

The Qualified Allocation Plan ("QAP") is designed to further the Authority's mission by providing a process to allocate Low Income Housing Tax Credits ("LIHTC") to developments promoting safe, decent, affordable housing. Integral to this effort are specific policies within the QAP that pertain to healthy, green, and sustainable building practices. These policies are guided by the following three principles:

Encourage green development of affordable housing. The Authority's goal is to encourage green/conservation measures that are compatible with and enhance the financial stability of affordable housing properties by drawing on nationally-recognized methodology. Appropriate incentives are provided to applicants that choose to incorporate sensible green criteria in their development to reduce energy and water costs, improve resident health, and realize environmental benefits broadly.

Connection to national standards. Michigan's green criteria should evolve over time as the industry advances. Nationally recognized sustainable development protocols such as the USGBC's LEED platform or Enterprise Community Partner's Green Communities Criteria provide a wealth of expertise upon which Michigan may rely and adapt to meet the state's specific needs.

Verify and evaluate results. Since green criteria are an element considered for project scoring, using national standards is a method to independently and reliably verify that a development has complied with representations made during an application for LIHTC once construction has been completed. Using national standards also generates data for evaluating the effectiveness of the criteria.

All projects applying for and receiving tax credits will be required to incorporate one of the green standards listed below. Click below for additional information.

| | | |
|--|--|----------------------------|
| MSHDA Affordable Green | Enterprise Green Communities | USGBC LEED |
|--|--|----------------------------|

Projects selecting the MSHDA Affordable Green standard may request waiver of a particular item; however, it is anticipated that these baseline standards will be applicable to most projects. Projects seeking an item waiver must demonstrate sufficient cause to deviate from the MSHDA Affordable Green standard. Waiver approval will be determined solely by the Authority. Request for waiver must be submitted 30 days prior to submission of the tax application for review by the Authority. Requests should include documentation that demonstrates fundamental inability for the project to comply with a particular item and/or an alternative means to achieve the intended outcome of a particular item. Waivers will be granted only for projects selecting the MSHDA Affordable Green standard.

Click [here](#) to view a summary of the scoring criteria associated with each option above. Click [here](#) to view the MSHDA Green Policy Certification.

I. MSHDA Affordable Green Standard

In cooperation with members of Michigan's development community, the Authority has developed the following criteria with which all projects should be able to comply. These criteria draw on the Enterprise Green Communities Criteria and USGBC LEED rating systems, with slight modifications due to input from the development community in particular instances. Below are categories with requirements for projects commonly referred to as [new construction](#), [acquisition/rehabilitation](#), [historic preservation](#), and [adaptive reuse](#). The items under each category heading constitute the MSHDA Affordable Green Standard and are minimum requirements for all LIHTC developments.

I. A. MSHDA Affordable Green New Construction

(a) Location

(1) Sensitive Site

- (i) Do not locate new development, including buildings, built structures, roads, or other parking areas, on portions of sites that meet any of the following provisions:
 1. Land within 100 feet of wetlands, including isolated wetlands or streams.
 2. Land on slope greater than 15%.
 3. Land with prime soils, or soils of state significance.
 4. Public Parkland.
 5. Land that is specifically identified as habitat for any species on federal or state threatened or endangered lists.
 6. Land with elevation at or below the 100-year floodplain.

(b) Site Improvements

(1) Landscaping

- (i) Provide new plants (including trees, shrubs, and ground cover) such that at least *50% of area available* for landscaping is planted with native or adaptive species, all new plants are appropriate to the site's soil and microclimate, and none of the new plants is an invasive species.

(2) Efficient Irrigation and Water Reuse

- (i) If irrigation is utilized, install an efficient irrigation or water reuse system. It is strongly encouraged, but not required that installed systems harvest rain and stormwater, or recycle grey water. Recommended system elements may include, but are not limited to downspouts and rain leaders connected to barrels or cisterns; detention ponds (dry ponds); or weather-responsive water sensor irrigation controllers. Grey water recycling systems must install an

approved flow meter to the main wastewater line to measure the reduction of potable water usage.

(c) Water Conservation

(1) Water Conserving Fixtures

- (i) Install water conserving fixtures that meet the EPA's WaterSense Label (www.epa.gov/watersense) or that at a minimum meet the following specifications:
 1. Toilets – 1.3 gallons or less per flush
 2. Showerheads – 2.0 gallons per minute
 3. Kitchen faucet – 2.0 gallons per minute
 4. Bathroom faucet – 2.0 gallons per minute

(d) Energy Efficiency

(1) Appliances

- (i) If providing appliances, install ENERGY STAR-labeled clothes washers, dishwashers, and refrigerators (www.energystar.gov).

(2) Indoor Lighting

- (i) Install ENERGY STAR-labeled light fixtures and ENERGY STAR-labeled compact fluorescent light bulbs (CFLs) in all high-use rooms (kitchen, bedrooms, dining room, living room, bathroom, and hallways). Where CFLs are installed, the use of pin-type (plug-in) CFLs is strongly encouraged to ensure the ongoing use of CFLs and avoid replacement with other screw-in bulbs during property operations.

(3) Outdoor Lighting

- (i) Install daylight sensors, motion sensors, or timers on all outdoor lighting.

(4) Heating and Cooling Equipment

- (i) Size heating and cooling equipment in accordance with the Air Conditioning Contractors of America (ACCA) Manuals, Parts J and S, or ASHRAE handbooks.

(5) Water Heater

- (i) Install ENERGY STAR rated domestic hot water heaters. Hot water heaters that are part of an overall efficient system that meets or exceeds ENERGY STAR efficiency may be substituted.

(6) Electricity Meter

- (i) Install individual or sub-metered electric meters in all dwelling units, unless the project is eligible for an award of credit under the permanent supportive housing set-aside (exception does not apply to projects that must satisfy the 10% PSH threshold requirement).

(e) Materials

(1) Low/No Volatile Organic Compound

- (i) All interior paints, primers, adhesives and sealants, and carpet systems must contain low or no volatile organic compounds. Visit <http://www.greencommunitiesonline.org> for more information on suggested low VOCs standards.
- (f) Healthy Living Environment
 - (1) Bathroom Exhaust Fans
 - (i) Install ENERGY STAR labeled bathroom fans that exhaust to the outdoors and that have a humidistat sensor or timer.
- (g) Operations and Maintenance
 - (1) Recycling
 - (i) Provide one or more easily accessible, permanent, and dedicated areas for the collection and storage of materials for recycling for the entire project.
 - (2) Resident and Staff Manual
 - (i) Provide a guide for tenants and staff that explains the intent, benefits, use, and maintenance of green building features.

I. B. MSHDA Affordable Green Acquisition/Rehabilitation

- (a) Site Improvements
 - (1) Landscaping
 - (i) Provide new plants (including trees, shrubs, and ground cover) such that at least *50% of area available* for landscaping is planted with native or adaptive species, all new plants are appropriate to the site's soil and microclimate, and none of the new plants is an invasive species.
 - (2) Efficient Irrigation and Water Reuse
 - (i) If irrigation is utilized, install an efficient irrigation or water reuse system. It is strongly encouraged, but not required that installed systems harvest rain and stormwater, or recycle grey water. Recommended system elements may include, but are not limited to downspouts and rain leaders connected to barrels or cisterns; detention ponds (dry ponds); or weather-responsive water sensor irrigation controllers. Grey water recycling systems must install an approved flow meter to the main wastewater line to measure the reduction of potable water usage.
- (b) Water Conservation
 - (1) Water Conserving Fixtures

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- (i) Install water conserving fixtures that meet the EPA's WaterSense Label (www.epa.gov/watersense) or that at a minimum meet the following specifications:
 - 1. Toilets – 1.3 gallons or less per flush
 - 2. Showerheads – 2.0 gallons per minute
 - 3. Kitchen faucet – 2.0 gallons per minute
 - 4. Bathroom faucet – 2.0 gallons per minute

 - (c) Energy Efficiency
 - (1) Appliances
 - (i) If providing appliances, install ENERGY STAR-labeled clothes washers, dishwashers, and refrigerators (www.energystar.gov).
 - (2) Indoor Lighting
 - (i) If being replaced, new fixtures and ceiling fans are required to meet or exceed ENERGY STAR efficiency levels in all high-use rooms (kitchen, bedrooms, dining room, living room, bathroom and hallways). If reusing existing fixtures in a rehab, projects must install screw-in ENERGY STAR labeled compact fluorescent light bulbs (CFLs). Where fixtures are replaced, the use of pin-type (plug-in) CFLs is strongly encouraged to ensure the ongoing use of CFLs and avoid replacement with other screw-in bulbs during property operations.
 - (3) Outdoor Lighting
 - (i) Install daylight sensors, motion sensors, or timers on all outdoor lighting.
 - (4) Heating and Cooling Equipment
 - (i) Size heating and cooling equipment in accordance with the Air Conditioning Contractors of America (ACCA) Manuals, Parts J and S, or ASHRAE handbooks.
 - (5) Water Heater
 - (i) Install ENERGY STAR rated domestic hot water heaters. Hot water heaters that are part of an overall efficient system that meets or exceeds ENERGY STAR efficiency may be substituted.

 - (d) Materials
 - (1) Low/No Volatile Organic Compound
 - (i) All interior paints, primers, adhesives and sealants, and carpet systems must contain low or no volatile organic compounds. Visit <http://www.greencommunitiesonline.org> for more information on suggested low VOCs standards

 - (e) Healthy Living Environment
 - (1) Lead-Safe Work Practices

- (i) For properties built before 1978, use lead-safe work practices consistent with the EPA's Renovation, Repair, and Painting Regulation and applicable HUD requirements.
- (f) Operations and Maintenance
 - (1) Recycling
 - (i) Provide one or more easily accessible, permanent, and dedicated areas for the collection and storage of materials for recycling for the entire project.
 - (2) Resident and Staff Manual
 - (i) Provide a guide for tenants and staff that explains the intent, benefits, use, and maintenance of green building features.

I. C. MSHDA Affordable Green Historic Preservation and/or Adaptive Reuse

Work on historic properties (properties that are of at least fifty years of age or greater) must be done in accordance with the Secretary of the Interior's (SOI) *Standards for the Treatment of Historic Properties*, applicable SOI Guidelines, and *Preservation Briefs*. The Standards in full are available at: <http://www.nps.gov/hps/tps/tax/rhb/index.htm>.

- (a) Site Improvements
 - (1) Landscaping
 - (i) Provide new plants (including trees, shrubs, and ground cover) such that at least *50% of area available* for landscaping is planted with native or adaptive species, all new plants are appropriate to the site's soil and microclimate, and none of the new plants is an invasive species.
 - (2) Efficient Irrigation and Water Reuse
 - (i) If irrigation is utilized, install an efficient irrigation or water reuse system. It is strongly encouraged, but not required that installed systems harvest rain and stormwater, or recycle grey water. Recommended system elements may include, but are not limited to downspouts and rain leaders connected to barrels or cisterns; detention ponds (dry ponds); or weather-responsive water sensor irrigation controllers. Grey water recycling systems must install an approved flow meter to the main wastewater line to measure the reduction of potable water usage.
- (b) Water Conservation
 - (1) Water Conserving Fixtures

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- (i) Install water conserving fixtures that meet the EPA's WaterSense Label (www.epa.gov/watersense) or that at a minimum meet the following specifications:
 - 1. Toilets – 1.3 gallons or less per flush
 - 2. Showerheads – 2.0 gallons per minute
 - 3. Kitchen faucet – 2.0 gallons per minute
 - 4. Bathroom faucet – 2.0 gallons per minute

 - (c) Energy Efficiency
 - (1) Appliances
 - (i) If providing appliances, install ENERGY STAR-labeled clothes washers, dishwashers, and refrigerators (www.energystar.gov).
 - (2) Indoor Lighting
 - (i) If being replaced, new fixtures and ceiling fans are required to meet or exceed ENERGY STAR efficiency levels in all high-use rooms (kitchen, bedrooms, dining room, living room, bathroom and hallways). If reusing existing fixtures in a rehab, projects must install screw-in ENERGY STAR labeled compact fluorescent light bulbs (CFLs). Where fixtures are replaced, the use of pin-type (plug-in) CFLs is strongly encouraged to ensure the ongoing use of CFLs and avoid replacement with other screw-in bulbs during property operations.
 - 1. *For historic properties only. If original fixtures are in place, re-lamp and repair/upgrade as necessary keeping as much original fabric in place as possible. New fixtures shall be compatible with original.*
 - (3) Outdoor Lighting
 - (i) Install daylight sensors, motion sensors, or timers on all outdoor lighting.
 - 1. *For historic properties only. If original fixtures are in place, re-lamp and repair/upgrade as necessary keeping as much original fabric in place as possible. New fixtures shall be compatible with original.*
 - (4) Heating and Cooling Equipment
 - (i) Size heating and cooling equipment in accordance with the Air Conditioning Contractors of America (ACCA) Manuals, Parts J and S, or ASHRAE handbooks.
 - 1. *For historic properties only. In order to meet the standard of no adverse effect on historic properties, work cannot include significant spaces (entrances/entry halls/lobbies, areas for public gathering and circulation, primary rooms). If work occurs in a significant space, work shall not damage historic materials or finishes. New wiring/piping/ductwork, etc. shall be concealed.*
 - (5) Water Heater

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- (i) Install ENERGY STAR rated domestic hot water heaters. Hot water heaters that are part of an overall efficient system that meets or exceeds ENERGY STAR efficiency may be substituted.

(d) Materials

(1) Low/No Volatile Organic Compound

- (i) All interior paints, primers, adhesives and sealants, and carpet systems must contain low or no volatile organic compounds. Visit <http://www.greencommunitiesonline.org> for more information on suggested low VOCs standards

(e) Operations and Maintenance

(1) Recycling

- (i) Provide one or more easily accessible, permanent, and dedicated areas for the collection and storage of materials for recycling for the entire project.

(2) Resident and Staff Manual

- (i) Provide a guide for tenants and staff that explains the intent, benefits, use, and maintenance of green building features.

II. Nationally Recognized Standards

Developments not utilizing the MSHDA Affordable Green Standard must integrate features according to the requirements of the most current version of either the Enterprise Green Communities criteria or the U.S. Green Building Council LEED rating system. Additional points reward the thorough planning and expertise required to incorporate features above and beyond those required in the MSHDA Affordable Green criteria.

II. A. Enterprise Green Communities

Projects must at a minimum incorporate all mandatory items for the applicable project type as provided for in the Enterprise Green Communities Criteria. Additional points may be awarded if, in addition to the mandatory criteria, optional criteria that result in Enterprise Green Communities certification are incorporated to the level specified in the scoring summary on page 10.

More information on the Green Communities Criteria can be found at the following website: <http://www.greencommunitiesonline.org>.

II. B. U.S. Green Building Council LEED Certification

Projects must at a minimum incorporate all of the applicable criteria necessary to obtain a USGBC LEED Certification. Additional points may be awarded as provided for in the scoring summary on page 10 if a project can demonstrate incorporation of items that would result in a Silver, Gold, or Platinum certification level.

More information on the USGBC LEED Certification can be found at the following website: <http://www.usgbc.org/leed>.

Green Scoring Overview

All projects submitting an application for LIHTC must select *one* of the three green standards provided for in this policy. Selection of a particular category and level will result in points as provided for below. The attached certification is required at Application, 10% Certification, and Placed in Service in order to document compliance.

MSHDA Affordable Green Standard

Applicants selecting this category will incorporate the requirements of the applicable MSHDA Affordable Green Standard described above.

| | |
|----------------------------------|----------|
| New Construction | 0 Points |
| Acquisition/Rehabilitation | 0 Points |
| Historic/Adaptive Reuse | 0 Points |

Enterprise Green Communities: <http://www.greencommunitiesonline.org>.

To receive the minimum points available in this category, applicants selecting this category will, at the very least, incorporate all applicable mandatory requirements from the most recent version of the Enterprise Green Communities Criteria. For additional points, and if the distinction can be achieved, applicants must achieve Enterprise Green Communities Certification.

| | |
|--|-----------|
| Mandatory Green Communities Criteria (based on location and building type) . | 5 Points |
| New Construction Mandatory +35 Optional*** | 10 Points |
| Moderate Rehabilitation ¹ Mandatory +30 Optional*** | 10 Points |
| Substantial Rehabilitation ¹ Mandatory +30 Optional*** | 10 Points |

U.S. Green Building Council LEED Certification: <http://www.usgbc.org/leed>

To receive the minimum points available in this category, applicants selecting this category will at the very least incorporate all applicable items from the USGBC's LEED program to obtain a Certification level. For additional points, and if the distinction can be achieved, applicants may certify to additional scoring items from the USGBC's LEED program that would result in a Silver, Gold, or Platinum certification level.

| | |
|------------------------------------|-----------|
| Certification | 5 Points |
| Silver, Gold, or Platinum*** | 10 Points |

¹Characteristics of MSHDA Acquisition/Rehabilitation and Historic/Adaptive Reuse may equate to moderate or substantial rehabilitation if complying with the respective Enterprise Green Communities Criteria.

***Applicants may choose to integrate optional criteria for points under the applicable national standard scoring system. These points will be converted to the appropriate level of points under the LIHTC competitive scoring summary.

Green Policy Compliance Timeline

| | LIHTC Reservation | LIHTC 10% Certification (1 year after award) | LIHTC Placed In Service (Within 2 years after award year) |
|---|---|--|--|
| MSHDA Affordable Green Standard | <p>Identify the project type and green standard to be integrated into the project.</p> <p>A fully executed copy of the MSHDA Green Policy Certification must be submitted with the tax credit application.</p> | <p>The tax credit 10% certification application must be accompanied by a fully executed copy of the MSHDA Green Policy Certification.</p> | <p>The placed in service application must be accompanied by a fully executed copy of the MSHDA Green Policy Certification.</p> |
| Enterprise Green Communities | <p>Identify the project type and green standard to be integrated into the project.</p> <p>A fully executed copy of the MSHDA Green Policy Certification must be submitted with the tax credit application.</p> | <p>The tax credit 10% certification application must be accompanied by proof of project registration with Enterprise Green Communities Criteria Certification. The certification level to be achieved must be clearly identified.</p> | <p>The placed in service application must be accompanied by either:</p> <p>Enterprise Green Communities Certification</p> <p>OR</p> <p>MSHDA Green Policy Certification <u>and</u> Green Communities Checklist with project scoring^{***}.</p> |
| U.S. Green Building Council LEED | <p>Identify the project type and green standard to be integrated into the project.</p> <p>A fully executed copy of the MSHDA Green Policy Certification must be submitted with the tax credit application.</p> | <p>The tax credit 10% certification application must be accompanied by proof of project registration with the U.S. Green Building Council. The rating level to be achieved must be clearly identified.</p> | <p>The placed in service application must be accompanied by either:</p> <p>U.S. Green Building Council Certification</p> <p>OR</p> <p>MSHDA Green Policy Certification <u>and</u> USGBC Checklist with project scoring^{***}.</p> |

^{***}A copy of the official certification must be submitted to the Authority within 30 days of receipt.

MSHDA Green Policy Certification

Project Name: _____

Project Number (if applicable): _____

All projects submitting an application for LIHTC must select *one* of the three green standards below and clearly identify the applicable subcategory. The undersigned hereby certify that to the best of our knowledge the project will incorporate features that will allow the project to:

- Achieve one of the MSHDA Affordable Green Standards:
 - New Construction
 - Acquisition/Rehabilitation
 - Historic Preservation
 - Adaptive Reuse

- Obtain an Enterprise Green Communities Certification for:
 - Mandatory Green Communities Criteria
 - Mandatory Green Communities Criteria for New Construction *plus 35 optional points*
 - Mandatory Green Communities Criteria for Moderate Rehab *plus 30 optional points*
 - Mandatory Green Communities Criteria for Substantial Rehab *plus 30 optional points*

- Obtain a U.S Green Building Council rating for:
 - LEED Certification
 - LEED Silver, Gold, or Platinum

The undersigned hereby certify that the architectural plans, drawings and specifications, construction contracts, and other construction documents for the proposed project will include the amenities for which points are awarded. The undersigned shall certify the inclusion of the amenities identified in the referenced documents above within one year after issuance of the Reservation and the incorporation of these amenities into the project upon completion of construction. The undersigned owner and applicant hereby certify that the management agent has been informed that ongoing maintenance and management of the project will, when reasonably possible, incorporate the amenities for which points are awarded. The undersigned shall report any discrepancies between the tax credit application and the as-built project to the Michigan State Housing Development Authority.

Failure to adhere to this certification may result in negative points in future applications, which may further result in suspension of a future project application, loss of tax credits in future applications, or other penalties.

[Signature Page Follows]

OWNER:

[INSERT OWNER'S NAME]

By: _____

[INSERT AUTHORIZED SIGNATORY'S NAME]

Its: Authorized Signatory

APPLICANT:

[INSERT APPLICANT'S NAME]

By: _____

[INSERT AUTHORIZED SIGNATORY'S NAME]

Its: Authorized Signatory

ARCHITECT:

[INSERT ARCHITECT'S NAME]

By: _____

[INSERT AUTHORIZED SIGNATORY'S NAME]

Its: Authorized Signatory

CONTRACTOR:

[INSERT CONTRACTOR'S NAME]

By: _____

[INSERT AUTHORIZED SIGNATORY'S NAME]

Its: Authorized Signatory