Frequently Asked Questions: OMR-Ordered Market Studies

General Policy Changes

Why is MSHDA changing the market study procurement process?

MSHDA is restoring procedures that were previously in place to comply with IRS independence requirements and remove structural incentives that have introduced perceived bias.

What IRS or independence requirements are these changes meant to address?

IRS guidance Section 42(m)(1)(A)(iii) requires "a comprehensive market study of the housing needs of low-income individuals in the area to be served by the project is conducted before the credit allocation is made and at the developer's expense by a disinterested party who is approved by such agency" for LIHTC market studies. Ordering studies through OMR ensures this independence.

Why is MSHDA restoring the pre-2023 process?

Because MSHDA's 2023 decision to rely fully on third-party analysts' conclusions makes ensuring independence — and avoiding even the perception of bias — especially important. Additionally, routing all market study orders through OMR gives the Authority better insight into statewide market study production capacity and workload constraints.

What problem is the new process intended to solve?

It removes incentives for sponsors to shop for favorable outcomes and eliminates any appearance of influence over analysts. This avoids creating a structural incentive for studies to function as advocacy documents when analysts are selected and paid directly by sponsors.

Does this change just incentivize analysts to produce studies biased towards MSHDA's desired outcomes?

No. OMR's ability to assign analysts and act as the payor does not create an incentive for analysts to recommend particular outcomes for individual projects. Instead, it reinforces the expectation of robust, neutral, well-supported analysis. OMR does not have preferred outcomes regarding which individual projects receive LIHTC allocations or other MSHDA funding. OMR's involvement strengthens independence rather than weakening it.

Ordering Market Studies

When do the new procurement requirements go into effect?

They apply to all market studies ordered on or after July 17, 2026, as well as any studies with market study order due dates on or after that date. This includes all studies ordered for NOFA 20 Direct Lending projects.

Which MSHDA programs now require OMR-ordered studies?

All programs that include Low Income Housing Tax Credits (LIHTC), including Pass-Through bond financing, 9% LIHTC, and Direct Lending projects. Other MSHDA funding sources require OMR-ordered studies unless this requirement is otherwise waived.

Can sponsors still order market studies directly?

Yes, but directly ordered studies cannot be used for MSHDA programs and will not meet threshold requirements if they are submitted as part of an application.

What happens if a sponsor orders directly anyway?

OMR will not accept the study for threshold compliance. Depending on the funding source, the sponsor's next steps will differ:

- Pass-Through and Direct Lending (outside a NOFA round): The sponsor must reorder the study through OMR for it to be considered.
- 9% LIHTC and Direct Lending within a NOFA round: It is unlikely there will be enough time for a compliant study to be completed through OMR if a study ordered directly from an analyst is submitted. In most cases, the sponsor will need to wait until the next round to submit a full application with a properly ordered study.

Can sponsors procure studies for non-MSHDA purposes directly with an analyst on MSHDA's approved list?

Yes. Sponsors may procure studies directly for non-MSHDA programs, or general consultation that does not result in a study intended for MSHDA use. However, if sponsor needs change and the project later requires a study for a MSHDA program, the directly-procured study will not meet threshold requirements.

Can sponsors procure studies for non-MSHDA purposes through OMR?

Yes. However, any study ordered through OMR will be produced according to MSHDA's Guidelines for Market Studies, even if intended for another funding source.

Do analysts enforce this rule?

No. Analysts may inform sponsors of the requirements, but they do not enforce the policy.

Initiating Market Studies

How do sponsors seeking a market study for a 9% LIHTC project initiate the process?

For 9% LIHTC projects, sponsors will fill out the web-based form titled "9% Site Selection Submission" at the MSHDA Market Research website.

When is the 9% Site Selection form due?

This form must be submitted before the round deadlines listed in the QAP:

- 5:00pm on July 31, 2026 for the October 2026 9% round
- 5:00pm on February 1, 2027 for the April 2027 9% round
- The next QAP will list dates for future rounds

What is the MSIRF and when is it due?

The Market Study Initiation Request Form (MSIRF) is an Excel file used to provide detailed project information that the assigned analyst needs to assess the project's market position and feasibility. It is currently the form used to order market studies. OMR will now send the form to sponsors when the sponsor fills out the "Market Study Order Form" or the "9% Site Selection Submission" form on the Market Research Website or when project rankings are released for a NOFA round instead of the sponsor downloading it from the Market Research website.

It must be submitted:

- With payment as described within the MSIRF, and
- At least 6 weeks before the sponsor needs the completed market study, OR
- For Direct Lending projects within a NOFA round, by the deadline stated in the NOFA round's program parameters.

How do 4% Direct Lending (NOFA) projects initiate review?

Submission of a qualifying Notice of Intent to Apply (NOITA) automatically triggers OMR review. No separate notice to OMR is required. Once a NOITA is submitted, OMR receives pertinent information from MSHDA's Rental Development division and produces a site review memo and provides the sponsor with a MSIRF with which to order the market study.

How do Pass-Through and non-NOFA projects request a study?

Sponsors will fill out the web-based form titled "Market Study Order Form" at the MSHDA Market Research website. This form initiates creation of the project-specific SharePoint folder and begins the process for OMR to assign an analyst once payment and the MSIRF are received.

Payment and Timing

What happens if payment is delayed?

OMR cannot assign an analyst, which may delay the project. OMR recommends accounting for time to confirm payment – typically 2-3 business days within a funding round, and often longer outside of a funding round.

What if project details change or are missing?

Changes or missing project information may delay the delivery of the market study, depending on the timing and magnitude of the change. Any modifications requested after the market study is completed may also incur additional fees.

How are due dates assigned?

OMR assigns due dates once both payment has been received and the completed MSIRF has been submitted. The time allotted for market study completion is governed by MSHDA's contracts with the firms on the approved analyst list.

SharePoint System

What is the new SharePoint system?

A centralized file-sharing platform used to reduce reliance on email and to integrate the market-study process more closely with MSHDA's internal systems.

How is the project SharePoint folder created?

A project-specific SharePoint folder is created automatically when a sponsor submits a 9% Site Selection Submission form or a Market Study Order Form on the MSHDA Market Research page. OMR staff manually create project-specific SharePoint folders for any project that submits a NOITA within a NOFA round. Once created, OMR sends the sponsor a link and instructions.

Who has access?

Sponsors, OMR staff, and, once assigned, the assigned analyst.

Do analysts upload the final study?

Yes. The assigned analyst uploads the completed market study to the project's SharePoint folder by the due date established by OMR.

Do sponsors have to do anything further once a study has been uploaded by the analyst?

For 9% LIHTC rounds, the sponsor must include the market study in the full application package submitted to Rental Development Tax Credits staff. Although the analyst uploads the study to the project's SharePoint folder, LIHTC staff must also receive a copy as part of the sponsor's complete submission.

For all other funding sources, OMR staff is not aware of any requirement for the sponsor to upload the market study to additional MSHDA staff. However, sponsors should carefully review the program parameters for their specific funding source to determine whether any additional submission steps are required.

What happens if I accidentally delete or edit a file?

OMR has automated the SharePoint system to copy any file uploaded to the shared folder to our internal project folder. If you accidentally delete or edit a file, please email MSHDA-MarketStudies@michigan.gov and we will attempt to restore it.

What communication stays in email?

All communication other than file-sharing should continue by email, with OMR copied.

Transition and Next Steps

How can sponsors test the SharePoint system early?

Sponsors who would like to test the SharePoint system before it is fully implemented may email MSHDA-MarketStudies@michigan.gov to request a test folder with sample documents.

Will instructions be project-specific?

Yes. Each time a project folder is created or an analyst is assigned, SharePoint will automatically send an email with project-specific instructions to both the sponsor and the assigned analyst. These instructions outline the folder structure, required uploads, and expectations for file-sharing.