2022-2023 QAP and Scoring Criteria Updates

NW Michigan Housing Summit – October 2021
Meet the LIHTC Staff

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• Other contact options:

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Major QAP Updates

- Maintained the split between “Open – Urban” and “Open – Balance of State” categories
- Added Tribal Housing Set-aside
  - Lesser of $1,500,000 or one project each year
- # of Rounds – back to 2 a year
  - This did change the split of credit available per round
Major QAP Updates

• Increased focus on production of new units
  • Preservation is only available in October
  • Subject to demand, 40% of Preservation category allocated to USDA RD 515 financed developments

• Tiebreaker added – average targeted AMI level

• Increase in Reservation Fee
  • From 6% to 6.5%, with 2% due at time of reservation and 4.5% at time of 10% Certification
Other Document Updates

• **Green Policy**
  • Prior certification levels are now threshold requirements
  • Points for threshold AND
    • Enterprise Green Communities Plus (3) OR
    • NGBS Green+ Zero Energy (3) OR
    • LEED Zero Energy (3) OR
    • PHIUS+ Certification (4).
  • Form has changed – please read carefully and select appropriately
Scoring Updates

- Overall:
  - Change in weight of each point item
  - As of October 2021 round, self scores appear lower in general
  - Focus on amenities
  - Focus on mission
Scoring Updates - Opportunity

• Transportation
  • 3 points for 5 day a week service. (Previously needed 6 days for full points)

• Amenities
  • Expanded the nearby amenity list – job training, employment centers, banks, etc.
  • Change the point weight
  • Provide a map and other documentation
Scoring Updates – Opportunity

- Community Revitalization Plan
  - New name, same basics
  - Less documentation required at time of application
    - May still be required to provide that information at time of award
  - Radius and dollar amounts remain

- Household Overburdened Areas
  - New this QAP.
  - Uses Tab HH – Household Overburdened Areas Census Tract
Scoring Updates – Characteristics

- **Low Income Targeting**
  - Includes lower AMI targeting

- **Native American Housing**
  - Updated wording
  - Requires tribe or tribally owned entity be a GP or MM
  - Set-aside at least the greater of 5 units or 15% of total units for households with at least one tribal member or descendent
Scoring Updates – Characteristics

- **QAP Green Policy Points**
  - See slide above

- **Tenant Services**
  - Additional services provided to tenants as a result of the housing development
  - Not already available within 1 mile
  - Requires an MOU or letter of intent from service provider
  - Cannot be made mandatory or as a condition of tenancy
Scoring Updates – Characteristics

• **Project-Based Tenant Subsidies**
  • At least the greater of 5 units or 15% of total units
  • For term of initial compliance period at minimum
  • Allows more consideration under this QAP for a rental subsidy reserve
    • Reviewed on a case-by-case basis
    • Must fund 15 years of rent payments for vouched units
    • Must have agreement
Scoring Updates – Characteristics

• **USDA RD Section 515 Developments**
  • Rehabilitation of 515 properties are given 5 points

• **Public Housing Conversions**
  • Utilizing a program (ex. RAD) that converts and preserves public housing units is worth 5 points
Scoring Updates – Development Team

- Previous Experience of GP/Member
  - Simplified the calculation of points, expanded time frame
  - 7 points available, based on number of projects w/ completed 8609 in last 20 years
  - Option for non-LIHTC experience to receive points
  - If 1st LIHTC project, demonstrate the development team’s LIHTC experience

- Joint ventures
  - Provide more detail, more clearly spell out roles, responsibilities, terms, etc.
Successful Partnerships

- Promote positive partnerships, developers without prior LIHTC experience who have not yet received a credit allocation
- All partners involved through year 15
- All partners have detailed roles and responsibilities throughout each phase of development, including long-term operational roles
- Inexperienced partner will have at least 25% interest and earn fees equal to their percentage of ownership
- Inexperienced partner to provide letter describing goals in housing field
- Contact MSHDA before round if you have questions
Submission Updates

• Projects MUST be submitted ELECTRONICALLY
  • Still by 5pm Eastern on date of funding round deadline
• Commitment to data collection and working with MSHDA for data analysis purposes
• October 1, 2021 Funding Round in progress
• Awards expected January 2022.
• Next round April 1, 2022
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