

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**2023 Low Income Housing Tax Credit Carryover Allocation Agreement**  
Pursuant to Section 42(h)(1)(E) of the Internal Revenue Code

This Carryover Allocation Agreement is an allocation of 2023 Low Income Housing Tax Credit ("Tax Credit") authority made pursuant to Section 42(h)(1)(E) of the Internal Revenue Code of 1986, as amended ("the Code"). This allocation is subject to the terms and conditions stated herein, including Exhibits A and B.

**1. IDENTIFICATION OF THE PROJECT ("THE PROJECT"):**

Name of the Project: Riverview 220

Number of Buildings in Project: 1

The address of the building(s) in the Project are as shown in Exhibit A.

**2. PROJECT OWNER:**

Name of Owner: 220 Kalamazoo Limited Dividend Housing Association Limited Partnership

Address: 419 Cherry Street, Lansing, MI 48933

Federal TID#: 93-4928983

**3. LOW INCOME HOUSING TAX CREDIT ALLOCATING AGENCY:**

Name of Agency: Michigan State Housing Development Authority

Address: P.O. Box 30044, Lansing, Michigan 48909

Federal TID#: 38-6000134

**RECEIVED**

**DEC 20 2023**

**LOW INCOME HOUSING  
TAX CREDIT**

**4. DATE OF CARRYOVER ALLOCATION AGREEMENT:** December 18, 2023

*BASED ON REPRESENTATIONS MADE BY THE OWNER TO THE AGENCY:*

**5. LOW INCOME HOUSING TAX CREDIT DOLLAR AMOUNT:**

- (i) The housing credit dollar amount allocated to the Project is \$1,497,000. Pursuant to Section 42(h)(1)(F) of the Code, an allocation of credit may be made on a project basis, and not later than the close of the calendar year in which the building is placed in service. The Agency shall determine the portion of this allocation which is allocated to the buildings listed in Exhibit A.
- (ii) This allocation is expressly conditioned upon satisfaction of the requirements of Section 42(h)(1)(E) of the Code and upon the terms and conditions set forth in this Carryover Allocation Agreement.

**6. Owner's Total Reasonably Expected Basis in the Project is: \$ \_\_\_\_\_**

**7. Owner's actual basis in the Project as of \_\_\_\_\_ will be: \$ \_\_\_\_\_.  
Percentage of actual basis to the total reasonably expected basis (from paragraph 6 above) in the project is: \_\_\_\_\_%.**

8. The expected date(s) on which the Project building(s) will be placed in service are as shown in Exhibit A, attached hereto and incorporated herein.
9. The building identification number(s) ("B.I.N.") for the Project building(s) to which an allocation is being made are as shown in Exhibit A.
10. Pursuant to Section 42(b), the Owner and the Agency may enter into an agreement with respect to the applicable percentage to be utilized in determining the actual credit allocated to the Project.

☒ If this box is checked, the Owner hereby irrevocably elects, pursuant to Section 42(b) of the Code, to fix the applicable credit percentage(s) for each building in the Project as the percentage(s) prescribed by the Secretary of the Treasury for the month of December 2023, which percentage(s) are 9.00 and/or 4.00. The Agency and the Owner acknowledge that this Carryover Allocation Agreement constitutes an agreement binding upon the Agency, the Owner, and all successors in interest to the Owner as owners of the Project, as to the allocation of 2023 tax credit authority to the building(s) in the Project, subject to compliance by the Owner with the requirements of Section 42 of the Code and the additional requirements, if any, of the Agency.

☐ If this box is checked, the Owner has made no election pursuant to Section 42(b) of the Code, and accordingly, the applicable percentage for a building shall be that for the month in which the particular building is placed in service.

Pursuant to the Protecting Americans from Tax Hikes (PATH) Act of 2015, which amended Section 42(b), for any non-federally subsidized project placed in service after the date of enactment of the PATH Act of 2015, the applicable percentage shall not be less than 9%.

11. The Owner acknowledges that all the terms, conditions, obligations and deadlines set forth herein and in Exhibit B, attached hereto and incorporated herein, are material to the continued validity of this allocation and are conditions precedent to the issuance of IRS Form 8609, and that should the Owner fail to comply with all such terms and conditions, the Agency, in its sole discretion, may deem this allocation to be canceled by mutual consent. After any such cancellation, the Owner acknowledges that neither it nor the Project will have any right to claim credit pursuant to this allocation. The Agency reserves the right, in its discretion, to modify and/or waive any such failed condition precedent.
12. Upon submission of the required documentation by the Owner that the building has been placed in service, and review of such documentation by the Agency, the Agency will issue an IRS Form 8609 to such building to the extent required by, and in accordance with, applicable Federal law then governing allocation of tax credits under Section 42 of the Code. The total dollar amount of 2023 tax credit allocation reflected on such Form 8609 will not exceed the housing Tax Credit dollar amount allocated to the building(s) listed in Exhibit A.

13. In making this carryover allocation, the Agency has relied upon information provided and representations made by the Owner or the Owner's designee in connection with this allocation, and this allocation does not in any way constitute a representation, warranty, guaranty, advice or suggestion by the Agency as to the qualification of the Project for a carryover allocation, or the feasibility or viability of the Project, and may not be relied on as such by any owner, developer, investor, lender, or other person, for any reason.

The Owner hereby agrees and acknowledges that whether the ten percent (10%) requirement has been met and whether the Owner has provided sufficient evidence thereof may be subject to future determination by the Agency or the Internal Revenue Service.

220 Kalamazoo LDHA LP

(Owner)

By:

Douglas E. Fleming  
Signature

12-19-2023

Date Signed

Douglas E. Fleming  
Typed or Printed Name

Executive Director  
Office Held

The foregoing instrument was acknowledged before me this 19<sup>th</sup> day of December, 2023

Karen Chase, Notary Public, Eaton County,

Michigan (State). My Commission expires: May 14, 2027

♦ ♦ ♦

Michigan State Housing Development Authority  
(Allocating Agency)

KAREN CHASE  
NOTARY PUBLIC-STATE OF MICHIGAN  
EATON COUNTY  
MY COMMISSION EXPIRES MAY. 14, 2027  
Acting in the County of Ingham

By:

Chad Benson

Chad Benson  
Director of Development

Date signed: 12/21/2023

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of December, 2023

Carol Thompson, Notary Public

Ingham County, Michigan.  
My Commission expires 10/15/2025

CAROL THOMPSON  
Notary Public, State of Michigan  
County of Ingham  
My Commission Expires Oct. 15, 2025  
Acting in the County of Ingham

-EXHIBIT A-

- \* Required to be provided only if the owner has elected to fix the credit percentage pursuant to Section 42(b)(2)(A)(i)(I).
- § If provided, these figures are estimates for compilation purposes only. For purposes of the Carryover allocation, "reasonable expected basis" pursuant to Section 42(h)(1)(E)(ii) need not be the same as eligible basis and is computed for an entire project, rather than building-by-building.
- ∞ If the Owner has elected to fix the credit percentage pursuant to Section 42(b)(2)(A)(i)(I), this credit percentage is fixed and binding upon all buildings in the project percentage is an estimate for purposes of making the Carryover Allocation.
- # If a separate housing credit dollar amount is not identified with respect to each building in the Project, this allocation is made on a project basis pursuant to Section 42(h)(1)(i) of the Code.

## **Exhibit B**

### **Additional Conditions**

This Carryover Allocation is subject to the following additional conditions:

1. The following requirements and conditions demonstrating progress must be satisfied for the Credit allocated to this Project to remain valid. Failure to meet the following deadlines may result in a cancelation of this Agreement and loss of credit allocated to the Project:
  - a. Submission of all items listed in Section XII of the 2022-2023 Qualified Allocation Plan must be received in the Authority's office no later than December 18, 2024.
2. Following the award of credit, owners will be required to submit progress reports to MSHDA on a quarterly basis. Progress reports must be submitted each April, July, October and January and must outline the progress of the project for the previous three months. Progress reports must be submitted in this manner beginning with the issuance of the Carryover Allocation Agreement and continuing until the project is placed in service. Failure to submit accurate progress reports on a timely basis may result in negative points on future projects or a loss of credit to the project and buildings therein.
3. The owner shall provide any additional documentation which may be required by the Agency and/or an amended Qualified Allocation Plan.

**- EXHIBIT B -**  
**Continued**

The owner acknowledges that it has made certain representations with respect to the development, all of which remain true. Further, these criteria have been considered by the Authority in awarding tax credit and shall be binding on the owner and on any successor(s) in interest in the development. All applicable are checked.

1.            Credit has been allocated to this development on the basis that a bona fide 501(c)(3) or 501(c)(4) nonprofit organization, having the fostering of housing as one of its exempt purposes and having no affiliation with or controlled by a for profit entity, has an ownership interest in the development and materially participates in the development's operation.
2.            Credit has been allocated to this development on the basis that it is designed to serve and will serve the elderly population, as defined in the Authority's Act.
3.            Credit has been allocated to this development on the basis that it is designed to incorporate            Affordable Assisted Living units which will serve the elderly population and make services available to those tenants.
4.   X   Credit has been allocated to this development on the basis that at least   1,000   square feet of accessible community space will be provided for use by the tenants.
5.            Credit has been allocated to this development on the basis that it will consist of single family or townhouse units that will be sold to eligible tenants at the end of the compliance period.
6.   X   Credit has been allocated to this development on the basis that it will incorporate "visitability" design features into all units with first floor living space or access to units by elevator.
7.   X   Credit has been allocated to this development on the basis that at least 10% of the units within the development have been built according to barrier free or fully adaptable to barrier free standards.
8.   X   Credit has been allocated to this development on the basis that a dedicated, safe, reliable, and timely form of tenant transportation will be available to all tenants of the development or that a public transportation stop will be located within 1/4 miles of the development.
9.            Credit has been allocated to this development on the basis that it is developed by a federally recognized tribe or tribal entity and has set aside at least the greater of 5 units or 15% of the total units for households with at least one tribal member or descendent.
10.   X   Credit has been allocated to this development on the basis that on-site services as specifically noted in the approved MOU(s) and/or letter(s) of support on file with MSHDA will be offered at the development.

**- EXHIBIT B -  
Continued**

11.   X   Credit has been allocated to this development on the basis that the development will incorporate the MSHDA Affordable Green Building Standard or achieve a Certification level of Green Building Standard from an applicable nationally recognized third party rating system, at a minimum.
12.   X   Credit has been allocated to this development on the basis that it receives project-based rental subsidy. The owner commits to renew this project-based rental subsidy contract to the extent the subsidy is available.
13.   X   Credit has been allocated to this development on the basis that it has tax abatement from the local municipality that is in place and effective for longer than the 15-year Low-Income Housing Tax Credit compliance period.
14.            Credit has been allocated to this development on the basis that it is completing a certified rehabilitation that conforms with the Secretary of Interior's Standards for Rehabilitation of a Certified historic property and is listed, either individually or as part of a district, on the National or State Historic Register.
15.   X   Credit has been allocated to this development on the basis that it will serve tenants at certain area median income restrictions and will also concomitantly reduce rents to those tenants. The number of units so assisted and the incomes of residents for those units are as follows:
- ◆        units (        %) will be rented to families whose income does not exceed 20% of the area median gross income.
  - ◆        units (        %) will be rented to families whose income does not exceed 30% of the area median gross income.
  - ◆        units (        %) will be rented to families whose income does not exceed 40% of the area median gross income.
  - ◆        units (        %) will be rented to families whose income does not exceed 50% of the area median gross income.
  - ◆   56   units (  88.89  %) will be rented to families whose income does not exceed 60% of the area median gross income.
  - ◆        units (        %) will be rented to families whose income does not exceed 70% of the area median gross income.
  - ◆        units (        %) will be rented to families whose income does not exceed 80% of the area median gross income.
  - ◆        units will be rented to tenants with special needs receiving substantial services as a result of a contract (or equivalent relationship) with a local service provider.
  - ◆   56   units will be targeting low income populations through the use of project based rental subsidy (excluding project based vouchers from MSHDA)
  - ◆    7    units (  11.11  %) will be rented to tenants at market rate.
  - ◆        common area residential units. If the units are later converted to rental use, they must be converted to an LIHTC restricted unit.

**- EXHIBIT B -  
Continued**

16. \_\_\_\_\_ Credit has been allocated to this development on the basis that it will secure funding and provide at least \_\_\_\_\_ hours per week of on-site services.
17. \_\_\_\_\_ Credit has been allocated to this development on the basis that all of the Permanent Supportive Housing units will be exclusively reserved for PSH populations highlighted in Option 1 of Section D.3 of the 2022-2023 Qualified Allocation Plan Scoring Criteria.
18. \_\_\_\_\_ Credit has been allocated to this development on the basis that at least \_\_\_\_\_ (25% or 50%) of the Permanent Supportive Housing units will be exclusively reserved for PSH populations highlighted in Option 2 of Section D.3 of the 2022-2023 Qualified Allocation Plan Scoring Criteria.
19. \_\_\_\_\_ Credit has been allocated to this development on the basis that a member of the service team currently bills Medicaid or contracts with a Medicaid billing agency to provide services in a Permanent Supportive Housing, Behavioral Health, or Substance Use Disorder setting.
20. \_\_\_\_\_ Credit has been allocated to this development on the basis that on-site services as specifically noted in the approved Addendum III submission on file with MSHDA will be offered at the development.
21. \_\_\_\_\_ Credit has been allocated to this development on the basis that it has committed to furthering fair housing by adopting screening criteria for the Permanent Supportive Housing units that is not more restrictive than the MSHDA Housing Choice Voucher criteria, with the exception of specific violent property crimes.
22. \_\_\_\_\_ Credit has been allocated to this development on the basis that the development is adhering to the referral and Coordinating Entry process outlined in the approved Addendum III.
23. \_\_\_\_\_ Credit has been allocated to this development on the basis that it targets Recovery Housing and is designed to serve individuals with Substance Use Disorder(s) to the extent outlined in the approved Addendum III application.