



2026 DRAFT QUALIFIED ALLOCATION PLAN *SUMMARY OF CHANGES*

May 9, 2025

Administrative Changes

- Dates updated to reflect current funding years
- References to statute and regulation updated as applicable
- Lists, numbers, and point totals revised as applicable
- General grammatical revisions updated throughout document as needed

Draft QAP Changes

I. General Information

E. Deadlines and Application Fee

- Added deadline for application submission to Multifamily Application & Administration Portal (MAAP) two weeks after the initial ShareFile application submission deadline

II. Standards

A. Participant Standards

- Added definition of an Identity of Interest relationship
- Added definition of “chief executive officer”
- Revised MBE/WBE Participation Standard:

MHDC’s MBE/WBE Initiative encourages involvement of businesses certified as a Minority Business Enterprise (MBE) and/or Woman Business Enterprise (WBE) under a business certification program by a municipality, the state of Missouri, or other certifying agency, as deemed appropriate by MHDC in consultation with the State of Missouri Office of Equal Opportunity. MHDC encourages developments to reach 10% MBE and 5% WBE participation.

B. Development Standards

- Removed MBE/WBE Participation Standard
- Added language clarifying resyndication:

Developments receiving a subsequent allocation of LIHTC will be considered a resyndication if awarded while subject to a valid extended use agreement/in the extended use period. For tax credit resyndication developments the original LURA restrictions must be followed for the original LURA term.

C. Underwriting Standards

- Revised Rents language:

The proposed rents must not exceed the rent maximums set by funding sources utilized in the application. Proposed rents must meet all underwriting standards for applicable funding sources and present achievable rents, as supported by the market study. All efforts must be made to keep from permanently displacing tenants.

- Added Debt Coverage language:

Development proposals must show stabilized debt service coverage between 1.20 and 1.50 throughout the term of the permanent loan(s). MHDC reserves the right to underwrite to the standard for MHDC debt regardless of the source. Development proposals will not be recommended for funding if the DSC is below 1.00 at any point during the Compliance Period.

- Revised Developer and Contractor Fee Limits:

- a. For the purposes of the developer fee limit, "Developer Fee" is defined as the sum of the developer fee and any consultant fees including, but not limited to, the following types of consultants: development and/or credit, application, historic, and relocation consultants. Development costs paid for by a previous owner are not considered with calculating developer fee, even if the cost of the previous work is included in the sales/purchase contract.
- b. The Conditional Reservation Agreement approved developer fee cannot be increased for any reason without Commission approval. Deferred developer fees cannot exceed 50% of the total Developer Fee at application submission and must demonstrate full payment within 15 years.

For 9% applications:

- i. New Construction Developments** are limited to the lesser of:

- a. \$4,000,000; or
- b. \$45,000 per unit; or
- c. 13% of total development costs (excluding Developer/Consultant Fee category and all reserves).

- ii. Acquisition-Rehabilitation Developments** are limited to the lesser of:

- a. \$6,000,000; or
- b. 35% of Hard Costs; or
- c. 13% of total development costs (excluding Developer/Consultant Fee category and all reserves).

- iii. Combination Developments with both New Construction and Rehabilitation** are limited to the lesser of the above calculations.

For 4% applications:

- iv. New Construction Developments** are limited to the lesser of:

- a. \$45,000 per unit; or
- b. 13% of total development costs (excluding Developer/Consultant Fee category and all reserves).

- v. Acquisition-Rehabilitation Developments** are limited to the lesser of:

- a. 35% of Hard Costs; or
- b. 13% of total development costs (excluding Developer/Consultant Fee category and all reserves).

- vi. Combination developments with both New Construction and Rehabilitation** are limited to the lesser of the above calculations.

- Revised Appraisal policy:

MHDC may order an appraisal to confirm the market value of land and improvements for

developments approved for MHDC loan resources. If the proposed purchase price is not supported by the MHDC appraisal, the purchase price will be reduced to the appraised value. The intended users of the appraisal will be MHDC, the sponsors of the development, and their investors and any potential mortgagees.

- Revised language addressing Build America, Buy America Act requirements
- Consolidated language regarding MHDC Required Reserves into one section

IV. Reservation Process

A. Document Review

- Added Market Study to list of Threshold Documents
- Revised Approved Utility Allowance Schedule language:

Provide the most current Utility Allowance schedule from one of the following sources:

- Rural Development (RD): buildings that receive RD assistance must use the applicable utility allowance provided by RD for all rent restricted units.
- HUD: Buildings where rents and utility allowances are reviewed on an annual basis or that receive rental assistance must use the utility allowance provided by HUD for all rent restricted units.
- Local Public Housing Authority (PHA)
- Local Utility Provider Estimate
- Energy Consumption Model
- HUD Utility Schedule Model

- Revised Priority Scoring language:

Applications must meet the qualifications of one or more of the following priority groups listed below to proceed to General Scoring – Phase III:

- Nonprofit;
- HOME CHDO;
- Service Enriched, including Veterans Housing;
- Permanent Supportive Housing, Vulnerable Populations;
- Preservation;
- CDBG-DR;
- Workforce Housing; or
- Opportunity Area

C. General Scoring Phase III

- Revised Phase III categories and point summarization to reflect updated language:

The following chart summarizes the point categories in Phase III.

Scoring Category	Points
<i>Development Characteristics</i>	
Income Targeting	0-13
Mixed Income	10
Homeownership Opportunity	5
Housing Priorities	0-10
Extended Compliance	0-5
Previous Phase Success	1
<i>Site Location</i>	

Cost Burden	0-15
Opportunity Area	7
Rural Underserved	5
Preservation	0-15
<i>Use of Resources</i>	
Leveraged Funds	0-10
Federal Historic Tax Credits	5
Rental Assistance	0-5
Credit Efficiency	0-7
<i>Development Team</i>	
Development Team Prior Performance	0-25

Development Characteristics

- Revised Mixed Income Development language:

Development proposals that include at least 10% market rate units or Average-Income Minimum Set-Aside Units at 80% AMI will be awarded (10) points. Internal Revenue Code requires that mixed income multi-family developments must be located on contiguous sites.

- Removed Economic Development category
- Revised Preservation Priority language:

Development proposals that qualify and meet the requirements for the Preservation Priority will be awarded points based on the table below, development proposals will only earn points in the highest-scoring category eligible:

Preservation Development	Points
Located in Kansas City or St. Louis regions	10
Located in MSA-Rural or Rural regions	12
Development is existing USDA-RD property	15

Use of Resources

- Revised Leveraged Funds language:

Applicants may submit a development proposal that meets one or both of the below scoring criteria, as detailed in sections a. and b., for a maximum of 7 points available in this category. Proposals that include federal disaster recovery funds, i.e. CDBG-DR funds, will be eligible for an additional 3 points in the category, up to a total of 10 points.

- Development proposals that include financial investment from an unaffiliated party will be awarded points based on the table below. Eligible sources include grant funds, capital campaign funds, federal funds, state funds, or municipal funds, and will be awarded points based on the percentage of award as it related to the Total Development Budget. MHDC resources, Historic Tax Credit equity, and private institution loans are not eligible for points in this category. To qualify for points in this category, 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. Development proposals that include local government support through one of the following categories will be eligible for 3 points. The support must offset the cost of eligible development line-item(s), and the proposal may not show the applicable cost(s) as a line-item in the application. The local government support must be documented through passed resolution(s) from the local government. In addition, documentation of the financial value and valuation methodology must be included in the application, i.e. appraisal, bids, contracts.

- i. Tax exemptions
- ii. Fee waivers: totaling at least \$50,000 or all the fees a local government can waive, whichever is lesser
- iii. Land donation: real estate owned by local government and not previously purchased from any party related to development proposal
- iv. Infrastructure improvement, i.e. utility connects, water, sewer, drainage, streets

- Revised Rental Assistance language:

Development proposals that include committed rental assistance for at least 15% of total units are eligible for points based on the table below. Rental assistance commitments are required for a minimum of five-year terms.

Rental Assistance	Points
Developer Funded Rental Assistance	2
Project-Based Vouchers	5

Rental Assistance Reserve

- a. Calculated as the difference between net rent of 60% AMI units and 30% AMI rents
- b. Must be funded by developer through Developer Fee
- c. Reserve must stay with development until it is depleted

Project-Based Vouchers

- a. Vouchers committed from Rural Development, HUD, or local Public Housing Authority
- b. Written commitment from eligible

Development Team

- Revised Development Team Prior Performance language:

Development Team Prior Performance	Points
Developer/Owner/Consultant	12
Supporting Development Team	5
Property Management Company	8

VII. OTHER INFORMATION

A. Program Fees

- Revised Appraisal Fee language:

MHDC may order an appraisal from an independent third party to provide an appraisal for developments approved for MHDC loan resources. If appraisal is ordered, MHDC will assess a fee of \$6,500 to be paid with the execution of the Conditional Reservation (“Appraisal Fee”). The Appraisal Fee is non-refundable.