

	Possible Points	Self Score
1. Proximity to Transportation	4	

Applicants that can *demonstrate* that the project is located within the required proximity from a public transportation stop (i.e. bus stop) or that have a dial-a-ride (curb to curb) transportation service in the community that runs at least 5 days per week. Alternatively, a project will be considered for 3 points if the applicant can *demonstrate* that it will provide a form of transportation to the project that is comparable to or exceeding the service levels (e.g. accessibility, capacity, reliability, practicality, etc...) and scope of a typical fixed route public transportation system. Projects that commit to creating a transportation stop at the development will be eligible to receive points subject to review of the commitment by MSHDA.

For projects located in Urban areas, the public transportation stop must be within 1/4 of a mile from the development. Distances will be measured in a straight line as the crow flies. Urban areas are defined in Tab GG of the Combined Application.

"Comparable transportation" should be available a minimum of 5 days per week and have the capacity to adequately serve all the tenants in the development based on the size of the development. The transportation provided should be sufficient to allow each tenant in the development to take at least two trips during the week. For example, a 15 passenger van running two routes per day five days per week would accommodate 150 passengers per week. This would be sufficient to accommodate a 75 unit development, which would require 150 trips per week.

PLEASE NOTE: The score for projects with multiple scattered sites will be determined by a weighted average based on the percentage of the total number of units at the sites that qualify for the points compared to the total units in the project. No partial points will be awarded and points will be rounded down in the case that a project's weighted average score contains fractions of points.

SCORING CRITERIA		
A. Urban Opportunity Criteria	**Possible Points**	**Self Score**
2. Proximity to Amenities	25	0

Developments that are located within the required proximity to the amenities listed below will be awarded points. Applicants must demonstrate that they are within the required distance from the amenity by submitting the address of the amenity, a map that clearly highlights the location of the amenity, and photographs of the specific amenity for which points are being claimed. If the documentation does not clearly demonstrate the proximity to the amenity, points may not be awarded for that amenity.

Distances will be measured on a straight line as the crow flies. The Required Distances for Urban areas are 1 or 2 miles. Urban areas are defined in Tab GG of the Combined Application. Amenities within 1 mile receive the full amount of points available for that amenity, amenities located within 2 miles receive half the total amount of points for that amenity. Total points are rounded down to the nearest whole point. Applicants are required to include a map with clearly measured distances as well as any supporting documentation as listed below.

Amenity* Type	Distance	Possible Points	Points
Full Service Grocery/Supermarket (1)		5	
Licensed Childcare(2) (if undesignated) OR Senior Center(3) (if elderly)		5	
Pharmacy		3	
General Medicine Physician/Clinic		3	
Public Library (4)		2	
Public School (5)		2	
Community Organization (6)		2	
Employment Center (7)		1	
Public Park (8)		1	
Job Training Center (9)		1	
		Total Points:	**0**

**MSHDA, in its sole discretion, will determine whether an amenity that is submitted counts as an eligible amenity for points.*

SCORING CRITERIA		
A. Urban Opportunity Criteria	**Possible Points**	**Self Score**

(1) In order to qualify as a full service grocery/Supermarket, it must have a selection of (1) fresh fruits and vegetables, (2) fresh and uncooked meats and poultry, (3) dairy products, (4) canned foods, (5) frozen foods, (6) dry groceries and baked goods, (7) non-alcoholic beverages, (8) household paper products (toilet paper, paper towels, etc.) and (9) personal care items (soap, shampoo, etc.). Please provide evidence of these in the submission. A good reference may be the weekly sales ad.

(2) Licensed childcare providers can be found here:
https://cclb.my.site.com/micchirp/s/

(3) A senior center is a community center where older adults congregate for fellowship with others to fulfill many of their social, physical, emotional, and intellectual needs. The submission must include evidence of senior or older adults services being provided on at least a weekly basis. A community center without these dedicated services will not be eligible for these points.

(4) Little lending libraries, mobile libraries, and libraries inside a school or university will not apply for this section.

(5) School must be free of charge and may not be gender-exclusive (i.e. a girls only or boys only school will not count). Schools must be open to all students of appropriate age, they should not require entrance examinations or requirements.

(6) A Community Organization is one that provides year-round community outreach service(s) to people of the community. These services should be accessible to tenants of the project and may include, but are not limited to clothing closets, free meals, youth programming, senior and older adult services or programming, mental health services, adult continuing education classes and/or cultural activities.

(7) An employment center is a single university or college, single hospital, single governmental entity, or single private company that has at least 250 year-round, full-time employees in one location for Urban developments and at least 125 year-round, full-time employees in one location for Balance of State developments. The project must provide a letter from the employer, a third-party employment agency, or the local body of government stating the number of year-round, full-time employees that work at the location. All employees must be at the same location to receive points.

SCORING CRITERIA		
A. Urban Opportunity Criteria	**Possible Points**	**Self Score**
(8) A public park is a green space currently designated as such by the local body of government or a public outdoor space traditionally used for human enjoyment and recreation. This might include a public gathering space with a playground, walking trails, public sporting, a pavilion, a band shell, a community garden, or other amenities.		
(9) Services at a job training center must be available to the project's tenant base and must allow choice of career path in order to be awarded points. The same location cannot be counted as both a Community Organization and a Job Training Center.		
PLEASE NOTE: The score for projects with multiple scattered sites will be determined by the weighted average of the individual scores based on the percentage of the total number of units at each individual site compared to the total units in the project. Points will be rounded down to the nearest half point in the case that a project's weighted average score contains fractions of points.		

SCORING CRITERIA		
A. Urban Opportunity Criteria	**Possible Points**	**Self Score**
3. Community Revitalization Plan Area	1	

Points will be awarded for projects that meet the criteria below:

a. A signed letter or resolution from the local government dated within 60-days of the application due date that identifies, supports and outlines the significance of the proposed project, and includes:

i. If there is a Community Revitalization Plan for the area, the letter or Resolution must (1) identify the Community Revitalization Plan for the area, (2) provide a link to the plan if not included in the application, (3) outline the goals of the plan, (4) define the specific boundaries of the target area, and (5) describe how the proposed project compliments the plan goals. For this purpose, a Community Revitalization Plan is defined as follows: *A published document (approved and adopted by the local governing body by ordinance or resolution) that assesses the existing physical structures and infrastructure of the community and that targets specific geographic areas for residential developments. The plan should also contain detailed policy goals that include the redevelopment and production of affordable housing as well as the proposed timeline for achieving these goals. Additionally, the plan should explain municipal support to the particular area.*

ii. For municipalities or local units of government that do or do not have a Community Revitalization Plan, the letter from the local governmental body should certify the amount of significant public and private investment in the area that has or is occurring proximate to the project. Significant public and private investment is defined as:

a. For projects located in a municipality with a population of less than or equal to 10,000 people, at least $5 million in public and private investments within 2 miles of the project within the last 5 years as part of the plan to invest in the area. Further, projects must demonstrate that there is at least $1 million of total investment located within 2 miles of the project that is planned for the future.

SCORING CRITERIA		
A. Urban Opportunity Criteria	**Possible Points**	**Self Score**

b. For projects located in a municipality with a population between 10,001 and 25,000 people, at least $20 million of total investment located within 1 mile of the project within the last 5 years and that $10 million of the total investment is private investment. Projects must also demonstrate that there is at least $3 million of total investment located within 1 mile of the project that is planned for the future.

c. For projects located in a municipality with a population between 25,001 and 50,000 people, at least $40 million of total investment located within 1 mile of the project within the last 5 years and that $20 million of the total investment is private investment. Projects must also demonstrate that there is at least $6 million of total investment located within 1 mile of the project that is planned for the future.

d. For projects located in a municipality with a population over 50,000 people, at least $50 million of total investment located within 1 mile of the project within the last 5 years and that $25 million of the total investment is private investment. Projects must also demonstrate that there is at least $10 million of total investment located within 1 mile of the project that is planned for the future.

Note: Projects do not need to provide additional documentation supporting the amount of investment at time of application, however MSHDA reserves the right to verify the significant investment at the time of award. Applicants who deliberately circumvent this requirement will be subject to negative points in future funding rounds.

PLEASE NOTE: The score for projects with multiple scattered sites will be determined by a weighted average based on the percentage of the total number of units at the sites that qualify for the points compared to the total units in the project. No partial points will be awarded and points will be rounded down in the case that a project's weighted average score contains fractions of points.

SCORING CRITERIA		
A. Urban Opportunity Criteria	**Possible Points**	**Self Score**

4. Household Overburdened Area — Possible Points: 3

Projects that can demonstrate that they are located within an area that has a high percentage of households that are overburdened will receive points. Points will be based on the following scale. Applicants should reference the data in **Tab HH** to determine whether the proposed project is located in one of these areas:

a. 30.0% to 39.9% of Households	1 points
b. 40.0% to 49.9% of households	2 points
c. 50.0% and above of households	3 points

Please note that Household Overburdened Area is determined based on census tract. If a development is not located within a census tract with a Household Overburdened Area score, but is located within 1/3 mile of that census tract, it will be allowed to claim the Household Overburdened Area point total of the census tract. For example, if a development is located within a census tract that scores 2 points using the table above, but is located in an Urban area and within 1/3 mile of a census tract that scores 3 points on the table below, it will be eligible for 3 points. The purpose of this is to allow points for projects that are located in close proximity to a census tract that scores on the Household Overburdened Area metric. The proximity will be measured on a straight line from the edge of the property line to the boundary line of the census tract. Urban areas are defined as those ineligible as rural on the USDA RD multifamily tool.

PLEASE NOTE: The score for projects with multiple scattered sites will be determined by a weighted average based on the percentage of the total number of units at the sites that qualify for the points compared to the total units in the project. No partial points will be awarded and points will be rounded down in the case that a project's weighted average score contains fractions of points.

5. Communities without Recent Awards — Possible Points: 2

Developments located in counties that have not received a reservation of 9% credits in the last four funding rounds will be eligible for this point item.

Previous reservation lists can be found at https://www.michigan.gov/mshda/developers/low-income-housing-tax-credits-lihtc.

SCORING CRITERIA		
A. Urban Opportunity Criteria	**Possible Points**	**Self Score**

6. Community Supported Initiatives — Possible Points: 5 | Self Score: 0

Developments located or developed in accordance with local unit of government approval, through a community-supported development plan, request for proposal, and/or other specific project alignment with community programming will be eligible for this point item. The community-supported development plan, request for proposal, or other public and documented community outreach must have been initiated within 24 months prior to the funding round deadline. Examples of eligible community supported developments include HUD Choice Neighborhood areas, sites that the local unit of government has released a request for proposal, and others. If you have any questions, please contact MSHDA prior to the funding round deadline.

Mark an "x" in up to ONE box below, as appropriate.

- ☐ Place-based developer involvement — **5 points**
  Place-based developer is defined as an individual or entity that is headquartered and works primarily within the local municipality, unit of government, county, or economic region (such as an MSA). The placed-based developer must have at least a 25% ownership in the development.
- ☐ Community supported initiatives without place-based developer — **3 points**

7. Job Growth Opportunities — Possible Points: 4 | Self Score: 0

Developments located in proximity to new economic development projects funded with significant state resources targeted to attract economic development projects, business and new job growth using the SOAR funds from the Michigan Economic Development Corporation.

A list of priority communities will be published prior to each round. This list will be based on MSHDA conversations with other state agencies.

Mark an "x" in up to ONE box below, as appropriate.

- ☐ Project is located within 15 miles of the SOAR site — **4 points**
- ☐ Project is located within 25 miles of the SOAR site — **2 points**

SCORING CRITERIA		
B. Rural Opportunity Criteria	**Possible Points**	**Self Score**

Developments located in an rural area as defined by the USDA RD Multifamily map should use Tab B - Rural Opportunity Criteria. Developments located outside of the rural areas as defined by the USDA RD Multifamily map should use Tab A - Urban Opportunity Criteria. A project will only be eligible for points from the applicable Tab A or B.

	Possible Points	Self Score
1. Proximity to Transportation	4	

Applicants that can *demonstrate* that the project is located within the required proximity from a public transportation stop (i.e. bus stop) or that have a dial-a-ride (curb to curb) transportation service in the community that runs at least 5 days per week. Alternatively, a project will be considered for points if the applicant can *demonstrate* that it will provide a form of transportation to the project that is comparable to or exceeding the service levels (e.g. accessibility, capacity, reliability, practicality, etc...) and scope of a typical fixed route public transportation system. Projects that commit to creating a transportation stop at the development will be eligible to receive points subject to review of the commitment by MSHDA.

For projects located in Rural areas, the public transportation stop must be located within 1/2 mile of the development. Distances will be measured in a straight line as the crow flies. Rural areas are defined as those **eligible in the USDA RD Multifamily tool.**

"Comparable transportation" should be available a minimum of 5 days per week and have the capacity to adequately serve all the tenants in the development based on the size of the development. The transportation provided should be sufficient to allow each tenant in the development to take at least two trips during the week. For example, a 15 passenger van running two routes per day five days per week would accommodate 150 passengers per week. This would be sufficient to accommodate a 75 unit development, which would require 150 trips per week.

PLEASE NOTE: The score for projects with multiple scattered sites will be determined by a weighted average based on the percentage of the total number of units at the sites that qualify for the points compared to the total units in the project. No partial points will be awarded and points will be rounded down in the case that a project's weighted average score contains fractions of points.

SCORING CRITERIA		
B. Rural Opportunity Criteria	**Possible Points**	**Self Score**
2. Proximity to Amenities	25	0

Developments that are located within the required proximities to the amenities listed below will be awarded points. Applicants must demonstrate that they are within the required distances from the amenity by submitting the address of the amenity, a map that clearly highlights the location of the amenity, and photographs of the specific amenity for which points are being claimed. If the documentation does not clearly demonstrate the proximity to the amenity, points may not be awarded for that amenity.

Distances will be measured on a straight line as the crow flies. The required distances for Rural areas are 2 or 5 miles. Rural areas are defined in Tab GG of the Combined Application. Amenities within 2 miles receive the full amount of points available for that amenity, amenities located within 5 miles receive half the total amount of points for that amenity. Total points are rounded down to the nearest whole point. Applicants are required to include a map with clearly measured distances as well as any supporting documentation as listed below.

Amenity* Type	Distance	Possible Points	Points
Full Service Grocery/Supermarket [(1)]		5	
Licensed Childcare[(2)] (if undesignated) OR Senior Center[(3)] (if elderly)		5	
Pharmacy		3	
General Medicine Physician/Clinic		3	
Public Library [(4)]		2	
Public School [(5)]		2	
Community Organization [(6)]		2	
Employment Center [(7)]		1	
Public Park [(8)]		1	
Job Training Center [(9)]		1	
		Total Points:	**0**

**MSHDA, in its sole discretion, will determine whether an amenity that is submitted counts as an eligible amenity for points.*

SCORING CRITERIA		
B. Rural Opportunity Criteria	**Possible Points**	**Self Score**

(1) In order to qualify as a full service grocery/Supermarket, it must have a selection of (1) fresh fruits and vegetables, (2) fresh and uncooked meats and poultry, (3) dairy products, (4) canned foods, (5) frozen foods, (6) dry groceries and baked goods, (7) non-alcoholic beverages, (8) household paper products (toilet paper, paper towels, etc.) and (9) personal care items (soap, shampoo, etc.). Please provide evidence of these in the submission. A good reference may be the weekly sales ad.

(2) Licensed childcare providers can be found here:
https://cclb.my.site.com/micchirp/s/

(3) A senior center is a community center where older adults congregate for fellowship with others to fulfill many of their social, physical, emotional, and intellectual needs. The submission must include evidence of senior or older adults services being provided on at least a weekly basis. A community center without these dedicated services will not be eligible for these points.

(4) Little lending libraries, mobile libraries, and libraries inside a school or university will not apply for this section.

(5) School must be free of charge and may not be gender-exclusive (i.e. a girls only or boys only school will not count). Schools must be open to all students of appropriate age, they should not require entrance examinations or requirements.

(6) A Community Organization is one that provides year-round community outreach service(s) to people of the community. These services should be accessible to tenants of the project and may include, but are not limited to clothing closets, free meals, youth programming, senior and older adult services or programming, mental health services, adult continuing education classes and/or cultural activities.

(7) An employment center is a single university or college, single hospital, single governmental entity, or single private company that has at least 250 year-round, full-time employees in one location for Urban developments and at least 125 year-round, full-time employees in one location for Balance of State developments. The project must provide a letter from the employer, a third-party employment agency, or the local body of government stating the number of year-round, full-time employees that work at the location. All employees must be at the same location to receive points.

SCORING CRITERIA		
B. Rural Opportunity Criteria	**Possible Points**	**Self Score**
(8) A public park is a green space currently designated as such by the local body of government or a public outdoor space traditionally used for human enjoyment and recreation. This might include a public gathering space with a playground, walking trails, public sporting, a pavilion, a band shell, a community garden, or other amenities.		
(9) Services at a job training center must be available to the project's tenant base and must allow choice of career path in order to be awarded points. The same location cannot be counted as both a Community Organization and a Job Training Center.		
PLEASE NOTE: The score for projects with multiple scattered sites will be determined by the weighted average of the individual scores based on the percentage of the total number of units at each individual site compared to the total units in the project. Points will be rounded down to the nearest half point in the case that a project's weighted average score contains fractions of points.		

SCORING CRITERIA		
B. Rural Opportunity Criteria	**Possible Points**	**Self Score**
3. Community Revitalization Plan Area	1	

Points will be awarded for projects that meet the criteria below:

a. A signed letter or resolution from the local government dated within 60-days of the application due date that identifies, supports and outlines the significance of the proposed project, and includes:

i. If there is a Community Revitalization Plan for the area, the letter or Resolution must also (1) identify the Community Revitalization Plan for the area, (2) provide a link to the plan if not included in the application, (3) outline the goals of the plan, (4) define the specific boundaries of the target area, and (5) describe how the proposed project compliments the plan goals. For this purpose, a Community Revitalization Plan is defined as follows: *A published document (approved and adopted by the local governing body by ordinance or resolution) that assesses the existing physical structures and infrastructure of the community and that targets specific geographic areas for residential developments. The plan should also contain detailed policy goals that include the redevelopment and production of affordable housing as well as the proposed timeline for achieving these goals. Additionally, the plan should explain municipal support to the particular area.*

ii. For municipalities or local units of government that do or do not have a Community Revitalization Plan, the letter from the local governmental body should certify the amount of significant public and private investment in the area that has or is occurring proximate to the project. Significant public and private investment is defined as:

a. For projects located in a municipality with a population of less than or equal to 10,000 people, at least $5 million in public and private investments within 2 miles of the project within the last 5 years as part of the plan to invest in the area. Further, projects must demonstrate that there is at least $1 million of total investment located within 2 miles of the project that is planned for the future.

b. For projects located in a municipality with a population between 10,001 and 25,000 people, at least $20 million of total investment located within 2 miles of the project within the last 5 years and that $10 million of the total investment is private investment. Projects must also demonstrate that there is at least $3 million of total investment located within 2 miles of the project that is planned for the future.

SCORING CRITERIA		
B. Rural Opportunity Criteria	**Possible Points**	**Self Score**

c. For projects located in a municipality with a population between 25,001 and 50,000 people, at least $40 million of total investment located within 2 miles of the project within the last 5 years and that $20 million of the total investment is private investment. Projects must also demonstrate that there is at least $6 million of total investment located within 2 miles of the project that is planned for the future.

Note: Projects do not need to provide additional documentation supporting the amount of investment at time of application, however MSHDA reserves the right to verify the significant investment at the time of award. Applicants who deliberately circumvent this requirement will be subject to negative points in future funding rounds.

PLEASE NOTE: The score for projects with multiple scattered sites will be determined by a weighted average based on the percentage of the total number of units at the sites that qualify for the points compared to the total units in the project. No partial points will be awarded and points will be rounded down in the case that a project's weighted average score contains fractions of points.

SCORING CRITERIA		
B. Rural Opportunity Criteria	**Possible Points**	**Self Score**

4. Household Overburdened Area — Possible Points: 3

Projects that can demonstrate that they are located within an area that has a high percentage of households that are overburdened will receive points. Points will be based on the following scale. Applicants should reference the data in **Tab HH** to determine whether the proposed project is located in one of these areas:

a. 30.0% to 39.9% of Households	1 points
b. 40.0% to 49.9% of households	2 points
c. 50.0% and above of households	3 points

Please note that Household Overburdened Area is determined based on census tract. If a development is not located within a census tract with a Household Overburdened Area score, but is located within 1 mile (Rural areas) of that census tract, it will be allowed to claim the Household Overburdened Area point total of the census tract. For example, if a development is located within a census tract that scores 2 points using the table above, but is located in an Rural area and within 1 mile of a census tract that scores 3 points on the table below, it will be eligible for 3 points. The purpose of this is to allow points for projects that are located in close proximity to a census tract that scores on the Household Overburdened Area metric. The proximity will be measured on a straight line from the edge of the property line to the boundary line of the census tract. Rural areas are defined **using the USDA RD Multifamily tool.**

PLEASE NOTE: The score for projects with multiple scattered sites will be determined by a weighted average based on the percentage of the total number of units at the sites that qualify for the points compared to the total units in the project. No partial points will be awarded and points will be rounded down in the case that a project's weighted average score contains fractions of points.

5. Communities without Recent Awards — Possible Points: 2

Developments located in counties that have not received a reservation of 9% credits in the last four funding rounds will be eligible for this point item.

Previous reservation lists can be found at https://www.michigan.gov/mshda/developers/low-income-housing-tax-credits-lihtc.

SCORING CRITERIA		
B. Rural Opportunity Criteria	**Possible Points**	**Self Score**

6. Community Supported Initiatives — Possible Points: 5 | Self Score: 0

Developments located or developed in accordance with local unit of government approval, through a community-supported development plan, request for proposal, and/or other specific project alignment with community programming will be eligible for this point item. The community-supported development plan, request for proposal, or other public and documented community outreach must have been initiated within 24 months prior to the funding round deadline. Examples of eligible community supported developments include HUD Choice Neighborhood areas, sites that the local unit of government has released a request for proposal, and others. If you have any questions, please contact MSHDA prior to the funding round deadline.

Mark an "x" in up to ONE box below, as appropriate.

☐	Place-based developer involvement Place-based developer is defined as an individual or entity that is headquartered and works primarily within the local municipality, unit of government, county, or economic region (such as an MSA). The placed-based developer must have at least a 25% ownership in the development.	**5 points**
☐	Community supported initiatives without place-based developer	**3 points**

7. Job Growth Opportunities — Possible Points: 4 | Self Score: 0

Developments located in proximity to new economic development projects funded with significant state resources targeted to attract economic development projects, business and new job growth using the SOAR funds from the Michigan Economic Development Corporation.

A list of priority communities will be published prior to each round. This list will be based on MSHDA conversations with other state agencies.

Mark an "x" in up to ONE box below, as appropriate.

☐	Project is located within 15 miles of the SOAR site	**4 points**
☐	Project is located within 25 miles of the SOAR site	**2 points**

SCORING CRITERIA		
C. Development Characteristics	**Possible Points**	**Self Score**
1. Affordable Assisted Living	2	

Projects that are proposing an Affordable Assisted Living (AAL) structure will be eligible for points. AAL projects must have been reviewed and approved by the AAL steering committee prior to application submission as evidenced by submission of an approval letter with the project application. If an AAL project does not receive approval by the steering committee, it will not be prohibited from applying, but will not be eligible for these points. The AAL steering committee will be composed of various industry members that are experienced in this form of housing.

AAL developments must submit a review packet approximately 45 days prior to the funding round due date for review by the AAL Steering Committee. Please see the timeline in the QAP for the specific deadline to submit the review packet. The review packet must contain a detailed concept letter describing the development team members, the location of the development, project specific information (units, sizes, rent levels, services, service providers, funding, etc.). Developments must also submit a copy of the most recent pro-forma for review by the AAL Steering Committee. Please see Tab I for more detail.

SCORING CRITERIA		
C. Development Characteristics	**Possible Points**	**Self Score**
2. Low-Income Targeting	**25**	#DIV/0!

Projects that commit to restricting units to low-income tenants will receive points for depth and breadth of targeting. The lower rent targeting must be evenly distributed among bedroom types. Also, the market rate units must be as evenly distributed as possible among bedroom types and buildings.

When assembling the low-income targeting portion of the application, applicants should be aware of the following:

a. No points will be awarded for the use of MSHDA Project-Based Vouchers or vouchers that are administered by MSHDA.
b. No more than 10% of a project's total units may be targeted to units that are less than or equal to 20% AMI without PBRA.
c. No more than 25% of a project's total units may be targeted to units that are less than or equal to 30% AMI without PBRA.
d. No more than 50% of a project's total units may be targeted and counted toward total points without PBRA.
e. PBRA does not include PSH-designated units that are anticipated to receive newly allocated Project Based Vouchers from MSHDA.
f. Projects using an owner established sinking fund for rental assistance (e.g. rental subsidy reserve) will not be eligible to receive points under the project-based rental assistance portion of the scoring.

Points will be awarded using the Unit Targeting Point Calculation Form ("Targeting Form") attached as Exhibit 1 to this Scoring Criteria.

Note: To receive points for units with project-based subsidy, applicants must submit evidence of project-based rent subsidy and commit to renewing the subsidy through the end of the extended use period. Due to federal regulatory restrictions, project-based vouchers allocated by MSHDA do not qualify for points under this section.

SCORING CRITERIA		
C. Development Characteristics	Possible Points	Self Score
3. **Historic Rehabilitation Projects**	1	

Projects that are using Federal Historic Rehabilitation Tax Credits ("HTC") and completing a certified rehabilitation that conforms with the Secretary of Interior's Standards for Rehabilitation of a certified historic property and is listed, either individually or as part of a district, on the National or State Historic Register; or that the State Historic Preservation Office expects to be listed on the National or State Historic Register.

Applicants must demonstrate that they have submitted a copy of the Part 1 Historic Application to the State Historic Preservation Office (SHPO) prior to application submission in order to receive points in this area and a confirmation letter from SHPO that the project is listed on the National or State Historic Register and is in the process of listing the property. The applicant must also provide a certification that the rehabilitation will conform with the Secretary of Interior's Standards for Rehabilitation of a certified historic property. The project must also include the HTC in the financing stack in the project application and have an equity letter that calls out the HTC.

PLEASE NOTE: The score for projects with multiple scattered sites will be determined by a weighted average based on the percentage of the total number of units at the sites that qualify for the points compared to the total units in the project. No partial points will be awarded and points will be rounded down in the case that a project's weighted average score contains fractions of points.

4. **Native American Housing**	TBD	

To be determined

SCORING CRITERIA		
C. Development Characteristics	**Possible Points**	**Self Score**

5. Affordability Commitment — Possible Points: 5 — Self Score: 0

Projects that agree to commit to an extended use period longer than 15 years (i.e., beyond the minimum total commitment of 15 years compliance plus 15 years extended use = 30 years) will receive 0.34 points for each additional year, up to a maximum of 5 points. Fractional points will be rounded down. Thus, a project committing to a total affordability period of 45 years would earn the maximum 5 points.

Compliance Period	15 Years
plus: IRS Required "Extended Use Period"	15 Years
plus: Additionally Committed Years	Years
equals: Total Affordability Commitment	**30 Years**

Projects using a TIF structure are not eligible for these points.

6. Tenant Ownership — Possible Points: 2 — Self Score:

Projects that agree to offer 100% of the housing tax credit units for sale to tenants in such units at the end of the initial 15-year compliance period will receive points. To qualify for points, the owner must provide a detailed tenant ownership plan that complies with the Internal Revenue Code and is acceptable to the Authority. The plan must describe the terms of the right of first refusal given to the tenants, including the means of exercising the right of first refusal, the determination of the sale price for each unit, and any continuing use or deed restrictions that will be imposed on the units by the seller following any such transfer.

SCORING CRITERIA		
C. Development Characteristics	**Possible Points**	**Self Score**
7. On Site Tenant Services	**2**	0

Projects that commit to providing additional services accessible to low-income residents within the community, in conjunction with the development, will be eligible for points. Eligible types of services are listed below. Points will only be awarded to those projects that can demonstrate that the services are being provided as a result of the affordable housing project being developed or rehabilitated and that are outside of the scope of typical management activities. Points will not be awarded to services already available to residents within the community. Coordination of these services does not count as a service.

Developments with specific supportive services being offered on-site will be awarded points for each of the services listed below in this area up **to a maximum of 2 points**. To qualify for these points, a narrative must be included in the Addendum I, along with an MOU or letter of intent from the partner agency(ies). Frequency of service must be specified in the MOU or letter of intent and must be timely and reasonable. The minimum frequency accepted will be based on the type of service, but will not be less than monthly. All services must be offered face-to-face (either individual or group, as appropriate) with an in-person provider or instructor. The documentation must be dated within 1 year.

Please note: Service providers that agree to offer the specific service(s) to the tenant in the tenant's unit will be eligible to count for these points. Further, this scoring item is intended to create more options for tenants and does not create a requirement that a tenant needs to receive the specific service(s) in their unit or at the development if they would prefer to receive the service(s) at a different location. With the exception of certain federal programs, tenants cannot be mandated to participate in any of the offered or available services, nor can non-participation itself be a factor in their lease or rental history. Tenants are not required to participate in the offered services or may choose to participate in these or similar services off-site.

a. If Undesignated population: Child Care or educational programming, youth programming, or other evidence-based youth development initiatives. OR If Project restricted to Elderly/Older Adult population: Older Adult Programming	**1 Point**	

SCORING CRITERIA		
C. Development Characteristics	**Possible Points**	**Self Score**
b. Homeownership preparation classes	**1/2 Point**	
c. Financial literacy classes	**1/2 Point**	
PLEASE NOTE: No partial points will be awarded and points will be rounded down in the case that a project's weighted average score contains fractions of points.		
8. Energy Efficient Building Policy Transfer from MSHDA Energy Efficient Building Certificate Please see Energy Efficient Building Certification on MSHDA website.	4	
9. Evidence of Proper Zoning Evidence that the proposed site is already properly zoned for the intended use.	3	
10. Evidence of Site Plan Approval Evidence that the proposed site has received site plan approval. Please note that these points will be available for projects only upon submission of a letter from the local governing body indicating that the relevant board or commission of the local governing body has reviewed the proposal, including the level of rehabilitation work to be completed, the site, and that no further plan approvals or reviews are necessary, other than on the staff level.	3	
11. Accessible Units Projects that commit to building and marketing a minimum of 10% of the total units to Accessible (Type A) dwelling units requirements will receive three points. The remaining units with first floor entry or accessible by an elevator must be Visitable (FHA Type C) dwelling units and/or meet the standards of the building code. These units must be marketed to the local Disability Network, Area Agency on Aging, local unit of government, and/or other local disability service provider. The development must keep records of the outreach attempts.	3	

SCORING CRITERIA		
C. Development Characteristics	Possible Points	Self Score

12. Accessible Community Space — Possible Points: 2 | Self Score:

Projects will receive points for providing accessible community space for use by tenants. The accessible community space is envisioned as one room or contiguous space that may be used for activities such as dining, crafts, exercise, medical clinic, socializing, birthday parties, holiday gatherings, study areas and/or other activities for individuals with children, or any other activity or use that may benefit tenants; and does not include common space such as hallways, offices, lobbies, bathrooms, laundry rooms, exterior areas etc. To receive points, the accessible community space must, at a minimum, be sized according to the ratio below and must be located within a reasonable proximity to the proposed project, if the space is provided in a separate building. If an accessible community space being shared by multiple phases of the same project is proposed, it must meet the minimum square footage requirement for all of the units in all of the phases of the project that will share the accessible community space. Additionally, in the case of multiple phases, an easement agreement must be executed to allow the phases to have equal access to the accessible community space. A certification signed by the project Architect, Applicant, and Contractor must be submitted to demonstrate that the project will contain the minimum required amount of Accessible Community Space. A certification as well as an as-built drawing of the community space will also be required after construction completion to demonstrate that the requirements have been met.

Number of units that will have access to the community space*	Minimum 15 Square Feet Per Unit
	0

*Including market-rate units and all units in all phases, but excluding management units

Please Note: In the case of multiple scattered sites, if the accessible community space is not located within a reasonable proximity to all sites, the points under this section will be pro-rated based on the number of units that are located within a reasonable proximity to the accessible community space as compared to the total units in the project. No partial points will be awarded and points will be rounded down in the case that a project's weighted average score contains fractions of points.

SCORING CRITERIA		
C. Development Characteristics	Possible Points	Self Score
13. **Tax Abatement**	3	

A project application that submits evidence of local support in the form of tax abatement may receive points. These points will also be available to existing projects for which tax abatement has previously been in place and the local governing body has agreed to provide tax abatement going forward. ***Additionally, MSHDA will consider awarding these points for alternative tax incentive structures such as Tax Increment Financing (or other structures) that meet the intent of reducing the property tax burden and have a duration at least as long as is otherwise required under this section. Applicants with these alternative forms of tax incentives are encouraged to contact MSHDA staff prior to the funding round to determine whether the tax incentive structure will qualify for these points.***

To receive points, the tax abatement must be in place and effective for longer than the 15-year compliance period and one of the following (depending on project location) must be submitted in accordance with MSHDA's requirements:

- For projects located in a municipality with an area-wide ordinance: Submission of either 1) a copy of the area-wide tax abatement ordinance along with a qualifying project-specific resolution; or 2) a copy of the area-wide tax abatement ordinance accompanied by a letter from the local governing body stating that the project is eligible for tax abatement and the terms under which the tax abatement will be granted.

- For projects located in a jurisdiction where no area-wide ordinance exists: Submission of the appropriate project-specific tax abatement ordinance(s).
- For projects located on tribal trust land where a real estate tax exemption exists: Submission of the appropriate cooperation agreement to limit the property taxes charged.

SCORING CRITERIA		
C. Development Characteristics	**Possible Points**	**Self Score**

- For projects with Housing Tax Increment Financing (TIF): Submission of the approved Brownfield TIF, along with the approved TIF Table, Potential Rent Loss and Potential Development Loss Calculations and a Total Housing Subsidy Calculation. All must have been approved prior to the funding round deadline by the local unit of government. All projects must follow MSHDA's Housing TIF Program Statement (specifically Addendum II). projects must demonstrate that the TIF will be in place for at least the minimum extended use period. Projects utilizing a TIF structure will not be eligible for Affordability Commitment points.

PLEASE NOTE: The score for projects with multiple scattered sites will be determined by a weighted average based on the percentage of the total number of units at the sites that qualify for the points compared to the total units in the project. No partial points will be awarded and points will be rounded down in the case that a project's weighted average score contains fractions of points.

14. Public Housing Conversions	**5**	

Points will be awarded for projects that are utilizing a program that promotes the conversion and preservation of public housing units. At least 20% of the units in the project must be preservation of existing public housing units. Eligible programs include RAD conversions, Section 18, and others. Please contact MSHDA prior to the funding round to discuss alternative options.

SCORING CRITERIA		
C. Development Characteristics	Possible Points	Self Score
15. **Project-Based Tenant Subsidies**	2	

Projects will be eligible for two points for either 1) obtaining a new project-based tenant subsidy contract (other than MSHDA PBV) or 2) preserving existing project-based tenant subsidies for the length of the existing rental subsidy compliance period and committing to renew the contract to the extent available.

A project will be eligible for 1 point if a 3rd-party organization commits to establishing a reserve to fund rental subsidies for tenants at the development. These structures will be reviewed by MSHDA on a case-by-case basis, but generally the reserve should be sufficient to fund 15-years of rent payments for the vouchered units. The terms of the agreement (income of individuals and payment standards of the rental subsidies) does not need to mirror a traditional Project Based Voucher contract, but must demonstrate a significant impact to the residents in order to count for points. The reserve must be funded in full prior to the project placing in service to be eligible.

To be eligible for two points, a development must have project-based tenant subsidies on at least the greater of 5 units or 15% of the total units in the development. The project-based tenant subsidies must be available to the project for, at a minimum, the length of the 15-year LIHTC compliance period and the letter evidencing the Project-Based Tenant Subsidies must state that the subsidies have been approved through whatever competitive process is required (if applicable). Owner established sinking funds will not be eligible to count for points in this section. Tribal housing assistance designated using tribal or federal funds will be eligible for these points.

NOTE: Section 811 Rental Assistance will count for points as Project-Based Tenant Subsidies under this section. Please see the MSHDA website for more information pertaining to this opportunity.

SCORING CRITERIA		
D. Development Team Characteristics	**Possible Points**	**Self Score**

1. Previous Experience of GP/Member — Possible Points: 7

Previous successful participation of the General Partner/Member of the proposed development will be measured based on the criteria below. These points are not cumulative.

Successful LIHTC projects are defined as projects that have completed construction and received IRS Form 8609 in the last 20 years.

Non-LIHTC Affordable Housing Development Experience can include HOME, NSP, HUD 811, HUD 202, CDBG, FHLB, 1602 Funds, TCAP, NAHASDA, etc. These are given as examples of programs that would qualify. Applicants with questions about whether a program not listed above would qualify should contact MSHDA.

Owners who have never completed a LIHTC development will be required to demonstrate that they have assembled a development team (attorney, CPA, architect, LIHTC consultant, builder, management company, etc.) where each member has successful prior experience working on LIHTC developments.

Experience	Points
Tier 1	
Non-LIHTC Affordable Housing Development Experience	2
Non-LIHTC Economic Development using Government Funding	2
Tier 2	
1-2 LIHTC Projects	3
3-4 LIHTC Projects	5
5+ LIHTC Projects	7

Certification of Successful Operations and Compliance

Any projects where the owner has materially defaulted on any obligation (including but not limited to project foreclosure, filing a bankruptcy petition, or providing a deed in lieu of foreclosure) or has any uncorrected 8823s that have been outstanding for longer than six months cannot be counted towards these points.

SCORING CRITERIA		
D. Development Team Characteristics	**Possible Points**	**Self Score**

Previous Experience of GP/Member (continued)

To receive consideration for previous participation, the applicant must fully complete the GP/Member Experience Form **and certify** that the projects for which it is requesting points have maintained a positive operating cash flow and have funded reserves in accordance with the partnership or operating agreement and any applicable loan documents for the year in which each development's last financial statement has been prepared ("successful properties"). Positive operating cash flow is the net cash flow after required debt service and reserve contributions. Projects that were originally structured to operate with negative operating cash flow from typical residential income but were structured with sufficient capitalized reserves to mitigate the negative operations or where the GP/Member has been advancing funds to keep the project operating financially and physically maintained can submit additional explanation for consideration in awarding points for those projects. To receive consideration for projects previously owned by the proposed general partner or member which it no longer owns, a similar certification may be submitted with respect to the last full year of ownership by the proposed general partner along with verification of the number of years that the project was owned by that general partner. In order to receive points under this criteria, the Applicant must complete and execute the General Partner/Member Experience Certification found in Addendum I.

SCORING CRITERIA		
D. Development Team Characteristics	Possible Points	Self Score

Partnerships Between Owners

In the case of projects where there will be multiple general partners or members as part of the ownership structure, applicants should note the following requirements:

a) In order for a partner/member's previous experience to be considered for points, the partner/member must be a guarantor for the LIHTC equity investment and construction financing that is needed to complete the proposed project.

b) Any GP/Member receiving points must remain a part of the ownership entity for the 15-year Compliance Period, at a minimum.

c) Points will be awarded based on the GP/Member with the greatest amount of experience (provided the entity is also a guarantor) as determined below (the individual experience of two or more co-GP/Managing Members will not be added together to get the total points).

d) A fully executed agreement between each of the entities must be provided, specifically calling out, at a minimum, the roles and responsibilities of each partner or entity during the development period as well as the operational period of the project, the length of time each partner/member will remain a part of the ownership entity, the amount of developer fee each will receive and which partners will be providing the guarantees for the equity investment and construction financing. Additionally, the agreement should specifically include language that allows MSHDA the right to approve any changes to the ownership entity of the project.

Projects that submit joint venture or partnership agreements lacking any of the above will not be eligible for points.

SCORING CRITERIA		
D. Development Team Characteristics	**Possible Points**	**Self Score**
2. Previous Experience of Management Agent	4	

Previous **successful** participation by a management agent in managing low-income housing tax credit projects, with at least three years of experience. Points will be awarded only if the date in which management began such project(s) is included in the application, and will be based on years managed. Applicants should note that any projects that have uncorrected 8823s that have been outstanding for longer than 6 months cannot be counted towards these points.

In the case of projects where there will be multiple Management Agents, applicants should note the following requirements (in addition to the above criteria):

a) It is intended that any Management Agent receiving points (or another Management Agent with equivalent capacity and experience) will remain a part of the property management team for the 15-year Compliance Period, at a minimum. If, at any time, the Management Agent receiving points ceases to be the Management Agent at the property, MSHDA reserves the right to approve any replacement Management Agent.

b) Points will be awarded based on the Management Agent with the greatest amount of experience as determined below (the individual experience of two or more Management Agents will not be added together to get the total points).

c) A fully executed agreement between each of the entities must be provided with the application, specifically calling out, at a minimum, the roles and responsibilities of each Management Agent, the length of time each Management Agent will remain as Management Agents for the property, as well as the amount of management fee each will receive. Additionally, the agreement should specifically include language that allows MSHDA the right to approve any replacement management agent.

Applicants must complete the Management Experience form outlining previous experience in order to receive points under this section. Failure to accurately complete this form will result in the loss of these points.

Number of Projects	Project Size, Years Managed	Total Properties
1-4 Projects	≥ 12 units, ≥ 3 years	1 Points
5-8 Projects	≥ 12 units, ≥ 3 years	2 Points
9-11 Projects	≥ 12 units, ≥ 3 years	3 Points
12+ Projects	≥ 12 units, ≥ 3 years	4 Points

SCORING CRITERIA		
D. Development Team Characteristics	**Possible Points**	**Self Score**
3. Rental Development's Temporary Point Reduction	-5	

MSHDA, in its sole discretion, will reduce a project's score if the applicant, or any related party, failed to meet program or MSHDA requirements on a prior project. These points will be assessed and evaluated on a round-by-round basis, and applicants will be notified when a situation necessitating the assessment of these points occurs. Applicants will first be given opportunities to remedy their issues and/or notice in advance of negative points being assessed. MSHDA should continue to foster a cooperative, solutions-oriented environment where developers feel supported in addressing challenges proactively—especially when those challenges stem from external circumstances. When assessed, these negative points may apply to all projects submitted for a period of two funding rounds.

Some examples that could result in this reduction of points include, but are not limited to the following:

a. Failure to follow through with representations made at the time of application on previous projects where points were awarded that resulted in the project being funded.

b. Poor response or slow response in providing follow-up documentation or clarification requests made by MSHDA staff.

c. Failure to meet one or multiple deadlines on previous developments.

d. Failure to submit progress reports by the required deadline.

e. Temporary negative points related to an additional credit award or other programmatic requirement.

f. Repeated and extraordinary requests for additional resources or subsequent credit exchanges on one or subsequent projects. This is not intended to be issued to developers experiencing issues that can be documented as outside of their control.

g. Repeated and extraordinary material changes to project costs and/or credit efficiency points on more than one project. This is not intended to be issued to developers experiencing normal or typical market fluctuations.

If these points are assessed, points for successful previous experience in Section C.1. may not be awarded. This will be assessed on a case-by-case basis.

SCORING CRITERIA		
D. Development Team Characteristics	Possible Points	Self Score

4. Asset Management's Noncompliance — Possible Points: -20

As per MSHDA's Noncompliance Letters Policy, property owners and/or management agencies that are noncompliant with one or more rules, rulings, policies, procedures, regulations or other official statements or obligations will be subject to penalties. Those penalties may include negative points. If a related entity is subject to a noncompliance letter and negative points, any projects submitted with that member of the development team will receive negative points. Negative points will be assessed as of the funding round deadline.

If these points are assessed, points for successful previous experience in Section C.1 may not be awarded. This will be assessed on a case-by-case basis.

5. Poor Previous Participation of Applicant — Possible Points: -20

Poor previous participation on the part of the applicant, or any related party will be penalized in the form of negative points. This includes, but is not limited to, failure to utilize a commitment or allocation of credit, failure to meet requirements necessary to obtain a carryover allocation after notification has been provided to MSHDA that the requirements would be met, inability to complete a previous project within three years of first submission, regulatory or mortgage defaults, foreclosure or granting of a deed in lieu of foreclosure, removal under the limited partnership agreement or operating agreement for a housing development, current outstanding HUD 2530 violations, or serious and repeated violation of program requirements as determined by MSHDA.

Applicants are strongly encouraged to check with MSHDA's asset management and LIHTC compliance unit well in advance of the funding round deadline if they (or other members of the development team) would like to know if they have any outstanding issues (as listed above) which could lead to a potential negative point assessment in a LIHTC funding round. If choosing to utilize this option, development team members should contact MSHDA to confirm whether they have any outstanding issues at least 1 month prior to the funding round deadline to ensure that (1) MSHDA has sufficient time to review past records and (2) so development team members have time to correct outstanding issues prior to the submittal of a LIHTC application.

If these points are assessed, points for successful previous experience in Section D.1. will not be given. Negative points will be imposed on ***applicants*** *for* ***three*** *years following the instance of poor participation. Entities voluntarily returning an allocation of LIHTC will not be subject to the receipt of these points.*

SCORING CRITERIA		
D. Development Team Characteristics	**Possible Points**	**Self Score**
6. Poor Previous Participation of Management Agent	-20	

Poor previous participation on the part of the management agent will be penalized in the form of negative points. This may include, but is not limited to, failure to submit correct information in a timely manner on monitoring reports (annual LIHTC owner's certifications, responses to file audits and/or physical inspections, etc.), failure to verify and/or calculate tenant income and rents in accordance with federal regulations, current outstanding HUD 2530 violations, current outstanding program compliance violations for LIHTC (Uncorrected 8823), RHS, HOME, or other federally funded rental properties, or serious and repeated violation of program requirements as determined by MSHDA.

Applicants are strongly encouraged to check with MSHDA's asset management and LIHTC compliance unit well in advance of the funding round deadline if they (or other members of the development team) would like to know if they have any outstanding issues (as listed above) which could lead to a potential negative point assessment in a LIHTC funding round. If choosing to utilize this option, development team members should contact MSHDA to confirm whether they have any outstanding issues at least 1 month prior to the funding round deadline to ensure that (1) MSHDA has sufficient time to review past records and (2) so development team members have time to correct outstanding issues prior to the submittal of a LIHTC application.

If these points are assessed, points for successful previous experience in Section D.2. will not be given. Negative points will be imposed on the ***management agent*** *for* ***three*** *years following the instance of poor participation.*

SCORING CRITERIA		
E. Permanent Supportive Housing Developments	**Possible Points**	**Self Score**

Permanent supportive housing projects which meet all of the requirements of Addendum III, including all threshold criteria, are eligible for the points listed below. Applicants should note that MSHDA will not take into consideration any points for permanent supportive housing awarded in this Section E. of the LIHTC scoring criteria when awarding credit from the undesignated category.

	Possible Points	Self Score
1. Supportive Service Coordination	6	0

To receive points, projects must provide on-site services as follows:

a. Caseworker staffing at a minimum of 1:20 **2 Points** ☐

b. Caseworker staffing at a minimum of 1:15 **4 Points** ☐

c. Caseworker staffing at a minimum of 1:12 **6 Points** ☐

Number of clients is calculated as 1 client per PSH unit.

Example: In a development with 35 1-bedroom PSH units, the number of clients would 35 clients. In order to receive the 4 points for Option B, the development must have at least (35 clients / 15 clients per caseworker) or 2.333, which would be rounded up to 3 caseworkers.

In Addendum III, applicants must describe how the project will meet the supportive service needs of the targeted tenants. Include the minimum caseworker:client ratio that will be met in the MOU and include documentation in the Addendum III submission of a funding commitment from the agency(s) that will provide staff for these services. The funding commitment must be detailed in a letter signed by the executive director of the agency providing the services. The services cannot be funded through the operations of the development.

SCORING CRITERIA		
E. Permanent Supportive Housing Developments	**Possible Points**	**Self Score**
2. Service Funding Commitments	6	0

Projects employing other non-LIHTC or project cash flow sources of funding, such as private/foundation funding or GP capital contributions made from developer fee, which are targeted for services will receive additional points based the amounts of funding listed below. Firm commitment letters must be provided to receive points and must indicate the funding is to be used for services at the development. Funding must be made available to project within the first two years of service. In-kind commitments do not meet the requirements for points.

a. Minimum of $4,000/PSH unit targeted for supportive services **2 Points** ☐
Example: 20 PSH units x $4,000 each = $80,000.

b. Minimum of $6,000/PSH unit targeted for supportive services **4 Points** ☐
Example: 20 PSH units x $6,000 each = $120,000.

c. Minimum of $8,000/PSH unit targeted for supportive services **6 Points** ☐
Example: 20 PSH units x $8,000 each = $160,000.

SCORING CRITERIA		
E. Permanent Supportive Housing Developments	**Possible Points**	**Self Score**
3. Targeted Supportive Housing Populations	12	0

Projects that have demonstrated in their Supportive Service Plan to serve the most vulnerable supportive housing populations as outlined below will receive points under either OPTION 1 or OPTION 2 below.

OPTION 1

a. Developments that dedicate a minimum of 25% of the total populations to serve the following populations with their PSH units: **4 Points** ☐

i. Households who meet the Category 1 Homeless definition and have a disability as defined by HUD Continuum of Care Program or Veterans with a disability rating

AND/OR

ii. Households who meet the Category 4 Homeless definition and have a disability as defined by HUD Continuum of Care Program or Veterans with a disability rating.

OPTION 2

a. Developments that dedicate a minimum of 25% of the total project units to serving the most vulnerable populations and with a demonstrated need can receive 8 points. Most vulnerable populations are defined as: **8 Points** ☐

i. Households that meet the Chronically Homeless definition (length and disability)

AND/OR

ii. Households referred from the Data Match list (based on set criteria as determined by the State or an equivalent local effort approved by the State)

AND/OR

iii. Top 10% of the local Continuum of Care's prioritized list scoring households based on the Service Prioritization Decision Assistance Tool (SPDAT) or other local assessment tool.

b. Developments that dedicate at least 50% of the total project units to the most vulnerable populations, as defined in OPTION 2 above, can receive additional points. **4 Points** ☐

SCORING CRITERIA		
E. Permanent Supportive Housing Developments	**Possible Points**	**Self Score**

If units will be targeted toward these populations for points, the targeted population must be included in the tenant selection plan and evidenced in the CoC letter of support. There must be a commitment from a service agency for this specific population. In addition, the screening tools and prioritization for the referrals must be clearly outlined in the tenant selection plan and CoC letter of support. A preferenced waiting list will be established and these units must be occupied by tenants that meet the established criteria.

PLEASE NOTE: It is intended that Recovery Housing developments will be able to qualify under this criteria through implementing a Data Match that would identify individuals that are participants of a local drug treatment court with a substance use disorder and are experiencing homelessness under HUD Category 1 or HUD Category 4.

	Possible Points	Self Score
4. Developing in a High Need Area	5	0

Projects will be awarded points under one of the items below based on the number of homeless persons in the county in which the project(s) will be located. Please provide the county's most recent annual literally homeless (category 1) count.

a. 500 - 1249 literally homeless people in the county	**1 Point**	☐
b. 1250 - 1999 literally homeless people in the county	**2 Points**	☐
c. 2000 - 3500 literally homeless people in the county	**3 Points**	☐
d. 3500+ literally homeless people in the county	**4 Points**	☐
One additional point available if the percentage of literally homeless people in the county is greater than 5% of the county's general population.	**1 Point**	☐

SCORING CRITERIA		
E. Permanent Supportive Housing Developments	**Possible Points**	**Self Score**
5. Experienced Supportive Housing Development Team	9	0

Points will be awarded to a development team that has experience with supportive housing for the target population selected. Experience can be included for LIHTC PSH units or HUD funded PSH units through programs such as HUD 811 or HUD PSH programs through the Continuum of Care. Senior developments do not count towards experience.

a. General Partner/Member owns and operates 50 or more units of supportive housing. **3 Points** ☐

b. Management Agent has experience managing 50 or more units of supportive housing. **3 Points** ☐

c. Lead Agency has experience providing services for 50 or more units of permanent supportive housing. **3 Points** ☐

In Addendum III Supportive Housing Development Team Experience form, please list the name of the development(s) and the total number of supportive housing units and their target populations or attach a separate sheet with this information.

	Possible Points	Self Score
6. On Site PSH Services	3	0

Projects that commit to providing additional services accessible to all within the community, in conjunction with the development, will be eligible for points. Eligible types of services are listed below. Points will only be awarded to those projects that can demonstrate that the services are being provided as a result of the affordable housing project being developed or rehabilitated and that are outside of the scope of typical management activities. Coordination of these services does not count as a service.

SCORING CRITERIA		
E. Permanent Supportive Housing Developments	**Possible Points**	**Self Score**

Developments with specific supportive services being offered on-site will be awarded points for each of the services listed below in this area up to a **maximum of 3 points**. To qualify for these points, a narrative must be included in the **Addendum III**, along with an MOU or letter of intent from the partner agency(ies). Frequency of service must be specified in the MOU or letter of intent and must be timely and reasonable. The minimum frequency accepted will be based on the type of service, but will not be less than monthly. All services must be offered face-to-face (either individual or group, as appropriate) with an in-person provider or instructor. The documentation must be dated within 1 year.

Please note: Service providers that agree to offer the specific service(s) to the tenant in the tenant's unit will be eligible to count for these points. Further, this scoring item is intended to create more options for tenants and does not create a requirement that a tenant needs to receive the specific service(s) in their unit or at the development if they would prefer to receive the service(s) at a different location. With the exception of certain federal programs, tenants cannot be mandated to participate in any of the offered or available services, nor can non-participation itself be a factor in their lease or rental history. Tenants are not required to participate in the offered services or may choose to participate in these or similar services off-site.

a. Out-patient level substance use rehabilitation services	**1 Point**	☐
b. Physical or behavioral health services offered by a local Federally Qualified Health Center, hospital system, or Indian Health Services department	**1 Point**	☐
c. Behavioral health services provided by the local Community Mental Health provider, partner organization, or Indian Health Services department CMHs can be found here: https://cmham.org/membership/cmhsp-directory/	**1 Point**	☐

PLEASE NOTE: No partial points will be awarded and points will be rounded down in the case that a project's weighted average score contains fractions of points.

SCORING CRITERIA		
E. Permanent Supportive Housing Developments	**Possible Points**	**Self Score**
7. Medicaid Experience	2	
Developments will receive points if a member of the service team currently bills Medicaid or contracts with a Medicaid billing agency to provide services in a Permanent Supportive Housing, Behavioral Health, or Substance Use Disorder setting. This experience should be highlighted in the Addendum III Application form. Entity: ______________________		
8. Medicaid Billing	2	
Developments will receive points if the lead agency commits to billing Medicaid or contracting with a Medicaid billing agency to provide services in a Permanent Supportive Housing, Behavioral Health, or Substance Use Disorder setting. This commitment should be highlighted in the Addendum III Application form.		

SCORING CRITERIA		
E. Permanent Supportive Housing Developments	**Possible Points**	**Self Score**
9. Coordinated Entry System	4	0
Developments will receive 4 points if their only referral source for all PSH units is through the local Continuum of Care's Coordinated Entry process. This must be documented in the MOU. **4 Points**		
Developments will receive 2 points if their only referral source for the units designated to and serving HUD Category 1, 4 and chronically homeless populations is through the local Continuum of Care's Coordinated Entry process. This must be documented in the MOU. **2 Points**		
If the targeted populations include the Data Match list population, it must be identified in the CoC's Coordinated Entry policies and prioritization process.		
10. Recovery Housing Developments	4	
Projects that are proposing to create Recovery Housing will be eligible for points. Recovery Housing projects must have been reviewed and approved by the Recovery Housing steering committee that will be composed of representatives from the Michigan Association of Treatment Court Professionals prior to application submission as evidenced by submission of an approval letter with the project application. If a Recovery Housing project does not receive approval by the Recovery Housing steering committee, it will not be eligible for these points.		

SCORING CRITERIA			
F.	Cost Reasonableness with Credit Efficiency - (Mandatory for All Projects)	Possible Points	Self Score

1. Cost Reasonableness with Credit Efficiency

Possible Points	Self Score
5	0

Projects will be assessed points for credit efficiency based on the eligible tax credit amount per LIHTC unit using the criteria below. Evaluations will be conducted based on the type of project being proposed and will be compared to average credit per unit data for the previous five years that has been inflated to account for yearly cost increases. Within each building-type, projects will be scored as follows:

- Projects whose credit per unit is within the “safe harbor” identified will receive 0 points. The "safe harbor" is calculated using an amount that is 2.5% above and 2.5% below the cost average for each project-type.
- Projects whose credit per unit is below the “safe harbor” will receive up to five additional points.
- Projects whose credit per unit is above the “safe harbor” will receive up to five negative points.
- The data used to determine the safe harbors and point factors for projects in this point section will be subject to updates as new data and inflation factors become available to bring the cost data current.
- If a project is made up of a combination of building types, the applicable number of LIHTC units and amount of applicable credit should be entered separately below. Each building type within the project will receive its own applicable points. The weighted average of those points will be used for the project score, with a maximum of 8 points. Projects must also describe in the project narrative and/or show the calculation of how the applicable credit amounts were calculated.
- Projects that are have received MSHDA approval to move forward as a 4%/9% Mixed Transaction will be eligible to include the total LIHTC units that are being created/rehabbed between the 9% portion and the 4% portion of the transaction. These developments should also include only the amount of LIHTC that is being requested as part of the competitive funding round under Total Credit below.

To determine the number of points a project qualifies for, applicants can use the information below. Please fill in the yellow boxes.

Total New Construction LIHTC Units:

# of Bedrooms	# of 9% units	# of 4% units	Factor	Effective Unit Count
0 Bedroom			0.90	0
1 Bedroom			1.00	0
2 Bedroom			1.15	0
3+ Bedroom			1.25	0
TOTAL	**0**	**0**		**0**

Total Preservation/Existing Development LIHTC Units:

# of Bedrooms	# of 9% units	# of 4% units	Factor	Effective Unit Count
0 Bedroom			0.90	0
1 Bedroom			1.00	0
2 Bedroom			1.15	0
3+ Bedroom			1.25	0
TOTAL	**0**	**0**		**0**

Total Vacant Uninhabitable Rehab or Adaptive/Reuse LIHTC Units:

# of Bedrooms	# of 9% units	# of 4% units	Factor	Effective Unit Count
0 Bedroom			0.90	0
1 Bedroom			1.00	0
2 Bedroom			1.15	0
3+ Bedroom			1.25	0
TOTAL	**0**	**0**		**0**

Total Credit:

Total New Construction Credit:	
Total Preservation/Existing Development Credit:	
Total Vacant Uninhabitable Rehab or Adaptive/Reuse Credit:	
Total Credit:	-

Total Credit per Effective LIHTC Unit:

		Safe Harbor Min	Safe Harbor Max
New Construction:		$29,377.00	$30,883.51
Preservation/Existing Development:		$10,627.61	$11,172.62
Vacant Uninhabitable Rehab or Adaptive/Reuse:		$28,755.51	$30,230.15
		Total Points	**0**

MAXIMUM TOTAL DEVELOPMENT COST PER UNIT EVALUATION:

Fill in all boxes highlighted in Yellow above and below

Total Development Cost	
Total Number of 9% LIHTC Units	-
Total Number of Market Rate Units in 9% Phase	
Project Within TDC/Unit Limit?	**#DIV/0!**

2026-2027 Scoring Criteria Quick Reference Sheet				
Project Name				
			Possible Points	Self Score
A.	Urban Opportunity Criteria			
	1.	Proximity to Transportation	4	N/A
	2.	Proximity to Amenities	25	N/A
	3.	Community Revitalization Plan Area	1	N/A
	4.	Household Overburdened Area	3	N/A
	5.	Communities without Recent Awards	2	N/A
	6.	Community Supported Initiatives	5	N/A
	7.	Job Growth Opportunities	4	N/A
		Section Total:	**44**	**0**
B.	Rural Opportunity Criteria			
	1.	Proximity to Transportation	4	N/A
	2.	Proximity to Amenities	25	N/A
	3.	Community Revitalization Plan Area	1	N/A
	4.	Household Overburdened Area	3	N/A
	5.	Communities without Recent Awards	2	N/A
	6.	Community Supported Initiatives	5	N/A
	7.	Job Growth Opportunities	4	N/A
		Section Total:	**44**	**0**
C.	Development Characteristics			
	1.	Affordable Assisted Living	2	0
	2.	Low Income Targeting	25	0
	3.	Historic Rehabilitation Projects	1	0
	4.	Native American Housing	TBD	0
	5.	Affordability Commitment	5	0
	6.	Tenant Ownership	2	0
	7.	On Site Tenant Services	2	0
	8.	Energy Efficient Building Policy	4	0
	9.	Evidence of Proper Zoning	3	0
	10.	Evidence of Site Plan Approval	3	0
	11.	Accessible Units	3	0
	12.	Accessible Community Space	2	0
	13.	Tax Abatement	3	0
	14.	Public Housing Conversions	5	0
	15.	Project-Based Tenant Subsidies	2	0
		Section Total:	**62**	0
D.	Development Team Characteristics			
	1.	Previous Experience of GP/Member	7	0
	2.	Previous Experience of Management Agent	4	0
	3.	Rental Development's Temporary Point Reduction	-5	0
	4.	Asset Management's Noncompliance Letters Policy	-20	0
	5.	Poor Previous Participation of Applicant	-20	0
	6.	Poor Previous Participation of Management Agent	-20	0
		Section Total:	**11**	0
E.	Permanent Supportive Housing Developments			
	1.	Supportive Service Coordination	6	N/A
	2.	Service Funding Commitments	6	N/A
	3.	Targeted Supportive Housing Populations	12	N/A
	4.	Developing in a High Need Area	5	N/A
	5.	Experienced Supportive Housing Development Team	9	N/A
	6.	On Site PSH Services	3	N/A
	7.	Medicaid Experience	2	N/A
	8.	Medicaid Billing	2	N/A
	9.	Coordinated Entry System	4	N/A
	10.	Recovery Housing Developments	4	N/A
		Section Total:	**53**	0
F.	Cost Reasonableness with Credit Efficiency			
	1.	Cost Reasonableness with Credit Efficiency	5	0
		Section Total:	**5**	0
		GRAND TOTAL:		**0**

Ex. 1 UNIT TARGETING POINT CALCULATION FORM

Please only enter data in the highlighted cells.

Project Information Entry

= Indicates input required by Applicant

Type of Project:	
Minimum Set-Aside Election:	
Target Population:	
Total Units in the Development:	
Total Market Rate Units:	
Will the Market Rate Units be owned by a separate legal entity?	
Total PSH units in the Development:	
Total PBRA units in the Development:	

Low Income Targeting for PSH units and/or non-PSH units with PBRA

		Points
Total Percentage of PSH units and/or non-PSH units with PBRA:	#DIV/0!	
Total Points from PSH units and or non-PSH units with PBRA:	#DIV/0!	#DIV/0!

Low Income Targeting for Unassisted (LIHTC-Only) Units

Please note: Units with rental assistance will not be allowed to be included in the targeting below.

MAX POINTS =	25
Total Number of Unassisted Units allowed for Targeting:	0
Total Percentage of Unassisted Units allowed for Targeting:	#DIV/0!
Total Percentage of Units Allowed at 30% AMI or below:	#DIV/0!
Total Percentage of Units Allowed at 20% AMI:	#DIV/0!

	# Units	% Units	x Factor	Points
20% AMI		#DIV/0!	100	Exceeds Limits
30% AMI		#DIV/0!	70	Exceeds Limits
40% AMI		#DIV/0!	30	Exceeds Limits
Total targeted units:		#DIV/0!	Total Points:	Error

Points: Error

Total Low Income Targeting Points:	**#DIV/0!**

2026-2027 ADDENDUM III AND APPLICATION

MICHIGAN'S LOW-INCOME HOUSING TAX CREDIT PROGRAM

PERMANENT SUPPORTIVE HOUSING CATEGORY

Contents

INTRODUCTION, APPLICATION PROCESS, AND FUNDING ROUND TIMELINE

PERMANENT SUPPORTIVE HOUSING (PSH)

Projects setting aside at least the greater of 10 units (Rural) or 15 units (Urban) or 35% of the units in the development for new tenants that are PSH-eligible, as per the definitions below, and that also meet the requirements of Addendum III.

NAVIGATING THE ADDENDUM III

The order of this Addendum III document is divided into five distinct sections by topic area, which are the key areas that applicants will need to focus on when creating a Permanent Support Housing (PSH) development:

1. **Project Location and Project Structure**
2. **PSH Tenant Populations Being Served**
3. **Tenant Selection Process**
4. **Service Team**
5. **Service Funding**

PRE-APPLICATION PROCESS

Applicants will need to submit an initial concept packet for review and discussion prior to submitting an application in a funding round. This provides an opportunity for the Applicant and their team to receive technical assistance in conceptualizing the project and assuring that key components are included. The timeline below highlights the date by which applicants that are required to meet with the Addendum III review committee must submit their Initial Concept Packet. Please see the Initial Concept Form in Attachment B below.

APPLICATION SUBMISSION

The Addendum III Application submission must be completed in full. This includes, but is not limited to:

1. A fully completed Addendum III application
2. Completed Addendum III Exhibit Checklist with all applicable exhibits.

Applicants should review the submission before the funding round deadline to ensure that everything is included. See Attachments, below, for the Addendum III Application forms.

The Michigan State Housing Development Authority (MSHDA) will reject applications with multiple material errors in documentation, incomplete information, and/or general inconsistencies found within the Addendum III submission.

The Addendum III must be complete and submitted as part of the complete Low Income Housing Tax Credit (LIHTC) Application on the LIHTC Funding Round Due Date as shown in the 2026-2027 Qualified Allocation Plan (QAP).

APPLICATION REVIEW TEAM

MSHDA will appoint an Addendum III review committee. The Addendum III review committee will reserve the right to meet more than once with a particular project if it is determined necessary. This committee will consist of MSHDA LIHTC and Homeless Assistance staff, along with representatives from Michigan Department of Health and Human Services (MDHHS) and other State of Michigan agencies as deemed necessary and appropriate by MSHDA. All members of the review committee will be independent of the projects they review.

The Addendum III review committee will then review and score the submission as part of the funding round and will not meet with development teams during the funding round review process.

FUNDING ROUND TIMELINE

The chart below outlines the various deadlines that applicants should be aware of leading up to a funding round:

Stage of Process	Due Date
October 2025 Funding Round Approximately 60% of the 2026 credit	
Initial Meeting with CoC Deadline (PSH only)	Friday, August 1, 2025
Waiver Request Due Date	Friday, August 1, 2025
Preservation Level 1 Review Due Date	Friday, August 1, 2025
4%/9% Mixed Transaction Level 1 Review Due Date	Friday, August 1, 2025
Addendum III Initial Concept Letter Due Date (PSH only)	Friday, August 1, 2025
Affordable Assisted Living Steering Committee Review Packet Due Date	Friday, August 1, 2025
Notification of selected site due to MSHDA Office of Market Research (email)	Friday, August 1, 2025
Funding Round Due Date	Wednesday, October 1, 2025
Expected Award Notification Date	December 2025
April 2026 Funding Round Approximately 40% of the 2026 credit	
Initial Meeting with CoC Deadline (PSH only)	Monday, February 2, 2026
Waiver Request Due Date	Monday, February 2, 2026
Preservation Level 1 Review Due Date	Monday, February 2, 2026
4%/9% Mixed Transaction Level 1 Review Due Date	Monday, February 2, 2026
Addendum III Initial Concept Letter Due Date (PSH only)	Monday, February 2, 2026
Affordable Assisted Living Steering Committee Review Packet Due Date	Monday, February 2, 2026
Notification of selected site due to MSHDA Office of Market Research (email)	Monday February 2, 2026

Funding Round Due Date	Wednesday, April 1, 2026
Expected Award Notification Date	June 2026

October 2026 Funding Round Approximately 60% of the 2027 credit	
Initial Meeting with CoC Deadline (PSH only)	Friday, July 31, 2026
Waiver Request Due Date	Friday, July 31, 2026
Preservation Level 1 Review Due Date	Friday, July 31, 2026
4%/9% Mixed Transaction Level 1 Review Due Date	Friday, July 31, 2026
Addendum III Initial Concept Letter Due Date (PSH only)	Friday, July 31, 2026
Affordable Assisted Living Steering Committee Review Packet Due Date	Friday, July 31, 2026
Notification of selected site due to MSHDA Office of Market Research (email)	Friday, July 31, 2026
Funding Round Due Date	Thursday, October 1, 2026
Expected Award Notification Date	December 2026

April 2027 Funding Round Approximately 40% of the 2027 credit	
Initial Meeting with CoC Deadline (PSH only)	Monday, February 1, 2027
Waiver Request Due Date	Monday, February 1, 2027
Preservation Level 1 Review Due Date	Monday, February 1, 2027
4%/9% Mixed Transaction Level 1 Review Due Date	Monday, February 1, 2027
Addendum III Initial Concept Letter Due Date (PSH only)	Monday, February 1, 2027
Affordable Assisted Living Steering Committee Review Packet Due Date	Monday, February 1, 2027
Notification of selected site due to MSHDA Office of Market Research (email)	Monday, February 1, 2027
Funding Round Due Date	Thursday, April 1, 2027
Expected Award Notification Date	June 2027

1. PROJECT LOCATION AND GENERAL PROJECT STRUCTURE

SITE SELECTION – **THRESHOLD**

The project location must meet MSHDA's Site Selection Criteria. In addition to the MSHDA Site Selection Guidelines and definitions, any project that receives a LIHTC award and which will be applying for Project Based Vouchers (PBVs) must ensure the site meets the federal program requirements of HUD regulations (Title 24 Housing and Urban Development 983 Project Based Voucher (PBV) Program).

PROJECT NARRATIVE – **THRESHOLD**

A detailed and complete narrative description of the project should be provided; this includes, at a minimum, the development team, service providers, number and breakdown of units, populations served, services provided, type of unit, income targeting, and proposed rent schedule.

PROJECT SIZE (75 UNIT MAX) – **THRESHOLD**

Projects with more than 75 units of Permanent Supportive Housing must request a waiver from MSHDA at least 60 days prior to the funding round deadline.

UTILITIES – **THRESHOLD**

Developers must include all utility costs for the permanent supportive housing units in the project expenses.

ACCESSIBLE COMMUNITY SPACE – **THRESHOLD**

To meet minimum PSH requirements, projects are required to provide accessible community or supportive service space to all projects. The accessible community space is envisioned as one room or contiguous space that may be used for activities such as dining, crafts, exercise, medical clinic, socializing, birthday parties, holiday gatherings, study areas and/or other activities for individuals with children, or any other activity or use that may benefit tenants; and does not include common space such as hallways, offices, lobbies, bathrooms laundry rooms, etc.

To meet threshold, the accessible community space must, at a minimum be sized according to the gird below AND must have at least one additional, separate private meeting space or office of at least 100 square feet for every 20 PSH units. The separate private meeting space must be in addition to the square footage of community space detailed in the grid below. The space must be located within a reasonable proximity to the proposed project if the space is provided in a separate building. If an accessible community space being shared by multiple phases of the same project is proposed, it must meet the minimum square footage requirement for all units in all phases of the project that will share the accessible community space. Additionally, in the case of multiple phases, an easement agreement must be executed to allow the phases to have equal access to the accessible community space. A certification signed by the project Architect, Applicant, and Contractor must be submitted to demonstrate that the project will contain the minimum required amount of Accessible Community Space. Along with the certification, an as-built drawing of the community space will also be required after construction completion to demonstrate that the requirements have been met.

Number of units that will have access to the community space*	
Minimum 15 Square Feet Per Unit	

*Including market-rate units and all units in all phases, but excluding management units

Note: For example, if there are 50 PSH units, there must be at least 3 private meetings spaces of at least 100 square feet each in the development (50 / 20 = 2.5, rounded up to 3). If there are not enough private meeting spaces and/or if they are not at least 100 square feet each, the project will not meet threshold and will not be eligible for credit.

2. PSH TENANT POPULATION(S) BEING SERVED

MINIMUM UNIT OR 35% PSH THRESHOLD – **THRESHOLD**

Projects in Urban jurisdictions must have at least the greater of 15 units or 35% of the total units in the development targeted to people who meet the definitions outlined in Attachment D. Projects in Rural jurisdictions must have at least the greater of 10 units or 35% of the total units in the development targeted to people who meet the definitions outlined in Attachment D. HUD Category 1 (Literally Homeless) and/or the CoC's prioritized populations must be included as a target population for each PSH developments. Please see the USDA RD Multifamily tool for areas delineated as "Rural."

Note: If 35% of the units is not a whole number, the development must round up to the next whole unit to meet this criterion. For example, if there are 50 units, there must be at least 18 permanent supportive housing units in the development (35% x 50 = 17.5, rounded up to 18). Manager units do not count towards either the total number of units or the supportive housing units in the development. If there are not enough units set aside for PSH tenants, the project will not meet threshold and will not be eligible for credit.

ELDERLY-ONLY POPULATIONS – **THRESHOLD**

Elderly-only populations are excluded from the Permanent Supportive Housing Category. The entire project must be open to all ages.

INCOME ELIGIBILITY OF TENANTS – 30% AMI – **THRESHOLD**

Tenant incomes must be at or below 30% AMI to be eligible for targeted Supportive Housing units.

Include the **Utilities, Income, and Unit Summary** tabs from the 2026-2027 LIHTC Program Application to demonstrate 1) utilities for the PSH units are being paid by the owner; 2) the rents and rental assistance for all units; and 3) the unit mix and breakdown. If applicable, provide a description of how the project will make the targeted units affordable to persons whose incomes are extremely low. If there is a current commitment for subsidy, attach the funding commitments or list details of any anticipated applications to provide subsidy to supportive housing tenants. Do **not** include an application for MSHDA Project Based Vouchers.

CONTINUUM OF CARE COORDINATION - **THRESHOLD**

The development team must meet with the local Continuum of Care (CoC) housing planning body at least 60 days prior to the funding round deadline. Please see the timeline in the Introduction Section of this document for specific deadline dates. The intent of this meeting should be to begin discussions about preliminary project concepts in order to serve as notice to the CoC that a project in the area is being pursued and to allow the opportunity for the CoC to provide input. Continuing discussions with the CoC should ensure the stability of tenants, that the project is integrated in the community, and that there are strong social support networks available to meet the needs of the supportive housing tenants. The CoC is not obligated to provide minutes or letters of support to projects that do not meet the requirements or priorities of the CoC.

*Continuum of Care Minutes - **THRESHOLD***

Please include the minutes from the initial CoC meeting, to confirm the development team met with the local CoC housing planning body at least 60 days prior to the funding round deadline to discuss this project. This should include project and developer identification, the member(s) of the CoC housing planning body involved in the discussion, and the date of initial meeting.

*Letter of Support from Continuum of Care – **THRESHOLD***

The letter of support from the CoC should include the total number of units, the number of PSH units, the targeted population(s), description of the housing units, bedroom mix of the PSH units, location of the development, the proposed services and amenities, and identification of the development team. The CoC letter of support must be dated within one year from the funding round deadline.

DATA MATCH – IF APPLICABLE

Developments may have chosen to include a Data Match population with HMIS as one of the targeted populations. Examples of potential Data Match lists might include but are not limited to: Medicaid and HMIS; local jail system and HMIS; local drug treatment court and HMIS; local Child Protective Services and HMIS.

The Data Match may also include Medicaid Super Utilizers with complex care needs that are experiencing homelessness. MSHDA has partnered with MDHHS to serve this population with permanent supportive housing with the goal to improve health outcomes, increase access and usage of primary and preventative health care, reduce the usage of emergency services, and maintain housing stability. The data match is being conducted with HMIS and Medicaid data within the State Data Warehouse.

It is intended that Sober Housing developments will be able to qualify under this criterion through implementing a Data Match that would identify individuals that are experiencing a substance use disorder and are experiencing homelessness under HUD Category 1 or HUD Category 4.

If applicable, provide a brief narrative identifying the local Data Match population, how the service team (including the local CoC) will identify and refer households most at need in this population, how the service needs of the targeted population will be met, how those services will be funded, and any other information relevant to the Data Match population. This information should likely also be included in the Tenant Selection Plan, Service Coordination Plan, and referenced in the CoC letter. Evidence of the Addendum III review team's approval of that Data Match list must also be included in this section.

COUNTY HMIS DATA – **FOR POINTS**

Provide the county's most recent annual literally homeless (category 1) count. Please contact your local Continuum of Care Chairperson for this report.

RECOVERY HOUSING – **FOR POINTS**

Recovery Housing developments must have been reviewed and approved by the Recovery Housing steering committee prior to the funding round deadline. Those developments should provide an approval letter from the Recovery Housing steering committee in this Section. Applicants should also include a description of the referral process, the treatment courts being utilized, and the number of individuals that are being served by the treatment courts. If there are any changes to the development since the time of the steering committee’s review, those changes must be outlined in a narrative.

3. TENANT SELECTION PROCESS

HARA REFERRALS – **THRESHOLD**

The Housing Assistance and Resource Agency (HARA) must be included as a referral source for Permanent Supportive Housing Units. The HARA must use the Statewide approved assessment tool when assessing applicants for Permanent Supportive Housing. The HARA's role may include referrals or services. They do not have to be the lead agency; however, their role should be defined within the MOU. If there is a different lead agency, the MOU must define their role in the development and be signed by their executive director. In all cases, the MOU must be signed by the HARA.

TENANT SELECTION CRITERIA – **THRESHOLD**

Include the property's tenant selection plan and describe how PSH tenants will be served. This description should include the targeted populations, any screening processes that will be utilized, along with criminal and credit screening processes and details of any appeal process and eviction diversion plans for the permanent supportive housing tenants. The tenant selection plan must include the Housing First components. Developments are required to demonstrate the use of assessment tools that identify and prioritize the referrals to serve the most vulnerable individuals and families. Include a description of referral process and centralized intake assessment that prioritizes the referrals for the waiting list that will be utilized at this development. See below for Housing First criteria.

HOUSING FIRST CERTIFICATION – **THRESHOLD**

The Housing First Certification (found at the end of the Addendum III Application and Checklist) must be completed and filled out by the owner. The commitments in the Housing First Certification must also be included in the Tenant Selection Criteria.

4. PSH SERVICE TEAM

MEMORANDUM OF UNDERSTANDING – **THRESHOLD**

The development team must submit written documentation between the developer, management company, and service provider(s) that outlines mutual roles and responsibilities in the development. The Memorandum of Understanding ("MOU") should incorporate the service coordination plan agreed to by the parties, and provide:

a) Demonstration of an ongoing commitment by the developer and/or landlord to assure sustained availability of supportive services; and
b) Inclusion of the Housing Assessment Resource Agency (HARA) within the MOU;
c) A description of the referral and screening process that will be used to refer tenants to the project, which follows the acceptable guidelines and uses assessment tools as required by MSHDA and other State or Federal service funding agencies, and a willingness of all parties to negotiate reasonable accommodations to facilitate the admittance of persons with disabilities into the development;
d) A communication plan between the management company and the lead agency that will accommodate staff turnover and assure continuing linkages between the development and lead agency for the duration of the compliance period;
e) Acknowledgment of the property's rent structure and a description of how supportive housing tenants may access rental assistance, should they require it, to afford the apartment rents;
f) Certification that participation in supportive services will not be a condition of tenancy unless otherwise required by a Federal subsidy;
g) Agreement to affirmatively market to persons with disabilities;
h) Agreement to include a section on reasonable accommodation in the property management's application for tenancy;
i) Agreement to accept Housing Choice Vouchers or other rental assistance for eligible tenants and not require total income for persons with rental assistance beyond that which is reasonably available to supportive housing tenants; and
j) A description of how the project will make the targeted units affordable to supportive housing tenants with very low incomes.

The MOU must de dated within six (6) months of the funding round date.

At the time of submission, the MOU must be in its final form and signed by all parties who provide services to the tenants. These parties should be documented on the Supportive Services Commitment Chart.

SERVICE COORDINATION PLAN – **THRESHOLD**

On-site service coordination must be available to all supportive housing tenants.

The services cannot be funded through the operations of the development. The on-site services may be provided through partnership with the local service organizations.

Projects must incorporate a minimum caseworker to PSH resident ratio of no less than one full-time equivalent caseworker per twenty-five PSH residents. PSH residents will be calculated at 1 resident per

PSH unit. The resulting number of required caseworkers must be rounded up to the next whole number. For example, a development with 15 one-bedroom and 8 two-bedroom PSH units would have the following calculation: 15 + 8 = 23 residents; 23/25 = 0.92 caseworkers; this result must be rounded up for a final result of 1 caseworker as a required minimum for the development.

Additional on-site services may be needed depending on the population served by the supportive housing project. Please note that the intent of the on-site services is to provide convenient options for residents to receive any services that they choose. Tenants may choose to receive services off-site at a different location, through a different service provider of their choosing, or they may choose to decline the services completely. With the exception of certain federal programs, tenants cannot be mandated to participate in any of the offered or available services, nor can non-participation itself be a factor in their lease or rental history. Tenants are not required to participate in the offered services or may choose to participate in these or similar services off-site.

The service coordination plan will clearly state that the ownership entity and management agent will:

- expressly include reasonable accommodations in the application for tenancy;
- not ask applicants/residents for medical or other protected information unless and only to the extent legally necessary (e.g., processing reasonable accommodations);
- use standard leases with the same rights available to, and responsibilities expected of, all households, including duration of tenancy (cannot be transitional);
- ensure participation in any supportive services is entirely voluntary (not a formal or implied condition of occupancy); and
- not give a preference based on either disability type (actual or perceived) or being a client of a particular provider.

Service Coordination Plan – THRESHOLD

There should be one specific and comprehensive service plan submitted, regardless of the specific tenants or population(s) targeted for the supportive housing units. The Service Coordination Plan will describe how the project will meet the supportive service needs of the targeted tenants. It will include the targeted population(s), information about the service provider(s), specific types of services provided, and the number of hours of on-site services provided. The Service Coordination Plan and other applicable documents must make it clear that service participation is not a factor in the lease.

Inclusion of a Community Mental Health Provider – THRESHOLD

Inclusion of a Community Mental Health (CMH) provider in the service team and plan and as a signer on the MOU is required. The Service Coordination Plan should consider the high level of service need that this target population will likely require to maintain housing stability. *****Failure to include the CMH as part of the supportive service team and in the appropriate documents, including MOUs, will be considered a material deficiency and will make the project ineligible for an award of tax credits. *****

Service Coordination Funding Letter(s) of Support – THRESHOLD

A letter of support from the Executive Director of the agency(ies) providing funding for the on-site supportive services hours and any funding being used for points must be included in the

Addendum III submission. The letter(s) of support must be dated within six (6) months of the funding round deadline. It must include the name and location of the development, the number of hours of on-site service committed, the specific amount of funding, and a description of how the agency is funded, detailing their past service funding in order to demonstrate a history of reliable service funding sources in amounts that are sufficient to support their share of yearly project service expenses. The services cannot be funded through the operations of the development. If being used for points, the funding should be provided in full to the project by the end of the second year of the compliance period, funding should be specific to the project (not to the agency) and must be able to be used for housing or related services. In kind contributions will not be considered.

SUPPORTIVE HOUSING DEVELOPMENT TEAM EXPERIENCE – **FOR POINTS**

For each of the General Partners/Members, Management Agent, and Lead Agency taking points, provide a listing of the permanent supportive housing developments owned or operated and the population(s) served, as applicable. Points will only be awarded for prior experience with the target population assisted in the proposed development (ex. Must have prior experience with chronic homeless if electing to serve chronic homelessness in proposed development). The Supportive Housing Development Team Experience form should include name of the development team member, names of the developments, location, number of units, target population served, number of years owned/operated, last year owned/operated, and type of project. Provide a separate list for each development team member requesting points. For each category (General Partner/Member, Management Agency, and Lead Agency) only one team member may receive points. If there are joint venture or other partnership agreements between two or more general partners, management agents, or lead agencies, partners will receive PSH points only if the agreements meet the requirements for LIHTC points as outlined in the 2026-2027 QAP and Scoring Summary.

MEDICAID BILLING – **FOR POINTS**

If the project is requesting points for Medicaid billing, the commitment must be documented in the letter of support from the Medicaid billing agency.

Note: Support for Medicaid Billing should be included in the relevant exhibit. Do not include this information twice.

5. PSH SERVICE FUNDING

ADDENDUM III FUNDING ANALYSIS – **THRESHOLD**

An Addendum III Funding Analysis must be completed for the project that clearly breaks out all supportive services funding and projected expenses for the 15-year compliance period.

*Addendum III Funding Analysis – **THRESHOLD***

The Addendum III Funding Analysis can be found in the 2026-2027 LIHTC Application. This tab needs to be completed in its entirety and submitted with the Addendum III exhibits. Projects are required to show documented evidence of service funding to support the projected expenses for a minimum of the initial year with renewals available **and** a detailed description of future funding sources through year 15. Those funding sources receiving points for Service Funding Commitments should be clearly included.

*Addendum III Funding Letters of Support – **THRESHOLD***

The Addendum III submission must include supporting documentation for all the funding sources included in the Supportive Services Chart and those receiving points for Service Funding Commitments. The letters of support must be from the Executive Director of all funding agencies and outline the amount of funding provided, the number of years, and any other relevant information. Projects will be required to show documented evidence of service funding to support the projected expenses for a minimum of the initial 1-year with renewals available and a detailed description of future funding sources. Additionally, all funding agencies must provide a letter detailing the history of their past service funding in order to demonstrate a history of reliable service funding sources in amounts that are sufficient to support their share of yearly project service expenses.

All letters of support must be dated within six (6) months of the funding round deadline.

ATTACHMENT A. ADDENDUM III SUBMISSION CHECKLIST

The following are a list of documents required to be submitted, in the order presented in this document.

☐ 1. Addendum III Application – **Threshold**

☐ 2. Permanent Supportive Housing Development section of the 2026-2027 LIHTC Scoring Summary – **For Points**

☐ 3. Project Narrative – **Threshold**

☐ 4. Utilities, Income, and Unit Summary tabs from the 2026-2027 LIHTC Program Application – **Threshold**

☐ 5. Architects Certification of Accessible Community Space and As-Built Drawing of the Community Space – **Threshold**

☐ 6a. Continuum of Care Minutes – **Threshold**

☐ 6b. Letter of Support from Continuum of Care – **Threshold**

☐ 7. Data Match Population Narrative – **If Applicable**

☐ 8. County HMIS Data – **For Points**

☐ 9. Recovery Housing – **For Points**

☐ 10. Tenant Selection Criteria – **Threshold**

☐ 11. Housing First Certification – **Threshold**

☐ 12. Memorandum(s) of Understanding – **Threshold**

☐ 13. Service Coordination Plan – **Threshold**

☐ 14. Service Coordination Letter(s) of Support – **Threshold**

☐ 15. Supportive Housing Development Team Experience Form – **For Points**

☐ 16. Specific On-Site Services Narrative – **For Points**

☐ 17. Medicaid Experience Letter – **For Points**

☐ 18. Addendum III Funding Analysis – **Threshold**

☐ 19. Funding Letter(s) of Support – **Threshold**

☐ 20. Supportive Services Commitment Chart – **Threshold**

ATTACHMENT B: INITIAL CONCEPT FORM

Project Name:

Funding Round:

All applicants applying under the Permanent Supportive Housing (PSH) Category of the 2026-2027 Qualified Allocation Plan (QAP) will be required to submit the following form and return it to MSHDA no later than the Addendum III Initial Concept Letter Due Date in Section V.A. of the 2026-2027 QAP.

1. **Please provide the name and address of the project, including the county**.

.

2. **Please attach the following:**
   a. **The Addendum III application pages (Attachment C) and Supportive Services Commitment Chart (Attachment F). Do not attach the checklist or the experience forms. If you have questions about anything in the checklist or experience forms, please plan to discuss those at the Initial Addendum III Review Meeting.**
   b. **The Addendum III Funding Analysis and Rental Income tabs of the 2026-2027 LIHTC Program Application.**
   c. **A site map and proposed drawings of the project.**

3. **Please describe the process for which PSH tenant referrals will be made to the development for the PSH units. This should be a <u>summary</u> and not the entire Tenant Selection Plan.**

4. **Please provide an explanation of the services that will be available at the property or that will be available on a referral basis to residents, the service providers that will be performing those services, and the funding sources that the service providers will utilize to make the services available (including Medicaid billing). This should be a summary and not the entire Service Coordination Plan.**

5. **Has the project been presented to the Continuum of Care (CoC)? What conversations are being held regarding the project and the targeted population(s)? Does the CoC support the project?**

6. **Has the development team met with MSHDA's Addendum III Review Committee to discuss this project in the past? When was the most recent meeting?**

Thank you for completing this form. Please submit this form along with the documentation that is requested in item #2 above and MSHDA will contact you to schedule a meeting to discuss the project, if necessary.

ATTACHMENT C: ADDENDUM III APPLICATION

Project Name:

A. OWNER IDENTIFICATION:

Organization	
Primary Address	
Contact Person	
Contact Phone	
Contact Fax	
Contact Email	
President/CEO	

B. PROPERTY MANAGEMENT COMPANY IDENTIFICATION INFORMATION:

Organization	
Primary Address	
Contact Person	
Contact Phone	
Contact Fax	
Contact Email	
President/CEO	

C. LEAD ORGANIZATION IDENTIFICATION INFORMATION:

Organization	
Primary Address	
Contact Person	
Contact Phone	
Contact Fax	
Contact Email	
President/CEO	

D. SERVICE ORGANIZATION IDENTIFICATION INFORMATION:

Organization	
Primary Address	
Contact Person	
Contact Phone	
Contact Fax	
Contact Email	
President/CEO	

E. CONTINUUM OF CARE IDENTIFICATION (COC) INFORMATION:

Organization	
Primary Address	
Contact Person	
Contact Phone	
Contact Fax	
Contact Email	
President/CEO	

F. HOUSING ASSESSMENT AND RESOURCE AGENCY (HARA) IDENTIFICATION INFORMATION:

Organization	
Primary Address	
Contact Person	
Contact Phone	
Contact Fax	
Contact Email	
President/CEO	

G. UNIT DESCRIPTION

Number of Units	Efficiency	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms	Total Number of units
Total Project						
Supportive Housing						
With PBV						
Barrier Free						

Identify number of buildings and the number of stories per building:

Identify number of units per building:

Identify accessible features available for targeted units:

Identify the type of units:(apartment, single family home, townhouse, duplex)

Does the building(s) have an elevator?

H. TARGETED SUPPORTIVE HOUSING POPULATIONS:

Projects must fill out the following chart. This information should also be clearly outlined in the MOU and Tenant Selection Plan. Please see the Targeted Supportive Housing Populations section of the 2026-2027 Scoring Summary for more information.

Note: If the required percentage of the units is not a whole number, the development must round up to the next whole unit to meet this criterion. For example, if there are 50 units, there must be at least 18 permanent supportive housing units in the development (35% x 50 units = 17.5, rounded up to 18). Manager or employee units do not count towards either the total number of units or the supportive housing units in the development.

	Targeted Populations	Number of Designated Units	Percentage of Total Units
Option 1:	☐ Households who meet Category 1 Homeless and have a disability	____	____
	☐ Households who meet Category 4 Homeless and have a disability	____	____
Option 2: Households that meet Category 1 or 4 and:	☐ Chronically Homeless	____	____
	☐ Top 10% of the Local CoC Prioritized List	____	____
	☐ Data Match (Data Match population: _____)	____	____
Other PSH Populations:	☐ Chronically Homeless	____	____
	☐ Homeless		
	☐ An individual or family who lacks a fixed, regular, and adequate nighttime residence	____	____
	☐ Domestic Violence	____	____
	☐ Special Needs (Includes Section 811 units)	____	____
	☐ Category 3: Youth Aging Out of Foster Care*	____	____
Other LIHTC/Market Units:	☐ LIHTC	____	____
	☐ Market	____	____

*HUD has not authorized any CoC to serve the homeless under Category 3. HUD determines and approves the use of CoC Program funds to serve this population based on each CoC's Consolidated

Application. Projects planning to serve Category 3: Homeless Under Other Federal Statutes must include HUD's approval of the COC's Consolidated Application.

ATTACHMENT D: DEFINITIONS

Please review the following definitions before completing a service plan for Supportive Housing Tenants. This is relevant when applying for any MSHDA program, including HOME or Low-Income Housing Tax Credits. ***To be eligible for funding, the entire housing development must be open and available to adult persons of all ages.***

A) Eligible Supportive Housing Tenants

Under the Low-Income Housing Tax Credit program eligible supportive housing tenants must meet one of the following definitions:.

Homeless Categories

The Homeless Category definitions are aligned with the HUD definitions approved by Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. HUD published the final rule in the December 5, 2011 *Federal Register.*

(1) **HUD Category 1 (Literally Homeless). An individual or family who lacks a fixed, regular, and adequate nighttime residence**, meaning:
   - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
   - (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
   - (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

(2) HUD Category 3. Unaccompanied youth under 25 years of age, or families with Category 3 children and youth, who do not otherwise qualify as homeless under this definition, but who:
   - (i) Are defined as homeless under the other listed federal statutes;
   - (ii) Have not had a lease, ownership interest in permanent housing during the 60 days prior to the homeless assistance application;
   - (iii) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; and
   - (iv) Can be expected to continue in such status for an extended period of time due to special needs or barriers;

(3) **HUD Category 4 (Fleeing/Attempting to Flee Domestic Violence). Any individual or family who:**

(i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
(ii) Has no other residence; and
(iii) Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.

Domestic violence (target population definition)

In addition to Category 4 of the Homeless definition**,** "Domestic Violence" means the occurrence of any of the following acts by a person that is not an act of self-defense:

- Causing or attempting to cause physical or mental harm to an intimate partner;
- Placing an intimate partner in fear of physical or mental harm;
- Causing or attempting to cause an intimate partner to engage in involuntary sexual activity by force, threat of force, or duress;
- Engaging in activity toward an intimate partner that would cause a reasonable person to feel terrorized, frightened, intimidated, threatened, harassed, or molested.

Chronically Homeless

A ''chronically homeless'' individual is defined to mean a homeless individual with a disability who lives either in a place not meant for human habitation, a safe haven, or in an emergency shelter, or in an institutional care facility if the individual has been living in the facility for fewer than 90 days and had been living in a place not meant for human habitation, a safe haven, or in an emergency shelter immediately before entering the institutional care facility. In order to meet the ''chronically homeless'' definition, the individual also must have been living as described above continuously for at least 12 months, or on at least four separate occasions in the last 3 years, where the combined occasions total a length of time of at least 12 months. Each period separating the occasions must include at least 7 nights of living in a situation other than a place not meant for human habitation, in an emergency shelter, or in a safe haven.

Chronically homeless families are families with adult heads of household who meet the definition of a chronically homeless individual. If there is no adult in the family, the family would still be considered chronically homeless if a minor head of household meets all the criteria of a chronically homeless individual. A chronically homeless family includes those whose composition has fluctuated while the head of household has been homeless.

Special Need

The Special Need population will use the criteria established by the HUD Continuum of Care program for persons with disabilities. If serving Veterans, a VA disability rating may also qualify.

Disability means: (1) A condition that: (i) Is expected to be long-continuing or of indefinite duration; (ii) Substantially impedes the individual's ability to live independently; (iii) Could be improved by the provision of more suitable housing conditions; and (iv) Is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, posttraumatic stress disorder, or brain injury; (2) A developmental disability, as defined in this section; or (3) The disease of acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome, including infection with the human immunodeficiency virus (HIV)

Developmental disability means, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002): (1) A severe, chronic disability of an individual that— (i) Is attributable to a mental or physical impairment or combination of mental and physical impairments; (ii) Is manifested before the individual attains age 22; (iii) Is likely to continue indefinitely; (iv) Results in substantial functional limitations in three or more of the following areas of major life activity: (A) Self-care; (B) Receptive and expressive language; (C) Learning; (D) Mobility; (E) Self-direction; (F) Capacity for independent living; (G) Economic self-sufficiency; and (v) Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated. (2) An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting three or more of the criteria described in paragraphs (1)(i) through (v) of the definition of ''developmental disability'' in this section if the individual, without services and supports, has a high probability of meeting those criteria later in life.

Documenting Disability:
Disability.— Acceptable evidence of the disability includes: (1) Written verification of the disability from a professional licensed by the state to diagnose and treat the disability and his or her certification that the disability is expected to be long continuing or of indefinite duration and substantially impedes the individual's ability to live independently; (2) Written verification from the Social Security Administration; (3) The receipt of a disability check (e.g., Social Security Disability Insurance check or Veteran Disability Compensation); (4) Other documentation approved by HUD; or (5) Intake staff-recorded observation of disability that, no later than 45 days of the application for assistance, is confirmed and accompanied by evidence in paragraph (c)(1), (2), (3), or (4) of this section.

<u>Other Homeless Categories, as defined by MSHDA:</u>

Top 10% of the Local CoC Prioritized List
Individuals or households in the top 10% of the Local CoC Prioritized List, as based on Vulnerability Index – Special Prioritization Decision Assistance Tool (VI-SPDAT) or other local assessment tool.

Data Match

Data Match can mean one of two versions – a Statewide Data Match program or a local Data Match program. The State Data Match is a partnership between MSHDA and the Michigan Department of Health and Human Services to match HMIS and Medicaid lists. A local Data Match list should be a match between HMIS and at least one other data source, including but not limited to Medicaid, local jail system(s), local drug treatment court(s), local Child Protective Services, local schools.

B) Supportive Services Plan

For a project to be eligible for tax credit supportive housing points or HOME funds, the proposal must include a plan for the provision of a *substantial level of services targeted* to the supportive housing units. The services must include those that are essential for supportive housing tenants to *sustain* themselves in permanent housing.

The project must be an on-going active collaboration between the owner, Management Company, and identified supportive service provider(s). The formulation of this relationship, along with a commitment to sustain the agreed upon services over a period of time, must be agreed to *by the collaborators and incorporated into a written "Memorandum of Understanding."*

The supportive services plan should outline and specify the following:

- Conditions which would qualify the proposed tenant(s) for the supportive housing units;
- Expected life-skills areas for which supportive services are likely to be required;
- The supportive services to be provided. **Participation in supportive services must be voluntary unless required by a Federal rental subsidy.**
- How service coordination will be provided.

Tenants' must have the option to receive service coordination on-site. For the purpose of meeting this requirement, *service coordination* shall be available in a form that contains the following elements:

a) An individual assessment of service needs and life goals will be completed with the full participation of each tenant and others of their choosing.

b) A plan will be developed in response to each tenant's assessment, which will include long and short-range goals, with specific steps to achieve them. Principles of person centered planning and self-determination will be incorporated into the planning process.

c) Service coordination will include advocacy, brokering, linking and monitoring of support services detailed in each tenant's plan.

d) Service coordinators will help tenants gain access to entitlements, financial assistance programs, and legal representation, in accordance with the tenant's plan.

e) A re-assessment, and revision of each tenant's plan, will be completed on at least an annual basis. Copies of that plan and annual update will be placed in each tenant's file.

f) Tenants shall have a designated individual or team responsible for the coordination of services.

g) Emphasis shall be placed on tenant empowerment and the development of natural/community supports.

ATTACHMENT E: CERTIFICATION OF COMMITMENT TO HOUSING FIRST

The United States Interagency Council on Homelessness calls Housing First "a proven approach in which people experiencing homelessness are provided with permanent housing directly and with few to no treatment preconditions, behavioral contingencies, or barriers." The Council has compiled a Housing First Checklist listing the elements of a Housing First approach at a project and community level. Some of those elements are included in this Certification. By signing this Certification, the development and service teams are committing to applying the Housing First approach in the development. Each member must sign. This approach includes the following elements:

- Tenants have full rights, responsibilities, and legal protections under Federal, state, and local housing laws, tenants are educated about their lease terms, given access to legal assistance, and encouraged to exercise their full legal rights and responsibilities, and landlords and providers abide by their legally defined roles and obligations; and
- Admission/tenant screening and selection practices affirm that acceptance of applicants regardless of their sobriety, use of substances, completion of treatment, and participation in services; and
- Applications are seldom rejected for poor credit or financial history, poor or lack of rental history, distant past criminal convictions, or behaviors that indicate a lack of "housing readiness;" and
- Supportive services emphasize engagement and problem-solving over therapeutic goals, service plans are tenant-driven without predetermined goals, and participation in services or program compliance are not a condition of tenancy (except as required by federal requirements); and
- Use of drugs or alcohol in and of itself is not considered a reason for eviction, unless a requirement under a federal program; and
- The Tenant Selection Plan includes a prioritization of eligible tenants based on high SPDAT score (or other similar coordinated assessment system); and
- Permanent supportive housing tenants are given reasonable flexibility in paying their tenant share of rent on time and offered special payment arrangements for rent arrears and/or assistance with financial management; and
- A harm reduction philosophy, where tenants are offered education regarding how to avoid risky behaviors and engage in safer practices, is in place; and
- Units may include special physical features that accommodate disabilities, reduce harm, and promote health among tenants; and
- Every effort is made to avoid eviction.

These criteria should be found and reaffirmed in the project's Tenant Selection Plan. Any material differences or inconsistencies between the Tenant Selection Plan and this Certification may be considered reasons for rejection.

The undersigned agree to follow Housing First and incorporate the standards above into the project, management, and Tenant Selection Plan.

Dated: _________ Owner: ____________________________________

By: ____________________________________

Its: ____________________________________

Dated: __________ Management Company: ______________________________

By: ______________________________

Its: ______________________________

Dated: __________ Lead Agency: ______________________________

By: ______________________________

Its: ______________________________

ATTACHMENT F. SUPPORTIVE SERVICES COMMITMENT CHART

Information is to be provided for all applicable services below. The service and funding agencies in this chart should be consistent with the rest of the Addendum III submission, including but not limited to the MOU, letters of support, and funding analysis.

	Name of Agency Providing Service ***Must sign MOU***	**Date of MOU**	**Included in the Addendum III Submission**	**Name of Agency Funding Services** ***Must provide Letter of Support***	**Date of Letter of Support**	**Included in the Addendum III Submission**
CASE MANAGEMENT SERVICE COORDINATION (ALL SERVICES BELOW ARE REQUIRED) All services under this heading (Tenant Stabilization, Building Support Systems, Basic Needs, Benefit Assistance, Employment Related Services, Mental Health, Substance Abuse Services, and Legal Services) must be supported by an MOU signed by the agency(ies) providing services and a letter of support from the agency(ies) providing funding.						
Tenant Stabilization – Assist tenants to care for their apartment, ADL's, get along with neighbors, landlord, etc.			☐ Yes			☐ Yes
Building Support Systems – Assist tenants to re-engage with local community.			☐ Yes			☐ Yes
Basic Needs – Assist tenants to obtain resources (food, clothing, transportation, etc.).			☐ Yes			☐ Yes
Benefit Assistance - Provide on-going			☐ Yes			☐ Yes

support including referrals, assistance obtaining benefits, linkages with services, “whatever it takes.”						
Employment Related Services			☐ Yes			☐ Yes
Mental Health – ACT, counseling, therapy, medications, and medication management.			☐ Yes			☐ Yes
***If the targeted populations include chronically homeless and/or various Data Match populations, the CMH **MUST** be part of the supportive services team, and the service commitment **MUST** be included in the MOU and other documents**. Failure to include the CMH as an integral member of the service team when targeting this population will be considered a material deficiency and make the project ineligible for an award of tax credits.** ***						
Substance Abuse Services – Outpatient treatment, self-help options, and counseling.			☐ Yes			☐ Yes
Legal Services – Related to civil arrears, family law, uncollected benefits.			☐ Yes ☐ N/A			☐ Yes ☐ N/A

ATTACHMENT G. SUPPORTIVE HOUSING DEVELOPMENT TEAM EXPERIENCE FORM – **FOR POINTS**

Points will be award to a development team that has experience in permanent supportive housing for the targeted populations in the proposed development. Experience can be included for LIHTC PSH units or HUD funded PSH units through programs such as HUD 811 or HUD PSH programs through the Continuum of Care.

This page must be filled out for each member of the Supportive Housing Development Team claiming experience points in **the 2026-2027 Scoring Criteria**. Failure to fully complete this chart or provide all information necessary for experience points for all may result in a loss of points.

Please note that if the Owner/Developer and Management entities are claiming experience points, this section must align with the LIHTC application. Projects will only receive points in this section if at least one General Partner/Member of the development team also received experience points in the Previous Experience of GP/Member section of the 2026-2027 Scoring Criteria.

Development Team Member:								
Role:								
Name and Project Number	**City and State**	**Total # of Units**	**# of PSH Units**	**Population(s) Served**	**Date of Ownership/Services**		**Date Project Last Placed in Service**	**Type of Financing/ Vouchers/Etc.**
					Begin	**End**		

2026-2027 ADDENDUM III AND APPLICATION

MICHIGAN'S LOW-INCOME HOUSING TAX CREDIT PROGRAM

PERMANENT SUPPORTIVE HOUSING CATEGORY

Contents

INTRODUCTION, APPLICATION PROCESS, AND FUNDING ROUND TIMELINE

PERMANENT SUPPORTIVE HOUSING (PSH)

Projects setting aside at least the greater of 10 units (Rural) or 15 units (Urban) or 35% of the units in the development for new tenants that are PSH-eligible, as per the definitions below, and that also meet the requirements of Addendum III.

NAVIGATING THE ADDENDUM III

The order of this Addendum III document is divided into five distinct sections by topic area, which are the key areas that applicants will need to focus on when creating a Permanent Support Housing (PSH) development:

1. **Project Location and Project Structure**
2. **PSH Tenant Populations Being Served**
3. **Tenant Selection Process**
4. **Service Team**
5. **Service Funding**

PRE-APPLICATION PROCESS

Applicants will need to submit an initial concept packet for review and discussion prior to submitting an application in a funding round. This provides an opportunity for the Applicant and their team to receive technical assistance in conceptualizing the project and assuring that key components are included. The timeline below highlights the date by which applicants that are required to meet with the Addendum III review committee must submit their Initial Concept Packet. Please see the Initial Concept Form in Attachment B below.

APPLICATION SUBMISSION

The Addendum III Application submission must be completed in full. This includes, but is not limited to:

1. A fully completed Addendum III application
2. Completed Addendum III Exhibit Checklist with all applicable exhibits.

Applicants should review the submission before the funding round deadline to ensure that everything is included. See Attachments, below, for the Addendum III Application forms.

The Michigan State Housing Development Authority (MSHDA) will reject applications with multiple material errors in documentation, incomplete information, and/or general inconsistencies found within the Addendum III submission.

The Addendum III must be complete and submitted as part of the complete Low Income Housing Tax Credit (LIHTC) Application on the LIHTC Funding Round Due Date as shown in the 2026-2027 Qualified Allocation Plan (QAP).

APPLICATION REVIEW TEAM

MSHDA will appoint an Addendum III review committee. The Addendum III review committee will reserve the right to meet more than once with a particular project if it is determined necessary. This committee will consist of MSHDA LIHTC and Homeless Assistance staff, along with representatives from Michigan Department of Health and Human Services (MDHHS) and other State of Michigan agencies as deemed necessary and appropriate by MSHDA. All members of the review committee will be independent of the projects they review.

The Addendum III review committee will then review and score the submission as part of the funding round and will not meet with development teams during the funding round review process.

FUNDING ROUND TIMELINE

The chart below outlines the various deadlines that applicants should be aware of leading up to a funding round:

Stage of Process	Due Date
October 2025 Funding Round Approximately 60% of the 2026 credit	
Initial Meeting with CoC Deadline (PSH only)	Friday, August 1, 2025
Waiver Request Due Date	Friday, August 1, 2025
Preservation Level 1 Review Due Date	Friday, August 1, 2025
4%/9% Mixed Transaction Level 1 Review Due Date	Friday, August 1, 2025
Addendum III Initial Concept Letter Due Date (PSH only)	Friday, August 1, 2025
Affordable Assisted Living Steering Committee Review Packet Due Date	Friday, August 1, 2025
Notification of selected site due to MSHDA Office of Market Research (email)	Friday, August 1, 2025
Funding Round Due Date	Wednesday, October 1, 2025
Expected Award Notification Date	December 2025
April 2026 Funding Round Approximately 40% of the 2026 credit	
Initial Meeting with CoC Deadline (PSH only)	Monday, February 2, 2026
Waiver Request Due Date	Monday, February 2, 2026
Preservation Level 1 Review Due Date	Monday, February 2, 2026
4%/9% Mixed Transaction Level 1 Review Due Date	Monday, February 2, 2026
Addendum III Initial Concept Letter Due Date (PSH only)	Monday, February 2, 2026
Affordable Assisted Living Steering Committee Review Packet Due Date	Monday, February 2, 2026
Notification of selected site due to MSHDA Office of Market Research (email)	Monday February 2, 2026

Funding Round Due Date	Wednesday, April 1, 2026
Expected Award Notification Date	June 2026

October 2026 Funding Round Approximately 60% of the 2027 credit	
Initial Meeting with CoC Deadline (PSH only)	Friday, July 31, 2026
Waiver Request Due Date	Friday, July 31, 2026
Preservation Level 1 Review Due Date	Friday, July 31, 2026
4%/9% Mixed Transaction Level 1 Review Due Date	Friday, July 31, 2026
Addendum III Initial Concept Letter Due Date (PSH only)	Friday, July 31, 2026
Affordable Assisted Living Steering Committee Review Packet Due Date	Friday, July 31, 2026
Notification of selected site due to MSHDA Office of Market Research (email)	Friday, July 31, 2026
Funding Round Due Date	Thursday, October 1, 2026
Expected Award Notification Date	December 2026

April 2027 Funding Round Approximately 40% of the 2027 credit	
Initial Meeting with CoC Deadline (PSH only)	Monday, February 1, 2027
Waiver Request Due Date	Monday, February 1, 2027
Preservation Level 1 Review Due Date	Monday, February 1, 2027
4%/9% Mixed Transaction Level 1 Review Due Date	Monday, February 1, 2027
Addendum III Initial Concept Letter Due Date (PSH only)	Monday, February 1, 2027
Affordable Assisted Living Steering Committee Review Packet Due Date	Monday, February 1, 2027
Notification of selected site due to MSHDA Office of Market Research (email)	Monday, February 1, 2027
Funding Round Due Date	Thursday, April 1, 2027
Expected Award Notification Date	June 2027

1. PROJECT LOCATION AND GENERAL PROJECT STRUCTURE

SITE SELECTION – **THRESHOLD**

The project location must meet MSHDA's Site Selection Criteria. In addition to the MSHDA Site Selection Guidelines and definitions, any project that receives a LIHTC award and which will be applying for Project Based Vouchers (PBVs) must ensure the site meets the federal program requirements of HUD regulations (Title 24 Housing and Urban Development 983 Project Based Voucher (PBV) Program).

PROJECT NARRATIVE – **THRESHOLD**

A detailed and complete narrative description of the project should be provided; this includes, at a minimum, the development team, service providers, number and breakdown of units, populations served, services provided, type of unit, income targeting, and proposed rent schedule.

PROJECT SIZE (75 UNIT MAX) – **THRESHOLD**

Projects with more than 75 units of Permanent Supportive Housing must request a waiver from MSHDA at least 60 days prior to the funding round deadline.

UTILITIES – **THRESHOLD**

Developers must include all utility costs for the permanent supportive housing units in the project expenses.

ACCESSIBLE COMMUNITY SPACE – **THRESHOLD**

To meet minimum PSH requirements, projects are required to provide accessible community or supportive service space to all projects. The accessible community space is envisioned as one room or contiguous space that may be used for activities such as dining, crafts, exercise, medical clinic, socializing, birthday parties, holiday gatherings, study areas and/or other activities for individuals with children, or any other activity or use that may benefit tenants; and does not include common space such as hallways, offices, lobbies, bathrooms laundry rooms, etc.

To meet threshold, the accessible community space must, at a minimum be sized according to the gird below AND must have at least one additional, separate private meeting space or office of at least 100 square feet for every 20 PSH units. The separate private meeting space must be in addition to the square footage of community space detailed in the grid below. The space must be located within a reasonable proximity to the proposed project if the space is provided in a separate building. If an accessible community space being shared by multiple phases of the same project is proposed, it must meet the minimum square footage requirement for all units in all phases of the project that will share the accessible community space. Additionally, in the case of multiple phases, an easement agreement must be executed to allow the phases to have equal access to the accessible community space. A certification signed by the project Architect, Applicant, and Contractor must be submitted to demonstrate that the project will contain the minimum required amount of Accessible Community Space. Along with the certification, an as-built drawing of the community space will also be required after construction completion to demonstrate that the requirements have been met.

Number of units that will have access to the community space*	
	Minimum 15 Square Feet Per Unit

*Including market-rate units and all units in all phases, but excluding management units

Note: For example, if there are 50 PSH units, there must be at least 3 private meetings spaces of at least 100 square feet each in the development (50 / 20 = 2.5, rounded up to 3). If there are not enough private meeting spaces and/or if they are not at least 100 square feet each, the project will not meet threshold and will not be eligible for credit.

2. PSH TENANT POPULATION(S) BEING SERVED

MINIMUM UNIT OR 35% PSH THRESHOLD – **THRESHOLD**

Projects in Urban jurisdictions must have at least the greater of 15 units or 35% of the total units in the development targeted to people who meet the definitions outlined in Attachment D. Projects in Rural jurisdictions must have at least the greater of 10 units or 35% of the total units in the development targeted to people who meet the definitions outlined in Attachment D. HUD Category 1 (Literally Homeless) and/or the CoC's prioritized populations must be included as a target population for each PSH developments. Please see the USDA RD Multifamily tool for areas delineated as "Rural."

Note: If 35% of the units is not a whole number, the development must round up to the next whole unit to meet this criterion. For example, if there are 50 units, there must be at least 18 permanent supportive housing units in the development (35% x 50 = 17.5, rounded up to 18). Manager units do not count towards either the total number of units or the supportive housing units in the development. If there are not enough units set aside for PSH tenants, the project will not meet threshold and will not be eligible for credit.

ELDERLY-ONLY POPULATIONS – **THRESHOLD**

Elderly-only populations are excluded from the Permanent Supportive Housing Category. The entire project must be open to all ages.

INCOME ELIGIBILITY OF TENANTS – 30% AMI – **THRESHOLD**

Tenant incomes must be at or below 30% AMI to be eligible for targeted Supportive Housing units.

Include the **Utilities, Income, and Unit Summary** tabs from the 2026-2027 LIHTC Program Application to demonstrate 1) utilities for the PSH units are being paid by the owner; 2) the rents and rental assistance for all units; and 3) the unit mix and breakdown. If applicable, provide a description of how the project will make the targeted units affordable to persons whose incomes are extremely low. If there is a current commitment for subsidy, attach the funding commitments or list details of any anticipated applications to provide subsidy to supportive housing tenants. Do **not** include an application for MSHDA Project Based Vouchers.

CONTINUUM OF CARE COORDINATION - **THRESHOLD**

The development team must meet with the local Continuum of Care (CoC) housing planning body at least 60 days prior to the funding round deadline. Please see the timeline in the Introduction Section of this document for specific deadline dates. The intent of this meeting should be to begin discussions about preliminary project concepts in order to serve as notice to the CoC that a project in the area is being pursued and to allow the opportunity for the CoC to provide input. Continuing discussions with the CoC should ensure the stability of tenants, that the project is integrated in the community, and that there are strong social support networks available to meet the needs of the supportive housing tenants. The CoC is not obligated to provide minutes or letters of support to projects that do not meet the requirements or priorities of the CoC.

Continuum of Care Minutes - ***THRESHOLD***

Please include the minutes from the initial CoC meeting, to confirm the development team met with the local CoC housing planning body at least 60 days prior to the funding round deadline to discuss this project. This should include project and developer identification, the member(s) of the CoC housing planning body involved in the discussion, and the date of initial meeting.

Letter of Support from Continuum of Care – ***THRESHOLD***

The letter of support from the CoC should include the total number of units, the number of PSH units, the targeted population(s), description of the housing units, bedroom mix of the PSH units, location of the development, the proposed services and amenities, and identification of the development team. The CoC letter of support must be dated within one year from the funding round deadline.

DATA MATCH – IF APPLICABLE

Developments may have chosen to include a Data Match population with HMIS as one of the targeted populations. Examples of potential Data Match lists might include but are not limited to: Medicaid and HMIS; local jail system and HMIS; local drug treatment court and HMIS; local Child Protective Services and HMIS.

The Data Match may also include Medicaid Super Utilizers with complex care needs that are experiencing homelessness. MSHDA has partnered with MDHHS to serve this population with permanent supportive housing with the goal to improve health outcomes, increase access and usage of primary and preventative health care, reduce the usage of emergency services, and maintain housing stability. The data match is being conducted with HMIS and Medicaid data within the State Data Warehouse.

It is intended that Sober Housing developments will be able to qualify under this criterion through implementing a Data Match that would identify individuals that are experiencing a substance use disorder and are experiencing homelessness under HUD Category 1 or HUD Category 4.

If applicable, provide a brief narrative identifying the local Data Match population, how the service team (including the local CoC) will identify and refer households most at need in this population, how the service needs of the targeted population will be met, how those services will be funded, and any other information relevant to the Data Match population. This information should likely also be included in the Tenant Selection Plan, Service Coordination Plan, and referenced in the CoC letter. Evidence of the Addendum III review team's approval of that Data Match list must also be included in this section.

COUNTY HMIS DATA – **FOR POINTS**

Provide the county's most recent annual literally homeless (category 1) count. Please contact your local Continuum of Care Chairperson for this report.

RECOVERY HOUSING – **FOR POINTS**

Recovery Housing developments must have been reviewed and approved by the Recovery Housing steering committee prior to the funding round deadline. Those developments should provide an approval letter from the Recovery Housing steering committee in this Section. Applicants should also include a description of the referral process, the treatment courts being utilized, and the number of individuals that are being served by the treatment courts. If there are any changes to the development since the time of the steering committee's review, those changes must be outlined in a narrative.

3. TENANT SELECTION PROCESS

HARA REFERRALS – **THRESHOLD**

The Housing Assistance and Resource Agency (HARA) must be included as a referral source for Permanent Supportive Housing Units. The HARA must use the Statewide approved assessment tool when assessing applicants for Permanent Supportive Housing. The HARA's role may include referrals or services. They do not have to be the lead agency; however, their role should be defined within the MOU. If there is a different lead agency, the MOU must define their role in the development and be signed by their executive director. In all cases, the MOU must be signed by the HARA.

TENANT SELECTION CRITERIA – **THRESHOLD**

Include the property's tenant selection plan and describe how PSH tenants will be served. This description should include the targeted populations, any screening processes that will be utilized, along with criminal and credit screening processes and details of any appeal process and eviction diversion plans for the permanent supportive housing tenants. The tenant selection plan must include the Housing First components. Developments are required to demonstrate the use of assessment tools that identify and prioritize the referrals to serve the most vulnerable individuals and families. Include a description of referral process and centralized intake assessment that prioritizes the referrals for the waiting list that will be utilized at this development. See below for Housing First criteria.

HOUSING FIRST CERTIFICATION – **THRESHOLD**

The Housing First Certification (found at the end of the Addendum III Application and Checklist) must be completed and filled out by the owner. The commitments in the Housing First Certification must also be included in the Tenant Selection Criteria.

4. PSH SERVICE TEAM

MEMORANDUM OF UNDERSTANDING – **THRESHOLD**

The development team must submit written documentation between the developer, management company, and service provider(s) that outlines mutual roles and responsibilities in the development. The Memorandum of Understanding ("MOU") should incorporate the service coordination plan agreed to by the parties, and provide:

a) Demonstration of an ongoing commitment by the developer and/or landlord to assure sustained availability of supportive services; and
b) Inclusion of the Housing Assessment Resource Agency (HARA) within the MOU;
c) A description of the referral and screening process that will be used to refer tenants to the project, which follows the acceptable guidelines and uses assessment tools as required by MSHDA and other State or Federal service funding agencies, and a willingness of all parties to negotiate reasonable accommodations to facilitate the admittance of persons with disabilities into the development;
d) A communication plan between the management company and the lead agency that will accommodate staff turnover and assure continuing linkages between the development and lead agency for the duration of the compliance period;
e) Acknowledgment of the property's rent structure and a description of how supportive housing tenants may access rental assistance, should they require it, to afford the apartment rents;
f) Certification that participation in supportive services will not be a condition of tenancy unless otherwise required by a Federal subsidy;
g) Agreement to affirmatively market to persons with disabilities;
h) Agreement to include a section on reasonable accommodation in the property management's application for tenancy;
i) Agreement to accept Housing Choice Vouchers or other rental assistance for eligible tenants and not require total income for persons with rental assistance beyond that which is reasonably available to supportive housing tenants; and
j) A description of how the project will make the targeted units affordable to supportive housing tenants with very low incomes.

The MOU must de dated within six (6) months of the funding round date.

At the time of submission, the MOU must be in its final form and signed by all parties who provide services to the tenants. These parties should be documented on the Supportive Services Commitment Chart.

SERVICE COORDINATION PLAN – **THRESHOLD**

On-site service coordination must be available to all supportive housing tenants.

The services cannot be funded through the operations of the development. The on-site services may be provided through partnership with the local service organizations.

Projects must incorporate a minimum caseworker to PSH resident ratio of no less than one full-time equivalent caseworker per twenty-five PSH residents. PSH residents will be calculated at 1 resident per

PSH unit. The resulting number of required caseworkers must be rounded up to the next whole number. For example, a development with 15 one-bedroom and 8 two-bedroom PSH units would have the following calculation: 15 + 8 = 23 residents; 23/25 = 0.92 caseworkers; this result must be rounded up for a final result of 1 caseworker as a required minimum for the development.

Additional on-site services may be needed depending on the population served by the supportive housing project. Please note that the intent of the on-site services is to provide convenient options for residents to receive any services that they choose. Tenants may choose to receive services off-site at a different location, through a different service provider of their choosing, or they may choose to decline the services completely. With the exception of certain federal programs, tenants cannot be mandated to participate in any of the offered or available services, nor can non-participation itself be a factor in their lease or rental history. Tenants are not required to participate in the offered services or may choose to participate in these or similar services off-site.

The service coordination plan will clearly state that the ownership entity and management agent will:

- expressly include reasonable accommodations in the application for tenancy;
- not ask applicants/residents for medical or other protected information unless and only to the extent legally necessary (e.g., processing reasonable accommodations);
- use standard leases with the same rights available to, and responsibilities expected of, all households, including duration of tenancy (cannot be transitional);
- ensure participation in any supportive services is entirely voluntary (not a formal or implied condition of occupancy); and
- not give a preference based on either disability type (actual or perceived) or being a client of a particular provider.

Service Coordination Plan – THRESHOLD

There should be one specific and comprehensive service plan submitted, regardless of the specific tenants or population(s) targeted for the supportive housing units. The Service Coordination Plan will describe how the project will meet the supportive service needs of the targeted tenants. It will include the targeted population(s), information about the service provider(s), specific types of services provided, and the number of hours of on-site services provided. The Service Coordination Plan and other applicable documents must make it clear that service participation is not a factor in the lease.

Inclusion of a Community Mental Health Provider – THRESHOLD

Inclusion of a Community Mental Health (CMH) provider in the service team and plan and as a signer on the MOU is required. The Service Coordination Plan should consider the high level of service need that this target population will likely require to maintain housing stability. *****Failure to include the CMH as part of the supportive service team and in the appropriate documents, including MOUs, will be considered a material deficiency and will make the project ineligible for an award of tax credits. *****

Service Coordination Funding Letter(s) of Support – THRESHOLD

A letter of support from the Executive Director of the agency(ies) providing funding for the on-site supportive services hours and any funding being used for points must be included in the

Addendum III submission. The letter(s) of support must be dated within six (6) months of the funding round deadline. It must include the name and location of the development, the number of hours of on-site service committed, the specific amount of funding, and a description of how the agency is funded, detailing their past service funding in order to demonstrate a history of reliable service funding sources in amounts that are sufficient to support their share of yearly project service expenses. The services cannot be funded through the operations of the development. If being used for points, the funding should be provided in full to the project by the end of the second year of the compliance period, funding should be specific to the project (not to the agency) and must be able to be used for housing or related services. In kind contributions will not be considered.

SUPPORTIVE HOUSING DEVELOPMENT TEAM EXPERIENCE – **FOR POINTS**

For each of the General Partners/Members, Management Agent, and Lead Agency taking points, provide a listing of the permanent supportive housing developments owned or operated and the population(s) served, as applicable. Points will only be awarded for prior experience with the target population assisted in the proposed development (ex. Must have prior experience with chronic homeless if electing to serve chronic homelessness in proposed development). The Supportive Housing Development Team Experience form should include name of the development team member, names of the developments, location, number of units, target population served, number of years owned/operated, last year owned/operated, and type of project. Provide a separate list for each development team member requesting points. For each category (General Partner/Member, Management Agency, and Lead Agency) only one team member may receive points. If there are joint venture or other partnership agreements between two or more general partners, management agents, or lead agencies, partners will receive PSH points only if the agreements meet the requirements for LIHTC points as outlined in the 2026-2027 QAP and Scoring Summary.

MEDICAID BILLING – **FOR POINTS**

If the project is requesting points for Medicaid billing, the commitment must be documented in the letter of support from the Medicaid billing agency.

Note: Support for Medicaid Billing should be included in the relevant exhibit. Do not include this information twice.

5. PSH SERVICE FUNDING

ADDENDUM III FUNDING ANALYSIS – **THRESHOLD**

An Addendum III Funding Analysis must be completed for the project that clearly breaks out all supportive services funding and projected expenses for the 15-year compliance period.

*Addendum III Funding Analysis – **THRESHOLD***

The Addendum III Funding Analysis can be found in the 2026-2027 LIHTC Application. This tab needs to be completed in its entirety and submitted with the Addendum III exhibits. Projects are required to show documented evidence of service funding to support the projected expenses for a minimum of the initial year with renewals available **and** a detailed description of future funding sources through year 15. Those funding sources receiving points for Service Funding Commitments should be clearly included.

*Addendum III Funding Letters of Support – **THRESHOLD***

The Addendum III submission must include supporting documentation for all the funding sources included in the Supportive Services Chart and those receiving points for Service Funding Commitments. The letters of support must be from the Executive Director of all funding agencies and outline the amount of funding provided, the number of years, and any other relevant information. Projects will be required to show documented evidence of service funding to support the projected expenses for a minimum of the initial 1-year with renewals available and a detailed description of future funding sources. Additionally, all funding agencies must provide a letter detailing the history of their past service funding in order to demonstrate a history of reliable service funding sources in amounts that are sufficient to support their share of yearly project service expenses.

All letters of support must be dated within six (6) months of the funding round deadline.

ATTACHMENT A. ADDENDUM III SUBMISSION CHECKLIST

The following are a list of documents required to be submitted, in the order presented in this document.

- ☐ 1. Addendum III Application – **Threshold**
- ☐ 2. Permanent Supportive Housing Development section of the 2026-2027 LIHTC Scoring Summary – **For Points**
- ☐ 3. Project Narrative – **Threshold**
- ☐ 4. Utilities, Income, and Unit Summary tabs from the 2026-2027 LIHTC Program Application – **Threshold**
- ☐ 5. Architects Certification of Accessible Community Space and As-Built Drawing of the Community Space – **Threshold**
- ☐ 6a. Continuum of Care Minutes – **Threshold**
- ☐ 6b. Letter of Support from Continuum of Care – **Threshold**
- ☐ 7. Data Match Population Narrative – **If Applicable**
- ☐ 8. County HMIS Data – **For Points**
- ☐ 9. Recovery Housing – **For Points**
- ☐ 10. Tenant Selection Criteria – **Threshold**
- ☐ 11. Housing First Certification – **Threshold**
- ☐ 12. Memorandum(s) of Understanding – **Threshold**
- ☐ 13. Service Coordination Plan – **Threshold**
- ☐ 14. Service Coordination Letter(s) of Support – **Threshold**
- ☐ 15. Supportive Housing Development Team Experience Form – **For Points**
- ☐ 16. Specific On-Site Services Narrative – **For Points**
- ☐ 17. Medicaid Experience Letter – **For Points**
- ☐ 18. Addendum III Funding Analysis – **Threshold**
- ☐ 19. Funding Letter(s) of Support – **Threshold**
- ☐ 20. Supportive Services Commitment Chart – **Threshold**

ATTACHMENT B: INITIAL CONCEPT FORM

Project Name:

Funding Round:

All applicants applying under the Permanent Supportive Housing (PSH) Category of the 2026-2027 Qualified Allocation Plan (QAP) will be required to submit the following form and return it to MSHDA no later than the Addendum III Initial Concept Letter Due Date in Section V.A. of the 2026-2027 QAP.

1. **Please provide the name and address of the project, including the county**.

2. **Please attach the following:**
   a. **The Addendum III application pages (Attachment C) and Supportive Services Commitment Chart (Attachment F). Do not attach the checklist or the experience forms. If you have questions about anything in the checklist or experience forms, please plan to discuss those at the Initial Addendum III Review Meeting.**
   b. **The Addendum III Funding Analysis and Rental Income tabs of the 2026-2027 LIHTC Program Application.**
   c. **A site map and proposed drawings of the project.**

3. **Please describe the process for which PSH tenant referrals will be made to the development for the PSH units. This should be a <u>summary</u> and not the entire Tenant Selection Plan.**

4. **Please provide an explanation of the services that will be available at the property or that will be available on a referral basis to residents, the service providers that will be performing those services, and the funding sources that the service providers will utilize to make the services available (including Medicaid billing). This should be a summary and not the entire Service Coordination Plan.**

5. **Has the project been presented to the Continuum of Care (CoC)? What conversations are being held regarding the project and the targeted population(s)? Does the CoC support the project?**

6. **Has the development team met with MSHDA's Addendum III Review Committee to discuss this project in the past? When was the most recent meeting?**

Thank you for completing this form. Please submit this form along with the documentation that is requested in item #2 above and MSHDA will contact you to schedule a meeting to discuss the project, if necessary.

ATTACHMENT C: ADDENDUM III APPLICATION

Project Name:

A. OWNER IDENTIFICATION:

Organization	
Primary Address	
Contact Person	
Contact Phone	
Contact Fax	
Contact Email	
President/CEO	

B. PROPERTY MANAGEMENT COMPANY IDENTIFICATION INFORMATION:

Organization	
Primary Address	
Contact Person	
Contact Phone	
Contact Fax	
Contact Email	
President/CEO	

C. LEAD ORGANIZATION IDENTIFICATION INFORMATION:

Organization	
Primary Address	
Contact Person	
Contact Phone	
Contact Fax	
Contact Email	
President/CEO	

D. SERVICE ORGANIZATION IDENTIFICATION INFORMATION:

Organization	
Primary Address	
Contact Person	
Contact Phone	
Contact Fax	
Contact Email	
President/CEO	

E. CONTINUUM OF CARE IDENTIFICATION (COC) INFORMATION:

Organization	
Primary Address	
Contact Person	
Contact Phone	
Contact Fax	
Contact Email	
President/CEO	

F. HOUSING ASSESSMENT AND RESOURCE AGENCY (HARA) IDENTIFICATION INFORMATION:

Organization	
Primary Address	
Contact Person	
Contact Phone	
Contact Fax	
Contact Email	
President/CEO	

G. UNIT DESCRIPTION

Number of Units	**Efficiency**	**1 Bedroom**	**2 Bedrooms**	**3 Bedrooms**	**4+ Bedrooms**	**Total Number of units**
Total Project						
Supportive Housing						
With PBV						
Barrier Free						

Identify number of buildings and the number of stories per building:

Identify number of units per building:

Identify accessible features available for targeted units:

Identify the type of units:(apartment, single family home, townhouse, duplex)

Does the building(s) have an elevator?

H. TARGETED SUPPORTIVE HOUSING POPULATIONS:

Projects must fill out the following chart. This information should also be clearly outlined in the MOU and Tenant Selection Plan. Please see the Targeted Supportive Housing Populations section of the 2026-2027 Scoring Summary for more information.

Note: If the required percentage of the units is not a whole number, the development must round up to the next whole unit to meet this criterion. For example, if there are 50 units, there must be at least 18 permanent supportive housing units in the development (35% x 50 units = 17.5, rounded up to 18). Manager or employee units do not count towards either the total number of units or the supportive housing units in the development.

	Targeted Populations	Number of Designated Units	Percentage of Total Units
Option 1:	☐ Households who meet Category 1 Homeless and have a disability	_____	_____
	☐ Households who meet Category 4 Homeless and have a disability	_____	_____
Option 2: Households that meet Category 1 or 4 and:	☐ Chronically Homeless	_____	_____
	☐ Top 10% of the Local CoC Prioritized List	_____	_____
	☐ Data Match (Data Match population: _____)	_____	_____
Other PSH Populations:	☐ Chronically Homeless	_____	_____
	☐ Homeless		
	☐ An individual or family who lacks a fixed, regular, and adequate nighttime residence	_____	_____
	☐ Domestic Violence	_____	_____
	☐ Special Needs (Includes Section 811 units)	_____	_____
	☐ Category 3: Youth Aging Out of Foster Care*	_____	_____
Other LIHTC/Market Units:	☐ LIHTC	_____	_____
	☐ Market	_____	_____

*HUD has not authorized any CoC to serve the homeless under Category 3. HUD determines and approves the use of CoC Program funds to serve this population based on each CoC's Consolidated

Application. Projects planning to serve Category 3: Homeless Under Other Federal Statutes must include HUD's approval of the COC's Consolidated Application.

ATTACHMENT D: DEFINITIONS

Please review the following definitions before completing a service plan for Supportive Housing Tenants. This is relevant when applying for any MSHDA program, including HOME or Low-Income Housing Tax Credits. ***To be eligible for funding, the entire housing development must be open and available to adult persons of all ages.***

A) <u>Eligible Supportive Housing Tenants</u>

Under the Low-Income Housing Tax Credit program eligible supportive housing tenants must meet one of the following definitions:.

Homeless Categories

The Homeless Category definitions are aligned with the HUD definitions approved by Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. HUD published the final rule in the December 5, 2011 *Federal Register.*

(1) **HUD Category 1 (Literally Homeless). An individual or family who lacks a fixed, regular, and adequate nighttime residence**, meaning:
   - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
   - (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
   - (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

(2) HUD Category 3. Unaccompanied youth under 25 years of age, or families with Category 3 children and youth, who do not otherwise qualify as homeless under this definition, but who:
   - (i) Are defined as homeless under the other listed federal statutes;
   - (ii) Have not had a lease, ownership interest in permanent housing during the 60 days prior to the homeless assistance application;
   - (iii) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; and
   - (iv) Can be expected to continue in such status for an extended period of time due to special needs or barriers;

(3) **HUD Category 4 (Fleeing/Attempting to Flee Domestic Violence). Any individual or family who:**

(i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
(ii) Has no other residence; and
(iii) Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.

Domestic violence (target population definition)

In addition to Category 4 of the Homeless definition**,** "Domestic Violence" means the occurrence of any of the following acts by a person that is not an act of self-defense:

- Causing or attempting to cause physical or mental harm to an intimate partner;
- Placing an intimate partner in fear of physical or mental harm;
- Causing or attempting to cause an intimate partner to engage in involuntary sexual activity by force, threat of force, or duress;
- Engaging in activity toward an intimate partner that would cause a reasonable person to feel terrorized, frightened, intimidated, threatened, harassed, or molested.

Chronically Homeless

A ''chronically homeless'' individual is defined to mean a homeless individual with a disability who lives either in a place not meant for human habitation, a safe haven, or in an emergency shelter, or in an institutional care facility if the individual has been living in the facility for fewer than 90 days and had been living in a place not meant for human habitation, a safe haven, or in an emergency shelter immediately before entering the institutional care facility. In order to meet the ''chronically homeless'' definition, the individual also must have been living as described above continuously for at least 12 months, or on at least four separate occasions in the last 3 years, where the combined occasions total a length of time of at least 12 months. Each period separating the occasions must include at least 7 nights of living in a situation other than a place not meant for human habitation, in an emergency shelter, or in a safe haven.

Chronically homeless families are families with adult heads of household who meet the definition of a chronically homeless individual. If there is no adult in the family, the family would still be considered chronically homeless if a minor head of household meets all the criteria of a chronically homeless individual. A chronically homeless family includes those whose composition has fluctuated while the head of household has been homeless.

Special Need

The Special Need population will use the criteria established by the HUD Continuum of Care program for persons with disabilities. If serving Veterans, a VA disability rating may also qualify.

Disability means: (1) A condition that: (i) Is expected to be long-continuing or of indefinite duration; (ii) Substantially impedes the individual's ability to live independently; (iii) Could be improved by the provision of more suitable housing conditions; and (iv) Is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, posttraumatic stress disorder, or brain injury; (2) A developmental disability, as defined in this section; or (3) The disease of acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome, including infection with the human immunodeficiency virus (HIV)

Developmental disability means, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002): (1) A severe, chronic disability of an individual that— (i) Is attributable to a mental or physical impairment or combination of mental and physical impairments; (ii) Is manifested before the individual attains age 22; (iii) Is likely to continue indefinitely; (iv) Results in substantial functional limitations in three or more of the following areas of major life activity: (A) Self-care; (B) Receptive and expressive language; (C) Learning; (D) Mobility; (E) Self-direction; (F) Capacity for independent living; (G) Economic self-sufficiency; and (v) Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated. (2) An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting three or more of the criteria described in paragraphs (1)(i) through (v) of the definition of ''developmental disability'' in this section if the individual, without services and supports, has a high probability of meeting those criteria later in life.

Documenting Disability:
Disability.— Acceptable evidence of the disability includes: (1) Written verification of the disability from a professional licensed by the state to diagnose and treat the disability and his or her certification that the disability is expected to be long continuing or of indefinite duration and substantially impedes the individual's ability to live independently; (2) Written verification from the Social Security Administration; (3) The receipt of a disability check (e.g., Social Security Disability Insurance check or Veteran Disability Compensation); (4) Other documentation approved by HUD; or (5) Intake staff-recorded observation of disability that, no later than 45 days of the application for assistance, is confirmed and accompanied by evidence in paragraph (c)(1), (2), (3), or (4) of this section.

<u>Other Homeless Categories, as defined by MSHDA:</u>

Top 10% of the Local CoC Prioritized List
Individuals or households in the top 10% of the Local CoC Prioritized List, as based on Vulnerability Index – Special Prioritization Decision Assistance Tool (VI-SPDAT) or other local assessment tool.

Data Match

Data Match can mean one of two versions – a Statewide Data Match program or a local Data Match program. The State Data Match is a partnership between MSHDA and the Michigan Department of Health and Human Services to match HMIS and Medicaid lists. A local Data Match list should be a match between HMIS and at least one other data source, including but not limited to Medicaid, local jail system(s), local drug treatment court(s), local Child Protective Services, local schools.

B) <u>Supportive Services Plan</u>

For a project to be eligible for tax credit supportive housing points or HOME funds, the proposal must include a plan for the provision of a *substantial level of services targeted* to the supportive housing units. The services must include those that are essential for supportive housing tenants to *sustain* themselves in permanent housing.

The project must be an on-going active collaboration between the owner, Management Company, and identified supportive service provider(s). The formulation of this relationship, along with a commitment to sustain the agreed upon services over a period of time, must be agreed to *by the collaborators and incorporated into a written "Memorandum of Understanding."*

The supportive services plan should outline and specify the following:

- Conditions which would qualify the proposed tenant(s) for the supportive housing units;
- Expected life-skills areas for which supportive services are likely to be required;
- The supportive services to be provided. **Participation in supportive services must be voluntary unless required by a Federal rental subsidy.**
- How service coordination will be provided.

Tenants' must have the option to receive service coordination on-site. For the purpose of meeting this requirement, *service coordination* shall be available in a form that contains the following elements:

a) An individual assessment of service needs and life goals will be completed with the full participation of each tenant and others of their choosing.

b) A plan will be developed in response to each tenant's assessment, which will include long and short-range goals, with specific steps to achieve them. Principles of person centered planning and self-determination will be incorporated into the planning process.

c) Service coordination will include advocacy, brokering, linking and monitoring of support services detailed in each tenant's plan.

d) Service coordinators will help tenants gain access to entitlements, financial assistance programs, and legal representation, in accordance with the tenant's plan.

e) A re-assessment, and revision of each tenant's plan, will be completed on at least an annual basis. Copies of that plan and annual update will be placed in each tenant's file.

f) Tenants shall have a designated individual or team responsible for the coordination of services.

g) Emphasis shall be placed on tenant empowerment and the development of natural/community supports.

ATTACHMENT E: CERTIFICATION OF COMMITMENT TO HOUSING FIRST

The United States Interagency Council on Homelessness calls Housing First "a proven approach in which people experiencing homelessness are provided with permanent housing directly and with few to no treatment preconditions, behavioral contingencies, or barriers." The Council has compiled a Housing First Checklist listing the elements of a Housing First approach at a project and community level. Some of those elements are included in this Certification. By signing this Certification, the development and service teams are committing to applying the Housing First approach in the development. Each member must sign. This approach includes the following elements:

- Tenants have full rights, responsibilities, and legal protections under Federal, state, and local housing laws, tenants are educated about their lease terms, given access to legal assistance, and encouraged to exercise their full legal rights and responsibilities, and landlords and providers abide by their legally defined roles and obligations; and
- Admission/tenant screening and selection practices affirm that acceptance of applicants regardless of their sobriety, use of substances, completion of treatment, and participation in services; and
- Applications are seldom rejected for poor credit or financial history, poor or lack of rental history, distant past criminal convictions, or behaviors that indicate a lack of "housing readiness;" and
- Supportive services emphasize engagement and problem-solving over therapeutic goals, service plans are tenant-driven without predetermined goals, and participation in services or program compliance are not a condition of tenancy (except as required by federal requirements); and
- Use of drugs or alcohol in and of itself is not considered a reason for eviction, unless a requirement under a federal program; and
- The Tenant Selection Plan includes a prioritization of eligible tenants based on high SPDAT score (or other similar coordinated assessment system); and
- Permanent supportive housing tenants are given reasonable flexibility in paying their tenant share of rent on time and offered special payment arrangements for rent arrears and/or assistance with financial management; and
- A harm reduction philosophy, where tenants are offered education regarding how to avoid risky behaviors and engage in safer practices, is in place; and
- Units may include special physical features that accommodate disabilities, reduce harm, and promote health among tenants; and
- Every effort is made to avoid eviction.

These criteria should be found and reaffirmed in the project's Tenant Selection Plan. Any material differences or inconsistencies between the Tenant Selection Plan and this Certification may be considered reasons for rejection.

The undersigned agree to follow Housing First and incorporate the standards above into the project, management, and Tenant Selection Plan.

Dated: _________ Owner: ____________________________________

By: ____________________________________

Its: ____________________________________

Dated: ___________ Management Company: ______________________________

By: ______________________________

Its: ______________________________

Dated: ___________ Lead Agency: ______________________________

By: ______________________________

Its: ______________________________

ATTACHMENT F. SUPPORTIVE SERVICES COMMITMENT CHART

Information is to be provided for all applicable services below. The service and funding agencies in this chart should be consistent with the rest of the Addendum III submission, including but not limited to the MOU, letters of support, and funding analysis.

	Name of Agency Providing Service ***Must sign MOU***	**Date of MOU**	**Included in the Addendum III Submission**	**Name of Agency Funding Services** ***Must provide Letter of Support***	**Date of Letter of Support**	**Included in the Addendum III Submission**
CASE MANAGEMENT SERVICE COORDINATION (ALL SERVICES BELOW ARE REQUIRED) All services under this heading (Tenant Stabilization, Building Support Systems, Basic Needs, Benefit Assistance, Employment Related Services, Mental Health, Substance Abuse Services, and Legal Services) must be supported by an MOU signed by the agency(ies) providing services and a letter of support from the agency(ies) providing funding.						
Tenant Stabilization – Assist tenants to care for their apartment, ADL's, get along with neighbors, landlord, etc.			☐ Yes			☐ Yes
Building Support Systems – Assist tenants to re-engage with local community.			☐ Yes			☐ Yes
Basic Needs – Assist tenants to obtain resources (food, clothing, transportation, etc.).			☐ Yes			☐ Yes
Benefit Assistance - Provide on-going			☐ Yes			☐ Yes

support including referrals, assistance obtaining benefits, linkages with services, “whatever it takes.”						
Employment Related Services			☐ Yes			☐ Yes
Mental Health – ACT, counseling, therapy, medications, and medication management.			☐ Yes			☐ Yes
***If the targeted populations include chronically homeless and/or various Data Match populations, the CMH **MUST** be part of the supportive services team, and the service commitment **MUST** be included in the MOU and other documents**. Failure to include the CMH as an integral member of the service team when targeting this population will be considered a material deficiency and make the project ineligible for an award of tax credits. *** **						
Substance Abuse Services – Outpatient treatment, self-help options, and counseling.			☐ Yes			☐ Yes
Legal Services – Related to civil arrears, family law, uncollected benefits.			☐ Yes ☐ N/A			☐ Yes ☐ N/A

ATTACHMENT G. SUPPORTIVE HOUSING DEVELOPMENT TEAM EXPERIENCE FORM – **FOR POINTS**

Points will be award to a development team that has experience in permanent supportive housing for the targeted populations in the proposed development. Experience can be included for LIHTC PSH units or HUD funded PSH units through programs such as HUD 811 or HUD PSH programs through the Continuum of Care.

This page must be filled out for each member of the Supportive Housing Development Team claiming experience points in **the 2026-2027 Scoring Criteria**. Failure to fully complete this chart or provide all information necessary for experience points for all may result in a loss of points.

Please note that if the Owner/Developer and Management entities are claiming experience points, this section must align with the LIHTC application. Projects will only receive points in this section if at least one General Partner/Member of the development team also received experience points in the Previous Experience of GP/Member section of the 2026-2027 Scoring Criteria.

Development Team Member:

Role:

Name and Project Number	City and State	Total # of Units	# of PSH Units	Population(s) Served	Date of Ownership/Services		Date Project Last Placed in Service	Type of Financing/ Vouchers/Etc.
					Begin	End		

Michigan State Housing Development Authority
2025-26 BUDGET
(000's Omitted)

	PROPOSED BUDGET 25-26		ESTIMATED 12 MONTH 24-25	BUDGET 24-25	12 MONTH ESTIMATED VS. BUDGET	BUDGET INCREASE (DECREASE)
Revenue:						
Net interest income	$88,801	1	$92,444	$79,824	$12,620	$8,977
HCV/FSS fees	24,000	2	24,120	24,000	120	0
Fees - Other federal and state programs	11,620	3	10,190	11,120	(930)	500
Preservation fee income	500	4	1,540	1,200	340	(700)
LIHTC Fees	5,280	5	6,012	4,563	1,449	717
Contract Administration fees	15,960	6	15,780	15,290	490	670
Gain (loss) on retirement of bonds	6,600	7	8,225	3,060	5,165	3,540
Gain (loss) on sale of investments	0	8	0	0	0	0
Gain on sale of mortgages	0	9	0	0	0	0
Miscellaneous income	4,620	10	8,812	10,392	(1,580)	(5,772)
Total Revenue	$157,381		$167,123	$149,449	$17,674	$7,932
Expenses:						
Operating Expenses:						
Salaries and fringes	$48,044	11	$43,266	$46,668	(3,402)	1,376
Technical service contracts	8,550	12	8,382	8,840	(458)	(290)
General contracts	2,083	13	1,012	1,018	(6)	1,065
Rent, building depreciation and utilities	1,200	14	1,284	1,232	52	(32)
Buiding maint, equipment purchase & rental	6,464	19	1,525	3,350	(1,825)	3,114
Information Technology	11,430	15	7,676	10,574	(2,898)	856
State charges for Attorney General, Auditor General, Civil Service and admin	3,720	16	3,555	3,696	(141)	24
Travel	485	17	372	407	(35)	78
Telephone	288	18	264	320	(56)	(32)
Supplies, printing and postage	300	17	300	300	0	0
Advertising and publicity	2,000	20	2,160	2,258	(98)	(258)
HCV contracted agents	12,600	21	12,600	14,400	(1,800)	(1,800)
Memberships, subs., & research mat.	378	17	300	302	(2)	76
Authority sponsored conf.	305	17	252	264	(12)	41
Conference registration fees	263	17	144	173	(29)	90
Temporary support	372	22	312	576	(264)	(204)
Legal & insurance	425	23	432	384	48	41
Miscellaneous	552	17	408	696	(288)	(144)
Deferred loan origination costs	(2,280)	24	(1,800)	(2,400)	600	120
Total Operating expenses	97,179		82,444	93,058	(10,614)	4,121
Single Family & HIP Mortgage servicing/origination/FHA insurance fee	16,884	25	15,570	13,116	2,454	3,768
Costs of issuing & paying notes & bonds	3,625	26	3,218	3,435	(217)	190
Bond insurance, LOC & Liquidity fees	1,758	27	1,550	1,570	(20)	188
Provision for losses on Mort. loans	22,800	28	21,980	18,000	3,980	4,800
Rent Subsidies	300	29	368	396	(28)	(96)
Grants & Sponsorships	3,155	30	5,836	5,836	0	(2,681)
Homeownership Counseling	1,600	31	885	1,220	(335)	380
Total expenses	$147,301		$131,851	$136,631	($4,780)	$10,670
Net Increase in fund balance	$10,080		$35,272	$12,818	$22,454	($2,738)

Notes 1 - 31 - - See pages following

NOTES

(1) Net interest income is budgeted at $88,801,000, which is $8,977,000 more than was budgeted in FY 25. We anticipate steady rates earned on higher average balances for mortgage loans compared to FY 25, with prepayments increasing slightly towards the second half of the FY. Decreasing interest rates received on level average balances for investments are anticipated for FY 26. We anticipate bond interest expense to increase due to level interest rates paid on higher bond balances in FY 26 over the budgeted amount in FY 25.

The components of interest income are estimated as follows:

	Average Balance	Average Rate	Budget Amount
Interest income:			
Mortgage loans	$6,280,382,000	4.86 %	$305,198,000
Investments	$1,075,870,000	3.66 %	39,529,000
Interest expense on bonds	$6,201,697,000	4.13 %	(255,926,000)
Net interest income			$ 88,801,000

(2) Housing Choice Voucher, Emergency Housing Voucher, Family Self Sufficiency and Mainstream 5 Administration fees are expected to stay flat compared to the prior year's budget.

(3) Represents funds available for administering other state/federal programs, including the HOME Program ($1,600,000), Housing Trust Fund Program ($400,000), CDBG ($620,000), Missing Middle ($400,000), MiHOPE ($700,000), HCDF Program ($3,500,000), CERA Program ($100,000), HUD counseling grant ($800,000) and the 4% Gap Program ($3,500,000).

(4) Budgeted amount includes preservation fees of $200,000 from anticipated prepayments on multifamily loans and $300,000 of funds received from the required annual payments from projects surplus cash. The amount of preservation fee income could vary significantly from the budgeted amount. It is based on large payments from a small number of projects that are anticipated to prepay their multi-family loan. Actual prepayments may not take place or may exceed our expectations.

(5) Fees for administering the Low-Income Housing Tax Credit Program.

(6) Fees expected to be received for administering the HUD Section 8 Contract Administration Program.

(7) Whether a bond retirement results in a gain or loss depends on the interest rate of the bond called relative to the average rate on the issue from which the bond is being called. We are budgeting a gain of $6,600,000 for 2026.

(8) We have projected no gain from the sale of other long-term investments.

(9) Gain on the sale of securitized single-family loans and REO multi-family loans.

(10) Budget amount of $4,620,000 late fee/prepayment penalties on mortgages ($1,000,000), amortization of asset management fees ($256,000), fees for the issuance of limited obligation bonds ($3,000,000), and various smaller income items of ($364,000).

(11) Budget requests by Division are as follows:

	Positions Filled	Cost

Executive:		
Director's Office	4.0	$ 602,284
	4.0	$602,284
Fringes (60.0%)		361,370
TOTAL		$963,654
Operations:		
Director's Office	1.0	$153,364
Technical Support Services	17.0	1,522,382
Office Services	7.0	580,067
Employee Services	1.0	88,656
Human Resources	4.0	404,968
Audit, Compliance & Fraud Investigation	13.0	1,202,417
Students & Co-ops	1.4	54,000
	44.4	$4,005,854
Fringes (60.0%)		2,403,512
TOTAL		$6,409,366
External Affairs:		
Director's Office	3.0	$348,800
Communications	4.0	375,318
Market Analysis & Research	4.0	338,799
	11.0	$1,062,917
Fringes (60.0%)		637,750
TOTAL		$1,700,667
Housing Solutions:		
Equity & Inclusion	6.0	687,745
Housing Strategies	5.0	471,345
	11.0	$1,159,090
Fringes (60.0%)		695,454
TOTAL		$1,854,544
Finance:		
Director's Office	2.0	$ 305,808
Accounting & Investments	7.0	617,213
Single Family Servicing	3.9	285,083
Multi-Family Servicing	4.0	250,560
Audit	5.0	508,365
Operations – HVP	3.0	304,034
	24.9	$2,271,063
Fringes (60.0%)		1,362,638
TOTAL		$3,633,701

(11) Budget requests by Division (continued)

	Positions Filled	Cost
Legal:		
Director's Office	9.0	$ 834,678

Staff Attorneys	10.0	1,367,536
Procurement	2.0	185,456
Students & Co-ops	0.7	27,000
	21.7	$2,414,670
Fringes (60.0%)		1,448,802
TOTAL		$3,863,472

Neighborhood Development:

Director's Office	0.0	$0
Neighborhood Initiatives	21.0	1,785,741
Students & Co-ops	0.7	27,000
	21.7	$1,812,741
Fringes (60.0%)		1,087,645
TOTAL		$2,900,386

Rental Assistance & Homeless Solutions:

Director's Office*	1.0	$159,461
Rent Assistance*	32.0	2,765,305
Homeless Initiatives	13.0	1,175,085
Students & Co-ops*	4.2	162,000
	50.2	$4,261,851
Fringes (60.0%)		2,557,111
TOTAL		$6,818,962

*Federally Funded

Asset Management:

Director's Office	5.0	$480,741
Transactions	6.0	581,132
Small Scale Asset Management	5.0	431,673
Core Properties Intake	9.0	817,640
Operations	4.0	384,317
Contract Administration	9.0	845,724
Compliance Monitoring	12.0	1,069,557
Students & Co-ops	0.0	0
	50.0	$4,610,784
Fringes (60.0%)		2,766,470
TOTAL		$7,377,254

(11) Budget requests by Division (continued)

	Positions Filled	**Cost**
Homeownership:		
Director's Office	4.0	$ 404,112
Single Family/MCC Operations	22.0	1,786,472
Business Development	5.0	454,641

Students & Co-ops	0.7	27,000
	31.7	$2,672,225
Fringes (60.0%)		1,603,335
TOTAL		$4,275,560
Rental Development:		
Director's Office	5.0	$528,870
Multi-family Development	10.0	819,081
Construction Design & EEO	9.0	948,223
Environmental Quality	4.0	360,827
Low Income Housing Tax Credit	7.0	549,332
	35.0	$3,206,333
Fringes (60.0%)		1,923,800
TOTAL		$5,130,133
Total Salaries July 1, 2025	305.6	$28,079,812
Total Fringes July 1, 2025		$16,847,887
General increase effective October 1, 2025 (3% of base wages)		1,010,873
		$45,938,572

Summary of Costs:

Projected salary cost of positions	$45,938,572
Vacant positions salaries (13)	1,246,244
Vacant positions fringe benefits	747,746
Unfilled Vacant Positions (25%)	(498,498)
Lump Sum, Overtime, Step Increases & Other Payments	550,000
Estimated sick and annual leave accrual	60,000
Total budgeted salaries and fringes 25-26	$48,044,064

(12) Production-related Contracts:

	2025-26 Proposed Budget	**2024-25 Budget**
Multi-Family:		
Design Review	$180,000	140,000
Surveys	60,000	0
Environmental and Technical Resources	70,000	31,000
Subtotal	$310,000	$171,000

Contract Administration*:		
Asset Management	$5,529,000	$5,473,000
Consulting	35,000	25,000
TRACS Processing	1,405,000	1,359,000
Subtotal	$6,969,000	$6,857,000
Single Family Foreclosure Services/Audit	492,000	969,000
Environmental Legal Matters	0	0
Capital Needs and Project Assessments	225,000	388,000
TRACS Processing	4,000	5,000
Contractual Tenant File Audits/Physical Inspections	550,000	450,000
Total	$8,550,000	$8,840,000

*Additional contracts required for HUD Section 8 Contract Administration Program.

(13) General Contracts:

	2025-26 Proposed Budget	**2024-25 Budget**
Finance Contracts	$330,000	$100,000
Executive Contract	32,000	32,000
Legal Contracts	201,000	220,000
Neighborhood Development Contracts	377,000	40,000
Housing Solutions Contracts	550,000	0
Housing Voucher Program Contracts	390,000	365,000
Miscellaneous	203,000	261,000
	$2,083,000	$1,018,000

(14) Office rent and utility charges by location are as follows:

	Proposed Budget
Rent:	
GM Building	413,000
Depreciation on 735 E. Michigan Avenue:	$ 525,000
Utilities:	
735 E. Michigan Avenue and Detroit Office	$ 262,000
Total	$1,200,000

(15) Information Technology:

	2025-26 Proposed Budget	2024-25 Budget
Emphasys system	$2,400,000	$2,200,000
Agate	650,000	600,000
DTMB (includes various licenses & equipment)	4,600,000	4,350,000
Ongoing Commitments	1,995,000	2,164,000
New IT Projects	1,785,000	1,260,000
	$11,430,000	$10,574,000

(16) State Charges include:

	Proposed Budget 25-26	Budget 24-25
Attorney General	$1,008,000	$1,248,000
Auditor General	144,000	144,000
Civil Service	804,000	804,000
DTMB Support	156,000	200,000
LEO Admin	1,608,000	1,300,000
	$3,720,000	$3,696,000

(17) Prior year estimated actual amount. Some line items are adjusted upward to reflect additional anticipate expenses.

(18) Amount for Telephone Expenses.

(19) Amount includes expense for building maintenance, renovations, office equipment and rental.

(20) Advertising and publicity

	Proposed Budget 25-26
Advertising	
Campaign – Media/PR/Creative	$1,500,000
Video Creation	200,000
Misc. Advertising, Marketing, Promotion & Outreach Items	300,000
Total	$2,000,000

(21) Reflects increased utilization of agents and fees paid to agents. Also includes Damage Claims which started January 2023.

(22) Temporary clericals and laborers.

(23) Budget amount includes $400,000 of legal fees and $25,000 for insurance premiums. Legal fees and insurance premiums expected to be higher in FY 26.

(24) Represents the direct costs of originating multi-family loans. Pursuant to generally accepted accounting principles, the cost of making loans is deferred and amortized against interest income over the term of the loans.

(25) This is the breakdown of estimated Single Family/ HIP servicing, origination costs and FHA Insurance premiums. The Authority will assemble a team to investigate cost savings related to servicing fees.

	25-26 Budget	24-25 Budget
Single Family Servicing Fees -	$12,000,000	$8,800,000
Cost of Loan Origination (a) -	4,800,000	4,200,000
HUD Risk Sharing -	12,000	27,000
HIP Servicing Fee -	46,000	57,000
HIP Origination Fees -	4,000	4,000
HIP FHA Insurance Premiums -	22,000	28,000
Total	$16,884,000	$13,116,000

(a) Amortization of Service release premium, Incentive premium and Origination Fee

(26) An increase compared to last year's estimated actual is budgeted because the number of bonds being issued will be more than the prior year.

(27) An increase over last year's estimated actual is budgeted because the number of bonds with liquidity facilities has increased and the fees have slightly increased.

(28) Assumes $1,000,000 of write-offs and will increase current reserve balance by $21,800,000.

(29) Represents estimated expenditures for the Authority's rent subsidy programs that (1) provide up to a $300 per unit per year subsidy for the total number of units in a project under the prior multi-family program ($15,000), (2) provide a subsidy of up to $400 per unit for each unit in a development under our taxable program so that some of the units can be afforded by very low income tenants who would otherwise be paying more than 40% of their income for rent ($210,000), and (3) ($115,000) for small size and security loans which are being expensed as paid due to the uncertainty of repayment. Excess subsidy repayments are estimated at ($40,000).

(30) The $5,235,000 of Grant Funds will be allocated to various grant programs and sponsorships.

(31) This counseling network is an ongoing responsibility of MSHDA with annual costs estimated at $600,000. In addition, MSHDA is expecting a HUD counseling grant that will provide another $800,000 for a total of $1,400,000.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

FINANCIAL REPORT

QUARTER AND YEAR TO DATE ENDED March 31, 2025

CONTENTS

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
FINANCIAL SUMMARY
NINE MONTHS ENDED March 31, 2025

Operations for the nine months ended March 31, 2025, resulted in excess of revenues over expenses of $28.7 million, a decrease of $11.9 million compared to prior year results of $40.5 million. Excess of revenues over expenses for the nine months ended March 31, 2025, was more than budget of $5.3 million by $23.4 million.

Financial Position

Total assets increased by $1.31 billion from June 30, 2024 to $7.98 billion at March 31, 2025. This increase equates to 19.64 percent. The majority of the increase occurred in mortgage loans receivable (higher by $589.7 million) and investments (higher by $346.2 million).

Loans receivable increased from $5,250.5 million on June 30, 2024, to $5,840.2 million at March 31, 2025, an increase of $589.7 million. The loans receivable experienced a net increase in single-family mortgages (up $443.3 million) and multi-family mortgages (up $146.5 million).

Investments increased by $346.2 million to $1,650.3 million from June 30, 2024. This increase was primarily due to bond proceed investments being deposited to purchase single-family mortgages and fund multi-family development construction draws.

Bonds payable increased from $4,784.0 million to $5,494.7 million on March 31, 2025 compared to June 30, 2024. This was a net increase of $710.7 million, which was primarily due to the issuance of Single-Family Mortgage Revenue Bonds 2024 Series D, E and F ($494.9 million), and the Rental Housing Revenue Bonds, 2024 Series A ($424.7 million), partially offset by debt service and bond calls.

Escrow funds increased from $527.2 million on June 30, 2024, to $567.1 million at March 31, 2025, an increase of $39.9 million. The increase is due to the additional multi-family mortgages.

MSHDA's fund balances totaled $1,007.9 million on March 31, 2025, equal to 12.6 percent of total assets and 18.3 percent of bonds payable. The $1,007.9 million fund balance does not include the impact of MSHDA's portion of the State of Michigan's Pension liability ($41.8 million on June 30, 2024) and Other Post-Employment Benefits liability ($19.5 million at June 30, 2024). These allocations reduce MSHDA's fund balance by $61.3 million. This liability is recalculated annually. MSHDA is rated by Standard & Poor's and has an Issuer Credit Rating (ICR) of AA- with a stable outlook.

Results of Operations for the Nine Months Ended March 31, 2025, Compared to the Nine Months Ended March 31, 2024

Operations for the six months ended March 31, 2025, resulted in excess of revenues over expenses of $28.7 million, a decrease of $11.9 million compared to prior year results of $40.5 million. Total revenues increased from $854.5 million in 2024, to $895.7 million in 2025. Total expenses were $813.9 million for the nine months ended March 31, 2024, compared to $867.0 million for the nine months ended March 31, 2025.

Net interest income increased from $70.4 million in 2024 to $76.4 million in 2025, an increase of $6.0 million. Mortgage loan interest income is up $38.9 million in 2025 compared to 2024. The increase is attributable to higher mortgages rates and mortgage balances on both single-family and multi-family mortgages. Investment interest income increased $1.6 million from 2024 to 2025, based on higher balances but slightly lower investment yields. Interest expense is higher by $34.5 million, due to an increase in bonds outstanding and overall increase in bond rates. The aggregate interest rate on all outstanding debt went from 3.97% for the quarter ended March 31, 2024 to 4.13% for the quarter ended March 31, 2025. The Authority's interest income spread decreased 8 basis points, with interest earning asset rates going from 4.83% in March of 2024 to 4.91% in March of 2025.

Total Income increased from $854.5 million for the nine months ended March 31, 2024 to $895.7 million for the nine months ended March 31, 2025, a net increase of $41.2 million. The total income increase was due to an increase in Federal Assistance Program Income (55.8 million) and Net Interest Income (6.0 million), partially offset by lower Federal Program Admin Fees ($7.0 million), lower Gains on Debt Retirement ($5.3 million), lower Preservation fees (6.9 million), and lower Miscellaneous Income (4.7 million). Under the Preservation Program, the Authority receives a portion of excess reserves of multi-family developments and the developments' owner, upon agreement of the owner to preserve the developments for occupancy by low-income families, is permitted to borrow all or a portion of the excess reserves. The timing of these preservation agreements can be unpredictable.

Total expenses increased from $813.9 million for the nine months ended March 31, 2024, to $867.0 million for the nine months ended March 31, 2025, a net increase of $53.1 million. Total expenses increased, primarily due to additional Federal Assistance Programs Expenses ($58.8 million), partially offset by less Operating Expenses ($6.1 million).

Results of Operations for the Nine Months Ended March 31, 2025, Compared to Budget

Excess of Revenues over Expenses for the nine months ended March 31, 2025, was $28.7 million compared to budget of $5.3 million, a positive variance of $23.4 million. Excess of revenues over expenses for the nine months ended March 31, 2025, was more than budget of $8.3 million by $20.3 million (excluding Federal Assistance Programs Expense). The Authority doesn't budget for the passthrough of Federal Assistance Fund flowing through the financials. The budget amount in the financials is entered as exactly the actual amounts; therefore, the difference between the Federal Assistance Program revenue and expense will impact the budgeted Excess of Income Over Expense.

Net interest income was $76.4 million compared to budget of $60.5 million, more than budgeted by $15.9 million. This difference was due to higher Mortgage Interest Income ($24.9 million) and higher Investment Interest Income ($4.7 million), partially offset by higher Investment Interest Expense ($13.7 million).

Total Income was $895.7 million compared to budget of $879.5 million, a positive variance of $16.2 million. Total income was more than budget due to Net Interest Income ($15.9 million) and Gain on Debt Retirement ($4.3 million), partially offset by Miscellaneous Income ($5.0 million).

Total expenses were $867.0 million compared to budget of $874.2 million. This positive variance of $7.2 million was mainly due to Total Operating Expenses (lower by $13.0 million), partially offset by Provision for Loan Losses (higher by $4.5 million).

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL CONDITION

	MARCH 31, 2025	JUNE 30, 2024	INCREASE (DECREASE)
ASSETS:			
Loans Receivable:			
Developments under Construction	$ 718,217,211	$ 674,914,021	$ 43,303,190
Short-Term Construction Loans	-	-	-
Completed Development Final Closed	1,492,227,581	1,388,988,480	103,239,101
Single-family Mortgages	3,628,775,665	3,185,497,966	443,277,699
AIS Homes	-	-	-
Home Improvement and Mod Rehab Loans	948,052	1,095,074	(147,022)
	5,840,168,509	5,250,495,541	589,672,968
ADD (DEDUCT): Reserve for Losses	(177,721,169)	(159,752,600)	(17,968,569)
Mortgage Discount - Single Family	(48,601)	(48,601)	-
Mortgage Discount - Multi Family	(36,088,799)	(33,079,530)	(3,009,269)
Accrued Interest Receivable	106,780,125	91,888,063	14,892,062
	5,733,090,065	5,149,502,873	583,587,192
Investments			
CD's and Investment Agreements	0	0	-
Other Short Term Investments	871,171,651	510,489,953	360,681,698
Long Term Investments	779,135,295	793,642,207	(14,506,912)
	1,650,306,946	1,304,132,160	346,174,786
Accrued Interest Receivable	10,760,359	7,445,312	3,315,047
	1,661,067,305	1,311,577,472	349,489,833
Cash	394,838,408	66,094,332	328,744,075
Housing Development Loans, Net of Reserve	3,822,702	3,617,037	205,665
Deferred Bond Issuance Costs	-	-	-
Real Estate Owned:			
Multi-family	1,347,227	1,347,227	-
Single-family	5,048,491	3,268,247	1,780,245
Other Assets	181,133,659	134,949,927	46,183,732
TOTAL ASSETS	$ 7,980,347,856	6,670,357,114	$ 1,309,990,742
LIABILITIES:			
Bonds Payable	$ 5,494,724,000	$ 4,783,982,000	$ 710,742,000
ADD Capital Appreciation	-	-	-
LESS Bond Discount & Premium, Net	57,691,617	47,580,674	10,110,943
	5,552,415,617	4,831,562,674	720,852,943
Notes Payable, including Premium	200,000,000	100,000,000	100,000,000
Accrued Interest Payable: Bonds	83,513,449	25,498,986	58,014,464
Escrow Funds	567,050,347	527,182,564	39,867,783
Federal or State Resources on Hand	372,253,990	94,749,019	277,504,972
Other Liabilities	197,192,442	112,104,069	85,088,373
TOTAL LIABILITIES	6,972,425,845	5,691,097,311	1,281,328,534
FUND BALANCES:			
Restricted Funds	691,469,291	643,315,125	48,154,166
Unrestricted Funds	316,452,720	335,944,679	(19,491,959)
TOTAL FUND BALANCES	1,007,922,011	979,259,804	28,662,207
TOTAL LIABILITIES & FUND BALANCES	$ 7,980,347,856	6,670,357,114	$ 1,309,990,742

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENSES

	9 MONTHS ENDED MARCH 31			9 MONTHS ENDED MARCH 31, 2025		
	2025	2024	INCREASE (DECREASE)	ACTUAL	BUDGET	OVER (UNDER) BUDGET
INCOME:						
Interest Income:						
Mortgage Loans	$ 208,689,420	$ 169,838,693	$ 38,850,727	$ 208,689,420	183,779,000	$ 24,910,420
Investments	35,161,831	33,521,955	1,639,875	35,161,831	30,484,000	4,677,831
	243,851,251	203,360,649	40,490,602	243,851,251	214,263,000	29,588,251
Interest Expense	(167,404,539)	(132,927,946)	(34,476,593)	(167,404,539)	(153,749,000)	(13,655,539)
Net Interest Income	76,446,712	70,432,703	6,014,009	76,446,712	60,514,000	15,932,712
					-	
Multi-Family Servicing Fees	637,922	-	637,922	637,922	-	637,922
Preservation Fees	941,669	7,837,331	(6,895,663)	941,669	900,000	41,669
LIHTC Fees	5,781,307	4,504,519	1,276,788	5,781,307	3,422,000	2,359,307
Section 8 Existing Fees	16,715,112	15,993,163	721,948	16,715,112	18,000,000	(1,284,888)
Federal Programs Administration Fees	7,025,582	13,991,319	(6,965,738)	7,025,582	8,340,000	(1,314,419)
Contract Administration Fees	12,016,393	11,387,865	628,528	12,016,393	11,467,000	549,393
Gain (Loss) on Sale of Investments, Net	-	-	-	-	-	-
Gain (Loss) on Debt Retirement, Net	6,582,285	11,843,220	(5,260,934)	6,582,285	2,295,000	4,287,285
Gain (Loss) on Sale of Mortgages, Net	-	-	-	-	-	-
Miscellaneous Income	2,759,782	7,469,192	(4,709,409)	2,759,782	7,794,000	(5,034,218)
Federal/State Assistance Programs Income	766,757,185	711,003,327	55,753,858	766,757,185	766,757,185	-
TOTAL INCOME	895,663,948	854,462,639	41,201,309	895,663,948	879,489,185	16,174,763
EXPENSES:						
Operating Expenses:						
Salaries and Fringe Benefits	30,212,029	35,322,979	(5,110,950)	30,212,029	34,935,000	(4,722,971)
Technical Service Contracts	5,625,851	5,438,644	187,208	5,625,851	6,630,000	(1,004,149)
General Consultant Contracts	1,074,246	2,558,338	(1,484,092)	1,074,246	764,000	310,246
Rent, building depreciation & utilities	864,998	758,368	106,630	864,998	924,000	(59,002)
Building maint, equipment purchase & rental	787,462	629,016	158,446	787,462	2,512,000	(1,724,538)
Computer & Related Equipment Purchases	4,422,121	2,880,831	1,541,290	4,422,121	7,930,000	(3,507,879)
Charges from other State Departments	2,631,000	1,912,698	718,302	2,631,000	2,772,000	(141,000)
Travel	241,731	179,304	62,428	241,731	306,000	(64,269)
Telephone	164,271	170,360	(6,089)	164,271	242,000	(77,729)
Printing, Supplies, & Postage	347,117	428,287	(81,170)	347,117	225,000	122,117
Advertising and Publicity	1,420,724	1,818,306	(397,582)	1,420,724	1,693,000	(272,276)
Sec 8 Property Mgrs Fees & Expenses	9,767,759	10,700,544	(932,784)	9,767,759	10,800,000	(1,032,241)
Temporary Clerical Assistance	37,349	289,234	(251,885)	37,349	432,000	(394,651)
Training	92,979	58,414	34,565	92,979	130,000	(37,021)
All Other	501,084	1,050,986	(549,902)	501,084	1,234,000	(732,916)
Deferred Operating Costs	(1,425,000)	(1,340,000)	(85,000)	(1,425,000)	(1,800,000)	375,000
Total Operating Expenses	56,765,722	62,856,309	(6,090,587)	56,765,722	69,729,000	(12,963,278)
Single Family& HIP Mtg fees	11,133,880	10,384,001	749,879	11,133,880	9,837,000	1,296,880
Costs of Issuing, Paying Notes and Bonds	2,709,102	1,698,093	1,011,009	2,709,102	2,576,000	133,102
Provision for Losses on Uncoll. Mort.	17,980,402	16,352,466	1,627,935	17,980,402	13,500,000	4,480,402
Housing Development Grants	6,834,357	9,361,221	(2,526,864)	6,834,357	6,363,000	471,357
Rent Subsidy	256,158	345,750	(89,592)	256,158	297,000	(40,842)
Bond Insurance Expense	1,086,138	1,064,887	21,252	1,086,138	1,178,000	(91,862)
Homeownership Counseling Costs	428,348	844,604	(416,256)	428,348	915,000	(486,652)
Other	-	-	-	-	-	-
Federal/State Assistance Programs Expense	769,807,635	711,020,860	58,786,775	769,807,635	769,807,635	-
TOTAL EXPENSES	867,001,741	813,928,189	53,073,552	867,001,741	874,202,635	(7,200,894)
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	$ 28,662,207	$ 40,534,450	$ (11,872,243)	$ 28,662,207	5,286,550	$ 23,375,657

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENSES

	QUARTER ENDED MARCH 31			QUARTER ENDED MARCH 31, 2025		
	2025	2024	INCREASE (DECREASE)	ACTUAL	BUDGET	OVER (UNDER) BUDGET
INCOME:						
Interest Income:						
Mortgage Loans	$ 71,844,664	$ 60,378,781	$ 11,465,883	$ 71,844,664	62,636,000	$ 9,208,664
Investments	12,109,970	10,637,959	1,472,012	12,109,970	10,017,000	2,092,970
	83,954,634	71,016,739	12,937,895	83,954,634	72,653,000	11,301,634
Interest Expense	(58,296,751)	(46,918,431)	(11,378,320)	(58,296,751)	(53,734,000)	(4,562,751)
Net Interest Income	25,657,883	24,098,309	1,559,574	25,657,883	18,919,000	6,738,883
					-	
Multi-Family Servicing Fees	637,922	-	637,922	637,922	-	637,922
Preservation Fees	-	2,035,563	(2,035,563)	-	300,000	(300,000)
LIHTC Fees	2,792,183	1,186,031	1,606,152	2,792,183	1,141,000	1,651,183
Section 8 Existing Fees	5,993,971	5,821,121	172,850	5,993,971	6,000,000	(6,029)
Federal Programs Administration Fees	2,857,337	3,917,920	(1,060,583)	2,857,337	2,780,000	77,337
Contract Administration Fees	3,933,824	3,766,194	167,630	3,933,824	3,822,000	111,824
Gain (Loss) on Sale of Investments, Net	-	-	-	-	-	-
Gain (Loss) on Debt Retirement, Net	797,708	-	797,708	797,708	765,000	32,708
Gain (Loss) on Sale of Mortgages, Net	-	-	-	-	-	-
Miscellaneous Income	878,386	861,616	16,770	878,386	2,598,000	(1,719,614)
Federal/State Assistance Programs Income	284,545,655	243,336,337	41,209,318	284,545,655	284,545,655	-
TOTAL INCOME	328,094,869	285,023,091	43,071,778	328,094,869	320,870,655	7,224,214
					-	
					-	
EXPENSES:					-	
Operating Expenses:					-	
Salaries and Fringe Benefits	10,329,010	12,152,271	(1,823,261)	10,329,010	11,552,000	(1,222,990)
Technical Service Contracts	1,799,519	1,391,785	407,734	1,799,519	2,210,000	(410,481)
General Consultant Contracts	274,814	693,298	(418,484)	274,814	255,000	19,814
General Consultant Contracts	198,504	189,161	9,343	198,504	308,000	(109,496)
Rent, building depreciation & utilities	255,203	257,369	(2,166)	255,203	837,000	(581,797)
Computer & Related Equipment Purchases	3,244,647	891,944	2,352,703	3,244,647	2,643,000	601,647
Charges from other State Departments	924,000	783,000	141,000	924,000	924,000	-
Travel	71,867	52,860	19,008	71,867	102,000	(30,133)
Telephone	60,539	55,158	5,382	60,539	81,000	(20,461)
Printing, Supplies, & Postage	195,334	298,878	(103,544)	195,334	75,000	120,334
Advertising and Publicity	486,139	373,719	112,420	486,139	564,000	(77,862)
Sec 8 Property Mgrs Fees & Expenses	3,476,298	3,537,760	(61,462)	3,476,298	3,600,000	(123,702)
Temporary Clerical Assistance	7,688	50,666	(42,978)	7,688	144,000	(136,313)
Training	36,317	7,131	29,186	36,317	44,000	(7,683)
All Other	303,180	385,971	(82,792)	303,180	411,000	(107,820)
Deferred Operating Costs	(885,000)	(440,000)	(445,000)	(885,000)	(600,000)	(285,000)
Total Operating Expenses	20,778,058	20,680,969	97,088	20,778,058	23,150,000	(2,371,942)
Single Family& HIP Mtg fees	3,598,497	3,380,289	218,209	3,598,497	3,279,000	319,497
Costs of Issuing, Paying Notes and Bonds	1,208,377	451,916	756,461	1,208,377	859,000	349,377
Provision for Losses on Uncoll. Mort.	5,524,624	5,206,609	318,015	5,524,624	4,500,000	1,024,624
Housing Development Grants	1,925,189	3,246,380	(1,321,191)	1,925,189	2,121,000	(195,811)
Rent Subsidy	88,660	117,498	(28,838)	88,660	99,000	(10,340)
Bond Insurance Expense	481,000	517,292	(36,292)	481,000	393,000	88,000
Homeownership Counseling Costs	153,827	334,982	(181,154)	153,827	305,000	(151,173)
Other	-	-	-	-	-	-
Federal/State Assistance Programs Expense	284,873,672	243,192,084	41,681,588	284,873,672	284,873,672	-
TOTAL EXPENSES	318,631,905	277,128,018	41,503,887	318,631,905	319,579,672	(947,768)
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	$ 9,462,964	$ 7,895,072	$ 1,567,891	$ 9,462,964	1,290,983	$ 8,171,981

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENSES

	MONTH OF JANUARY 31, 2025		
	ACTUAL	BUDGET	OVER (UNDER) BUDGET
INCOME:			
Interest Income:			
Mortgage Loans	$ 23,388,381	$ 20,821,000	$ 2,567,381
Investments	3,998,945	3,473,000	525,945
	27,387,326	24,294,000	3,093,326
Interest Expense	(19,292,381)	(17,673,000)	(1,619,381)
Net Interest Income	8,094,945	6,621,000	1,473,945
Multi-Family Servicing Fees	637,922	-	637,922
Preservation Fees	-	100,000	(100,000)
LIHTC Fees	1,001,700	380,000	621,700
Section 8 Existing Fees	1,416,653	2,000,000	(583,347)
Federal Programs Administration Fees	1,367,889	926,000	441,889
Contract Administration Fees	1,359,125	1,274,000	85,125
Gain (Loss) on Sale of Investments, Net	-	-	-
Gain (Loss) on Debt Retirement, Net	797,708	255,000	542,708
Gain (Loss) on Sale of Mortgages, Net	-	-	-
Miscellaneous Income	256,169	866,000	(609,831)
Federal/State Assistance Programs Income	91,350,365	91,350,365	-
TOTAL INCOME	106,282,476	103,772,365	2,510,111
EXPENSES:			
Operating Expenses:			
Salaries and Fringe Benefits	4,003,399	4,151,000	(147,601)
Technical Service Contracts	601,674	736,000	(134,326)
General Consultant Contracts	92,536	85,000	7,536
Rent, building depreciation & utilities	66,654	103,000	(36,347)
Building maint, equipment purchase & rental	166,933	279,000	(112,067)
Computer & Related Equipment Purchases	1,304,192	881,000	423,192
Charges from other State Departments	308,000	308,000	-
Travel	24,826	34,000	(9,174)
Telephone	19,639	27,000	(7,361)
Printing, Supplies, & Postage	150,594	25,000	125,594
Advertising and Publicity	33,678	188,000	(154,322)
Sec 8 Property Mgrs Fees & Expenses	1,416,653	1,200,000	216,653
Temporary Clerical Assistance	-	48,000	(48,000)
Training	8,056	15,000	(6,944)
All Other	25,035	137,000	(111,965)
Deferred Operating Costs	(270,000)	(200,000)	(70,000)
Total Operating Expenses	7,951,867	8,017,000	(65,133)
Single Family& HIP Mtg fees	1,244,472	1,093,000	151,472
Costs of Issuing, Paying Notes and Bonds	1,052,853	286,000	766,853
Provision for Losses on Uncoll. Mort.	1,889,338	1,500,000	389,338
Housing Development Grants	890,293	707,000	183,293
Rent Subsidy	16,575	33,000	(16,425)
Bond Insurance Expense	343,799	131,000	212,799
Homeownership Counseling Costs	89,730	102,000	(12,270)
Other	-	-	-
Federal/State Assistance Programs Expense	87,842,286	87,842,286	-
TOTAL EXPENSES	101,321,215	99,711,286	1,609,929
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	$ 4,961,261	$ 4,061,079	$ 900,182

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENSES

	MONTH OF FEBRUARY 28, 2025		
	ACTUAL	BUDGET	OVER (UNDER) BUDGET
INCOME:			
Interest Income:			
Mortgage Loans	$ 23,944,184	$ 20,798,000	$ 3,146,184
Investments	3,741,459	3,117,000	624,459
	27,685,643	23,915,000	3,770,643
Interest Expense	(19,252,516)	(17,673,000)	(1,579,516)
Net Interest Income	8,433,127	6,242,000	2,191,127
Multi-Family Servicing Fees	-	-	-
Preservation Fees	-	100,000	(100,000)
LIHTC Fees	1,416,703	381,000	1,035,703
Section 8 Existing Fees	1,017,967	2,000,000	(982,033)
Federal Programs Administration Fees	242,500	927,000	(684,500)
Contract Administration Fees	1,282,095	1,274,000	8,095
Gain (Loss) on Sale of Investments, Net	-	-	-
Gain (Loss) on Debt Retirement, Net	-	255,000	(255,000)
Gain (Loss) on Sale of Mortgages, Net	-	-	-
Miscellaneous Income	422,072	866,000	(443,928)
Federal/State Assistance Programs Income	96,914,320	96,914,320	-
TOTAL INCOME	109,728,785	108,959,320	769,465
EXPENSES:			
Operating Expenses:			
Salaries and Fringe Benefits	2,381,422	3,610,000	(1,228,578)
Technical Service Contracts	507,445	737,000	(229,555)
General Consultant Contracts	51,133	85,000	(33,867)
Rent, building depreciation & utilities	64,630	103,000	(38,370)
Building maint, equipment purchase & rental	15,731	279,000	(263,269)
Computer & Related Equipment Purchases	48,043	881,000	(832,957)
Charges from other State Departments	308,000	308,000	-
Travel	26,440	34,000	(7,560)
Telephone	18,550	27,000	(8,450)
Printing, Supplies, & Postage	14,958	25,000	(10,042)
Advertising and Publicity	79,752	188,000	(108,248)
Sec 8 Property Mgrs Fees & Expenses	1,017,967	1,200,000	(182,033)
Temporary Clerical Assistance	-	48,000	(48,000)
Training	3,366	14,000	(10,634)
All Other	195,174	137,000	58,174
Deferred Operating Costs	(360,000)	(200,000)	(160,000)
Total Operating Expenses	4,372,611	7,476,000	(3,103,389)
Single Family& HIP Mtg fees	1,136,138	1,093,000	43,138
Costs of Issuing, Paying Notes and Bonds	61,871	287,000	(225,129)
Provision for Losses on Uncoll. Mort.	1,926,814	1,500,000	426,814
Housing Development Grants	728,750	707,000	21,750
Rent Subsidy	43,681	33,000	10,681
Bond Insurance Expense	41,013	131,000	(89,987)
Homeownership Counseling Costs	36,429	102,000	(65,571)
Other	-	-	-
Federal/State Assistance Programs Expense	99,384,764	99,384,764	-
TOTAL EXPENSES	107,732,072	110,713,764	(2,981,693)
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	$ 1,996,713	$ (1,754,444)	$ 3,751,157

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENSES

	MONTH OF MARCH 31, 2025		
	ACTUAL	BUDGET	OVER (UNDER) BUDGET
INCOME:			
Interest Income:			
Mortgage Loans	$ 24,512,099	$ 21,017,000	$ 3,495,099
Investments	4,369,566	3,427,000	942,566
	28,881,665	24,444,000	4,437,665
Interest Expense	(19,751,854)	(18,388,000)	(1,363,854)
Net Interest Income	9,129,811	6,056,000	3,073,811
Multi-Family Servicing Fees	0	-	-
Preservation Fees	-	100,000	(100,000)
LIHTC Fees	373,780	380,000	(6,220)
Section 8 Existing Fees	3,559,351	2,000,000	1,559,351
Federal Programs Administration Fees	1,246,948	927,000	319,948
Contract Administration Fees	1,292,603	1,274,000	18,603
Gain (Loss) on Sale of Investments, Net	-	-	-
Gain (Loss) on Debt Retirement, Net	-	255,000	(255,000)
Gain (Loss) on Sale of Mortgages, Net	-	-	-
Miscellaneous Income	200,146	866,000	(665,854)
Federal/State Assistance Programs Income	96,280,970	96,280,970	-
TOTAL INCOME	112,083,608	108,138,970	3,944,638
EXPENSES:			
Operating Expenses:			
Salaries and Fringe Benefits	3,944,189	3,791,000	153,189
Technical Service Contracts	690,400	737,000	(46,600)
General Consultant Contracts	131,145	85,000	46,145
Rent, building depreciation & utilities	67,221	102,000	(34,779)
Building maint, equipment purchase & rental	72,538	279,000	(206,462)
Computer & Related Equipment Purchases	1,892,412	881,000	1,011,412
Charges from other State Departments	308,000	308,000	-
Travel	20,602	34,000	(13,398)
Telephone	22,350	27,000	(4,650)
Printing, Supplies, & Postage	29,782	25,000	4,782
Advertising and Publicity	372,709	188,000	184,709
Sec 8 Property Mgrs Fees & Expenses	1,041,678	1,200,000	(158,322)
Temporary Clerical Assistance	7,688	48,000	(40,313)
Training	24,895	15,000	9,895
All Other	82,971	137,000	(54,029)
Deferred Operating Costs	(255,000)	(200,000)	(55,000)
Total Operating Expenses	8,453,579	7,657,000	796,579
Single Family& HIP Mtg fees	1,217,886	1,093,000	124,886
Costs of Issuing, Paying Notes and Bonds	93,653	286,000	(192,347)
Provision for Losses on Uncoll. Mort.	1,708,472	1,500,000	208,472
Housing Development Grants	306,146	707,000	(400,854)
Rent Subsidy	28,404	33,000	(4,596)
Bond Insurance Expense	96,188	131,000	(34,812)
Homeownership Counseling Costs	27,669	101,000	(73,331)
Other	-	-	-
Federal/State Assistance Programs Expense	97,646,622	97,646,622	-
TOTAL EXPENSES	109,578,618	109,154,622	423,996
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	$ 2,504,990	$ (1,015,652)	$ 3,520,642

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS FOR QUARTER ENDED MARCH 31, 2025

Year to date as of March 2025:

Long term investment-book:	$779,135,295
Excess of market over book:	($83,231,954)
Long term investment-market:	$695,903,341
Unrealized Gain (Loss) for this Fiscal Year (July - March):	$5,959,770

Average interest rates earned on mortgage loans and investments were approximately as follows (excludes mortgagors' escrow fund investments) (in thousands):

Quarter	Mortgage Loans		Investments		Aggregate	
Ended	Amount	Rate	Amount	Rate	Amount	Rate
June 21	3,586,364	4.76	736,372	1.33	4,322,736	4.18
Sept 21	3,603,157	4.57	987,929	0.87	4,591,086	3.77
Dec 21	3,629,969	4.54	936,911	0.99	4,566,880	3.81
March 22	3,721,310	4.45	784,750	1.15	4,506,060	3.88
June 22	3,770,766	4.41	833,470	1.69	4,604,236	3.92
Sept 22	3,824,894	4.54	917,376	2.28	4,742,270	4.10
Dec 22	3,981,139	4.53	822,545	3.23	4,803,684	4.31
March 23	4,197,970	4.57	780,011	4.01	4,977,981	4.48
June 23	4,384,852	4.64	1,044,582	4.53	5,429,434	4.62
Sept 23	4,553,214	4.68	958,674	4.79	5,511,888	4.70
Dec 23	4,748,539	4.73	965,334	4.73	5,713,873	4.73
March 24	4,979,791	4.85	905,588	4.70	5,885,379	4.83
June 24	5,157,910	4.94	902,211	4.51	6,060,121	4.88
Sept 24	5,363,474	4.96	809,921	4.60	6,173,395	4.91
Dec 24	5,578,324	5.04	1,142,299	4.81	6,720,623	5.00
March 25	5,753,299	4.99	1,085,676	4.46	6,838,975	4.91

Average rate borne by Authority bonds were as follows (in thousands):

Quarter	Fixed Rate Bonds		Variable Rate Bonds		Aggregate	
Ended	Amount	Rate	Amount	Rate	Amount	Rate
June 21	3,129,610	3.49	195,340	0.11	3,324,950	3.29
Sept 21	3,431,575	3.32	184,905	0.07	3,616,480	3.15
Dec 21	3,440,947	3.30	166,218	0.12	3,607,165	3.15
March 22	3,334,803	3.31	161,508	0.27	3,496,311	3.17
June 22	3,397,817	3.22	186,111	1.06	3,583,928	3.11
Sept 22	3,389,871	3.40	310,555	1.51	3,700,426	3.24
Dec 22	3,384,423	3.55	339,134	2.78	3,723,557	3.48
March 23	3,434,857	3.49	471,673	3.69	3,906,530	3.51
June 23	3,869,685	3.76	423,448	3.97	4,293,133	3.78
Sept 23	3,975,094	3.73	433,368	4.33	4,408,462	3.79
Dec 23	4,233,557	3.78	391,507	4.34	4,625,064	3.83
March 24	4,191,553	3.88	537,941	4.67	4,729,494	3.97
June 24	4,465,490	4.04	399,022	4.30	4,864,512	4.06
Sept 24	4,417,999	3.88	582,835	4.75	5,000,834	3.98
Dec 24	5,114,816	4.29	453,054	3.98	5,567,870	4.26
March 25	5,116,079	4.18	527,723	3.64	5,643,802	4.13

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
QUARTER AND YEAR TO DATE ENDED MARCH 31, 2025

1. Single-Family activity for the quarter and year to date March 31, 2025, was as follows:

	Year to Date		Current Quarter	
	Units	Amount	Units	Amount
Commitments outstanding – Beginning	559	$81,971,782	428	$62,969,284
Commitments issued	3,697	375,250,325	1,152	167,921,577
Loans purchased	(3,846)	(391,399,807)	(1,196)	(174,834,586)
Cancellations, adjustments, etc.	(36)	(2,863,016)	(10)	(1,086,130)
Commitments outstanding - Ending	374	$54,970,145	374	$54,970,145

Single-Family Delinquency Report as of March 31, 2025:

	Delinquent		% of Total Loans		
Days Delinquent	# of Loans	Loan Amount	3/31/25	12/31/24	3/31/24
30-59	1,731	$180,868,030	5.30%	6.85%	5.32%
60-89	511	53,491,619	1.57%	2.33%	1.67%
90+Possible Foreclosure	1,180	129,156,783	3.78%	3.42%	3.18%
	3,422	$363,516,432	10.65%	12.60%	10.17%

2. Home Improvement loan activity for the quarter and from inception of the program was as follows:

	Quarter	Cumulative
Number of loans purchased	0	27,941
Amount purchased	$0	$177,795,294
Average interest rate	0.00%	5.72%
Average loan amount	$0	$6,363

Home Improvement loan delinquency report as of March 31, 2025:

	Delinquent		% of Total Loans		
Days Delinquent	# of Loans	Loan Amount	3/31/25	12/31/24	3/31/24
30-59	0	$0	0.00%	1.06%	0.97%
60-89	0	0	0.00%	2.17%	1.27%
Over 90	16	81,035	8.55%	13.93%	11.06%
	16	81,035	8.55%	17.16%	13.30%

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

SEED LOANS, REPAYABLE GRANTS AND BRIDGE LOANS

March 31, 2025

MSHDA #	DEVELOPMENT	TOTAL AUTHORIZED	TOTAL DISBURSED	TOTAL REPAID	TOTAL WRITE OFF	BALANCE 3/31/2025
	REPAYABLE FIRE SAFETY GRANTS:					
280	BUENA VISTA	56,204	57,097	8,725		48,372
		56,204	57,097	8,725	0	48,372
	REPAYABLE ENERGY CONSERVATION GRANTS:					
17	JACKSON	31,003	31,003	0		31,003
43	BANGOR DOWNS	54,875	54,531	0		54,531
44	OAK MEADOWS	68,262	61,806	2,339		59,467
61	CARL TERRACE	131,117	131,117	0		131,117
568	DIVINE MR	650	650	0		650
708	MADISON SQUARE REHAB	9,182	9,182	0	9,182	0
		295,089	288,289	2,339	9,182	276,768
	REPAYABLE GRANTS:					
678-G	DETROIT NPHC	100,000	100,000	90,870		9,130
HDF-04	JERICHO HOUSE	55,000	8,836	0		8,836
HDF-13	INNER CITY CHRISTIAN FEDERATION (ICCF)	75,000	75,000			75,000
HDF-22	NATIONAL CHURCH RESIDENCE	69,183	56,250	0		56,250
HDF-96	WOMEN'S RESOURCE CENTER OF GRAND TRAVERSE AREA	435,000	435,000	0		435,000
HDF-110	PROPERTY STABILIZATION, INC, A MICHIGAN CORPORATION	248,500	245,000	245,000		0
HDF-139	WAYNE METROPOLITAN COMMUNITY ACTION AGENCY	180,000	180,000			180,000
		1,162,683	1,100,086	335,870	0	764,216
HDF-2006-0140-DVHI	UNDERGROUND RAILROAD, INC	600,000	600,000	45,677		554,323
HDF-2006-0493-DVHI	BIG RAPIDS HOUSING COMMISSION	246,415	246,415			246,415
HDF-2006-5040-DVHI	WOMEN'S INFORMATION SERVICES	474,186	528,585	274,143		254,442
HDF-2006-5352-DVHI	SAFE HORIZONS	450,000	450,000	450,000		0
HDF-2006-5148-DVHI	YMCA WEST CENTRAL MICHIGAN	570,000	570,000			570,000
HDF-2006-0341-CHI	GREATER LANSING HOUSING COALIATION/FERRIS LDHA LP	500,000	500,000	500,000 (1)		0
HDF-2019-0074-MOD	KALAMAZOO NEIGHBORHOOD HOUSING SERVICES	196,000	196,000	168,330		27,670
HDF-2019-0298-MOD	CITY OF COLDWATER	196,000	308,330	308,436		-106
HDF-2019-0318-MOD	BETHANY HOUSING MINISTRIES	196,000	177,537	145,745	31,792	0
HDF-2019-0493-MOD	BIG RAPIDS HOUSING COMMISSION	196,000	177,970	176,531		1,439
HDF-2019-0530-MOD	CITY OF DOWAGIAC	196,000	380,461	361,752		18,709
HDF-2019-9931-MOD	HABITAT FOR HUMANITY NORTHEAST MICHIGAN	196,000	190,003	129,368		60,635
HDF-2019-9936-MOD	CITY OF BEAVERTON	196,000	352,693	347,653		5,041
HDF-2019-9948-MOD	BARRY COUNTY COMMUNITY FOUNDATION	196,000	196,000	196,000		0
HDF-2020-5936-MOD	GENESEE COUNTY LAND BANK AUTHORITY	196,000	147,000			147,000
HDF-2020-9959-MOD	MARQUETTE COUNTY LAND BANK AUTHORITY	196,000	193,708	156,660		37,048
HDF-2020-9961-MOD	NORTHERN MICHIGAN LIMITED DIVIDEND HOUSING ASSOC, LLC	196,000	196,000	120,051		75,949
HDF-2021-0277-MOD	CITY OF ALBION	200,000	51,382			51,382
HDF-2021-1280-MOD	VILLAGE OF CASSOPOLIS	200,000	200,000	200300		-300
HDF-2021-6322-MOD	DETROIT LAND BANK AUTHORITY	200,000	20,000			20,000
HDF-2021-9971-MOD	FOUR COUNTY COMMUNITY FOUNDATION	200,000	200,000	126489		73,511
HDF-2021-9980-MOD	JONES CONSTRUCTION AND DEVELOPMENT LIMITED DEIVIDEND HS	200,000	94,845			94,845
HDF-2023-354-MOD	GREATER JACKSON HABITAT FOR HUMANITY	224,500	147,575			147,575
HDF-2023-6073-MOD	INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY	210,000	105,000			105,000
HDF-2023-10521-M3D	CITIZENS ROBOTICS	130,000	99,552			99,552
		6,561,101	6,329,056	3,707,135	31,792	2,590,130
	PREDEVELOPMENT LOANS					
HDF-43	NORTHERN HOMES CDC	177,300	177,300	100,000		77,300
HDF-97	NORTHERN HOMES CDC	74,325	71,546	5,631		65,915
HDF-106	INNER CITY CHRISTIAN FED (ICCF)	375,000	547,421	547,421		0
HDF-161	GRAND TRAVERSE COUNTY LAND BANK	65,000	61,444		61,444	0
HDF-212	HOMESTRETCH NPHC	78,650	104,706	104,706		0
HDF-239	CADILLAC HOUSING INITIATIVE PROGRAMS	56,720	30,275		30,275	0
HDF-359	AVALON HOUSING	150,000	148,193	148,193		0
HDF-388	OCEANNA COUNTY HOUSING COMMISSION NONPROFIT CORP	101,254	101,254	101,254		0
HDF-390	HOMESTRETCH NPHC	58,700	53,507	53,507		0
HDF-391	LINC UP NON-PROFIT CORP	82,149	82,149	82,149		0
HDF-420	AVALON HOUSING INC	150,000	133,269	133,269		0
		1,369,098	1,511,063	1,276,130	91,719	143,215
	TOTAL SEED LOANS, REPAYABLE GRANTS AND PREDEVELOPMENT LOANS					3,822,701
	LESS: RESERVE FOR LOSS					-1,809,000
	NET REPAYABLE GRANTS, SEED LOANS, AND PREDEVELOPMENT LOANS					2,013,702

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
PASSTHROUGH OBLIGATIONS

Bonds issued pursuant to Section 44(c) of the Act and not yet called were as follows as of March 31, 2025:

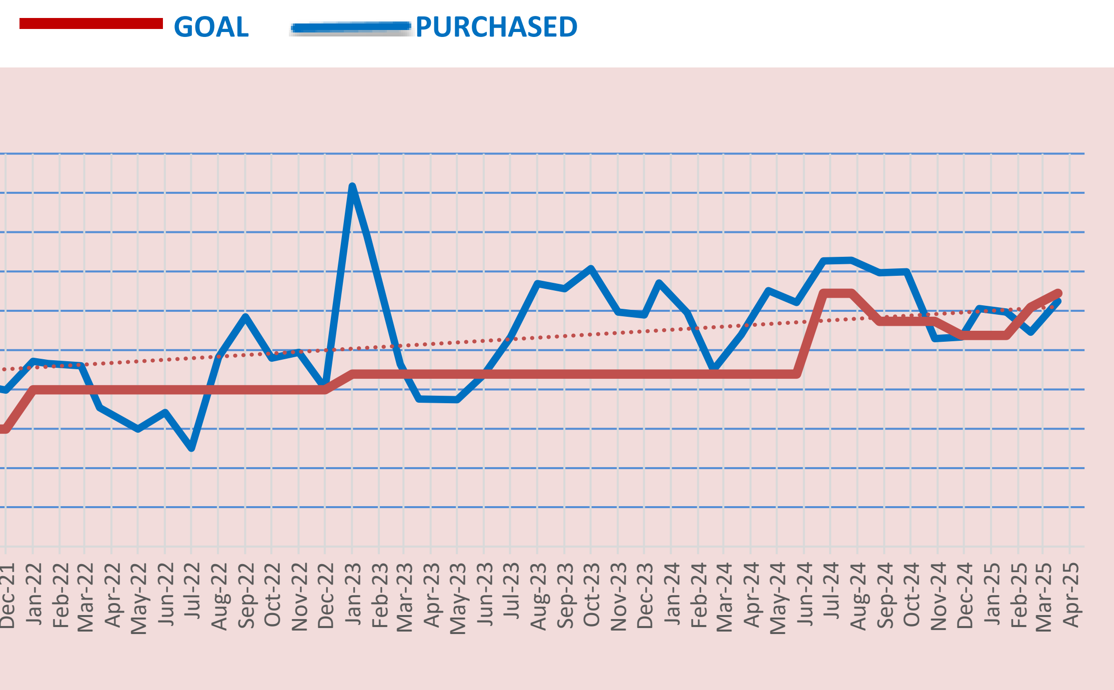
Name	Credit Enhancement	Amount
Berrien Woods III	Federal Home Loan Bank	4,908,789
River Park Village (Whittier)	Fannie Mae	3,525,000
Williams Pavilion	FHA Mortgage Insurance	6,200,000
Sand Creek	Citibank	3,425,000
Sand Creek Village II Apt.	Citibank	5,220,000
Teal Run Apartments	Citibank	6,035,000
Cityline Apartments		23,062,689
Clark Road Family		25,094,000
Clark Road Senior		24,110,000
Lexington Village		42,374,000
Traditions of Holland		16,822,000
Deaconess Towers		18,000,000
Greenhouse Apts		18,568,000
Lawrence Park		20,849,000
Coventry Woods		12,170,000
Birch Park		9,756,000
HOM Flats at 24 East		31,000,000
Flats at Common Carriage		12,000,000
Avon Towers		20,995,000
Midblock Apts		36,000,000
Cambridge Towers		17,000,000
North Port		19,000,000
Westbury Apts		2,420,000
Old Mill Pond		3,651,000
4401 Rosa Parks Apts		7,800,000
		$430,225,478

CURRENT AND HISTORICAL HOMEOWNERSHIP DATA

April 2025

MSHDA's Homeownership Division delivers responsive homeownership products, education and technical assistance that empower our customers and strengthen and sustain Michigan communities. We work with our partners to provide creative solutions that maximize existing resources and preserve homeownership opportunities for future generations.

SINGLE FAMILY MORTGAGES



Monthly Homeownership Production Report: APRIL 2025

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MI HOME Loan Programs

Series /Date	Month	RESERVATIONS		CASES RECEIVED		COMMITMENTS BEGINNING		COMMITMENTS ISSUED		Cancellations Reinstatements Net		Transfers IN or Adjustment		Transfers OUT or Adjustment		COMMITMENTS ENDING		PURCHASED #1		PURCHASED-DPA	
031	**Apr-25**	**0**	**$ -**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**
	Mar-25	0	$ -	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
066	**Apr-25**	**0**	**$ -**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**
9/5/2023	Mar-25	0	$ -	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00	0	$0.00
067	**Apr-25**	**0**	**$ -**			**2**	**$81,188.00**			**0**	**$0.00**	**0**	**$0.00**	**-2**	**-$81,188.00**	**0**	**$0.00**	**0**	**$0.00**	**0**	**$0.00**
4/9/2024	Mar-25	0	$ -	2	$81,888.00	6	$714,151.00	1	$28,388.00					-5	-$661,351.00	2	$81,188.00	0	$0.00	0	$0.00
068 (510)	**Apr-25**	**89**	**$ 12,217,606.00**	**69**	**$9,895,998.00**	**41**	**$5,454,261.00**	**51**	**$7,040,747.00**	**-1**	**-$170,750.00**	NO TRANSFERS				**40**	**$5,384,264.00**	**51**	**$6,939,994.00**	**31**	**$305,288.00**
10/21/2024	Mar-25	59	9,663,402.00	55	$7,122,600.00	41	$5,708,778.00	51	$6,526,500.00	0	$0.00	0	$0.00	0	$0.00	41	$5,454,261.00	51	$6,781,017.00	32	$305,895.00
069	**Apr-25**	**659**	**$ 95,150,159.00**	**557**	**$80,786,730.00**	**331**	**$49,434,696.00**	**458**	**$66,300,483.00**	**-3**	**$453,718.00**	**2**	**$81,188.00**	**0**	**$0.00**	**412**	**$60,772,335.00**	**376**	**$55,497,750.00**	**302**	**$2,898,556.00**
10/30/2024	Mar-25	583	87,983,759.00	455	$68,740,169.00	292	$42,394,184.00	364	$54,296,465.00	-1	$128,340.00	5	$661,351.00	0	-$259,499.00	331	$49,434,696.00	329	$47,786,145.00	292	$2,743,560.00
256 - DPA	Apr-25	172	4,375,900.00	103	$2,557,954.00			105	$2,606,613.00	0	$0.00	0	$0.00	0	$0.00					**51**	**$1,250,885.00**
256 - DPA	**Mar-25**	**36**	9,000,000.00	1	$25,000.00			2	$50,000.00	0	$0.00	0	$0.00	0	$0.00					5	$124,691.00
TOTAL	**Apr-25**	**748**	**$107,367,801.00**	**626**	**$90,682,728.00**	**374**	**$54,970,145.00**	**509**	**$75,947,843.00**	**-4**	**$282,968.00**	**2**	**$81,188.00**	**-2**	**-$81,188.00**	**452**	**$66,156,599.00**	**427**	**$62,437,744.00**	**384**	**$4,454,729.00**

Bond Totals: Snagit Separately

Series /Date	#	PURCHASED Prior Total	PURCHASED NEW Total	1st + DPA TO DATE	NEWEST ALLOCATED
031	**031**	$ 42,529,795.00	$ 42,529,795.00	$ 44,964,619.00	$ 10,000,000.00
	101	$ 2,434,824.00	$ 2,434,824.00	remaining:	**$ (34,964,619.00)**
066	**066**	$ 390,010,059.00	$ 390,010,059.00	$ 413,954,189.00	$ 400,000,000.00
9/5/2023	166	$ 23,944,130.00	$ 23,944,130.00	remaining:	**$ (13,954,189.00)**
067	**067**	$ 268,678,005.00	$ 268,678,005.00	$ 284,856,187.00	$ 433,125,471.00
4/9/2024	167	$ 16,178,182.00	$ 16,178,182.00	remaining:	**$ 148,269,284.00**
068 (510)	**068**	$ 34,151,805.00	$ 41,091,799.00	$ 42,723,597.00	$ 49,164,209.00
10/21/2024	168	$ 1,326,510.00	$ 1,631,798.00	remaining:	**$ 6,440,612.00**
069	**069**	$ 47,988,446.00	$ 103,486,196.00	$ 120,439,693.00	$ 350,000,000.00
10/30/2024	169	$ 14,054,941.00	$ 16,953,497.00	remaining:	**$ 229,560,307.00**
256 - DPA	256	$ 124,691.00	$ 1,375,576.00	remaining:	
256 - DPA	256	$ -	$ 124,691.00	remaining:	**$ 8,000,000.00**

MCC

	Month	RESERVATIONS		APPS RECEIVED		COMMITMENTS		CERTIFICATES	
213 MCC	**Apr-25**	8	$ 1,310,175.00	4	$ 543,632.00	5	$ 656,132.00	6	$ 900,477.00
12/7/2022	Mar-25	5	$ 604,268.00	8	$ 1,153,998.00	6	$ 978,798.00	10	$ 1,815,258.00

MI 10K DOWN PAYMENT ASSISTANCE PROGRAM

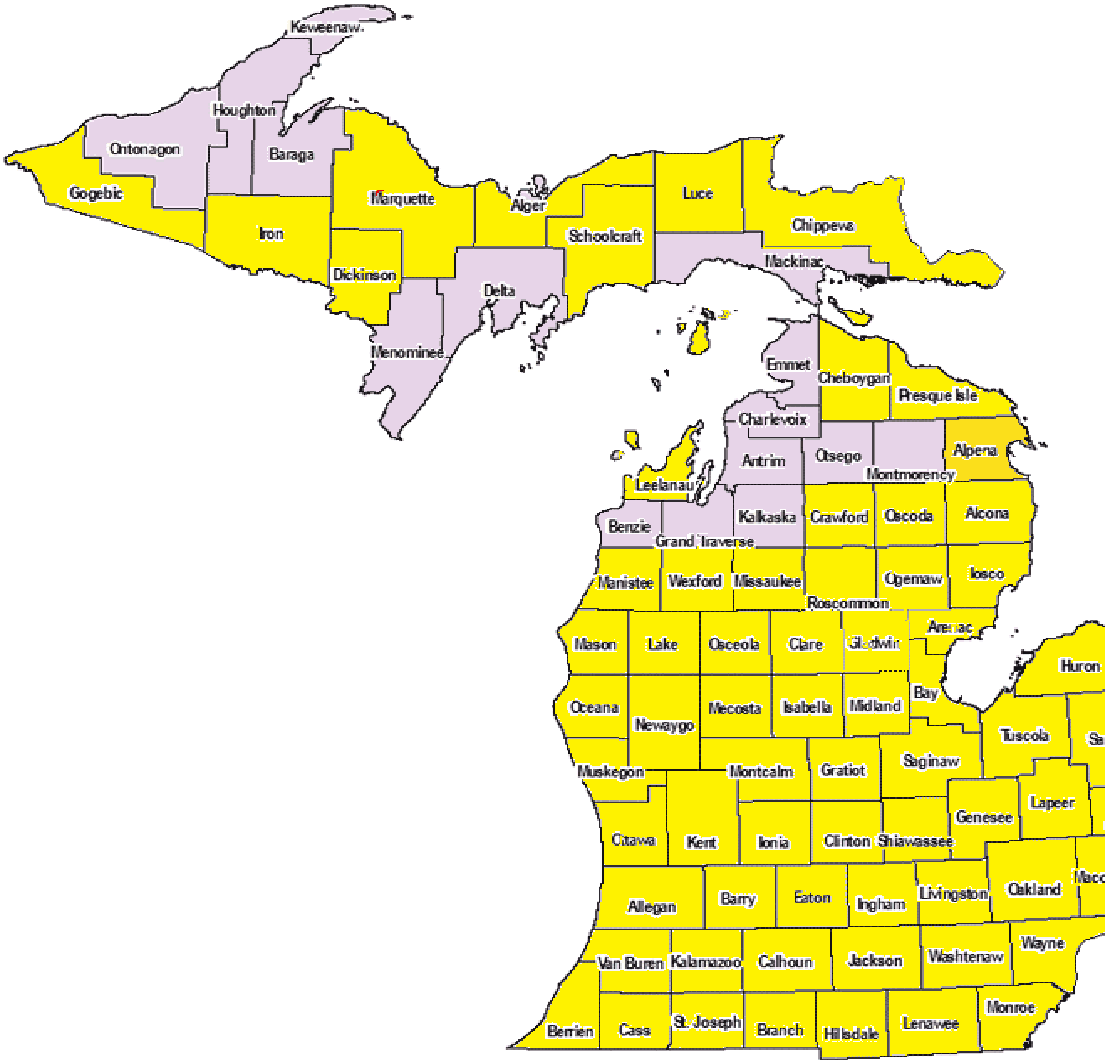
The MI 10K DPA Loan program is a $10,000 down payment assistance program available throughout the state. The MI 10K DPA Loan must be combined with a MI Home Loan.

April

Loans in 2025 | **New this month**

County	#	Loan Amt	DPA Amt	Total $
Alcona	1	$ 129,000	$ 10,000	$ 139,000
Alger				$ -
Allegan	1	$ 150,253	$ 10,000	$ 160,253
Alpena				$ -
Antrim				$ -
Arenac				$ -
Baraga				$ -
Barry	5	$ 976,305	$ 50,000	$ 1,026,305
Bay	13	$ 1,383,510	$ 124,059	$ 1,507,569
Benzie				$ -
Berrien	10	$ 1,535,791	$ 99,289	$ 1,635,080
Branch	3	$ 585,144	$ 25,888	$ 611,032
Calhoun	12	$ 1,957,081	$ 118,559	$ 2,075,640
Cass	1	$ 178,876	$ 10,000	$ 188,876
Charlevoix				$ -
Cheboygan				$ -
Chippewa				$ -
Clare	3	$ 342,881	$ 25,142	$ 368,023
Clinton				$ -
Crawford				$ -
Delta				$ -
Dickinson	1	$ 146,900	$ 10,000	$ 156,900
Eaton	3	$ 487,346	$ 29,585	$ 516,931
Emmet				$ -
Genesee	24	$ 2,568,522	$ 221,866	$ 2,790,388
Gladwin	1	$ 149,150	$ 10,000	$ 159,150
Gogebic	1	$ 76,500	$ 10,000	$ 86,500
Grand Traverse				$ -
Gratiot	4	$ 519,583	$ 31,178	$ 550,761
Hillsdale	1	$ 173,430	$ 10,000	$ 183,430
Houghton				$ -
Huron	2	$ 250,380	$ 18,990	$ 269,370
Ingham	17	$ 2,451,264	$ 163,337	$ 2,614,601
Ionia	6	$ 953,644	$ 58,400	$ 1,012,044
Iosco	1	$ 147,250	$ 9,162	$ 156,412
Iron	1	$ 90,557	$ 9,986	$ 100,543
Isabella	5	$ 583,928	$ 45,144	$ 629,072
Jackson	14	$ 2,180,828	$ 137,172	$ 2,318,000
Kalamazoo	16	$ 2,612,492	$ 156,642	$ 2,769,134
Kalkaska				$ -
Kent	6	$ 1,146,585	$ 59,443	$ 1,206,028
Keweenaw				$ -
Lake				$ -
Lapeer	2	$ 284,550	$ 19,625	$ 304,175
Leelanau				$ -
Lenawee	2	$ 236,162	$ 20,000	$ 256,162
Livingston				$ -

Luce	1	$ 68,700	$ 10,000	$ 78,700
Mackinac				$ -
Macomb	18	$ 2,696,365	$ 173,566	$ 2,869,931
Manistee				$ -
Marquette	1	$ 94,480	$ 10,000	$ 104,480
Mason	2	$ 395,840	$ 18,849	$ 414,689
Mecosta	4	$ 671,064	$ 40,000	$ 711,064
Menominee				$ -
Midland	4	$ 588,526	$ 33,266	$ 621,792
Missaukee	1	$ 104,500	$ 7,721	$ 112,221
Monroe	5	$ 825,291	$ 50,000	$ 875,291
Montcalm	8	$ 1,151,565	$ 78,154	$ 1,229,719
Montmorency				$ -
Muskegon	16	$ 2,298,686	$ 155,137	$ 2,453,823
Newaygo	2	$ 432,511	$ 17,449	$ 449,960
Oakland	14	$ 2,166,012	$ 133,589	$ 2,299,601
Oceana				$ -
Ogemaw				$ -
Ontonagon				$ -
Osceola	1	$ 158,984	$ 9,645	$ 168,629
Oscoda	1	$ 135,375	$ 10,000	$ 145,375
Otsego				$ -
Ottawa				$ -
Presque Isle				$ -
Roscommon	1	$ 116,300	$ 10,000	$ 126,300
Saginaw	16	$ 1,968,729	$ 151,451	$ 2,120,180
Saint Clair	6	$ 609,935	$ 57,769	$ 667,704
Saint Joseph	3	$ 360,746	$ 29,600	$ 390,346
Sanilac				$ -
Schoolcraft				$ -
Shiawassee	2	$ 317,802	$ 18,526	$ 336,328
Tuscola	1	$ 140,553	$ 10,000	$ 150,553
Van Buren	4	$ 735,695	$ 39,414	$ 775,109
Washtenaw	2	$ 266,394	$ 20,000	$ 286,394
Wayne	62	$ 9,935,036	$ 606,241	$ 10,541,277
Wexford	2	$ 166,951	$ 20,000	$ 186,951
10K DPA TOTAL	**333**	**$ 48,703,952**	**$ 3,203,844**	**$ 51,907,796**
Total Purchases	**427**	**$ 62,437,744**	**$ 4,454,729**	**$ 66,892,473**
Percentage that used DPA	78%	78%	72%	78%


Keweenaw
Houghton
Ontonagon
Baraga
Gogebic
Marquette
Alger
Luce
Chippewa
Iron
Schoolcraft
Dickinson
Mackinac
Delta
Menominee
Emmet
Cheboygan
Presque Isle
Charlevoix
Antrim
Otsego
Montmorency
Alpena
Leelanau
Benzie
Grand Traverse
Kalkaska
Crawford
Oscoda
Alcona
Manistee
Wexford
Missaukee
Roscommon
Ogemaw
Iosco
Arenac
Mason
Lake
Osceola
Clare
Gladwin
Huron
Oceana
Newaygo
Mecosta
Isabella
Midland
Bay
Tuscola
Muskegon
Montcalm
Gratiot
Saginaw
Lapeer
Genesee
Ottawa
Kent
Ionia
Clinton
Shiawassee
Allegan
Barry
Eaton
Ingham
Livingston
Oakland
Van Buren
Kalamazoo
Calhoun
Jackson
Washtenaw
Wayne
Berrien
Cass
St. Joseph
Branch
Hillsdale
Lenawee
Monroe

2025 BOARD CALENDAR

JANUARY
VOTING ITEMS:
• Intent to Reimburse Resolution
DISCUSSION ITEMS:

FEBRUARY
VOTING ITEMS:
DISCUSSION ITEMS:
• FY 2024-2025 PHA Plan
• Single Family Bond Deal

MARCH
VOTING ITEMS:
• FY 2024-2025 PHA Plan
• Single Family Bond Deal
DISCUSSION ITEMS:

APRIL
VOTING ITEMS:
DISCUSSION ITEMS:

MAY
VOTING ITEMS:
• Pass-Through Program
DISCUSSION ITEMS:
• Qualified Allocation Plan
• 2025-26 FY Budget

JUNE
VOTING ITEMS:
• 2025-26 FY Budget
• Qualified Allocation Plan
DISCUSSION ITEMS:

JULY
VOTING ITEMS:
DISCUSSION ITEMS:
• Multifamily Bond Deal

AUGUST
VOTING ITEMS:
• Multifamily Bond Deal
DISCUSSION ITEMS:

SEPTEMBER
VOTING ITEMS:
DISCUSSION ITEMS:

OCTOBER
VOTING ITEMS:
DISCUSSION ITEMS:
• Board Meeting Schedule for 2026

NOVEMBER
VOTING ITEMS:
• Approval of Board Meeting Schedule for 2026
DISCUSSION ITEMS:
• Audited Year-End 6/30/2025 Financials

DECEMBER
VOTING ITEMS:
DISCUSSION ITEMS: