



Operating Assistance Program

Application and Submission Guide FY2026

Due Date:

Applications will be accepted beginning:
September 02, 2025, at 9:00 a.m. Central Time

Application submission must be received by:
October 01, 2025, at 3:00 p.m. Central Time

Estimated Funding Availability:

\$4,000,000.00

Applications will be accepted via
Missouri Housing Development Commission's Asset Management Reporting System (AMRS):
<https://amrs.mhdc.com>



Table of Contents

INTRODUCTION	2
Purpose	2
Deadline	2
Requirements	2
Awards.....	2
Information	2
GENERAL PROGRAM INFORMATION.....	3
Eligibility Requirements	3
Other Eligibility Requirements	3
Definitions.....	3
Evaluation of Applications.....	4
APPLICATION INSTRUCTIONS	4
Application Submission.....	4
Application Guidance	5
APPLICATION APPROVAL.....	7
Standards of Conduct.....	7
Availability of Funds	8

INTRODUCTION

Purpose

The Missouri Housing Development Commission (MHDC) hereby notifies interested organizations of the availability of Operating Assistance Program (OAP) funds. The Operating Assistance Program was created to support operating expense shortfalls in properties currently within MHDC's multifamily housing portfolio.

Deadline

Completed applications for funding will be accepted by MHDC starting **Tuesday, September 2, 2025, at 9:00 a.m.** through **Wednesday, October 1, 2025, at 3:00 p.m.** Applications must be submitted in Asset Management Reporting System (AMRS) according to the deadline and terms established in the NOFA. Any applications received after the deadline will not be considered. All deadlines are subject to change should the NOFA need to be revised or modified as deemed necessary in the sole discretion of MHDC.

Requirements

- Applicants must meet the eligibility requirements as identified in the OAP NOFA and Application and Submission Guide. Eligibility determination is at the complete and sole discretion of MHDC.
- Applicants must be able to meet MHDC's mortgagor and insurance requirements.
- All proposals must be submitted on the OAP application that is available in MHDC's AMRS, which can be accessed at the following link: <https://amrs.mhdc.com>.

Awards

Funding decisions are subject to funding availability and Commission approval. Operating assistance awards are anticipated to be announced in January 2026.

Information

- Program materials and information for the Operating Assistance Program are available at: <https://mhdc.com/programs/asset-management/operating-assistance-program-oap/>.
- Information and access for Asset Management Reporting System (AMRS) is available at: <https://mhdc.com/programs/asset-management/program-compliance/compliance-resources/amrs/>.
- Please direct all program related questions to: OAP@mhdc.com.

GENERAL PROGRAM INFORMATION

Eligibility Requirements

- Property is currently in MHDC's compliance portfolio; and
- Property is within the initial tax credit compliance period, or the property is within the loan affordability period as detailed in its Regulatory Agreement; and
- Property has an Expense or Debt Coverage Ratio below 1.20 for two consecutive calendar years as outlined in the Notice of Funding Availability (NOFA); and
- Property is in compliance with MHDC and specifically MHDC's Asset Management compliance policies prior to the deadline outlined in the NOFA, which includes, but is not limited to, the submission of the Annual Owner Certification and audited financial statements for each of the calendar years stated in the NOFA; and
- Property was subject to MHDC Asset Management compliance policies for each of the calendar years stated in the NOFA for the most recently awarded MHDC funding for the property.

Other Eligibility Requirements

- Properties that meet the following criteria do not qualify for funding:
 - Extended Use Compliance Period
 - USDA Rural Development as First Position Lender
 - 100% Project-Based Section 8
- Units eligible to be included in the operating assistance subsidy calculation must meet the following criteria:
 - Occupied
 - Move in-date on or before April 30, 2025
 - No project-based voucher

Definitions

Debt Service Coverage Ratio (DSCR): Net Operating Income Before Debt / Total Debt Service

- Net Operating Income Before Debt is defined as:
 - Effective Total Income LESS Total Operating Expenses LESS Required Replacement Reserve Deposits PLUS Replacement Reserves Transfers (which are included as expense items on the submitted profit/loss statement)
- Debt Service Coverage Ratio is required to be used when the development has mandatory hard Debt

Expense Coverage Ratio (ECR): Effective Total Income / Total Operating Expense PLUS Required Replacement Reserve Deposits LESS Replacement Reserves Transfers

- Expense Coverage Ratio (ECR) excludes Debt Service from the overall calculation and should only be used as an alternate benchmark when a property has no Hard Debt

Evaluation of Applications

Submission

Applications will only be accepted through the Operating Assistance Program application in AMRS. Only complete applications will be considered for review. MHDC reserves the right to request additional information as deemed necessary to complete the application review. If there is missing information, the application contact will be notified, and corrections must be completed by a date determined by MHDC staff. Applications containing corrections submitted after this date will not be considered for review and may result in elimination from funding consideration.

Review Criteria

Applications will be reviewed in accordance with program eligibility requirements. Operating assistance funding awards will be determined by property eligibility, unit eligibility, most recent approved Schedule II rents, proposed rents based on (family or elderly) unit designation, and applicable program rent maximums. Misrepresentations of any kind will be grounds for denial or loss of funding award and may affect future participation in MHDC programs or current portfolio compliance. Final funding decisions are within the sole and complete discretion of MHDC.

The operating assistance subsidy will be calculated based on the difference between the proposed rent (including the applicable rent increase percentage for family or elderly property) applied to eligible occupied units with a move-in date on or prior to April 30, 2025, and a 10% increase of that rent. The rent gap would then be annualized to achieve the annual unit subsidy. The potential operating assistance funding would be the total of the annual unit subsidy for all the property's eligible units.

Family Development Example:

1. Unit 101's most recent Schedule II rent is \$506. $\$506 \times 10\%$ rent increase = \$557.
2. The subsidy would be calculated as follows:
 - **Current Schedule II rent** \$506 x **Proposed family rent increase percentage** 7% = \$541.
3. Unit 101's gap assistance would be \$16 for an annual unit subsidy of \$192.

Elderly Development Example:

1. Unit 201's most recent Schedule II rent is \$400. $\$400 \times 10\%$ rent increase = \$440.
2. The subsidy would be calculated as follows:
 - **Current Schedule II rent** \$400 x **Proposed elderly rent increase percentage** 3% = \$412.
3. Unit 201's gap assistance would be \$28 for an annual unit subsidy of \$336.

APPLICATION INSTRUCTIONS

Application Submission

Asset Management Reporting System (AMRS) is MHDC's property data collection system that assists Asset Management with the overall monitoring of physical, financial, and compliance data that is required per each development's Land Use Restriction Agreement (LURA) and/or Regulatory Agreement. The OAP application may be accessed in AMRS by the System Administrator and Management Company

Administrator roles. Applicants are encouraged to evaluate the responsible party for completing and submitting the OAP application and ensure correct access to AMRS is established prior to the start of the application period.

Application Guidance

The Operating Assistance Program application utilizes both property financial data previously submitted through AMRS, and current property data provided by the applicant. Descriptions of the sections and questions within the application are outlined below.

Part A

This section details information about the property, including development type, funding types, compliance status, and the property's DSCR/ECR. The DSCR/ECR is calculated from the property's financial statement submission for the calendar years as outlined in the applicable NOFA. This information will be used to identify if the property meets the eligibility requirements for the Expense or Debt Coverage Ratio as defined in the OAP NOFA.

- The following information is pulled from property data in AMRS and displayed in Part A of the application:
 - a. Property Name
 - b. MHDC/LIHTC Number
 - c. Total number of units
 - d. Development type
 - e. Owner Name
 - f. Management Company
 - g. County
 - h. Active Funding Type
 - i. Property Compliance
 - j. DSCR/ECR
- **Compliance Determination:** If the property is currently non-compliant for the following reasons, then the property is not eligible to apply for operating assistance:
 - Noncompliant with failure to submit and respond to Annual Financial Statement (AFS) Requirements
 - Noncompliant with failure to submit Annual Certification Online (COL) Report
 - Noncompliant with failure to submit Exhibit A: Owner's Certification of Continuing Program Compliance

If the property is noncompliant, then the application will display the reason for non-compliance. If the compliance issue is resolved prior to the application deadline, then the property will be able to proceed to the next phase of the application. Applicants are highly encouraged to review the compliance status of properties intending to seek assistance and resolve non-compliance issues prior to the start date of the OAP application.

- **Eligibility Determination:** Provide an accurate response to the following question:
 - *During the submission of the financial statements for the calendar years as outlined in the applicable NOFA, did my property have mandatory hard debt? (If property has an amortizing loan, you must select yes.)*
 - Please reference the applicable financial statements submitted in AMRS, as needed.
 - Based on the applicant's YES/NO response, the applicable calculation of Debt Service Coverage Ratio or Expense Coverage Ratio will be displayed based on the financial information previously reported to MHDC during the property's financial statement submission period.
 - If the DSCR/ECR is above or equal to 1.20 in either year, then the property is not eligible to apply for operating assistance. The applicant will be unable to proceed with the application.
 - If the DSCR/ECR is below 1.20 in both years, then the property is eligible to apply for operating assistance. The application will be able to proceed to Part B of the application.

Part B

This section collects information on the property's units, current tenant information, and applicable unit designations. The information submitted must be current as of 8/31/2025. This information will be used to identify eligible units and determine the eligible subsidy.

- **The following information must be provided for all units eligible for annual rent subsidy:**
 - a. Unit Number
 - b. Number of Bedrooms
 - c. Move In Date
 - d. Move Out Date
 - e. Head of Household Full Name
 - f. Unit Designation i.e., Tax Credit 60%, High Home, etc.
 - g. Unit Status: Occupied/Vacant
 - h. Current Tenant Rent
 - i. Current Utility Allowance

Part C

This section requires the submitter to answer questions and upload documents pertinent to further processing the application. Questions are as follows:

- Has a Transfer of Physical Assets (TPA) occurred since the property's most recent tax credit allocation?
- Acknowledgement that the requested assistance will be offered in the form of a non-amortizing soft loan.
- Identify reason(s) why ownership is requesting operating assistance.
- Are there any judgement, claims, arbitration proceedings or suits pending or outstanding against the ownership entity or management company?
- Does ownership anticipate requesting the full amount of estimated subsidy?
- Provide further information needed for processing the MHDC Operating Assistance Application.

Attachments

The following attachments are required for all application submissions:

- **Rent Roll:** The applicant must submit a rent roll current at the time of application submission. The rent roll must include all units in the property and identify the following minimum information:
 - Unit Number
 - Bed Room size
 - Head of Household Full Name
 - Move In Date
 - Move Out Date
 - Current Rent
 - Identify Unit Designation for each unit i.e., Tax Credit 60%, High Home, etc.
 - Identify all units with a project-based voucher
- **Ownership Entity Information:** The application must provide information on the principals of the ownership entity, including name, address, and FEIN/SSN to complete a Missouri tax clearance check in accordance with the Tax Credit Accountability Act.

Certification

The applicant must provide acknowledgement to application certifications and signature to certify the authorization of the application information provided.

APPLICATION APPROVAL

Standards of Conduct

The MHDC Standards of Conduct, adopted on July 31, 2009, and as amended, contains the following requirements concerning contact with Commissioners and staff during the application process:

Definitions:

- **Commissioner:** All appointed and ex officio members of MHDC, including all proper designees of any member which are authorized to vote on behalf of the member they represent.
- **Competitive Matter:** Any matter which shall be put to the Commission for a vote where two or more Interested Parties could benefit from an outcome of the vote including, but not limited to, the award of any MHDC controlled or administered resources and any Commission approved contracts for services.
- **Director:** The Executive Director of MHDC.
- **Disclosure Period:** The period of time after an Interested Party submits a proposal, application, bid or response in a Competitive Matter.
- **Employee:** The Director and all employees of MHDC.
- **Interested Party:** Any person or entity (or anyone acting at their direction or on their behalf) whom submits a proposal, application, bid or response to a solicitation, request, notice or invitation to do so vis-à-vis a Competitive Matter.

- **Quiet Period:** The period consisting of seven days prior to a scheduled vote by the Commission on a Competitive Matter.

Procedure:

Commissioners and Employees may at any time and for any legal purpose initiate contact with anyone, including Interested Parties or agents of Interested Parties, in the course of investigating any Competitive Matter.

If an Interested Party initiates communication, in any form, with a Commissioner or Employee regarding a Competitive Matter following submission of the Interested Party's proposal, application, bid or response, the Interested Party shall follow the following disclosure procedure:

- Within twenty-four (24) hours of contacting a Commissioner or Employee, the Interested Party must file a written notice of the contact with MHDC staff. The written notice will include a written description of any oral communication from the Interested Party to the Commissioner or Employee, and the written notice will include copies of any written or recorded materials provided to the Commissioner or Employee. In addition, within twenty-four (24) hours of filing the notice of contact with MHDC, the MHDC staff will deliver, either in person, by facsimile, or electronic mail or through overnight courier, a copy of the notice (including any attachments) to each and every other Interested Party.

During the Quiet Period, Interested Parties shall not initiate contact with Commissioners or Employees. Failure to honor the provisions set forth herein regarding the Disclosure Period and/or Quiet Period shall result in the disqualification of the Interested Party's proposal, application, bid or response.

Disclosure:

All Interested Parties shall, as part of a response to any Competitive Matter, disclose the name of any former Commissioner or Employee whom they employ or with whom they have a contractual relationship. The complete version of the Standards of Conduct may be found on the MHDC website.

Availability of Funds

Upon Commission approval, awarded applicants will be notified of the Board-approved assistance award and the MHDC requirements that accompany such funding approval. Funding awards will be made based on the availability funds. Operating assistance funds will be structured as a non-amortizing soft loan. Awarded properties will be required to meet annual financial reporting requirements and may be subject to additional reporting requests as determined by MHDC.