



**Public Statement Regarding  
MSHDA's Revised Draft QAP for the 2008-2009 LIHTC Program  
Before the  
MSHDA Board of Directors  
October 24, 2007**

Good morning. My name is Angie Gaabo and I'm with the Community Economic Development Association of Michigan. On behalf of CEDAM's members—nearly 400 nonprofit CDCs, community action agencies, and supporters of affordable housing and neighborhood community development across the state—I want to thank the MSHDA board of directors for this opportunity to hear from its partners regarding proposed changes to the LIHTC qualified allocation plan.

There are many here to speak, and since CEDAM and so many of our members have already weighed in writing and in person at the various public hearings and listening sessions since May, I will make my remarks brief. I also feel it is important to reiterate that CEDAM represents nonprofit partners from across the state providing myriad services. Total consensus on the merits of any statewide program will never be achieved. Instead we have done our best to identify those issues that we believe impact the majority of our members or that represent critical policy decisions facing our industry.

On September 21, CEDAM provided written comments to MSHDA lauding certain aspects of the draft QAP—including the elimination of the lottery, the alignment of the QAP with stated policy objectives, and the inclusion of supportive housing as a policy priority. We also discussed a number of concerns raised by the draft, including the costly workforce requirements, lack of preservation set-aside, the lack of addenda and scoring information, lack of resources for supportive services, and the impossible timing of a December round under a new process. **We are very pleased to see that many of these concerns have been addressed in the revised draft**, specifically:

1. The elimination of the **prevailing wage requirement** and the untying of the issuance of form 8609 to local labor requirements. We support the proposed formation of a workgroup to look at local labor issues in these developments;
2. The inclusion of a 10% holdback for **preservation** projects and the priority within scoring for preservation deals;
3. The commitment of housing choice vouchers and **capital subsidy** to support the additional costs of providing supportive services;

4. The creation of a **MSHDA Tax Credit Division** to direct more staff attention to this program;

*And—most significantly—we are very pleased by:*

5. The proposal to hold a **second funding round this year** under the existing QAP using 25% of 2008 credits. We believe this is a workable, appropriate compromise which achieves the goal of getting projects moving while allowing adequate time to review and address the more controversial elements of the new QAP (such as the recently proposed green amenities threshold requirements).

To summarize, CEDAM is supportive of the revised draft QAP with the critical changes that have been proposed in the last week to address legitimate concerns of many in the housing development industry. We are particularly supportive of the compromise solution of a second funding round this year which will allow the details of implementing a new QAP to be addressed over a more appropriate timeline. CEDAM is committed to working with MSHDA to help our members respond to new requirements which will require additional financial resources and technical expertise in order to deliver—for example—adequate and sustained supportive services.

Thank you for the opportunity to provide these comments on behalf of our members. CEDAM looks forward to being further engaged—and to engage our members directly—in this review process. Thank you.

Submitted by:

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