2019 Application Process
Elements of a Viable Development

- Application submitted – organized and complete
  - Threshold documents
  - Secondary documents – 5 documents missing or with deficiencies is maximum
  - Another indicator of developer capacity and experience
  - An application put together well does not equal a competitive application
Elements of a Viable Development

• Application submitted – competitive/viable
  ▫ All parts of a proposal
    • Details – leaves no unanswered questions or guesswork
    • Exhibits – easy to evaluate
    • Narrative – gives full picture of project – important selective information
Elements of a Viable Development

- What does MHDC examine to determine if a proposal is competitive/viable
Elements of a Viable Development

• Scoring Rubric
  ▫ Previously Discussed
  ▫ Points do not carry over but are considered
  ▫ Phase IV – Underwriting
    • Very important
    • Scoring does not tell the whole story – just part of the story
Elements of a Viable Development

• Development Plan Information
  ▫ Need
  ▫ Feasibility
  ▫ Location/Site
  ▫ Market Study
  ▫ Population Served
  ▫ Local Support
  ▫ Design
  ▫ Priorities
Elements of a Viable Development

• Need
  ▫ Market Study – let it lead you and not you lead it
  ▫ City input
  ▫ Local knowledge
Elements of a Viable Development

• Feasibility
  ▫ Rents – purpose of the LIHTC program
  ▫ Costs
  ▫ Sources
  ▫ Expenses
  ▫ Cash flow
  ▫ Compliance period – Cash flow trending
    • HOME/LIHTC/NHTF/etc.
  ▫ Long term viability
Elements of a Viable Development

• Location/Site
  ▫ Development fit neighborhood
  ▫ Amenities for population served nearby
  ▫ Environmental review
  ▫ Site work adds to cost of land indirectly
  ▫ Site Plan – does it make sense
  ▫ Proximity to other affordable housing
Elements of a Viable Development

• Market Study
  ▫ Population growth
  ▫ Comparables
  ▫ Rent
  ▫ Vacancies
  ▫ Move-in specials
  ▫ Crime
  ▫ Best Use
Elements of a Viable Development

• Population served
  ▫ Blend with neighborhood
  ▫ Amenities for population served
  ▫ NIMBYism
  ▫ Set-Aside Preference and Service Enriched
Elements of a Viable Development

• Design
  ▫ Part of QAP – “Exterior design aesthetics that blend well with the surrounding area...”
  ▫ Costs – balanced approach
  ▫ Does design fit site
  ▫ Does design fit population served
Elements of a Viable Development

• Priorities – Priority points don’t tell whole story
  ▫ Not quantity but quality
  ▫ Does priority fit correctly with proposal/site location
  ▫ MHDC & Affordable Housing Industry focus
    • Service enriched
    • Set-Aside Preference
    • Opportunity areas
Elements of a Viable Development

• Non-Profit priority
  ▫ What role does the non-profit play – are they qualified – new language in QAP and Developer Guide
  ▫ Is the non-profit experienced in affordable housing – history with MHDC
  ▫ 10% non-profit set-aside for 9% Credit
  ▫ 15% CHDO set-aside for HOME funds
Elements of a Viable Development

- Service Enriched (Veterans Services) & Set-Aside Preference (SN, Vulnerable & IEH)
  - Previously discussed in detail
  - Important part of QAP, the Commission and MHDC’s mission
Elements of a Viable Development

• Preservation priority
  ▫ Keep MHDC portfolio strong
  ▫ Preservation for other programs – Section 8, PHA and RD
  ▫ Must balance the need for rehab with the need preservation
  ▫ Appraisals
Elements of a Viable Development

• MBE/WBE Preference
  ▫ Previously discussed in detail
  ▫ Very important in evaluation of proposals
  ▫ Is the participation “real”
Elements of a Viable Development

• Opportunity Area priority
  ▫ Affirmatively Furthering Fair Housing
  ▫ Maintain a balanced approach

• Opportunity Zone priority
  ▫ Investment in area
  ▫ See Developer Guide for detail
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