

Proposed Changes to Draft Qualified Allocation Plan

Wednesday, September 23, 2026
1:00 P.M.

MHDC.com

Stakeholder Feedback

- MHDC is soliciting feedback from interested parties regarding proposed changes to the Qualified Allocation Plan (QAP).
- Redline of Proposed Changes posted to MHDC website:
<https://mhdc.com/programs/multifamily/>
- Webinar will provide an overview of the proposed changes with context and document references. Questions and comments will not be taken during this webinar.
- Written comments may be submitted directly to MHDC by email to QAP@mhdc.com through 5:00 P.M. CST on Friday, October 16, 2026.

2028 QAP Timeline

Benchmark	Anticipated Date
Proposed Changes Webinar	Wednesday, September 23, 2026
Public Hearing	Thursday, October 15, 2026
Public Comment Deadline	Friday, October 16, 2026
Final QAP to MHDC Board	November 2026
Supplemental Data Exhibit	February 2027
NOFA/Application Open	Spring/Summer 2027

Proposed Changes to Draft QAP

- Redline version of QAP shows significant revisions
 - Green double-underlined text is moved
 - Blue text is removed or added
- Administrative Changes
 - Revisions for organizational purposes and consistency within document
 - Revisions to improve or clarify language
- Substantive Changes
 - Removal of requirements
 - Addition or revision of requirements or criteria

Proposed Changes to Draft QAP

- Updates and additions to Standards
- Restructuring of Selection Process
- Defined Resource Allocation
- Separation of scoring between Preservation and New Unit Creation
 - Substantial changes to New Affordable Unit selection criteria
 - Creation of Preservation selection criteria

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Participant Standards

■ New Development Team Experience Thresholds

■ **Ownership experience:**

- At least one partner or member must have participated in:
 - an MHDC-awarded application; or
 - three LIHTC projects in other states.
 - The properties must have been placed in service during the current or previous three calendar years and not be in material noncompliance.

■ **Management experience:**

- Proposed management agent must manage at least two MHDC properties or five out-of-state LIHTC properties.

■ **Development Team evaluation:**

- MHDC may make the entire application ineligible if any team member is unqualified or becomes problematic.
- Additional listed factors include outstanding MHDC debt and completed projects that have not converted MHDC loans or received Forms 8609.

Underwriting Standards

■ Development Costs:

- Added language that MHDC may require changes or find an application ineligible when proposed construction costs are outliers for type or location.

■ Basis Boost:

- State-designated DDA revised from qualification through a Housing Priority and election at application to an evaluation of the application's need for basis boost based on financial feasibility.

■ Developer Fee:

- Fees adjustments on fixed numbers (per unit and overall cap)
- Added language to clarify fee limits for Historic Preservation and Adaptive Re-use developments
- Added overall cap for 4% applications
 - New Construction: \$6 million overall cap
 - Acquisition-Rehabilitation/Historic Preservation/Adaptive Re-use: \$8 million overall cap

Underwriting Standards

- **Site Acquisition:**

- Removal of language requiring Broker Opinion of Value or appraisal with application submission

- **Development Financing Commitments/LOIs:**

- Added language to clarify requirements for financing source documentation included with application submission

- **Reserves:**

- Removal of Set-aside Reserve and Service Enriched Reserve requirements

Other Minimum Standards

- **Site exclusions:**

- Added language identifying potential ineligibility of sites within one-half mile of identified hazardous uses.
- Added language identifying new construction ineligibility when adjacent to or across the street from specified industrial, noise, or correctional uses.

- **Land-use approvals:**

- Added language that applications must document required rezoning, conditional/special-use permits and variances or provide acceptable confirmation that the use conforms to existing zoning.

- **Extended Compliance:**

- Requires all developments to waive the right to opt-out of the LIHTC LURA and extend the compliance period for an additional 15 years.

Restructuring of Selection Process

- Previous QAPs:

- Four-phase scoring framework
- Priority scoring requirement to meet minimum point threshold
- All applications competitively scored on general criteria

- 2028 Draft QAP:

- Allocates resources by development type
- Removes priority requirement and creates two scoring tracks based on development type
 - Creation of New Affordable Units
 - Preservation

Resource Allocation

■ *Federal and State 9% Credits*

1. **New Unit Construction:**

- Approximately 75% distributed geographically utilizing the existing regional percentages
 - St. Louis 33%, Kansas City 20%, MSA-Rural 20% and Rural 27%
- New Unit Construction includes creation of ten or more new units, Historic Rehabilitation, and Adaptive Re-use proposals

2. **Preservation:**

- Up to 15% distributed statewide for qualifying Preservation applications
- Qualifying developments must have continuing HUD/USDA project-based assistance or operating subsidy, participate in Mark-to-Market, or be a post-compliance-period LIHTC property continuing its original restrictions
- Removed eligibility based on HUD or USDA RD loans

3. **Remaining credits:**

- Credits remaining after the new-unit geographic distribution and Preservation allocation awarded at MHDC discretion based on housing need or impact by natural disaster

Resource Allocation

■ *Federal and State 4% Credits*

1. Federal and State Proposals

- Up to 50% of available State 4% LIHTC for Preservation proposals, with the balance for New Unit Construction (including new construction, historic preservation, and adaptive reuse)

2. Federal-only Proposals

- Approvals based on availability of Private Activity Bond volume cap, anticipated closing timeline, and determination of application eligibility based on Reservation Process and Selection Criteria.
- Added requirement for development proposals with unique circumstances to meet with MHDC staff prior to application submission

Reservation Process

- **Document Review:**

- Clarification of document review and cure process and associated requirements
- Documentation utilized to determine application scoring is not eligible to cure

- **Site Visits:**

- MHDC will conduct review of proposed site and may require access to building for Preservation proposals

Selection Criteria - Preservation

- Applications must earn at least 25 points to be considered for funding
- **New scoring categories:**
 1. Evaluation of rehabilitation need and acquisition as a percentage of the total budget
 - Up to 15 points
 2. Rental-assistance contract, points based on number of covered units
 - 100% = 15 points, 80% = 10, 50% = 5
 3. Property age and initial residential rental occupancy
 - First occupancy before 1987 = 15 points, before 1997 = 10 points, before 2007 = 5 points
 4. Alternatively, properties that have completed the 15-year LIHTC compliance period earn 10 points
 5. Development team evaluation for prior MHDC performance and property condition
 - Developer/Owner/Consultant – up to 10 points
 - Supportive Development Team – up to 2 points
 - Property Management Company – up to 8 points
 - Limitations:
 - Developer/Owner with no prior MHDC experience earn maximum of 18 points
 - Principal of developer/owner/consultant for developments approved in December 2024 and prior that have not reached construction closing will be deducted 5 points

Selection Criteria – Creation of New Affordable Units

- Applications must earn at least 40 points to be considered for funding
- Applications with scattered sites must all be located within same geographic region
- **Income Targeting:**
 - Maximum points reduced and point tiers adjusted to 2, 4, 8, or 10 points based on location and targeted income levels
- **Mixed-Income Development:**
 - Scoring category removed
- **Homeownership:**
 - Reduced from 5 points to 1 point for qualifying single-family or duplex tenant-ownership proposals
- **Service-Enriched Housing:**
 - Reduced from 10 points to 5 points, added new option to fulfill requirement:
 1. Executed service agreement covering all five service parameters and extending through the affordability period;
OR
 2. NEW - Qualifying Certified Organization for Resident Engagement & Services (CORES) certification maintained by ownership, management company, or contracted third party provider through the compliance period

Selection Criteria – Creation of New Affordable Units

■ **Supportive Housing:**

- Reduced from 10 points to 5 points
- Added clarification language for requirement for rent affordability at the greater of 30% AMI rent or 30% of tenant income, an executed referral/service agreement through the affordability period, and a written supportive-services plan
- Streamlined requirement targeted households to persons with a disabling condition(s), youth transitioning out of foster care, homeless as defined by HUD, and survivors of domestic violence and human or sex trafficking

■ **Previous Phase Success:**

- Added eligibility limitation to second or third phases only and that previous phase must still be within LIHTC program

■ **Occupancy:**

- New scoring category for 3 points based on following categories:
 - Family developments: at least 20% of LIHTC units with three or more bedrooms
 - Senior developments: at least three listed amenities or programming features

■ **Opportunity Sites:**

- Replaces the previous Opportunity Area structure
- Relative census-tract ranking under the Supplemental Data Exhibit
 - Highest-ranked application receives 10 points, with declining scores for others

Selection Criteria – Creation of New Affordable Units

- **Cost-burdened Households:**

- Removed scoring category

- **Rural Underserved:**

- No change

- **Workforce Impact:**

- New scoring category for 5 points based on proximity to a qualifying Missouri Works Zone Works job expansion and approval within the preceding 12 months

- **Redevelopment Plan:**

- Moves from a discretionary Phase IV consideration to an objective score
- 5 points for a qualifying locally adopted plan approved within past five years
- 2 additional points for sites in QCT

Selection Criteria – Creation of New Affordable Units

■ **Community Investment:**

- Combined previous Leveraged Funding categories into one category for up to 7 points based on percent of qualifying resources per unit
- Added eligible resources for consideration under category
- Removed fee waivers as eligible resource
- CDBG-DR funds still receive additional 3 points

■ **Project-based Rental Assistance:**

- Added a tenant-payment limit and permits disqualification where the assistance provider has a history of failing to fulfill commitments

■ **Credit Efficiency:**

- Adjusted comparator groups from four new-construction/rehabilitation groups to three new-unit groups: family new construction, senior new construction, and historic preservation/adaptive reuse

Selection Criteria – Creation of New Affordable Units

■ Development Team Prior Performance:

- Maximum points reduced from 25 to 20 points:
 - Developer/Owner/Consultant: 12 → 10
 - Supporting Development Team: 5 → 2
 - Property Management Company: remains 8
 - Maximum for a developer without prior MHDC experience: 22 → 18

■ Historic or Energy Efficiency:

- New scoring category for 1 point based on either of the following categories:
 1. Qualifying historic documentation/equity interest; **OR**
 2. Formal green-building certification.

Other Information

- **Compliance Monitoring:**

- Removed compliance requirements and added reference to Tax Credit Program Compliance Manual

- **Development Changes:**

- Added language that material changes, including changes to site or ownership will not be approved

Supplemental Data Exhibit

- Available February 2027
 - Timely release of data is dependent on the availability of updated data sources
- Utilizes existing data sources to define eligibility for the following scoring categories:
 - Opportunity Sites
 - Rural Underserved
 - Workforce Impact

Rural Underserved Counties

- Layers of data analysis:

1. Rural counties
2. Local population
3. History of LIHTC development
4. Cost burdened households

Opportunity Sites

- Layers of data analysis:

1. Quality of Life

- a. School Performance
- b. Commute Times
- c. Community Amenities
- d. Health Outcomes

2. Economic Opportunity

- a. Employment
- b. Income Data
- c. Cost Burden

3. Housing Need

- a. Housing Gap
- b. Affordable Housing Availability

Workforce Impact

- Missouri Department of Economic Development - Missouri Works Program
 - Incentive program designed to help businesses create jobs and expand facilities
 - Zone Works Program targets businesses in Enhanced Enterprise Zones, where the average jobs created must be 80% of the County Average Wage
- Exhibit will identify eligible census tracts within qualified distance from businesses approved by DED for the Zone Works Program

Stakeholder Feedback

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- All written comments received by 5:00 P.M. CST on Friday, October 16, 2026, will be included in a summary of feedback received, to be posted to MHDC's website.