

## **REINVESTMENT PROGRAM**

### **PROFORMA INSTRUCTIONS**

The Reinvestment Program Proforma is being provided for sponsors to use in evaluating their own projects. It is “locked” to prevent accidental over-writing of formulas, and MSHDA staff will re-run “clean” versions of the proforma for all applications submitted.

Please note the following points:

- Additional unit types (i.e. unit type D-H) can be unhidden in the Revenue page to accommodate developments with more than three basic units types.
- Initial assumptions about underwriting trending have been put into the Expense page, including the limitations on maximum or minimum rent and expense inflation factors. The Authority may underwrite specific transactions more conservatively based on factors including recent project performance, information about county income/rent limit projections that suggest even flatter rent trending, etc.
- The Expense page should be based on a projected 2011 “post-rehabilitation” operating budget. The starting management fee, for example, is shown at \$461 based on inflating the 2009 management fee allowance at 3% per year between 2009 and 2011 (note, this does not guarantee that MSHDA’s allowable fee will be increased in this manner).

If you run into technical errors or programming problems while filling out the proforma, please contact Steve Lathom ([lathoms@michigan.gov](mailto:lathoms@michigan.gov) or 517-373-8853) for assistance. If programming errors or bugs are identified, we will post updates as needed.