

**INSTRUCTIONS FOR FORMING AN APPROVED
LIMITED DIVIDEND HOUSING ASSOCIATION
LIMITED PARTNERSHIP OR LLC
UNDER THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966**

In order for certain property owners to be eligible for assistance in the form of loans or grants from the Michigan State Housing Development Authority (MSHDA), the owner must be organized as an entity formed in compliance with the MSHDA Act (Act 346 of the Public Acts of 1966, as amended, MCL 125.1401 *et seq*). While a number of types of organizations are possible, instructions for the most commonly used - the limited dividend housing association - are provided here.

The entity that will own the property to receive the assistance provided by MSHDA must prepare articles of organization (for a limited liability company, or LLC) or a certificate of limited partnership (for a limited partnership), and file this with the State of Michigan. Articles and certificates may be filed using the Department of Licensing and Regulatory Affairs' online filing system at: <https://cofs.lara.state.mi.us/corpweb/LoginSystem/ExternalLogin.aspx>

Or may be submitted in paper by mailing to or presenting at the office in Lansing. Paper forms with instructions are available here: <https://www.michigan.gov/lara/bureau-list/cscl/corps/forms/limited-liability-company-forms>

More information on how to do this is outlined here: <https://www.michigan.gov/lara/bureau-list/cscl/other/contact-the-corporations-securities-commercial-licensing-bureau>

In addition, each of the members or partners of entity must enter into a written agreement (an operating agreement for an LLC, a limited partnership agreement for a limited partnership) that includes all of the required provisions.

Instructions for the specific provisions that must be included in the articles or certificate and in the written operating agreement or limited partnership agreement are available on the MSHDA website here: <https://www.michigan.gov/mshda/-/media/Project/Websites/mshda/neighborhoods/shrp/LDHA-LP-MSHDA-Provisions.pdf?rev=503775c0bb6a4626b1767f84b6f5f2e6&hash=163663767DDA6C1F47B92D76EAC74298>

These provisions are required by the MSHDA Act and they must be included in their entirety without any variation.

Once they have been signed, both the articles and operating agreement (for a limited liability company) or the certificate and limited partnership agreement (for a limited partnership) must be submitted to the Legal Affairs Division for review and approval. It is not required that MSHDA approval be granted before the articles or certificate can be filed with the state, but it is recommended that the submitter request a preliminary review from the Legal Affairs Division before filing to ensure they are in a form that will later be approved. Once filed, a copy of the filed articles or certificate must be then submitted to Legal Affairs, together with a copy of the written operating or limited partnership agreement, for review and issuance of a Certificate of Approval.

