



2027 DRAFT QUALIFIED ALLOCATION PLAN

SUMMARY OF PROPOSED CHANGES

September 15, 2025

Administrative Changes

- Grammatical revisions and removal of nonessential language
- Removal of references to application submission deadlines and processes
- Removal of references to FIN-100 and application documents updated to reflect use of Multifamily Application and Administration Portal (MAAP)

Substantive Changes

I. General Information

B. Developer's Guide

- Revision of section title to "Guidance Documents"
- Revision of section language to include references to additional resource documents as supplements to QAP, including NOFA, Application Guidance, and subject-level documents

C. Credit Types and Availability

- 9% Credit
 - Move Geographic Region from Underwriting/Selection Criteria section to 9% Credits section
- 4% Credit
 - Add language for Bond Developments without State LIHTC:
 - Utilize a time-sequence approval process based on anticipated closing dates ("pipeline") process with the following requirements:
 - Eligibility of applicants to enter pipeline will be determined based on readiness to proceed
 - Requirement to close within 120 days of Board approval
 - Make volume cap available to Bond Developments based on their order in the pipeline
 - Limited to 30% of aggregate basis financed with Tax-Exempt Bonds

E. Deadlines and Application Fee

- Removal of section language as application information will be included in NOFA

F. Application Scoring Model

- Identify separate criteria for scoring applications for Federal/State LIHTC and Federal-only LIHTC

II. Standards

B. Development Standards

- Revise resyndication requirements to include the completion of the 15-year compliance period

C. Underwriting Standards

- Removal of Development Cost Maximums section
- Increase in Eligible Basis
 - Change title of “Set-Aside Preference” to “Supportive Housing,” including subsequent references
- Developer and Contractor Fee Limits
 - Provide definition of MHDC fees:
 - Fees included: Application, appraisal, construction cost analysis, inspection
 - Fees excluded: Tax Credit allocation, Tax Credit monitoring
- MHDC Reserves
 - Remove Rental Assistance Reserve

III. MHDC Housing Priorities

3. Set-Aside Preference

- Change “Set-Aside Preference” to “Supportive Housing,” including all subsequent references

5. Preservation

- Revise language for qualification of LIHTC properties:
Currently encumbered by a LIHTC LURA and have completed the final year of the compliance period for all buildings in the development.
- Remove requirement for MHDC preservation letter

6. CDBG-DR

- Revise language to include any local government with CDBG-DR Action Plan approved by HUD

10. New Section – 50% Maximum

- Add language for pilot priority to include lower targeted rent limits
 - For development proposals with 60% AMI units, the 50% rent limit will be applied as the maximum rent level throughout the extended use period
 - 30% AMI units will utilize 30% rent limit
 - Only applications requesting Federal-only LIHTC are eligible to utilize priority

IV. Reservation Process

A. Document Review

- Threshold Documents
 - Revise language to reference Application Guide and Checklist
 - Remove specific document references
- Secondary Documentation Review
 - Revise language to reference Application Guide and Checklist
 - Remove specific document references

C. General Scoring Phase III

Development Characteristics

- Revise Extended Compliance language:

Development proposals that waive the right to opt out at the end of the fifteen-year LITHC compliance period will receive 5 points.

Use of Resources

- Revise Leveraged Funds language to include the opportunity for 0-13 points according to the following categories:

Applicants may submit a development proposal that meets any of the scoring criteria as detailed in the below sections for a maximum of 13 points.

a. *Favorable Financing (up to 7 points)*

Development proposals that include source(s) from an unaffiliated party(ies) will be eligible for points based on the table below (the source's percentage of the Total Development Budget). Eligible sources include the following:

- HOME funds
- HOME-ARP funds
- Local Housing Trust Funds
- Community Development Block Grant (CBDG) funds
- Private or community foundation
- Historic tax credit proceeds
- Other Federal, State, or Local Government funds

MHDC resources and loans originated by a conventional bank are not eligible for points. To qualify for points, the application must include an executed Letter of Intent, including financial commitment amount and terms.

Percentage of Leveraged Funds	Points
Greater than 2.5%	3
Greater than 5%	5
Greater than 7.5%	7

b. *Local Government Support (up to 3 points)*

Development proposals that include local government support through one of the following categories will be eligible for 3 points.

1. Tax exemptions, i.e., local property tax abatement, sales tax exemptions/savings
2. Fee waivers totaling at least \$50,000 or all the fees a local government can waive, whichever is lesser
3. Donation of real estate owned by local government and not previously purchased from any party related to development proposal
4. Infrastructure improvement, i.e., utility connects, water, sewer, drainage, streets

The support must:

- Offset the cost of eligible development line-item(s)
- Not show the applicable cost(s) as a line-item in the application
- Be documented through passed resolution(s) from the local government; and
- Include documentation of the financial value and valuation methodology (i.e., appraisal, bids, contracts).

c. CDBG-DR (up to 3 points)

Development proposals that include federal disaster recovery funds, i.e., CDBG-DR funds, will receive 3 points.

- Remove Federal Historic Tax Credits category
- Revise Rental Assistance language:

Development proposals that include a project-based rental assistance contract for at least 15% of the total units will receive 5 points.

Development Team

- Revise Development Team Prior Performance language:

Development proposals will be deducted five (5) points for the following unsatisfactory performance factors of any principal of the developer/owner/consultant for a previously approved development, beginning August 1, 2025, or as otherwise noted below:

- Waivers approved with prejudice (as identified in waiver consideration)
- Construction Closing delays in excess of three years from Board approval (December 2022 and prior)
- Deviation from commitment in original application for a scoring category
- Development construction not built to MHDC Construction and Design Standards
- Delinquent payment on MHDC Loan
- Significant disregard for MHDC policies and processes

Future QAP Changes

The following topics are currently under consideration for future QAP versions:

- Credit Efficiency
 - Consideration of new method for the evaluation of development costs and credit requests
- Developer Capacity Limits
 - Consideration of documented limits to total number of approved developments in active development status, including limits to developments in specific stages between approval to placed in service and/or 8609 issuance
- Economic Development
 - Consideration of new methods to demonstrate and evaluate impact of economic development investment
- MHDC Fees
 - Consideration of revision to MHDC fees, including Tax Credit fee, document revision fees
- New Construction/Rehabilitation Selection Criteria
 - Consideration of revision to scoring rubric related to specific criteria for new construction proposals vs. rehabilitation proposals
- Readiness to Proceed
 - Consideration of evaluation criteria to address challenges in development timeliness