



MEMORANDUM

TO: INTERESTED PARTIES
FROM: ELIZABETH A. RADEMACHER – LIHTC MANAGER
SUBJECT: LIHTC PROGRAM UPDATES
DATE: AUGUST 7, 2024

This memo is intended to provide potential applicants and stakeholders interested in Michigan’s Low-Income Housing Tax Credit (LIHTC) program with updates to the Michigan Qualified Allocation Plan (QAP) and application materials.

APPLICATION SUBMISSION

As stated in the 2024-2025 Qualified Allocation Plan (QAP), the MSHDA offices are not accepting hand-delivered applications. Applications must be submitted electronically no later than 5:00 p.m. (EST), October 1, 2024. The electronic application portal will be available after September 16, 2024, via the LIHTC website. Please note that MSHDA will not accept mailed applications for the October 1, 2024 funding round.

RENT AFFORDABILITY

This item is intended to limit unsubsidized unit rents to the rent limit, which is 5% AMI below the actual unit target. The examples below are based on the Income and Rent Limits for Ingham County, as found at Tab E on the Combined Application page.

Unit	# Bedrooms	Targeted AMI	Rent limit at target	Rent limited to	Rent at limited (rounded)
Unit A	1	40%	\$693	35%	\$606
Unit B	1	50%	\$866	45%	\$779
Unit C	2	80%	\$1,662	75%	\$1,558

For those AMIs that are not available on Tab E, the LIHTC Workbook also calculates these numbers. The formula looks something like this:

$$[\text{AMI rent limit}]/[\text{AMI percentage}]*[\text{AMI-5\% percentage}]$$

For example, if the 60% AMI rent limit for a unit is \$600 per month, it means the 100% AMI rent for this unit is \$1,000 per month ($\$600/60\% = \$1,000$). Fifty-five percent of \$1,000 is \$550 per month ($\$1,000*55\%=\550). This would be the 55% AMI rent level for such a unit, and the correct calculation for this item.

ON-SITE TENANT SERVICES

Service items (b) and (c) under this item require certain service providers such as a Federally Qualified Health Care Center (FQHC), Indian Health Services, local Community Mental Health (CMH) or CMH partner organization. If providing documentation for these items, please indicate the entity's status as one of these organizations.

EMERGING DEVELOPERS

Applicants are asked to ensure financial statements showing emerging developer partners meet the definitions outlined in Exhibit III of the 2024-2025 QAP are provided with any application using an emerging developer. These statements may be submitted to MSHDA separately or through the application portal. If submitting separately, please ensure the project name is clearly indicated so the financial statements can be matched to the correct submission.

INCLUSIVE TENANT SELECTION PLANS

As a new scoring item, allowances were made in the December 2023 funding round for corrections to plans that did not meet the requirements of Tab UU. Developers are asked to carefully review Tab UU and the inclusive tenant selection plan requirements for this funding round.

OTHER PROJECT AMENITIES

Please make sure that any amenities for which the project wishes to request points under section C.21 (Other Project Amenities) are reflected in the market study submitted to MSHDA for review.

SCORING CRITERIA

A typographical error has been corrected in the scoring summary. Scoring item D. 2 (Successful Partnerships) referred applicants to Exhibit VII of the 2024-2025 QAP. The 2024-2025 QAP does not contain an Exhibit VII. This has been corrected to read "Exhibit III," which is where the applicable information is located.

The safe harbor numbers in the Scoring Criteria have been updated to reflect the latest information. Please use the updated scoring summary to ensure you are using current values for self-scoring your project.

OTHER UPDATES

Other updates to various documents have recently been posted on MSHDA's website pertaining to the LIHTC Program Application, Tab C – MSHDA Guidelines for Market Studies, Tab CC – Site Selection Criteria,

and Tab TT – Recent Awards. Please review these updated documents and use them in future application submissions.

QUESTIONS

If you have any questions regarding any of the above items, the October 2024 funding round, or any general LIHTC questions, please contact Elizabeth Rademacher at rademachere3@michigan.gov or (517) 290-6732.