



MEMORANDUM

TO: INTERESTED PARTIES
FROM: ELIZABETH A. RADEMACHER – LIHTC MANAGER
SUBJECT: LIHTC ALLOCATION UPDATE
DATE: NOVEMBER 15, 2023

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

APPLICATION SUBMISSION

As stated in the 2024-2025 Qualified Allocation Plan (QAP), the MSHDA offices are not accepting hand-delivered applications. Applicants must submit their application electronically no later than 5 p.m. Eastern time, December 1, 2023. The electronic application portal is now available on the [MSHDA LIHTC Portal](#) page. Please note that MSHDA will not be accepting mailed applications for the December 1, 2023 funding round.

BASIS BOOST CRITERIA

The QAP allows MSHDA to modify the State-Designated Basis Boost Policy on an as-needed basis, by posting a notice to the website and without undertaking a full QAP amendment. This allows for timelier implementation and allows for the change to be completed before the December 1, 2023, funding round. Thus, MSHDA is taking this opportunity to post a notice of the following correction to Exhibit V of the 2024-2025 QAP:

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% AMI units must not also have project-based rental assistance).
5. USDA RD 515 Financed Developments.
6. 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.
7. Affordable Assisted Living developments that qualify for the Affordable Assisted Living points in the Scoring Criteria.
8. Projects located in a Rural municipality, as per the USDA RD Multifamily Mapping Tool.
9. Projects that receive points under the Native American Housing section of the Scoring Criteria.

The rest of Exhibit V shall remain unchanged.

DEVELOPER FEE

Projects that receive credits in the Strategic category as an Emerging Developer and/or receive points under Scoring Criterion D.2 – Successful Partnerships are eligible to increase their developer fee by \$300,000.

MAXIMUM LIHTC AWARD PER DEVELOPER

Section V.G.2 notes that “[p]rojects that receive credits as an Emerging Developer project under the Strategic category may increase their developer fee cap by \$300,000 for each Emerging Developer project awarded to them in the credit year.” This is meant to refer to the maximum award per principal, not total developer fee cap. Thus, the maximum award per Principal in that section is allowed to increase by \$300,000 for each Emerging Developer project awarded to them in the credit year.

EMERGING DEVELOPERS

MSHDA has released a memo at on the [2023 Funding Round Information](#) page to provide more information about the Strategic Category and Emerging Developers priority. Please review that memo for more information.

EV CHARGING STATION

Projects should include an Architects’ Certification (found in [Addendum 1](#)) as well as a site plan to document the number and type of EV charging stations planned for the development. Teams should also consider submitting any additional relevant information confirming the placement and type of EV charging stations being installed at the development.

Multiple phase projects that intend to take points for the phases will be required to have an easement or shared use agreement. The minimum number of EV charging stations must be equal to or greater than 5% of the total units in all phases in order to receive points.

RIGHT OF FIRST REFUSAL AGREEMENT

MSHDA continues to review the terms of a Right-of-First Refusal agreement. More guidance will be forthcoming in the future. For projects planning to submit in the December 2023 funding round, the Right of First Refusal Agreement is not required to be included in Exhibit 40 – Nonprofit Documentation.

WAIVERS

This will serve as the final reminder that waivers must be submitted to the LIHTC department for review, consideration, and approval prior to the funding round deadline. Waiver requests will be reviewed in the order received. If a waiver request is submitted after Friday, November 17, 2023, it may not be approved prior to the round. Any project that requires a waiver that did not receive approval prior to the funding round deadline may be considered incomplete or to have not met a threshold requirement, which will cause a project to not be eligible for an award of credit. Please email those requests.

OTHER UPDATES

Updates to various documents have been made and posted on MSHDA's website pertaining to Addendum I and Tab O – Underwriting. 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 December 2023 funding round, or any general LIHTC questions, please contact Elizabeth Rademacher at rademachere3@michigan.gov or (517) 290-6732.