



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

AMY HOVEY
EXECUTIVE DIRECTOR

MEMORANDUM

May 24, 2023

TO: All interested parties of the Low-Income Housing Tax Credit Program

FROM: Elizabeth Rademacher
LIHTC Allocations Manager

SUBJECT: 9% LIHTC Gap Financing Program - Cancellation of June and July Rounds

Overview of the 9% Low-Income Housing Tax Credit “LIHTC” Gap Financing Round: In March 2023, MSHDA began accepting applications for the 9% LIHTC Gap Financing Round. At that time, MSHDA made \$28.5 million of gap funding available for projects that are participating in the 9% LIHTC program. Of that gap financing, \$4.275 million was set-aside for projects in rural communities as designated by the US Department of Agriculture and Rural Development.

Prior to each application date noted in the 9% LIHTC Gap Financing Program, MSHDA has and will post updates to let potential applicants know how much funding has been committed and how much funding is still uncommitted. That list will be forthcoming prior to the June 1, 2023 deadline.

Thus far, MSHDA has accepted applications from developments that received an initial LIHTC reservation on or before December 31, 2021. As of the date of this memo, MSHDA has received applications requesting a total of approximately \$30.7 million in gap funds from projects that received an initial LIHTC reservation on or before December 31, 2021. Of those, approximately \$8.2 million in gap funds has been requested by projects located in rural areas, as designated by the US Department of Agriculture and Rural Development. Thus, as of the date of this memo, the 9% LIHTC Gap Financing program is oversubscribed by approximately \$2.2 million. Please note that the majority of applications that have been submitted thus far are still under review and have not been approved yet. However, applicants that were targeting the June 1st or July 3rd application submission window should be aware that it is highly likely that the current funding amount of \$28.5 million will be insufficient to fund any June 1st or July 3rd gap funding requests.

Because MSHDA has received applications for more gap financing than is available and anticipates awarding the full \$28.5 million of gap financing to the applications currently received, MSHDA will not be accepting or reviewing applications for the June 1, 2023 or July 3, 2023 application rounds. If more funding becomes available for 9% LIHTC Gap Financing, MSHDA will develop guidance and application details and will publish further information at that time.