



MEMORANDUM

TO: INTERESTED PARTIES
FROM: ELIZABETH RADEMACHER – LIHTC MANAGER
SUBJECT: LIHTC ALLOCATION ACTIVITY
DATE: AUGUST 16, 2021

This memo is intended to provide potential applicants and stakeholders interested in Michigan’s Low Income Housing Tax Credit (LIHTC) program with updates relating to application submission options in the October 1, 2021.

APPLICATION SUBMISSION

As stated in the 2022-2023 Qualified Allocation Plan (QAP), the MSHDA offices are not accepting hand-delivered applications. **Applicants must submit their application electronically no later than 5:00pm Eastern time, October 1, 2021.** The electronic application portal will be available after September 13, 2021, via the LIHTC website. Please note that MSHDA will not be accepting mailed applications for the October 1, 2021 funding round.

DOCUMENT UPDATES

Updates to various documents have been made and posted on MSHDA’s website pertaining to the LIHTC Program Application, the Addendum I, the Addendum III, Tab M (Green Policy), Tab O (Underwriting), Tab W (Policy Statements), and Tab HH (Household Overburdened Census Tracts) of the Combined Application. Please review these updated documents and utilize them in future application submissions.

ADDITIONAL LIHTC ALLOCATION

On July 14, 2021, the Authority posted a memo and list to its website announcing the projects receiving an award of 9% LIHTC from the February 2021 funding round. In conjunction with this, as is standard practice, applicants with projects not receiving an award of credit were given the results of their applications and the reasons why they did not receive an award. Through these discussions, the LIHTC staff discovered they had made an error during the initial review of one project’s submission. The correction of that error led to the Authority determining the project was eligible for an award of credit. The

purpose of this memo is to provide notice to stakeholders of the actions being taken to provide adequate consideration for that project. As such, the Authority is announcing the award of one additional project from the February 2021 Funding Round:

Project Name	Location	# Units	Requested Credit Amount	Owner Contact
Orchard Grove Apartments	Flint Township	40	\$976,828	Glenn Wilson

Because there is only a nominal amount of 2021 credit remaining, the only available avenue to award this project the credit it would have otherwise received is to forward-allocate credit from the 2022 credit ceiling. However, prior to using any of the 2022 credit, the Authority will attempt to use any remaining 2021 credit it has as well as any credit that could be potentially received from the 2021 National Pool to minimize the effect on the 2022 credit ceiling. As of this date, the Authority estimates that an amount of up to approximately \$182,441 in 2022 tax credit will need to be used to adequately address this.

Rather than take this amount of credit from the first funding round available for 2022 credit, which would significantly reduce the amount of credit available for the October 2021 funding round, the Authority has opted to remove this credit equally from each of the FY 2022 funding rounds to be held under the 2022-2023 QAP. At this point, the Authority estimates that each funding round to be held to allocate 2022 credit will be reduced in size by approximately \$91,221 in annual credit. Additionally, because this project will be receiving allocations of 2022 credit, the project will also be counted toward the applicable Categories and Set-Asides shown in the 2022-2023 QAP.

While the Authority understands the concerns stakeholders may have with how this will impact the 2022 funding rounds and availability of credit, it is the Authority's belief that this is the appropriate course of action to address the issues described above.

QUESTIONS

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