



10% Test/ Commitment

Exhibit Checklist 2021-2025

For Use With:

The Low Income Housing Tax Credit Program

Updated: October 2024

www.michigan.gov/mshda

LOW INCOME HOUSING TAX CREDIT PROGRAM 10% TEST/ COMMITMENT EXHIBIT CHECKLIST

ALL LIHTC PROJECTS: For purposes of meeting the requirements of Section XI of the 2021 Qualified Allocation Plan or Section XII of the 2022-2025 Qualified Allocation Plans, all owners receiving an award of LIHTC must submit the applicable Exhibits 1-10 below as acceptable evidence to MSHDA that the project has closed on its financing and is proceeding with construction within one year of the issuance of the reservation.

9% LIHTC PROJECTS: Owners of projects receiving an allocation of 9% LIHTC must submit Exhibit 11 in addition to all other applicable exhibits listed to demonstrate that more than 10% of the taxpayer's reasonably anticipated basis in the project (as of the close of the second calendar year following the calendar year of allocation) has been incurred within 12 months of the allocation date. Additionally, a second financial review of the project based on updated project sources and uses as well as updated project income and expenses will be conducted at the time this certification is submitted.

Please submit all exhibits electronically through the appropriate [submission portal](#) near the bottom of the linked page.

EXHIBIT 1 – SYNDICATION/EQUITY INVESTMENT

- A copy of the partnership or operating agreement, including all amendments and all attachments, that has been executed by all applicable partners or members of the ownership entity.
- Documentation showing the equity price to be paid to the owner, if not identified in the Partnership Agreement or Operating Agreement.

EXHIBIT 2 – TAX ABATEMENT

For all projects that are relying on tax abatement for financial feasibility, a copy of the project-specific tax abatement ordinance or an area-wide tax abatement ordinance with a qualifying resolution that meets Authority requirements, if not provided at the time of application.

EXHIBIT 3 – CONFIRMATION OF DISBURSEMENT

Record of the disbursement of the equity or construction loan.

EXHIBIT 4 – RECORDED NOTICE OF COMMENCEMENT

Provide a copy of the Recorded Notice of Commencement or evidence that the notice has been received for recording unless on tribal land.

EXHIBIT 5 – EXECUTED AND RECORDED DEED TO PROPERTY

A copy of the recorded deed to the property (or evidence that the deed has been received for recording), or a long-term lease, if applicable, showing the partnership as owner or lessee, including correct property description. Please provide the Real Estate Transfer Tax Valuation Affidavit if applicable.

EXHIBIT 6 – BUILDING PERMITS

Provide all building permits necessary to begin construction, or a letter from the municipality stating that the permits will be issued upon payment of fees. If rehabilitation of an existing structure does not require building permits, an executed letter from the appropriate local official, on their letterhead, stating that building permits are not required must be submitted.

EXHIBIT 7 – APPRAISAL (IF APPLICABLE)

For all projects having an acquisition cost as part of the total project costs, submit an appraisal consistent with [LIHTC Allocation Policy Bulletin #8](#). For scattered site projects, this requirement will be evaluated on a case-by-case basis.

EXHIBIT 8 – CAPITAL NEEDS ASSESSMENT (IF APPLICABLE)

Submit a Capital Needs Assessment dated within 1 year of the 10% Test application due date. All Capital Needs Assessments must be completed in accordance with [Tab Z](#) of MSHDA's Combined Application.

EXHIBIT 9 – UPDATED APPLICATION

Updated project application along with the [Certification to Application](#).

EXHIBIT 10 – MSHDA GREEN POLICY CERTIFICATION

Fully executed copy of the [MSHDA Green Policy Certification](#) and proof of project registration with either Enterprise Green Communities, National Green Building Standards (NGBS), or U.S. Green Building Council LEED Certification.

EXHIBIT 11– INDEPENDENT ACCOUNTANT'S REPORT (FOR 9% DEALS ONLY)

An Independent Accountant's Report on Applying Agreed-Upon Procedures, certifying that 10% of the project's costs will have been incurred by the due date. An example, the Statement of Carryover Allocation, and guidelines can be found [here](#).