Missouri Housing Development Commission

MHDC

Draft 2028 Qualified Action Plan (QAP)

Summary of Stakeholder Feedback and Public Comments

I. General Information

C. Credit Types and Availability

1. Section I.C.1.P4 refers to 70% as being in statute. [We are] wanting to clarify that this is via administrative rule.

2. Preserve and clarify State LIHTC accelerated redemption. The pilot may improve equity timing and pricing, but applicants need to understand selection and the treatment of changing investor terms.

   Requested revision: Publish objective pilot-selection criteria, timing, and documentation requirements. Allow a selected applicant to proceed with standard redemption if accelerated pricing becomes materially less favorable before Firm Commitment, subject to MHDC underwriting approval.

II. Standards

A. Participant Standards

1. Focus on LIHTC experience rather than MHDC experience.

   Concern: The proposed 2028 QAP's Participant Standards recognize LIHTC development experience in other states for purposes of satisfying minimum participation requirements. However, the scoring criteria impose an automatic two-point disadvantage on development teams without prior MHDC experience.

   The LIHTC program is governed by federal law, with core requirements for income eligibility, rent restrictions, affordability periods, and ongoing compliance applying nationwide. Although individual state housing finance agencies administer their respective programs, successful LIHTC development experience in other states demonstrates familiarity with the same fundamental regulatory and compliance framework. Development teams should therefore be evaluated based on their demonstrated performance, compliance history, and qualifications rather than whether their prior experience occurred within Missouri.

   Proposed Change: Evaluate all development teams under the same 20-point framework based on documented LIHTC development experience, regulatory compliance, financial performance, and successful project completion, utilizing existing records maintained by state housing finance agencies to verify prior performance, regardless of the state in which that experience was obtained.

2. We request that MHDC confirm that identities of interest, including family relationships among a landowner, a member of the ownership entity, and a service provider, are disclosure requirements rather than grounds for ineligibility when fully documented. We also request that MHDC clarify what documentation, approvals, competitive pricing, independent valuations, and conflict controls are required when affiliated or family related entities serve as developer, general contractor, property manager, landowner, or service provider, so that an integrated development team has a clear compliance pathway.

3. In general, the purchase price of acquisition rehabilitation project should be determined and based on a negotiation between proposed buyer and seller. The amount that is represented in the initial application should indicate the final price.

   For arm's-length transactions, the acquisition price is the price set forth in the option negotiated between the buyer and seller and submitted with the application, and MHDC will not require an appraisal to establish the acquisition price. Where an Identity of Interest exists between the seller and the buyer, the acquisition price must be supported by an "as is" appraisal prepared by an independent, state-certified third-party appraiser, which must be completed and submitted to MHDC no later than Firm Submission. The acquisition price in an Identity of Interest transaction may not exceed the "as is" appraised value in accordance with MHDC Appraisal Requirements.

   The Developer will obtain appraisals independently; however, MHDC may order its own appraisal if there are unresolved questions or concerns.

   MHDC understands that tax credit investors and their tax counsel generally require the acquisition price in an Identity of Interest transaction to equal the "as is" fair market value of the property at closing, to avoid the adverse tax consequences to the ownership entity of a sale above or below fair market value. If an updated "as is" appraisal at closing supports a higher value than the appraisal submitted at Firm Commitment, the acquisition price may be increased to the updated "as is" value, and the developer may seek resources to cover the increase, including, but not limited to, seller notes.

   The amount of acquisition cost may change/increase between approval and closing if the appraisal dictates a different price causing a taxable event for the buyer. Further, if there is an Identity of Interest between the buyer and seller, there may be no increased proceeds to the seller that results from the change. Any final determination/final approval of a change to the acquisition price is at the sole discretion of MHDC.

4. The draft requires at least one partner or member of the ownership entity to have participated in an MHDC awarded application or three LIHTC projects in other states, and states that the involvement may be through a joint venture. We request that MHDC confirm

that a new Missouri developer partnering with an experienced developer in a joint venture satisfies this standard, and clarify what ownership interest, decision making authority, guarantees, and developer fee participation are required of the new developer within a qualifying joint venture. We also request clarification of how the experienced partner's recent project history is evaluated, and what experience the new developer earns toward qualifying independently on future applications. Finally, we request that MHDC consider a defined pathway for emerging developers, meaning firms with no prior MHDC award, such as a co-developer or mentorship structure with an experienced partner, so that this standard builds capacity in Missouri rather than becoming a permanent barrier to entry.

5. Is this the first time MHDC is putting a pre-condition on applicants with the language “joint venture or single purpose entity”? What exactly are they looking for, and by “partner” do they mean a GP, co-developer, guarantor? Also, how will MHDC require out-of-state developers to evidence their out-of-state participation? What is MHDC hoping to achieve?

6. Is MHDC eliminating the “approved mgmt. list”? How does an out-of-state manager evidence this? What’s the purpose of the mgmt. agent process?

7. Need to know any negative team member scores/evaluations well before apps are due and all for cure/discussion. They should not be arbitrary or secret (which are effectively the same thing) – this can be “confidential” between MHDC and the team member?

8. Comments on Development Team Evaluation:

    a. Number of developments approved but not closed: With projects often taking well over 10-12 months from award to closing, it is very likely that an applicant that was awarded in the previous round will have one or several deals that haven’t closed at the time applications are due for next round. Can you provide a specific number of awarded deals that can be pending or some kind of threshold? If having 1-2 deals in closing process will disqualify us from applying or being awarded, we’d prefer to know that and not spend time or resources on applications. If there is no set threshold, then we would proceed with application submissions per usual.

    b. Construction closing delays: Please consider the post-covid volatility in the economy and construction pricing from 2021-2025 when deciding whether to assess penalties or disqualify a new award based on a developer experiencing previous delays. There were a lot of workouts, source gaps, value engineering, state and federal agency delays, etc. that should be taken into consideration. Delays during that timeframe were largely due to the global pandemic. Please keep that in mind when assessing whether previous closing delays should disqualify developers from pursuing new applications.

c. Deviation from commitment in original application for a scoring category: We experienced extenuating circumstances on a previous project where HUD retracted their project-based rental assistance commitment. This was an unprecedented event, and we are working on finding a solution while that project is under construction. We just ask that you look at the nature of the commitment change and whether it was the fault of the development team and something that could have been controlled or abated.

9. One of the evaluation considerations is outstanding MHDC Debt – If MHDC has approved projects for a developer and the payments are being made on time and as underwritten, why is this a consideration for ineligibility? If left in, what is the amount applicant are docked?

10. Strengthen equitable development and local economic participation. The Draft QAP currently states that developers should use best efforts to employ local vendors, suppliers, contractors, and laborers when available and feasible, and that MBE/WBE outreach should comply with applicable laws. We encourage MHDC to establish transparent, legally compliant reporting standards that allow the Commission and public to understand whether publicly supported developments are generating economic opportunities within the communities receiving investment. Reporting could include local hiring, workforce development, apprenticeships, contracting, and procurement outcomes, consistent with applicable state and federal law.

11. [We] support the newly defined participant standards.

B. Development Design/Construction Standards

1. We think adaptive reuse projects should be exempt from a pre-development testing/energy audit perspective – especially since these are usually waived during app process anyway.

2. MHDC seems to have a lot of latitude to determine what items are “adequate” and what the path is to remediate it. Parking is one example. If a proposed development is meeting the city zoning ordinance requirement for parking, why is MHDC further evaluating and if so, what is the standard that they will require? This either needs further definition or MHDC should defer to the city zoning ordinance requirement or approved variance. Why is MHDC interested in that level of detail?

3. Same section states that MHDC will determine whether “building placement” is adequate – again there is no definition. Who at MHDC will be evaluating and will they have information that the project architect and developer took into account before proposing a site plan?

4. Same section states that MHDC will determine whether the “blending exterior design aesthetics with surrounding area” is adequate – again, no clear definition on a very subjective standard. What’s the goal here? What standards does MHDC want to apply?

5. Can MHDC add a caveat for existing LIHTC projects that may need to maintain non-contiguous, mixed income status post re-syndication?

6. Establish anti-displacement and tenant-protection requirements. The Draft QAP states that proposed rents must not result in permanently displacing tenants. This is an important protection, but the standard should be expanded and made more explicit. For rehabilitation, preservation, and redevelopment projects involving occupied properties, MHDC should require a Tenant Protection and Anti-Displacement Plan addressing temporary relocation, right to return, advance notice, relocation assistance, accessibility needs, rent changes, utility-cost changes, and meaningful communication with residents. Energy upgrades should never become a pathway to renoviction or displacement.

7. Pair redevelopment with protections against displacement. The Draft QAP awards points for developments included within locally adopted redevelopment plans and requires those plans to address housing, infrastructure, amenities, services, goals, action steps, and community partners. We recommend requiring redevelopment proposals seeking these points to explain how the development will prevent involuntary displacement of existing low-income residents. Projects should receive additional consideration for enforceable commitments such as right-to-return policies, long-term affordability, tenant relocation protections, preservation of existing affordable units, and resident participation in redevelopment planning.

8. Strengthen indoor air quality and resident health protections. The QAP recognizes physical and mental health within its Service-Enriched Housing criteria. We recommend also addressing health through the physical condition and operation of the building itself. MHDC should establish minimum Indoor Air Quality (IAQ) standards for funded developments, including appropriate ventilation and filtration, combustion-safety protections where combustion equipment remains, moisture and mold prevention and remediation, pest-management practices that minimize harmful chemical exposure, and resident education regarding ventilation and building systems.

   Projects pursuing major rehabilitation should also assess existing conditions that may contribute to asthma or other respiratory risks, including mold, moisture, inadequate ventilation, and combustion-related pollutants.

9. Expand environmental justice considerations in site selection. We appreciate the QAP's recognition that proximity to hazardous-material facilities, pollution-generating industrial or agricultural operations, landfills, wastewater treatment facilities, excessive noise, and other adverse environmental conditions can make a development ineligible. MHDC should strengthen this approach by evaluating cumulative environmental burdens, rather than considering individual hazards only in isolation. Site review should consider cumulative

exposure to air pollution, transportation corridors, industrial activity, excessive noise, flood risk, extreme heat, and other environmental conditions that may affect resident health and housing stability. Where affordable housing is preserved in environmentally burdened communities, MHDC should prioritize mitigation rather than automatically removing affordable housing from communities that already face housing shortages.

C. Underwriting Standards

1. Debt Coverage: For the DSC, we think the band is too narrow. Can we qualify that it must be at least a 1.0 through the Initial 15-year Compliance Period?

2. Provide predictable debt-coverage and supplemental-credit procedures. Uniform debt-service-coverage requirements may constrain otherwise financeable transactions, while uncertainty about additional credit requests can complicate closing after unexpected cost increases.

   Requested revision: Allow a written exception to the standard coverage range when supported by the permanent lender, a credible operating projection, and appropriate risk mitigants. For example, a permanent lender may require only a 1.15 DSC during the term, but this QAP requires a minimum of 1.20. Publish required evidence, deadlines, and decision criteria for supplemental-credit requests, while expressly preserving statutory feasibility limits and available-credit constraints.

3. Replace the 40% Total Construction Cost-to Total Replacement Cost requirement with a PCNA-based standard.

   Concern: The proposed 2028 QAP retains the requirement that Total Construction Costs equal or exceed 40% of Total Replacement Costs for developments seeking 9% or 4% credits. We recommend reconsidering this requirement for preservation developments, particularly given the methodology used to calculate Total Replacement Cost in the FIN-100 application.

   Under the FIN-100 methodology, Total Replacement Cost includes acquisition costs, construction loan interest, construction-period property taxes, permanent financing costs, contingencies, and other expenditures unrelated to a property's physical rehabilitation needs. Consequently, for every additional $1 million in acquisition or other non-construction costs, approximately $667,000 in additional qualifying rehabilitation expenditures would be required to maintain the 40% threshold, all else being equal.

   For example, consider two otherwise identical 100-unit properties, each requiring $6 million in PCNA-supported rehabilitation:

a. Project A: $8 million in acquisition and other non-rehabilitation costs results in a rehabilitation percentage of 42.9% ($6MM / $14MM), satisfying the requirement.
b. Project B: $12 million in acquisition and other non-rehabilitation costs results in a rehabilitation percentage of 33.3% ($6MM / $18MM), requiring an additional $2 million in rehabilitation expenditures to meet the threshold.

Despite identical physical conditions and rehabilitation needs, Project B would be required to undertake significantly more construction solely because of its higher acquisition and other development costs.

This methodology could incentivize unnecessary rehabilitation expenditures, render otherwise feasible preservation transactions financially infeasible, and increase administrative burdens through additional waiver requests. Although the QAP permits exceptions, requiring developments with independently documented rehabilitation needs to obtain discretionary waivers introduces unnecessary uncertainty.

Preservation financing should prioritize improvements necessary to extend the useful life rather than require additional construction expenditures based on acquisition prices or other non-construction costs.

Recommended Change: Replace the 40% Total Replacement Cost threshold for preservation developments with a rehabilitation standard based on an independent Physical or Capital Needs Assessment (PCNA/CNA) using industry standards.

4. Would it be better to set a minimum per-unit dollar amount, perhaps a floor of $35,000 or 40,000 per unit, with a scoring rubric based on $15,000/unit increments? We aren't fans of the % of replacement cost method currently used as a minimum.

5. Construction Cost Analysis: Establish procedural safeguards for construction cost review. A third-party review after Firm Submission can lead to changes in credits or loan proceeds at a stage when construction pricing and financing may already be negotiated. A fair review should account for actual bids and site-specific conditions.

   Requested revision: Publish benchmark methodology and provide the consultant's findings to the applicant. Before an adverse adjustment, allow at least 20 business days for a written response supported by competitive bids, contractor documentation, and project-specific conditions, followed by written reasons for MHDC's determination and a defined reconsideration process.

6. Developer Fee:

   a. [We] would urge MHDC to remove the addition of a $6M gross fee cap for new construction project.

b. We believe that this change (if enacted) would put further financial constrain on development in Missouri, forcing developers to request more MHDC competitive resources such as state tax credits, HOME Funds, NHTF's, MHDC Fund Balance, MHDC TCAP, etc.

c. [We] (as well as many of the other large affordable housing developers in the country) have developed a highly efficient and productive model in developing 200–250-unit apartment complexes. The reason this size is critical, if because it offers significant economies of scale for both construction costs and operating costs. For comparison, we would expect the construction cost on a 100-unit development to be 10-20% HIGHER per unit, when compared to a 200-unit project. This fact extends to operating costs as well. It is more efficient to properly staff a qualified maintenance and management staff for a larger project.

d. The enactment of this rule will result in significantly less units being built through MHDC 4% only program, and an increase in GAP financing sources (HOME, MHDC Fund Balance, etc.), ultimately resulting in lower housing production across the 4% programs.

e. In reality, the increase in developer fee does not actually translate to an increase in paid developer fee to the developer. A high developer fee allows the project to claim 4% credits on what is (in effect) a soft loan by the developer to the project. This is a net benefit to the state as it does not cost Missouri any resources but allows developers to pull more subsidy from HUD through the increase in eligible basis.

7. Thank you for adjusting dev fee limits without us even asking! Also, we'd like to see DDF paid before subordinate loans. Also, might percentages need to be adjusted as well to ensure that fees do indeed continue to rise?

8. Modernize developer fee limits and allow documented adjustments. The draft retains a 13% adjusted-development-cost fee limitation and states that the developer fee may not increase after Board approval. Absolute caps alone do not address transaction complexity, extended predevelopment periods, guarantees, and post-award cost escalation.

   Requested revision: Increase the percentage ceiling to 15% of the defined adjusted total development cost, subject to reasonable published dollar limits. Permit MHDC to approve a documented post-award fee adjustment when material changes in scope, schedule, or costs occur beyond the developer's reasonable control; any additional credits would remain subject to separate feasibility and availability review.

9. We think higher GC fees can encourage healthy ecosystem of GCs. It's not as bad as the situation for property managers, but it's not great. The definition of "construction costs" is

vague. We need to be explicit that builder's risk insurance is a property cost and not a contractor cost (it covers the property, not the GC). Any GC insurance cost should be a general requirement. Also, profit and overhead at 6% and 2% is fine. where GCs struggle mightily is in general conditions. These should be sliding scale 6-10% depending upon job size (10% for smaller jobs, 6% for bigger jobs). What problem is MHDC trying to solve for?

10. We believe that setting a 15% cap on the 9% deal, acq-rehab pool is low, and that it should be at least 30%.

    Regarding the 4% pool, we think that 50% allocated towards new construction seems high, and suggest a number closer to 30%? Perhaps 50% towards rehab, 30% towards new construction and leave the remaining 20% for deals MHDC values most. MHDC could then fund any remaining allocation (rehab or new) to the next best deal.

    Generally, we feel language should be included to move between categories if there are not sufficient quality applications for a particular pool.

11. We request that MHDC address owner contributed land in two parts. First, for underwriting, clarify how land already owned by a member of the ownership entity is valued and treated at application, including appraisal and acquisition cost. Second, for scoring, clarify whether owner contributed or discounted land is eligible as a leveraged source under Community Investment, and if it is not, consider a defined pathway for recognizing such contributions with appropriate valuation safeguards.

12. Appraisal Requirements: We recommend that MHDC allow appraisals to be ordered by MHDC, the lender, or the investor, with MHDC identified as an intended user of the final appraisal report. In many transactions, lenders and investors require their own appraisal and may not rely on an appraisal ordered by MHDC. This can result in developments incurring the cost of two separate appraisals for the same project, creating unnecessary expenses that impact the overall development budget.

    We propose that, for developments where MHDC is not providing financing, MHDC allow reliance on an appraisal ordered by the project's lender or investor, provided the appraisal meets MHDC's requirements and identifies MHDC as an intended user. This flexibility would reduce duplicative costs while still providing MHDC with the necessary information to complete its LIHTC review.

    Allowing the lender, investor, or MHDC to order the appraisal would create a more efficient process and reduce unnecessary costs for affordable housing developments while maintaining appropriate appraisal standards.

13. Appraisal language struck, did it pop up somewhere else? Will it be noted on the checklist? This is a big deal so if it's required, we think it should be in the QAP. What is MHDC hoping to do here?

14. The limitation on acquisition price increasing after app does not work for Acq/Rehab deals. For tax reasons the project has to pay FMV. Put the limiter on whether a related party buyer/seller can take net proceeds rather than arbitrarily cap acquisition prices. What is the purpose behind this? What language might work, perhaps something including evaluation on a case-by-case basis?

15. Development Financing Commitments/LOIs: what does "must be confirmed" mean in this sentence: "Sources that meet a qualification for points under the selection criteria must be confirmed by the appropriate entity."

16. Why was the accelerated credit pricing sentence removed? If not, what is the method to assign pricing?

17. Where did the set-aside or service-enriched reserves go?

18. In the current environment of rapid cost escalation, rising interest rates and declining credit pricing, we encourage MHDC to maximize 4% LIHTC projects' ability to generate federal LIHTC equity. In particular, we encourage MHDC to allow changes to acquisition values post-application to the extent supported by an updated appraisal. The increased value increases LIHTC basis and equity proceeds without the need for additional sources- including scarce gap funding sources- as the accompanying increase in acquisition cost can be covered by a subordinate seller note. Similarly, on 4% LIHTC preservation projects where the calculated 35% hard-cost developer fee cap is less than the fee cap at 13% of TDC, [We] encourage MHDC to permit sponsors to include the full 13% fee in the budget and eligible basis calculation provided that the difference in fee is deferred. The resulting increase in LIHTC basis and equity again comes at no cost to the state.

D. Other Minimum Standards

1. "A new construction application "MAY" be ineligible…" "source of excessive noise" and "factory" "other factors which create an undue adverse environmental impact." Why isn't this specific to HOME?

2. Seems like this adds a zoning requirement to the application process. If it's not properly zoned, or needs variance, you won't be able to get an authority to write a letter saying the plan "is within the parameters of existing conforming zoning designations." Is MHDC moving towards increasing the zoning requirement? Is this a function of one messy deal or a broader push?

3. Do we need a carveout for contiguous single family home developments?

4. We don't think the 30-year requirement is new (opt-out), but we wanted to ask whether this is appropriate.

5. We appreciate MHDC's flexibility in allowing multi-phase redevelopment projects to apply for subsequent phases prior to the first phase reaching 50% completion to take advantage of time-limited funding sources and overall momentum, minimize relocation timelines, and accelerate the transformation of challenged properties. This could be reflected in the QAP to the extent projects are part of major redevelopment efforts.

6. We believe that the below Illinois language would be appropriate for flexibility on zoning communicating that developers must be more rigorous in getting local approval:

   "The Authority recognizes that a Site may need a re-zoning, a variance to existing zoning, or a special use permit. In these circumstances, the Application must include a letter from the local zoning administrator (or chief elected official in localities without a zoning administrator). The letter must identify the Project and contain the following information: 1. The location of the Site(s) (i.e., address or street crossings); 2. A description of the Project (including number of units, proposed use, and whether it is new construction, rehabilitation, or both); 3. A written explanation of the re-zoning, variance, or special use permit approval process; 4. Evidence the re-zoning, variance, or special use permit process has been initiated; 5. Evidence of which stage in the re-zoning, variance, or special use permit approval process the Project has reached; and 6. Evidence that the re-zoning, variance, or special use permitting will be reviewed in a timely manner, including any available dates."

III. Resource Allocation

C. Federal and State 9% Credits

1. "Initial Compliance Period" – Can we clarify it's the *first* 15 years.

2. [We] strongly support MHDC's set asides of 15% of 9% LIHTC resources and 50% of available state 4% LIHTC resources for preservation projects. We recommend clarifying that these allocations are minimum commitments ("at least 15%" and "at least 50%") unless there are not enough eligible preservation applications to hit those targets.

D. Federal and State 4% Credits

1. [We] support a separate process for federal-only 4% applications and encourages MHDC to consider rolling or quarterly application rounds. More frequent application opportunities would reduce carrying costs and better align project schedules with other funding sources.

IV. Reservation Process

Document Review, Site Visit, and Notification

1. Require meaningful resident engagement. The Draft QAP requires MHDC to provide a public opportunity to comment on proposed developments. We recommend extending participation earlier into development design. Applicants seeking public resources should demonstrate meaningful engagement with current residents—or prospective residents and community organizations for new construction—before finalizing major design and service decisions. Resident engagement should include accessible opportunities to provide input on building conditions, health concerns, energy costs, accessibility, community amenities, relocation, and proposed rehabilitation. This approach is consistent with MHDC's existing recognition that resident participation can contribute to better property conditions, energy efficiency, operating costs, and overall quality of life.

V. Selection Criteria

1. We absolutely love splitting new construction and preservation into their own competitions. MHDC should keep that distinction.

2. Publish complete scoring rules and protect application-stage reliance. A scoring system that depends on unpublished thresholds, comparison pools, or tiebreakers makes it difficult to evaluate sites and commit predevelopment capital. The red line also reorganizes preservation and new-unit scoring, making a clean, definitive worksheet especially important.

   Requested revision: Before the NOFA opens, publish a complete scoring matrix, eligibility thresholds, tie-break sequence, and worked examples. Apply only the published rules for that round; provide a reasonable transition procedure for projects that have already incurred substantial documented predevelopment expenses in reliance on prior published criteria.

A. Preservation

1. [We] respectfully request that MHDC amend the 2028 Draft QAP by eliminating the 15% Preservation set-aside. MHDC could simply use their discretionary authority to approve

Preservation Projects as they would fit in the competitive pool of applications each year. While preservation projects would remain eligible for funding, a dedicated set-aside limits MHDC's ability to direct resources to the strongest applications and the markets with the greatest needs. Increasing the discretionary pool would provide MHDC with greater flexibility to respond to changing market conditions and regional housing shortages. Furthermore, it would also help ensure that limited tax credit resources are awarded where they can have the greatest impact rather than being reserved for a specific development type. Preservation developments could still compete successfully for funding when they represent a strong use of housing credits.

2. MHDC will award up to 15 points based on the extent of rehabilitation required and percent the acquisition is of the total budget. Would like to see how the 15 points based on need break out. Note- some deals could have a higher acquisition cost based on location or rent (due to HAP contract etc.) but still require a significant rehab. The spread could be skewed in this situation.

    a. Bullet point 1 state need for more rehabilitation will result in more points, but this is not defined - completely subjective scoring. This needs to be defined and MHDC should not be rewarding owners who have let their property run down over older properties that have been maintained but need modernization.

    b. Bullet point 2 states that a lower percent of total replacement cost will result in more points – again this is very subjective and needs the point awarded based on specific percentages.

3. On the scoring of acquisition-rehabilitation proposals, we see a place for preserving neglected properties that are being taken on by new ownership and for preservation of properties that have reached the end of their useful life/reserves but have been maintained well. We believe both can be accomplished by including an age category (XX points for 30+ years old) and a cost category. Some will achieve points in one or both.

4. Can we clarify that if a housing authority has a PBV contract this will count too?

5. Glad to see emphasis and thought towards preservation; if MHDC is requiring these units be affordable for 30 years, should they reduce points elsewhere?

6. I think they need to specify no major rehab or TC allocation instead of just age.

7. [We] support the separate selection criteria for preservation projects and Increased preservation scoring for units supported by rental assistance.

B. Creation of New Affordable Units Scoring

1. [We] generally support the changes to the scoring requirements.

2. We see that it is already a topic of consideration for the 2028 QAP, but we'd like to just emphasize our support for scoring new construction and preservation deals separately.

   They are fundamentally different products with different cost structures, different risk profiles, and different public purposes. By making them compete against each other, every preservation deal funded displaces a new construction deal, and vice versa, with the outcome determined by point categories that don't sufficiently differentiate the two.

   Additionally, separate pools would improve fairness among developers and across geographies. It would also let each rubric measure what actually matters for that product type (depth of income targeting, site quality, and unit production for new construction; expiring affordability risk, physical need, and residents protected for preservation) instead of blunting both.

   The 2027 QAP already acknowledges this in part: Credit Efficiency is scored against four separate safe harbors precisely because rehab and new construction cannot be fairly measured against one another on cost per bedroom. That same logic should govern the entire competition, not one category.

3. Seek clarification that 30% AMI units require greater subsidy.

4. Why eliminate mixed-income points? Good incentive and most 9% deals are way over basis anyway.

5. MHDC is eliminating mixed income points, we advocate to keep these points as it promotes diversity in occupancy.

6. Align income-targeting incentives with sustainable operating economics. Deeper AMI restrictions advance affordability but reduce available operating revenue. Scoring should not reward commitments that depend on unrealistic rent, subsidy, or expense assumptions.

   Requested revision: Award deeper-affordability points only when underwriting demonstrates sustainable operations through enforceable rental assistance, committed service support, appropriate reserves, or other reliable sources. Permit reasonable adjustments when subsidy commitments change before closing.

7. Establish proportional PBRA coverage scoring.

Concern: As currently drafted, small differences in the percentage of units covered by federal project-based rental assistance can result in disproportionally large scoring differences. For example, a property with 99% PBRA coverage could receive five fewer points than a property with 100% coverage, despite preserving nearly identical levels of deeply affordable housing.

Proposed Change: Award points on a sliding scale based on the percentage of eligible units covered by federal project-based rental assistance. Points = 15 x PBRA Coverage Percentage.

8. Create stronger incentives for deeply affordable housing. The Draft QAP provides up to ten points for income targeting, with thresholds varying by geography. It also awards five points where at least 15% of units receive committed project-based rental assistance and tenants in assisted units pay no more than 30% of income toward rent. We encourage MHDC to strengthen incentives for developments serving households with the greatest housing-cost burdens, particularly households at or below 30% AMI, while maintaining geographic flexibility for rural communities. Affordability should also be evaluated together with utilities so that lower nominal rent is not offset by disproportionately high energy bills.

9. Establish an energy burden and utility-affordability standard. The QAP's income-targeting provisions appropriately provide up to ten points for developments serving households at lower AMI levels. We recommend extending that affordability framework to total housing costs, including tenant-paid utilities. Applicants should be required to disclose projected tenant utility expenses and demonstrate how proposed building systems will minimize household energy burden. MHDC should consider scoring projects based on projected reductions in tenant-paid utility costs and require post-occupancy reporting comparing projected and actual energy performance. This would help ensure that investments intended to serve households at 30%, 40%, and 50% AMI do not unintentionally shift excessive operating costs onto those same households.

10. Why reduce points/incentive for homeownership model? And we would love to help given the evolving legislative dynamics.

11. Housing and care requirements. We request that MHDC clarify how supportive and service enriched housing models satisfy permanent rental housing requirements, tenant protections including fair housing and VAWA obligations, rules governing voluntary versus required participation in services, and any applicable state licensing requirements for housing that includes care or treatment components.

12. Long term service funding. We request that MHDC clarify what funding sources and commitments are acceptable for supportive services, service coordination, and operating shortfalls through the affordability period, including services delivered by affiliated providers

and Medicaid funded services, and how those commitments must be documented at application.

13. We request that MHDC confirm that a licensed medical or behavioral health clinic qualifies as a local service provider under this section, clarify whether a clinic affiliated with a member of the development team may qualify independently or as part of a coordinated provider team, and specify what agreements, staffing, funding, and service coverage are required to earn and maintain these points through the affordability period.

14. It's a super-high bar to get someone to commit to 30 years of services. Or do they mean 15? Still a high bar.

15. Could MHDC list the move toward CORES as something for next year?

16. [We] support Inclusion of CORES certification in scoring for production projects.

17. I think this is a well-meaning mistake that ultimately makes resident services at the Service Enrichment level more challenging on the organizations like mine that are focused on providing property wide services. CORES certification makes sense for organizations Supportive Housing because it is a more in-depth level of services for the residents and requires regular intensive on-site resident support, but for Service Enrichment that should not be the expectation, and it doesn't result in better services on-site.

    For Service Enrichment to meet those CORES requirements non-profits will have to take on additional expenses for staffing and compliance to meet those guidelines when NFP are already stretched tight along with the properties we serve. CORES is very tied to the idea of requiring a service coordinator on-site, but over the past 25 years my organization has provided impactful Service Enrichment level of services on-site without having to staff a person on-site. Additionally, you have likely noticed those on-site service coordinators' roles are rarely filled, so Horizon has to step in and fill that void by servicing the residents remotely. Those on-site coordinator roles are usually part-time jobs or spread over multiple properties with little pay, so those roles aren't attractive and are often vacant in our experience partnering with those properties.

    Service Enrichment and Supportive housing are very different things and do not require the same amount of on-site presence. Service Enrichment can be provided to Missouri LIHTC properties in a way that will positively impact residents and be cost effective for the properties if you will allow for remote service coordination and remove the onerous requirement of on-site service staffing.

18. It is impossible to underwrite a rent based upon some future tenant's ability to pay.

19. The draft describes target households as including persons with a disabling condition, youth transitioning out of foster care, persons experiencing homelessness as defined by HUD, and survivors of domestic violence and human trafficking. We request that MHDC add individuals in recovery from substance use disorder, veterans, and older adults, including individuals receiving individualized supported living services, to the eligible target populations in the final plan, or confirm that they qualify under the existing language. We also request that MHDC clarify how independent living with individualized support, service enriched senior housing, veteran focused housing, recovery housing, and permanent supportive housing may each qualify, including the eligibility documentation and service commitments required. Because Section II.B.14 requires all buildings in a development to share one occupancy type, we further request that MHDC clarify whether a single development or a scattered site development may serve multiple eligible populations through tailored service plans.

    The draft awards 5 points for reserving at least 15% of units. We request that MHDC consider a tiered structure that awards additional points based on both the share of units dedicated to supportive housing and demonstrated service capacity and funding, so that a development built primarily for vulnerable populations and backed by committed services is not scored the same as one meeting the minimum.

20. The term opportunity site is not defined. How, if at all, is this different than an opportunity area? Also, 1st bullet point states that MHDC will rank applications according to the census tract score and per bullet point 2, awards points on a relative basis with the highest-ranking application scoring 10 points and the others scoring in declining order. This may lead to a land rush creating overpriced land and results in a market being overbuilt.

21. Opportunity Sites: We like the move to a census tract approach. The problem is that, as drafted, it's hard for applicants to predict what they'll actually score. A few things would help:

    a. Point formula: How do points drop off below the top-ranked application? One point per rank, proportional to the top tract's score, or fixed tiers? We just need to know which one.
    b. Ranking scope: Are applications ranked statewide or within each pool? We'd recommend ranking within pools.
    c. Ties: What happens when two applications are in the same census tract? A tiebreaker would clear that up.

    d. In the proposed 2028 Draft QAP scoring evaluation section, please clarify a couple of statements in the Workforce Impact Development Sites section.

22. The 2028 Draft Qualified Allocation Plan awards points to developments located in Opportunity Sites, based on census tract rankings established in the Supplemental Data Exhibit. It also recognizes Rural Underserved counties.

    I appreciate MHDC's use of measurable criteria to evaluate housing locations. However, I would ask whether developments serving a specifically identified population, such as Veterans experiencing homelessness or housing instability, should also be evaluated using data that reflects the geographic distribution of that population's housing needs.

    My preliminary review of HUD Point-in-Time data indicates that Veteran homelessness is not evenly distributed across Missouri's eight Continuums of Care. In the data I have reviewed, the Kansas City and Balance of State Continuums of Care together accounted for approximately 54% of Missouri's homeless Veterans and 76% of its unsheltered Veterans. Statewide Veteran homelessness has also remained relatively flat over the period I am studying.

    I am currently expanding my research to include Veteran-dedicated housing capacity, HUD-VASH resources, and other housing assistance programs. I do not yet know whether the existing supply of Veteran housing corresponds to the geographic distribution of need, and that is an important part of my ongoing study.

    For future QAPs or the Supplemental Data Exhibit, would MHDC consider incorporating a population-specific housing need measure for developments proposing to serve Veterans?

    Possible measures could include:

    a. Homeless or unsheltered Veterans relative to the area's Veteran population.

    b. Unsheltered Veterans relative to available Veteran-dedicated permanent housing capacity.

    c. Documented unmet Veteran housing need identified by local Continuums of Care or Veteran-serving organizations.

    Such information could supplement, rather than replace, MHDC's existing Opportunity Site and Rural Underserved criteria. It could also help demonstrate whether proposed Veteran housing is located in communities where the need is greatest relative to available resources.

23. [We] support removal of restrictions on development in census tracts with higher concentrations of subsidized housing

24. Because points in this category are awarded on a relative basis against other applicants, we request that MHDC publish the 2028 Supplemental Data Exhibit as early as possible, together

with the methodology and scoring examples, and clarify how Kansas City urban core revitalization sites, including those in qualified census tracts, are evaluated so that they are not disadvantaged.

25. In [Workforce Impact] it is stated that the site must be located within 20 miles and must be in an EEZ. Is this statement requiring that both the employment opportunity and the proposed LIHTC application site both be in an EEZ?

    Also, in the second sentence, if the targeted employment opportunity must be approved by the Missouri Works Program within the last 12 months of the LIHTC application submission. Doesn't this timeline leave only a small window for a targeted employment opportunity? Would a 24–36-month window be more appropriate to allow a site to be identified and the employer to have made progress so that when the jobs are actually available the new residences approved in the LIHTC application will also be coming online?

    Workforce Impact Development sites located within 20 miles of a new employer or business expansion as identified by the Department of Economic Development's Missouri Works Program will earn five (5) points. Sites must be in an Enhanced Enterprise Zone, and the targeted employment opportunity must have been approved for the Missouri Works program within the previous 12 months of LIHTC application submission and qualify under the Zone Works Program.

26. Can we discuss details on how the "Missouri Works Program" operates in this context (i.e., developments needing to be within 20 miles of an "enhanced enterprise zone"), and clarify the definition of "targeted employment opportunity?"

27. Workforce Impact: We like the idea behind this category, but a few things could use clarification:

    a. DED reports approvals late. Zone Works approvals only become public through DED's quarterly reports. Those reports name the company but not its location or approval date, and they come out months after the quarter ends. The July to September 2025 and January to March 2026 reports both appear to have posted in May 2026, and the April to June 2026 report still isn't up. As it stands, applicants will likely struggle using public data to find qualifying businesses in the zones in time to pick sites. This timeline and the webinar that stated the supplemental data exhibit

    b. Distance. Is it measured by census tract or 20 miles from the site? And is 20 miles straight-line or driving distance?

c. Zone location. Does the site, the employer or both need to be in an Enhanced Enterprise Zone?

d. Job minimum. Right now, a 2-job approval scores the same as a 77-job one. Is that intended?

e. Proof. The webinar stated the supplemental data exhibit will define eligibility for this, which seems difficult in practice, given #1 "DED Reports" above. If an approval isn't in the exhibit, what evidence will MHDC accept?

28. [We] support revised Community Investment scoring that combines favorable financing and local government support. [We] appreciate MHDC's changes to allow recognition of funding from Federal Home Loan Banks and local nonprofit or community development organizations for "Community Investment" scoring. We encourage MHDC also to consider contributions from affiliated nonprofit sponsors (i.e., raised through fundraising or other grant sources), public housing authorities, and sponsor-controlled financing vehicles when they represent real cash contributions.
29. [We] appreciate MHDC's consideration of these recommendations and looks forward to continuing our partnership to preserve and expand affordable housing opportunities across Missouri.

30. Project-based Rental Assistant: Is this some other kind of operating subsidy? We know of 3 material programs: traditional HAP/Sec. 8 from HUD, RD and PBV from local housing authorities. What does MHDC mean by "providers with a history of being unable to fulfill prior commitments"?

31. Redevelopment Plan: We're glad to see this move from a discretionary item to an objective score. Two points could use clarification:

    a. Which plans count? Do tax increment financing (TIF) plans, Chapter 353 redevelopment plans, land clearance (LCRA) and blight plans, and comprehensive, downtown, neighborhood or corridor plans all qualify, as long as they include the seven required elements?

    b. Review before applying. Will MHDC look at a plan ahead of time and confirm it meets all seven elements before a developer commits to the site?

32. Credit Efficiency - Expand safe Harbor to 15% and reduce points. Based on experiences in other states, this would create very unfortunate unintended consequences, producing inferior homes for tenants and uninvestable awards. Also, the definitions were deleted from the developer's guide; they should be added here. "Average Eligible LIHTC amount per LIHTC

Bedroom." Also, this remains a loosely defined section that prevents applicants from determining their score up front, reducing transparency.

33. Reinstate credit efficiency scoring for preservation projects.

    Concern: The proposed 2028 QAP eliminates credit efficiency scoring for preservation developments. Credit efficiency is an important measure of how effectively limited federal and state LIHTC resources are utilized. Awarding points for credit efficiency incentivizes developers to secure additional funding sources, negotiate favorable financing terms, and manage development costs to minimize reliance on scarce tax credits. Eliminating this scoring category removes an incentive to maximize the number of affordable housing units preserved with available resources.

    Proposed Change: Reinstate a credit-efficiency scoring category for preservation using an objective metric such as federal and state LIHTC requested per affordable unit.

34. Refine credit-efficiency comparisons. Credit-per-bedroom scoring can penalize developments with legitimate extraordinary site, infrastructure, accessibility, remediation, or structured-parking costs. The apparent separation of family and senior rehabilitation comparison groups is helpful.

    Requested revision: Retain separate comparison cohorts by meaningful project type; publish reference benchmarks or calculation rules before applications are due. Provide a documented adjustment or exception for extraordinary, non-discretionary costs and disclose the treatment of outliers.

35. Make prior-performance deductions objective and reviewable. Performance scoring is important, but deductions for delays or broad standards of conduct should distinguish developer-controlled issues from lender, government, utility, and other third-party causes. The apparent improvement in treatment of applicants without prior MHDC experience should be preserved.

    Requested revision: Define each deduction, applicable lookback period, and supporting evidence. Give applicants written notice and at least 15 business days to respond before a deduction becomes final. Exclude documented events beyond the applicant's reasonable control and provide a written correction/reconsideration process. Provide a working definition of waiver approval "with prejudice."

36. A developer or owner with no prior MHDC experience may earn a maximum of 18 of 20 points. We request that MHDC clarify how this cap applies when a new developer is a co-

owner alongside an experienced developer, whether the experienced partner's record allows the application to earn the full 20 points, and how the new developer's participation is credited toward prior performance on future applications.

37. Historic or Energy Efficiency: MHDC shouldn't require actual certification for 1 point. The cost is much more expensive than 1 point, but requiring the point means everyone will do it.

38. Historic or Energy Efficiency: we support the draft's move away from self-documentation to require that an applicant obtain certification, and we ask the Commission to add the IREM Certified Sustainable Property (CSP) certification to the rating systems accepted under criterion 16, for both new construction and rehabilitation.

    We also raise, for the Commission's consideration, whether an applicant should demonstrate compliance beyond construction completion. The draft requires that demonstration at application, Firm Submission, and construction completion, all of which precede occupancy. Energy and water are among the largest controllable costs in a multifamily operating budget, so performance verified through the IREM CSP's three-year recertification cycle once the property is occupied protects net operating income and debt service coverage over the life of the Commission's investment, and surfaces problems while they can still be corrected.

39. Make energy efficiency and healthy housing a meaningful scoring priority

    Under the current draft, an application receives only one point for either historic preservation or energy efficiency. For the energy-efficiency pathway, a development may qualify by obtaining certification through Enterprise Green Communities, LEED, or the National Green Building Standard.

    We recommend creating a separate Healthy, Efficient and Resilient Housing scoring category rather than combining energy efficiency with historic preservation.

    MHDC should provide meaningful points for developments that demonstrate measurable improvements such as high-performance building envelopes, efficient electric heating and cooling, heat-pump water heating where feasible, energy-efficient appliances, effective ventilation and filtration, moisture and mold prevention, and reductions in tenant-paid energy consumption.

    Energy efficiency should be treated as an affordability strategy, not simply a building feature. A unit is not truly affordable if residents cannot afford its monthly energy costs.

40. We are pleased to see that the draft QAP includes green building certification language, and we respectfully request that GBI's flagship rating system, Green Globes, be explicitly included alongside the menu of other certifications given the distinct value it offers to project teams.

    Green Globes provides a rigorous yet cost-effective framework for verifying a building's environmental performance, ensuring that sustainability measures are not just promised, but implemented and measured. This is particularly important in the development of affordable housing, where public resources are being invested and long-term operating costs matter deeply. To date, GBI has certified over 1 billion square feet of all types of commercial, public, and multifamily buildings, including over 17.2 million square feet in Missouri.

    GBI is an American National Standards Institute (ANSI)-accredited Standards Developing Organization. Accordingly, the Green Globes for New Construction and Green Globes for Existing Buildings standards are developed and maintained through an ANSI-approved process, ensuring they evolve alongside market needs and scientific advancements. Green Globes is recognized for its flexible, performance-based approach offering an alternative to rigid, prescriptive checklists. The system also emphasizes transparency and collaboration, featuring an intuitive online platform and direct support from a dedicated project manager and independent third-party assessor through the certification process.

    Including Green Globes as an approved certification option would expand flexibility, reduce barriers to participation, and support a broader range of projects in achieving verified, high-performance outcomes.

41. The Draft QAP removes the green building certification requirement from Section B (Development Design/Construction Standards). It then reduces certification to a single point in Section V, where it competes with historic preservation status under "Historic or Energy Efficiency." In practical terms, this turns a baseline standard into an optional, low-value checkbox. We urge MHDC to reverse course.

    [We} respectfully but firmly request that MHDC make the following changes in the final 2028 QAP:

    a. Restore third-party green building certification as a threshold requirement in Section B. If MHDC will not restore it as a requirement, then at minimum:

    b. Raise the award from two to four points for projects pursuing a recognized third-party green building certification such as NGBS Green. One point does not reflect the effort, cost, or value of certification.

c. Make green building certification a stand-alone scoring category. It should not be paired with historic preservation. The two serve different policy goals, and an either/or structure lets a project collect the point without delivering any verified energy or health performance.

Our reasons are grounded in what we see in the field:

a. Certification is verification, not paperwork. NGBS Green requires independent plan review, rough and final onsite inspections, and performance testing such as envelope and duct leakage testing. We routinely catch missing insulation, unsealed penetrations, and mis-sized mechanical equipment before drywall goes up. Without a certification requirement, those defects get built into Missouri's affordable housing stock for decades.

b. One point will not change developer behavior. Certification carries real costs in design coordination, consultant fees, and construction oversight. A single point, available just as easily through historic status, gives developers every incentive to drop certification. The predictable result is fewer certified projects and less accountability for public dollars.

c. Residents bear the cost of weaker standards. LIHTC residents are the households least able to absorb high utility bills, poor indoor air quality, and moisture problems. Verified green construction lowers operating costs and protects resident health over the 30-year compliance period and beyond.

d. Missouri risks falling behind. Many competing state housing finance agencies require or strongly reward third-party green certification in their QAPs. Downgrading it to a shared, one- point option sends the wrong signal to developers, lenders, and the building industry that supports this work.

MHDC has an obligation to ensure that tax credit equity buys durable, efficient, healthy housing. Third-party certification is the most reliable tool available to confirm that it does.

42. I am pleased to submit comments regarding the Missouri Housing Development Commission's (MHDC) Draft 2028 QAP. We offer the following points for your consideration:

a. Support for incentivizing credible, third-party green building programs.

b. Recommendation to increase points for green building certification, as the current point allocation is misaligned compared to the investment required for certification, other incentive points available, and scoring sections in other state QAPs.

c. Request that green building certification become a stand-alone section rather than paired with historic preservation.

The NGBS Green program always encourages green incentives over mandates and supports MHDC's decision of moving the green building certification requirement out of Section "B: Development Design/Construction Standards" and instead making it an optional point item under "Section V: Selection Criteria." We appreciate MHDC for its continued commitment to sustainable design and for continuing to recognize the NGBS.

Although we support making the green building section optional for points, we feel that 1 point is extremely low relative to the investment required and benefits associated with green certification. We recommend that points are increased from 1 point to 5 points, to better reflect the comprehensive nature and higher building performance of the recognized programs.

Additionally, in the 2028 Draft QAP, 5 points are the weight given to the sections for Service-Enriched, Supportive Housing, Rural Underserved, and Workforce Impact. Offering 5 competitive points for green certification would be on par with these sections. At the very minimum, we recommend green building certifications are awarded 3 points. Increasing points for green building certification would also make Missouri's QAP better aligned with those of other surrounding states. For example:

a. Nebraska 2026-2028 QAP awards 6 points for green certification (out of 94 points).

b. Illinois 2027-2028 QAP awards up to 10 points for green certification (out of 100 points).

c. North Dakota 2027 QAP awards up to 5 points for green certification (out of 105 points).

Finally, we recommend that MHDC makes green building certification a stand-alone section rather than paired with historic preservation. Under the subsection "Historic or Energy Efficiency", projects can earn a point for receiving historic preservation status OR by earning a third-party green building certification. NGBS Green includes a dedicated pathway for existing buildings that accommodate historic buildings by exempting mandatory practices that are not possible under a building's protected status. By including both incentives in the same section, historic preservations would not be able to earn points for green certifications, leaving residents without the benefits, like higher performance, quality assurance, durability and a healthier living environment. Therefore, we strongly recommend making green building a stand-alone section in the QAP.

Thank you for the opportunity to provide feedback prior to the release of MHDC's final 2028 QAP. We hope MHDC will consider our recommendation to make Green Building Certifications a stand-alone section for 5 incentive points to better reflect the investment and benefits associated with projects that earn a green certification. We are happy to meet with you, or your staff should you require a more detailed overview of the NGBS or our certification program. We look forward to continuing our effort to promoting green certified affordable housing in Missouri.

43. In the Draft 2028 QAP Section V. Selection Criteria New Construction can earn a point for meeting subsection 16. Historic or Energy Efficiency. Projects must meet one of the three third-party green building certifications listed to earn the point for energy efficiency. In this comment, we'd like to offer background information on the DENH program and how it can support reduced energy costs, reduced grid loads, and healthful indoor environments in affordable housing.

    The DENH program is a voluntary certification program for high-performance buildings designed to reduce energy costs, support healthy indoor air environments, and reduce the load new homes place on the grid.

    a. DENH projects are at least 15 to 20% more efficient than buildings designed to meet the 2021 IECC, based on the analyses conducted in developing the current Version 2 single family and multifamily program requirements. This improved efficiency can reduce household energy costs now and into the future.

    b. DENH buildings include dozens of features that promote good indoor environmental quality, such as efficient ventilation systems, effective air filtration, and low emission building materials. These features support a more comfortable environment and improve IAQ for residents.

    c. DENH homes reduce their peak load on the grid by about one-third compared to typical new homes, based on modeling analyses. This reduction can help reduce the grid impact associated with new housing.

    Additionally, the DENH program builds upon the ENERGY STAR program, requiring ENERGY STAR certification as a prerequisite. ENERGY STAR certified homes improve efficiency beyond code while using building science-based provisions, so the building performs well as a system. DENH requires added efficiency along with targeted measures such as a complete package of IAQ features and locating HVAC ducts in optimized locations. Both DENH and ENERGY STAR Homes use a whole-building, performance-based approach to boost efficiency while also giving developers design flexibility in how they meet the programs. Developers find value in

the differentiation between the programs, with higher performing buildings gaining recognition by with DENH certification. Neither program charges a fee for certification.

The DENH program is currently referenced in the QAPs of 14 states, providing examples of how states have incorporated the program into affordable housing policies and program requirements.

The program publishes many free resources online, including builder/developer training, technical support, and hundreds of real-world project case studies. As DOE's DENH implementation contractor, we are available to provide technical information and program resources to MHDC and to affordable housing developers seeking additional information about DENH certification. If you have any questions about the DENH program and how it supports high-performance affordable housing, we would be happy to provide further information.

44. [We] recommend that MHDC retain its existing requirement that new construction meet the standards of Enterprise Green Communities, LEED, or NGBS and strengthen that requirement by requiring certification under the selected program. We also encourage MHDC to extend the green building requirement to rehabilitation developments, using the applicable pathway for the scope of rehabilitation, with certification under the selected program. This approach would establish a consistent expectation that MHDC-financed developments meet a recognized green building standard while providing flexibility for both new construction and rehabilitation projects.

    The draft 2028 QAP instead moves green building for new construction from a baseline requirement to a one-point competitive incentive. A baseline approach provides greater consistency across MHDC’s portfolio and ensures that these long-term building performance considerations are incorporated into affordable housing from the outset.

    We recognize the challenge of balancing construction costs with the urgent need to produce and preserve affordable housing. However, eliminating the existing green building baseline risks focusing too narrowly on first costs. Affordable housing is a long-term asset. Energy and water consumption, durability, indoor environmental quality, maintenance needs, and exposure to increasingly severe weather all affect the cost of operating affordable housing and the experience of residents over the life of a development.

    [We] also recommend retaining an energy-assessment requirement for rehabilitation developments. The current QAP requires rehabilitation projects to undertake pre-development testing and at least an ASHRAE Level 1 energy audit to identify opportunities for energy savings. Eliminating this requirement would remove an important tool for maximizing the impact of MHDC’s limited LIHTC resources. These assessments provide critical information

to help development teams target rehabilitation investments toward measures that can improve building performance and reduce operating costs over the life of the property.

We recognize that the appropriate level of analysis may differ depending on the age, condition, and scope of rehabilitation. MHDC could therefore provide flexibility in how the requirement is satisfied. However, we recommend maintaining the underlying expectation that rehabilitation developments evaluate existing energy performance and incorporate cost-effective efficiency improvements into the rehabilitation scope.

We recognize that the appropriate level of analysis may differ depending on the age, condition, and scope of rehabilitation. MHDC could therefore provide flexibility in how the requirement is satisfied. However, we recommend maintaining the underlying expectation that rehabilitation developments evaluate existing energy performance and incorporate cost-effective efficiency improvements into the rehabilitation scope.

Separate green building from historic preservation. Historic preservation and green building advance different policy goals and should not be mutually exclusive. Creating a standalone green building criterion would allow MHDC to recognize both objectives independently.

Give green building sufficient scoring weight. As proposed, green certification is worth only one point, while other scoring categories offer significantly more points. A single point may be insufficient to influence development decisions, particularly given the additional coordination, verification, and investment associated with certification. The scoring value should reflect the long-term benefits of certified green building, including lower energy and water costs that support resident affordability, improved indoor environmental quality, durability, and resilience, as well as the value of third-party verification that performance requirements have been met.

Connect MHDC’s increased focus on disaster recovery with resilient building practices Enterprise supports the draft QAP’s increased recognition of communities and developments affected by disasters, including its CDBG-DR housing priority and scoring considerations for disaster-recovery resources. We encourage MHDC to complement this emphasis with greater consideration of how affordable housing itself is designed and rehabilitated to withstand increasingly frequent and severe hazards.

Resilience measures can help protect residents, reduce property damage and disruption, and support the long-term viability of affordable housing investments. These strategies are most effective when risks are considered early in site selection, design, and rehabilitation planning rather than after a damaging event occurs.

MHDC does not need to create a separate or overly prescriptive resilience program to advance this goal. Existing green building frameworks, including Enterprise Green Communities, provide mechanisms for developers to assess local hazards and incorporate appropriate resilience measures into project design. Retaining a recognized green building standard as part of MHDC's baseline requirements would therefore provide one practical way to reinforce the QAP's increased emphasis on disaster preparedness and recovery.

Consider long-term operating performance alongside development cost and credit efficiency.

Enterprise appreciates MHDC's responsibility to steward limited housing resources and maximize the number of affordable homes those resources can support. The draft QAP places significant emphasis on development cost and LIHTC efficiency, including competitive points tied to the amount of LIHTC allocated per LIHTC bedroom. We encourage MHDC to pair that focus with consideration of lifecycle affordability.

Measures that reduce energy and water use, improve building durability, or reduce exposure to hazards may carry incremental upfront costs while contributing to lower operating expenses and reduced risk over the life of a property. Evaluating these investments primarily through initial development costs can obscure their longer-term value.

Maintaining meaningful energy and green building requirements would help ensure that efforts to stretch scarce housing resources do not inadvertently discourage investments that support the long-term financial performance, durability, and quality of Missouri's affordable housing portfolio.

Maintaining meaningful energy and green building requirements would help ensure that efforts to stretch scarce housing resources do not inadvertently discourage investments that support the long-term financial performance, durability, and quality of Missouri's affordable housing portfolio.

45. Proposed New Scoring Category: Housing Investment Gap

The QAP's current Site Location scoring appropriately recognizes counties with high percentages of severely cost-burdened renter households. However, it does not account for counties that have experienced prolonged periods without LIHTC investment. As a result, counties that have gone many years without a LIHTC award will continue to be at a competitive disadvantage. Webster County is an excellent example of this issue. The county has not received a competitive 9% LIHTC allocation in more than six years, despite being one of the fastest-growing counties in Missouri and experiencing continued demand for workforce and affordable housing. Population growth has been driven largely by in-migration, reflecting

the county's increasing attractiveness as a place to live. The county's Area Median Income is $91,400, and because fewer than 10% of renter households are identified as severely cost burdened under the current QAP scoring criteria, developments proposed in Webster County receive no points under this category. Consequently, a growing community with demonstrated housing demand and no recent LIHTC investment is placed at a competitive disadvantage.

This example demonstrates that severe cost burden alone does not always capture communities where affordable housing investment is needed. Counties experiencing rapid population growth, increasing workforce demand, and prolonged periods without LIHTC investment should also be recognized as priorities. Without an incentive to invest in these markets, they risk continuing to be overlooked simply because they do not score well on a single demographic measure.

Adding a "Housing Investment Gap" criterion would complement—not replace—the existing cost-burden metrics by recognizing historical underinvestment as an additional indicator of need. This would help underserved counties have an opportunity to receive much needed affordable housing.

We recommend the following scoring structure:

a) **10 points:** County has not received a competitive 9% LIHTC allocation in the past 10 or more years.

b) **7 points:** County has not received a competitive 9% LIHTC allocation in the past 7–9 years.

c) **5 points:** County has not received a competitive 9% LIHTC allocation in the past 5-6 years.

46. Create an Equitable Housing Standards scoring category: Rather than distributing equity considerations across unrelated sections of the QAP, we recommend that MHDC establish a clearly defined Equitable Housing Standards category. This category could provide meaningful points for developments demonstrating measurable commitments in the following areas:
    - Housing affordability: deeper affordability and reduced total housing costs.
    - Energy affordability: efficient buildings and reduced tenant utility burdens.
    - Healthy homes: strong IAQ, ventilation, moisture, mold, and pollutant protections.
    - Tenant stability: right-to-return, relocation assistance, and anti-displacement protections.

- Accessibility: universal design and accessibility beyond minimum requirements.
- Resident power: documented resident/community participation in development decisions.
- Environmental justice: assessment and mitigation of cumulative environmental burdens.
- Economic opportunity: transparent local workforce, contracting, and procurement outcomes.
- Accountability: measurable commitments followed by post-occupancy reporting.

These standards should be incorporated into both application scoring and long-term compliance, so equity commitments made during competition remain meaningful after developments receive public resources.

VI. Other Information

B. Program Fees

1. What does “and for employees” mean in this sentence: “Compliance Monitoring Fee. A compliance monitoring fee of $300 per unit at or below 80% AMI and for employees is due once the last building places in service.”

C. Development Changes

1. “MHDC will not approve material changes, including changes to site or ownership.” – site is somewhat understandable but why ownership?

Other Items

1. We are concerned about allocating just 50% of the 4% credits towards preservation. What if there are significantly less new construction/conversion/apps? Should MHDC consider adding language stating that excess 4%, should there be any, can go to whatever category until all are expended?

2. We support MHDC's continued investment in affordable housing and encourage the Commission to strengthen the QAP so that public investment produces housing that is not only affordable at lease-up, but also healthy, energy-efficient, accessible, climate-resilient, and affordable to operate over the long term.

The Draft QAP already establishes important foundations. It requires compliance with accessibility standards and universal design for new construction; requires energy audits for rehabilitation projects; addresses potentially harmful environmental conditions near proposed developments; distributes affordable and market-rate units proportionately; provides points for deeper income targeting; and recognizes green building certification.

However, we recommend that MHDC go further by establishing measurable Equitable Housing Standards that connect affordability, tenant health, energy costs, environmental conditions, accessibility, and meaningful resident participation.