



**Missouri Housing**  
Development Commission

# 2025 Rental Production Application Workshop

Thursday, August 1, 2024

MHDC.com

# Application Submission Tips

- New submission process using ShareFile
  - Make sure to request link from MHDC for application submission folder before 5:00 p.m. on Friday, September 13, 2024
- Applications for State Accelerated Redemption Pilot Program
  - Submit one FIN-100 using Standard Pricing and indicate request to be considered for the Accelerated program
  - Submit LOI that includes Standard Pricing and Accelerated Pricing
- Application for Housing Trust Fund sources
  - Submit Primary FIN-100 with HTF as a source
  - Submit Alternate FIN-100 without HTF as a source
  - Be aware of requirement to comply with Build America Buy America
- If requesting HOME-ARP funds, it is recommended to discuss with staff ahead of application submission
- Waivers for Market Study submission extension will not be granted, must be submitted with application by deadline

# Important Deadlines

- Preservation Letter Request Deadline
  - 5:00 p.m. on Monday, August 19, 2024
- Development Cost Minimums Waiver Request Deadline
  - 5:00 p.m. on Monday, August 19, 2024
- Application Waiver Request Deadline
  - 5:00 p.m. on Monday, September 9, 2024
- ShareFile Link Request Deadline
  - 5:00 p.m. on Friday, September 13, 2024
- Application Submission Deadline
  - 5:00 p.m. on Wednesday, September 18, 2024
- Application Fee Submission Deadline
  - 5:00 p.m. on Wednesday, September 18, 2024



**Missouri Housing**  
Development Commission

**Missouri Housing Development Commission is dedicated to strengthening communities and the lives of Missourians through the financing, development and preservation of affordable housing.**

[MHDC.com](http://MHDC.com)



A simple black silhouette of a house with a chimney on the left side of the roof.  
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# 2025 NOFA Overview

[MHDC.com](https://www.mhdc.com)

# MHDC Requirements

- MHDC is the steward of public resources
- Tax credit allocator, federal funding assistance grantee

# 2025 NOFA

- Approved by Board of Commissioners July 12, 2024
- Notifies interested parties of available funding for production and preservation of affordable rental housing
- Funding includes tax credits, construction and permanent loans, grant funds
- Application deadline of **Wednesday, September 18, 2024**

# 2025 NOFA Estimated Amounts

Federal 9% LIHTC	\$18,000,000 annually
State 9% LIHTC	Up to 70% Federal 9% LIHTC
Federal 4% LIHTC	As-of-right, as authorized by MHDC
State 4% LIHTC	\$5,000,000 annually



# 2025 NOFA Estimated Amounts

HUD HOME Program	\$13,500,000
HUD HOME CHDO	\$2,070,000
HUD HOME ARP	\$14,779,400
HUD HTF	\$3,000,000
HUD ARP	\$4,000,000
MHDC Fund Balance	\$14,000,000 Construction only \$22,000,000 Construction and Permanent
MHDC TCAP	\$1,200,000
HOME CHDO Operating Grant	\$100,000



A simple black silhouette of a house with a chimney on the left side of the roof.  
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# 2025 QAP Overview

[MHDC.com](https://www.mhdc.com)

# Agenda

- General Information
- Standards
- Housing Priorities
- Scoring
  - Phase I: Document Review
  - Phase II: Priority Scoring
  - Phase III: General Scoring
- *2025 Updates highlighted where applicable*

# Important Considerations

- Applicants encouraged to review all available materials on MHDC's website
- Must maintain basic structure of application approved by Commission
- If applicant receives points, commitments must remain

# Important Considerations

- Qualified Allocation Plan (QAP) establishes processes MHDC will use to administer funding
- Developer's Guide provides supplement to information in QAP

# 2025 QAP Overview

- **General Information**
- Standards
- Housing Priorities
- Scoring

# Application Process

- Applications deadline Wednesday, September 18, 2024
- Electronic Applications via ShareFile **(2025 update)**
- Application Discrepancies
  - FIN-100 is the “record” and is “signed” as final.
  - If there is a discrepancy between the FIN-100 and exhibits, the information in the FIN-100 will be considered final
- Application waivers must be submitted 7 days before application deadline
- More detail on application submission provided this afternoon

# Reservation Process

- Phase I: Document Review
  - Threshold Documents Review
  - Secondary Documentation Review
- Phase II: Priority Scoring
- Phase III: General Scoring
- Phase IV: Underwriting/Selection Criteria
- Board of Commissioner's consideration and approval of recommended applications



# 2025 QAP Overview

- General Information
- **Standards**
- Housing Priorities
- Scoring

# Standards

- Participants must be in good standing with MHDC
- Developments standards include compliance with
  - MHDC Design/Construction Compliance Guidelines
  - Local, state, and federal ordinances
  - Utilize sustainable building techniques
  - Sufficient broadband infrastructure
- Underwriting standards include
  - Qualified Census Tracts and Difficult Development Areas eligible for increase in eligible basis
  - Developer and contractor fee limits
  - Rents

# Rents

- Proposed rents must not exceed the rent maximums set by funding sources utilized in the application (**2025 update**)
- Proposed rents must meet all underwriting standards supported by the market study
- For applications including rehabilitation, current rents for existing residents must not increase more than 10%
- Subsequent rent increases following construction completion are subject to MHDC's rent increase policy
- All efforts must be made to keep from permanently displacing tenants

# Standards- 2025 Updates

- If applying under State LIHTC Accelerated Redemption Pilot Program, two Letters of Intent within single application
- If rehabilitation not addressing all units, provide explanation
- Developments with MHDC funding must have VAWA Emergency Transfer (VET) Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking
  - Must consult applicable regulations when developing emergency transfer plans, to ensure plans contain all required elements

# Standards- 2025 Updates

- Housing Trust Fund (HTF) subject to the requirements of the Build America Buy America Act
- Applications requesting HTF should also include an alternate FIN-100 that does not include HTF as a source
- ~25 811 Project Rental Assistance (PRA) vouchers available
  - Must apply and be eligible under Service-Enriched Priority to request
  - Units cannot have 811 PRA vouchers and be designated as Set-aside

# 2025 QAP Overview

- General Information
- Standards
- **Housing Priorities**
- Scoring

# Housing Priorities

- Receive 45 points in Phase II
- Nonprofit Involvement Set-Aside
- HOME CHDO Set-aside
- Set-Aside Preferences (9% Applications eligible for Basis Boost)
- Service-Enriched (9% Applications eligible for Basis Boost)
- Preservation (9% Applications eligible for Basis Boost)
- CDBG-DR
- Workforce Housing (9% Applications eligible for Basis Boost)
- Opportunity Areas

# Nonprofit Involvement Set-Aside

- Pursuant to the Code, at least 10% of the 9% Credit available must be allocated to developments that involve a qualified nonprofit organization
- 4% Developments do not qualify
- Qualified nonprofit organization
  - A 501(c)(3) or 501(c)(4)
  - Express purpose of fostering low-income housing
  - Owns an interest and materially participates in development
  - Not affiliated with, nor controlled by, for profit organization



# HOME CHDO Set Aside

- MHDC will endeavor to set-aside 15% of HOME Funds to be loaned or granted to Community Housing Development Organizations (“CHDO”) as CHDO Set Aside
- Private nonprofit, community-based organization with staff capacity to develop affordable housing for the community it services
- Certain legal, organizational, and other requirements apply for nonprofit organizations to qualify for CHDO status (24 CFR Part 92.2)

# Set-Aside Preferences

- MHDC will endeavor to set aside 33% of Federal and State LIHTC (4% Credit and 9% Credit) for developments containing units qualifying under the Set-aside Preferences
- Two separate priorities
- Commit at least 10% of units
- Permanent Supportive Housing
  - persons who are physically, emotionally or mentally impaired or are experiencing, or being treated for, or have a diagnosis or a history of mental illness; or developmentally disabled
- Vulnerable Persons
  - persons who are homeless, as defined by HUD, including survivors of domestic violence and human or sex trafficking; or are youth transitioning out of foster care

# Service-Enriched Housing

- Enhances the connection between affordable housing and supportive services and encourages more comprehensive housing environments
- Substantial services targeted to a specific population
- Examples include but not limited to
  - Senior households, individuals with children, formerly homeless individuals and families, individuals with a physical impairment and/or developmental disability, individuals diagnosed with mental illness, children of tenants, and Veterans
- The desired outcomes are for tenants to stay housed, have social and community connections, improve their physical and mental health, increase their income and employment, and to be satisfied with the services and housing
- Includes Veteran's Housing Priority

# Preservation

- Development must meet at least one of the following criteria:
  - Have and continue to use project-based rental assistance and/or operating subsidy
  - Have a loan made prior to 1985 from any of the following loan programs: HUD 202/811, 221(d)(3) or (d)(4), 236, or USDA RD 515
  - Participate in HUD's Mark-to-Market restructuring program
  - Have a previous allocation of low-income housing tax credits and be in or have completed the final year of the Compliance Period for all buildings in the development
- If receiving federal historic credits and/or state historic credits, must waive the right to opt out of the LIHTC LURA to be recorded against the development for an additional 15 years beyond Compliance Period

# CDBG-DR

- Projects must be located within Missouri Department of Economic Development (DED)'s CDBG-DR Program for Most Impacted and Distressed Counties
  - DR-4451 – County of Cole
- Jefferson City is awarded CDBG-DR funds from DED through the DR-4451 program.
- Applicants proposing to utilize CDBG-DR funding must obtain a Letter of Intent from Jefferson City.

# Workforce Housing

- 15% to 25% of total units in the development set aside for households earning between 60% and 80% of AMI
- Development in county with median income less than the most recent statewide median income
- Rents workforce housing units should be different than rents at or below 60% AMI

# Opportunity Area

- Family developments in areas meeting certain criteria
  - Access to high-performing school systems, transportation and employment
  - Located in a census tract with a 15% or lower poverty rate
- Required to include an affirmative marketing plan reaching families in census tracts where poverty rate exceeds 40%
- Must also apply under Service-Enriched priority

# Housing Priorities- 2025 QAP Updates

- Removed Opportunity Zone language
- Removed Independence Enabling Housing from Set-Aside Preference qualification list



# 2025 QAP Overview

- General Information
- Standards
- Housing Priorities
- **Scoring**

# Reservation Process

- **Phase I: Document Review**
  - **Threshold Documents Review**
  - **Secondary Documentation Review**
- Phase II: Priority Scoring
- Phase III: General Scoring
- Phase IV: Underwriting/Selection Criteria
- Board of Commissioner's Consideration and Approval of Recommended applications

# Document Review Phase I

- Organized Application
- Meets standards outlined in QAP
- Obtain tax clearance from Missouri Department of Revenue
  - IRS form 8821 required for developers and key principals
  - Complete forms required to complete check
  - Follow up on status with Missouri Department of Revenue

# Document Review Phase I

- Threshold Documents

- Executed FIN-100
- Application Fee
- Development Questionnaire
- Financing Commitments
- Chief Executive of Local Jurisdiction Contacted

- Secondary Documentation

- If five or more missing or incomplete, application may be rejected
- Four or less missing or incomplete, applicant will be notified of cures

# Phase I Scoring - 2025 QAP Updates

- Contacting Chief Executive of local jurisdiction threshold requirement
- State Senator, State Representative, and Executive Director of Public Housing Authority moved to secondary document requirement
- Moved economic impact to secondary review document category

# Reservation Process

- Document Review – PHASE I
  - Threshold Documents Review (Pass/Fail)
  - Secondary Documentation Review (Pass/Fail)
- **Priority Scoring - PHASE II**
- General Scoring – PHASE III
- Underwriting/Selection Criteria – PHASE IV
- Team Presentation/Discussion/Evaluation of Applications
- Staff Recommendation to Commission for Approval
- Commission’s Consideration and Approval of Recommended applications

# Priority Scoring Phase II

- Applications that pass Phase I divided into two groups
- Priority Group: assigned 45 Phase II points
  - Developments with housing priority identified in QAP
- Non-Priority Group: assigned 0 Phase II points

# Reservation Process

- Document Review – PHASE I
  - Threshold Documents Review (Pass/Fail)
  - Secondary Documentation Review (Pass/Fail)
- Priority Scoring - PHASE II
- **General Scoring – PHASE III**
- Underwriting/Selection Criteria – PHASE IV
- Team Presentation/Discussion/Evaluation of Applications
- Staff Recommendation to Commission for Approval
- Commission’s Consideration and Approval of Recommended applications



# General Scoring Phase III

- Applications must earn 90 combined points in Phase II and III
- 2025 QAP points by category:

Category	Points Possible
Development Characteristics	84
Use of Resources	27
Development Team	25

# Development Characteristics

Development Characteristics Category	Points Possible
Income Targeting	0-13
Mixed Income Development	10
Homeownership Opportunity	5
Housing Priorities	0-10
Previous Phase Success	1
Site Location	0-15
Economic Development	0-5
Preservation	0-20
Extended Compliance	0-5
<b>Total</b>	<b>84</b>

# Income Targeting (0-13 Points)

- Developments that target a percentage of units to lower income households awarded points
- 2025 QAP updates
  - Increased points possible
  - Proposals electing the Average-Income Minimum Set-Aside will be required to maintain the percentage of units receiving income targeting points in their application

# Income Targeting (0-13 Points)

Location	Points	Income Level	% of Units
St. Louis and Kansas City MSAs	13 Points	30% AMI	15% of Units
	9 Points	30% AMI	10% of Units
	4 Points	40% AMI	10% of Units
	2 Points	50% AMI	10% of Units
Springfield, Columbia, Joplin, Jefferson City, Cape Girardeau and St. Joseph MSAs	13 Points	30% AMI	12.5% of Units
	9 Points	30% AMI	7.5% of Units
	4 Points	40% AMI	7.5% of Units
	2 Points	50% AMI	7.5% of Units
All other counties not included above	13 Points	30% AMI	10% of Units
	9 Points	30% AMI	5% of Units
	4 Points	40% AMI	5% of Units
	2 Points	50% AMI	5% of Units

# Mixed Income (10 Points)

- Developments that have at least 10% market rate units, workforce housing units, or Average-Income Minimum Set-Aside Units at 80% AMI
- Mixed income multi-family developments must be located on contiguous sites
- 2025 QAP update to include workforce housing

# Homeownership (5 Points)

- Developments of single-family and duplex homes intended for 100% tenant ownership at the end of the 15-year compliance period
- Review Homeownership Policy
- 2025 QAP update to rename Tenant Ownership to Homeownership Opportunity

# Housing Priorities (0-10 Points)

- Applicants may submit a proposal that meets one or both Service Enriched and Set-Aside Preference Priorities
- Points awarded to the highest scoring priority

# Service Enriched

- 5 Points: application includes commitment to provide services for duration of affordability period
- 1 point for service parameter
  - Service Parameters
    - Housing Stability
    - Increased Income and/or Employment
    - Physical and/or Mental Health
    - Quality of Life
    - Social and Community Connection
- Required Service Provider commitment of at least three years
- Additional details provided during Housing Priorities presentation



# Set-Aside Preference

- 5 Points: Applications that include a commitment to set aside 15% or more of the units for permanent supportive housing and/or vulnerable population tenants
- 0-5 Points: based on the quality and alignment of services with the targeted population(s)
- Updated for 2025 QAP
- Additional details provided during Housing Priorities presentation

# Previous Phase Success (1 Point)

- Subsequent phase development proposals awarded 1 point
- The previous phase(s) have a vacancy rate of less than 5%
- Previous phase(s) have a waiting list
- Any previous phase is located within ½ mile driving distance of the first phase

# Site Location (0-15 Points)

- Households spending more than 50% of gross monthly income on housing are termed severely cost burdened
- Severe cost burdened households
  - If development in a county where the percentage of severe cost burdened renter households exceeds 10% awarded points
    - 10 points greater than 20% severe cost burdened households
    - 7 points greater than 15% severe cost burdened households
    - 5 points greater than 10% severe cost burdened households
- Family sites that are in Opportunity Area
  - Awarded 7 points
- Rural underserved counties
  - Awarded 5 points
- Applicable supplemental data published on MHDC website

# Economic Development (0-5 Points)

- Intentional link to a new and planned economic development project
- Demonstrated by proximity to the development, direct transportation connections between the housing and jobs, and demonstrated coordination between the housing and economic development project
- Direct Coordination Letter (2 Points)
- Primary Market Map of Economic Development (1 Point)
- Development Proximity Map (1 Point)
- Transportation Map Routes (1 Point)

# Preservation (0-20 Points)

- Qualify and meet requirements of preservation priority
- 10 points if located in Kansas City or St. Louis
- 17 points if located in MSA-Rural or Rural regions
- 20 points if existing USDA-RD property
- Total preservation points increased in 2025 QAP

# Extended Compliance (0-5 Points)

- Developments that waive right to opt-out at the end of 15 year LIHTC compliance period
- Points based on years the compliance period is extended
  - 1 point if extend 5-9 Years (total compliance period 20-24 years)
  - 3 points if extend 10-14 Years (total compliance period 25-29 years)
  - 5 points if extend 15 or more years (total compliance period 30+ years)

# General Scoring Phase III

- Applications must earn 90 combined points in Phase II and III
- 2025 QAP points by category

Category	Points Possible
Development Characteristics	84
<b>Use of Resources</b>	<b>27</b>
Development Team	25

# Use of Resources

Use of Resources Category	Points Possible
Leveraged Funds	0-10
Federal Historic Tax Credits	5
Rental Assistance	0-5
Credit Efficiency	0-7
<b>Total</b>	<b>27</b>



# Leveraged Funds (0-10 Points)

- Developments with executed LOIs for unaffiliated party grant funds, capital campaign funds, federal funds, incentive program funds, and/or municipal funds
- Awarded points based on the percentage of award as it relates to the Total Development Budget
  - 3 points: greater than 2.5%
  - 5 points: greater than 5%
  - 10 points: greater than 10%
- MHDC resources and private institution loans are not eligible for points in this category
- Removed energy/utility rebates in 2025 QAP

# Federal Historic Tax Credits (5 Points)

- Have executed LOIs for Federal Historic Tax Credits
- 2025 QAP clarification: still eligible if requesting State LIHTC

# Rental Assistance (0-5 Points)

- Committed rental assistance for at least 15% of units
- Developments with Rural Development, Project Based Rental Assistance, or self-funded rental assistance reserves eligible
- 2 points: Minimum commitment of 3 years
- 5 points: Commitments of 10 years or longer
- 2025 QAP updates
  - Adjusted point distribution
  - Points based on length of commitment

# Credit Efficiency (0-7 Points)

- Based on the eligible LIHTC amount per LIHTC
- Applications divided into four categories (Family New Construction, Senior New Construction, Family Rehab, Senior Rehab)
- A “safe harbor” determined for each category
- The Average Eligible LIHTC amount per LIHTC bedroom determined for each category based on the eligible LIHTC amount per LIHTC bedroom data in the submitted applications under this Plan.
- The Safe Harbor for each category is 10% above and 10% below the Average Eligible LIHTC amount per LIHTC bedroom for each respective category.
- 3 Points: Within Safe Harbor
- 7 Points: Below Safe Harbor
- 2025 QAP update: Removed LIHTC bedroom size requirements

# Use of Resources – 2025 QAP Updates

- Removed National Housing Trust Fund, HOME CHDO, and Total Development Cost points in the Use of Resources category
- Development team prior performance considered through July 31<sup>st</sup> of application year

# General Scoring Phase III

- Applications must earn 90 combined points in Phase II and III
- 2025 QAP points by category

Category	Points Possible
Development Characteristics	84
Use of Resources	27
<b>Development Team</b>	<b>25</b>

# Developer Team (0-25 Points)

- Developer Team Evaluation
  - Developers, Co-developers, Consultants, General Contractors, Management Agents, and Syndicators will be evaluated as a team
- Evaluation Period: August 1<sup>st</sup> – July 31<sup>st</sup>
  - Developments at any stage are subject to evaluation
  - Evaluation will be applicable to the following application round
- Evaluation Elements:
  - Deviation from application
  - Source Increase Requests
  - Timeliness
  - Waivers
  - Other performance factors

# Evaluation Elements

- Development Progress:
  - Deviation from application
    - Significant change from development presented in application
  - Source Increase Requests
- Team Performance:
  - Timeliness
    - Significant delays of project benchmarks
  - Waivers
    - Excessive requests for waiver of MHDC requirements
    - A waiver is required for any deviation from MHDC requirements or changes to written agreements
  - Capacity
- Other Performance Factors:
  - Misrepresentation of information
  - Non-compliance with requirements of funding sources





**Missouri Housing**  
Development Commission

# Role of Asset Management in the Application Process



MHDC.com

# Asset Management Contacts

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# Information Provided

- City/County Occupancy Reports
- Form 2013 Revenue/Expense Analysis
- Asset Management Application Scoring
- Preservation Letter Requests
- Management Agent Certification

# Occupancy Reports

- Recent three months of occupancy %
- Identify underperforming markets
- Compare to State Occupancy Average - 92% as of 6/30/24

# MHDC Form 2013 Review

- Assist underwriting in determining project's overall viability over initial 15-year period.
- Determine reasonableness of the proposed 1<sup>st</sup> year budget.
- Provide suggestions for developer's consideration based on current portfolio.
- Benchmarking Analysis.

# Form 2013 - Benchmarking Analysis

Statement Analysis Report

Statement Analysis

Project Name: Management Company    Region: Jackson    City:    Zip:    County: Jackson  
 Start Year: 2023    Urban/Rural:    Developer Name: Family    Category Name: Property and Liability Insurance (Hazard)    Category Group: Multiple Values Selected  
 Category Group Code: 48-99    Total Unit:    Audit Report Type:    **APPLY FILTER**

City	Units	Liability Insurance (Hazard)	Cost Per Unit
Kansas City	55	\$ 14,116	\$ 257
Kansas City	50	\$ 16,613	\$ 332
Lee's Summit	75	\$ 72,181	\$ 962
Kansas City	48	\$ 23,149	\$ 482
Kansas City	88	\$ 52,988	\$ 602
Kansas City	50	\$ 18,889	\$ 378
Kansas City	68	\$ 91,650	\$ 1,348
Kansas City	80	\$ 44,532	\$ 557
Kansas City	73	\$ 1,970	\$ 27
Kansas City	78	\$ 96,835	\$ 1,241
Kansas City	96	\$ 88,783	\$ 925
Kansas City	66	\$ 45,615	\$ 691
Kansas City	57	\$ 33,548	\$ 589
Kansas City	58	\$ 59,960	\$ 1,034
Kansas City	59	\$ 60,995	\$ 1,034
Kansas City	53	\$ 36,823	\$ 695
Kansas City	65	\$ 98,977	\$ 1,523

# Form 2013 Budgeting Tips

- Meet with management company to discuss portfolio trends.
- Analyze expenses of existing phases or related properties in the area.
- Review MHDC published data.

# Cost Per Unit Data



- Program Compliance
- Compliance Accounting
- Compliance Resources

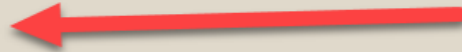
## Cost Per Unit Data

- Housing Programs
- LIHTC Properties for Sale
- Transfer of Physical Assets

### Cost Per Unit Data

Annually, MHDC's Asset Management Department publishes a Cost Per Unit report that includes annual operating expense data for each development MHDC received an audit for. The report can be sorted by geographic area, total units, development type or by expense category.

- [2022 Cost Per Unit](#)
- [2021 Cost Per Unit](#)
- [2020 Cost Per Unit](#)
- [2019 Cost Per Unit](#)
- [2018 Cost Per Unit](#)
- [2017 Cost Per Unit](#)
- [2016 Cost Per Unit](#)
- [2015 Cost Per Unit](#)
- [2014 Cost Per Unit](#)



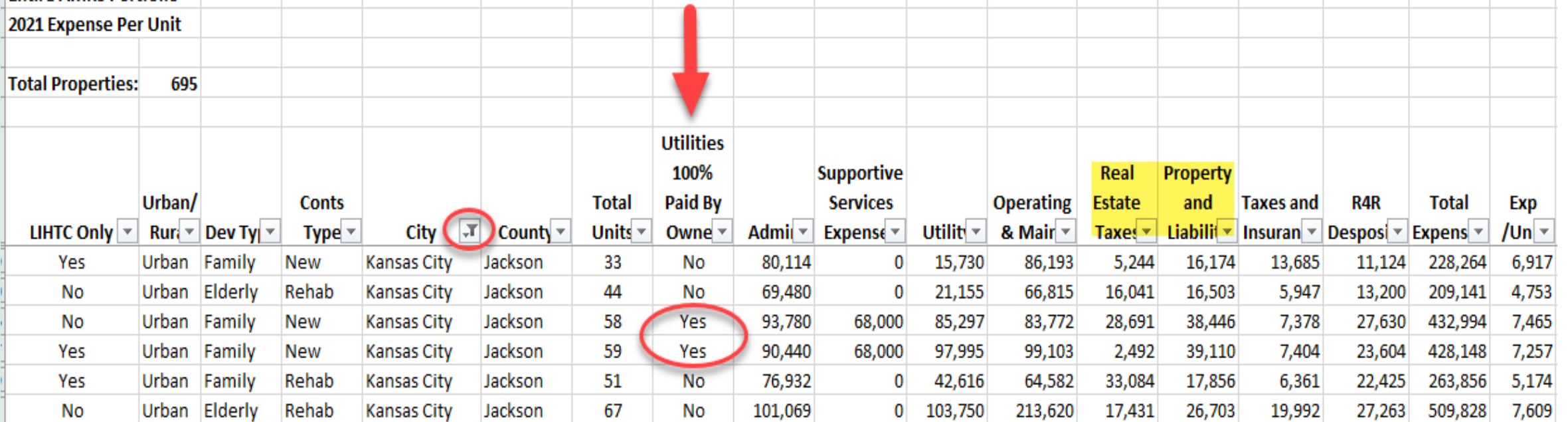


# Cost Per Unit Data

Entire AMRS Portfolio

2021 Expense Per Unit

Total Properties: 695



LIHTC Only	Urban/ Rur	Dev Ty	Conts Type	City	County	Total Units	Utilities 100% Paid By	Admi	Supportive Services Expense	Utilit	Operating & Mair	Real Estate Taxes	Property and Liabili	Taxes and Insuran	R4R Desposi	Total Expens	Exp /Un
Yes	Urban	Family	New	Kansas City	Jackson	33	No	80,114	0	15,730	86,193	5,244	16,174	13,685	11,124	228,264	6,917
No	Urban	Elderly	Rehab	Kansas City	Jackson	44	No	69,480	0	21,155	66,815	16,041	16,503	5,947	13,200	209,141	4,753
No	Urban	Family	New	Kansas City	Jackson	58	Yes	93,780	68,000	85,297	83,772	28,691	38,446	7,378	27,630	432,994	7,465
Yes	Urban	Family	New	Kansas City	Jackson	59	Yes	90,440	68,000	97,995	99,103	2,492	39,110	7,404	23,604	428,148	7,257
Yes	Urban	Family	Rehab	Kansas City	Jackson	51	No	76,932	0	42,616	64,582	33,084	17,856	6,361	22,425	263,856	5,174
No	Urban	Elderly	Rehab	Kansas City	Jackson	67	No	101,069	0	103,750	213,620	17,431	26,703	19,992	27,263	509,828	7,609

# Form 2013 Budgeting Tips Cont...

- Include expenses that are expected to reoccur on an annual basis.
- Budget one FTE Manager and Maintenance person for properties with 48 + units and are not part of a multi-phase development.
- Avoid the “Miscellaneous” temptation.
- Common space utilities still need to be budgeted.

# Form 2013 Budgeting Tips Cont...

- Avoid grouping contract related expenses, i.e., snow removal, HVAC, exterminating, vacant unit preparation costs, etc. under the general contracts category.
- Obtain current insurance quotes.
- Indicate any tax abatement.
- Special Needs/Supportive Service Account.

# Special Needs / Supportive Service Acc

36)	Vacant Unit Prep (Carpets, Painting, Etc.)	#6580	\$3,000
37)	Misc. Operating & Maintenane Exp.	#6590	\$0
38)	<u>Total Operating &amp; Maint Expenses</u>	#6500T	\$47,490
39)	Real Estate Taxes	#6710	\$10,000
40)	Property & Liability Insurance	#6720	\$11,000
41)	Health Insurance	#6723	\$3,000
42)	Workers Comp	#6722	\$1,000
43)	MIP Insurance	#6850	\$0
44)	Fidelity Bond	#6721	\$250
45)	Other Tax Assessments		\$0
46)	<u>Other: (Describe)</u>		\$12,000
47)	<u>Total Fixed Expenses</u>		\$37,250
48)	Replacement Reserves		\$10,800
49)	<u>Total Expenses</u>		\$161,478
50)	No. of Units		\$36
51)	<u>Expenses per Unit</u>		\$4,486

# Property “Busters”

- Unrealistic budgeting.
- Not planning for the end of the tax abatement.
- Not adequately planning for insurance premium and property tax increases.
- Not adequately planning for the end of useful life during the rehab – concrete, roofs, mechanical systems, elevators, etc.
- Security.

# Security Budgeting Policy

- For development proposals in areas where the market study reports a crime index above two times the current state index of 976 as reported in the [areavibes.com](http://areavibes.com) data, such proposals must address security needs in the development and operating budgets or provide a detailed explanation why such measures will not be necessary.
- NOTE: The state and local factors from [areavibes.com](http://areavibes.com) change annually in the late fall of each year; therefore, any market study update submitted for consideration must include updated crime statistics.

# Property Management Scoring Overview

- Property management component represents eight (8) of the overall twenty-five (25) points awarded for Development Team's prior MHDC performance.
- Collaborative feedback with owners, management companies, and MOWHA.
- Property Management component has five (5) scoring categories.

# Property Management Scoring Categories

**8 pts**

- Average Inspection Score – **3 pts**
- Total Non Compliance Events – **2 pts**
- Corrected Non Compliance – **1 pt**
- Portfolio Occupancy – **1 pt**
- **New** 100% compliant - **1 pt**



# Property Management Scoring Timeline of Changes

- 2020 NOFA – 1<sup>st</sup> year of scoring.
- **2021 NOFA** – Removed quartile scoring from Average Inspection Score category.
- 2022 NOFA – No changes.
- **2024 NOFA** - Adjusted the upper limit non compliance error thresholds in the Total Non Compliance Event category.
- **2025 NOFA** – Added 100% compliance category (score was previously grouped with corrected non compliance category), and refined the noncompliance look back period.

# Scoring History Through the Years

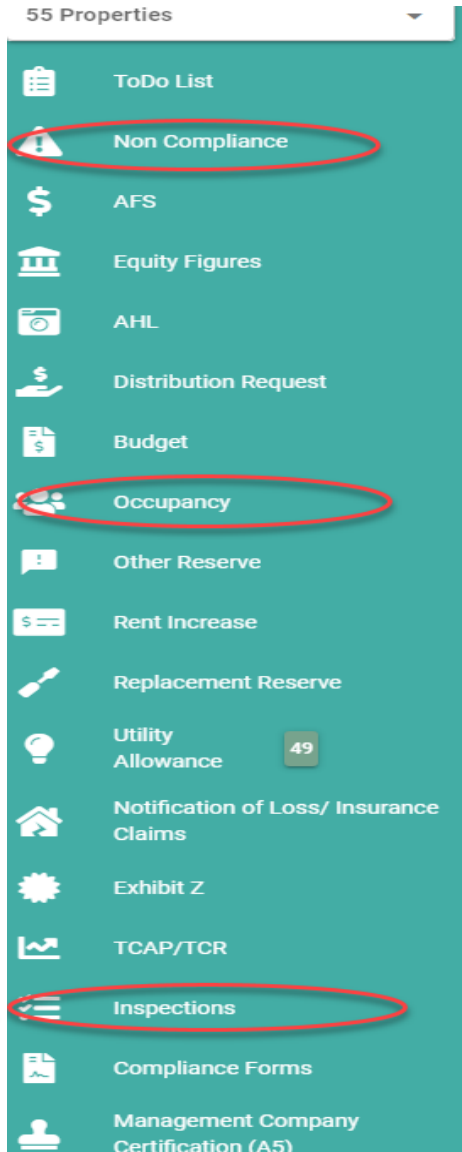
	NOFA Rounds			
	2020	2021	2022	2024
8pts	3	4	8	4
7pts	1	13	10	10
6pts	7	6	4	5
5pts	9	7	8	2
4pts	6	3	3	8
3pts	6	-	3	-
2pts	2	1	1	1
1pt	6	-	-	-
0pt	-	-	-	-

Total Management Companies

40                      34                      37                      30



# Utilizing AMRS for Self Scoring



- Portfolio Reports available to System Administrator and Management Company Admin designees.
- Three types of reports:
  - Non Compliance
  - Occupancy
  - Inspections

# Average Inspection Score - **3pts**

- Score from inspection results from proposed management company.
- Looked at most recent inspection score for all properties in portfolio and assign a value.
- 0 = Unsat Rating; 3= Below Avg Rating; 5 = Satisfactory Rating; 6 = Above Avg Rating; 7 = Superior Rating.
- Total of Inspection Scores / Total # of inspections performed.

# Average Inspection Score

- Determine physical inspection scores from proposed management company inspections.
- Determine where score falls within the score chart.

## Average Inspection Score Chart

Average Score	Points	Rating
6.99-6.0	3	Superior / Above Average
5.99-5.0	2	High Satisfactory
4.99-4.0	1	Low Satisfactory
3.99 and below	0	Below Average / Unsatisfactory

# AMRS Inspection Report

- Non Compliance
- AFS
- Equity Figures
- AHL
- Distribution Request
- Budget
- Occupancy 5/10/2024
- Other Reserve
- Rent Increase
- Replacement Reserve
- Utility Allowance 72 7/1/2024
- Notification of Loss/ Insurance Claims
- Exhibit Z
- TCAP/TCR 2 4/25/2024
- Inspections
- Compliance Forms
- Management Company Certification (A5)
- Users

Inspections (55 rows)

Search



EXPORT

Status  
All

NOFA YEAR

NOFA Look Back  
Show Last Inspection

Property Name	Property Number	Management Company	Units	Inspection Date	Last Inspector	Phy	Man	File	OCC	Open?	Inspection NC	Extension Date
Arden Groves fka Augusta Oaks Apts.	LIHTC #20-024-T-MO	Housing Residential Management Services, LLC	24	9/21/2023	Celia Major	SA	SA	AA	SU	<input type="checkbox"/>	<input type="checkbox"/>	
Birch Tree Apartments, LLC	LIHTC #11-031-T	Housing Residential Management Services, LLC	56	2/08/2022	Bill Hunziker	SA	AA	SU	AA	<input type="checkbox"/>	<input type="checkbox"/>	
Birch Tree Apts II	LIHTC #13-001-T	Housing Residential Management Services, LLC	48	11/27/2023	Bill Hunziker	SA	SA	AA	AA	<input type="checkbox"/>	<input type="checkbox"/>	
Bloomsdale Estates/Pleasant View Estates	LIHTC #14-093-T	Housing Residential Management Services, LLC	56			-	-	-	-	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
California Apartments	LIHTC #16-043-T	Housing Residential Management Services, LLC	40			-	-	-	-	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Chillicothe Estates	LIHTC #91-006T	Housing Residential Management Services, LLC	24	7/17/2014	Rural Development	AA	SU	SU	SU	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Deer Lick Apartments	LIHTC #98-004	Housing Residential Management Services, LLC	18	8/22/2012	Rural Development	SA	AA	AA	AA	<input type="checkbox"/>	<input type="checkbox"/>	
Diamond Apartments fka Oak Tree Apts.	MHDC #20-403-HTE	Housing Residential Management Services, LLC	80	1/23/2024	Bill Hunziker	SA	SA	SA	AA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Diamond Sr Apts of Potosi	MHDC #19-040HT	Housing Residential Management Services, LLC	32	8/10/2023	Alicia Starr	SA	AA	AA	AA	<input type="checkbox"/>	<input type="checkbox"/>	12/31/2023
Dreamer's Estates	MHDC #08-078-H	Housing Residential Management Services, LLC	4	3/13/2023	Paul Padberg	SA	SA	SA	SU	<input type="checkbox"/>	<input type="checkbox"/>	
East Ridge Manor	LIHTC #	Housing Residential Management Services, LLC	80			-	-	-	-	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Farmington Senior Apartments	MHDC #96-674	Housing Residential Management Services, LLC	24	1/25/2024	Alicia Starr	SA	AA	SU	SU	<input type="checkbox"/>	<input type="checkbox"/>	

# Average Inspection Score - Example 1

## ABC Management Company

	Phy	Man	File	OCC
Property 1	5	6	6	7
Property 2	7	7	7	7
Property 3	6	5	7	7
Property 4	5	6	6	7
Property 5	5	5	5	7
Property 6	5	6	6	7
Property 7	5	6	6	7
Property 8	5	6	6	7
Property 9	5	6	7	7
Property 10	5	5	7	7

**Average Score      6.10**

**3 Points**

7 = Superior Rating

6 = Above Avg Rating

5 = Satisfactory Rating

3 = Below Avg Rating

0 = Below Avg Rating

# Average Inspection Score - Example 2

## ABC Management Company

	Phy	Man	File	OCC
Property 1	5	6	6	7
Property 2	3	7	7	7
Property 3	6	5	7	7
Property 4	3	6	6	7
Property 5	5	5	5	7
Property 6	5	6	6	7
Property 7	5	6	6	7
Property 8	5	6	6	7
Property 9	5	6	7	7
Property 10	5	5	7	7

Average Score 5.95

2 Points

7 = Superior Rating

6 = Above Avg Rating

5 = Satisfactory Rating

3 = Below Avg Rating

0 = Below Avg Rating



# Average Inspection Score - Example 3

## ABC Management Company

	Phy	Man	File	OCC
Property 1	5	6	6	7
Property 2	3	7	7	7
Property 3	6	6	7	7
Property 4	3	6	6	7
Property 5	5	6	6	7
Property 6	5	6	6	7
Property 7	5	6	6	7
Property 8	5	6	6	7
Property 9	5	6	7	7
Property 10	5	6	7	7

Average Score 6.05

3 Points

7 = Superior Rating

6 = Above Avg Rating

5 = Satisfactory Rating

3 = Below Avg Rating

0 = Below Avg Rating

# Total Noncompliance Events – **2 pts**

- Total of noncompliance events identified for the management company.
- Total # of noncompliance events / Total number of properties in management portfolio.
- Applications Divided into three tiers.
  - Tier 1 receives 2 pts (Noncompliance range- 0 - **.75**)
  - Tier 2 receives 1 pt (Noncompliance range- 0.76 - **1.50**)
  - Tier 3 receives 0 pts (Noncompliance range- **1.51+**)

# Total Noncompliance Events - Examples

- Management had 5 total noncompliance events and manages 55 properties = noncompliance rate is .09 and receives 2 pts.
- Management had 95 total noncompliance events and manages 12 properties = noncompliance rate is 7.92 and receives 0 points.

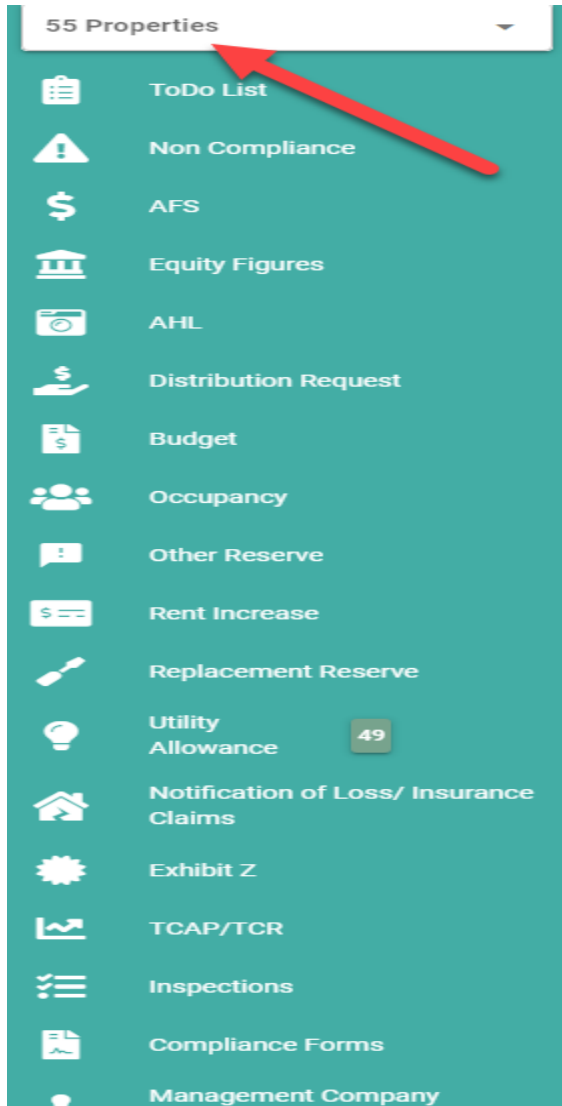
# **New** Corrected Noncompliance – **1 pt**

- Cleared noncompliance; minor open issues = 1 pt
- Open Noncompliance events during scoring period = 0 pts

## **Including but not limited to:**

- Expired management application;
  - Delinquent mortgage;
  - Unsubmitted AFS;
  - Uncorrected 8823s;
  - Open inspections;
  - Missing compliance exhibits;
  - Unsubmitted COL.
- 
- **New** Noncompliance look back period will be 10/12/23 through 7/31/24.

# Determining Total Number of Properties





















Total Number of Properties in AMRS

**Less:** Project Based Section 8 Only Properties

---

Total Number of Properties in Management Portfolio

# AMRS Non Compliance Report

-  Non Compliance
-  AFS
-  Equity Figures
-  AHL
-  Distribution Request
-  Budget
-  Occupancy 5/10/2024
-  Other Reserve
-  Rent Increase
-  Replacement Reserve
-  Utility Allowance 72 7/1/2024
-  Notification of Loss/ Insurance Claims
-  Exhibit Z
-  TCAP/TCR 2 4/25/2024
-  Inspections
-  Compliance Forms
-  Management Company Certification (A5)
-  Users

Non Compliance Issues (27 rows)

Status: All From: 10/12/2023 To: 05/22/2024 YEARS DATES APPLY FILTER EXPORT

Property	Non-Compliance Date Notified	Pertaining To	Non-Compliance Type	Comments
	10/18/2023	2023	Exhibit 3YDP - Failure to Submit	SystemGenerated
	10/19/2023	Inspection 7.27.23	Inspection - Inspection Items Remain Open	2023 Exh C-28A Letter issued 10.18.2023.
	10/24/2023	2022	AFS - Failure to Respond to Annual Financial Statement Comments	Failed to respond to AFS review comments by the October 20, 2023 due date; no extension was requested.

Non Compliance Issues (2 rows) MHDC.org

Status: Open From: 10/12/2023 To: 04/30/2024 YEARS DATES APPLY FILTER EXPORT

Property	Non-Compliance Date Notified	Pertaining To	Non-Compliance Type	Comments
		3/2024	TCAP/TCR - Failure to Submit Monthly TCAP/TCR statement	SystemGenerated
		3/2024	TCAP/TCR - Failure to Submit Monthly TCAP/TCR statement	SystemGenerated



# Portfolio Occupancy – 1 pt

- Portfolio above 90% = 1 pt
- Portfolio below 90% = 0 pts

# AMRS Occupancy Report

55 Properties

- ToDo List
- Non Compliance
- AFS
- Equity Figures
- AHL
- Distribution Request
- Budget
- Occupancy
- Occupancy Report**
- Other Reserve
- Rent Increase
- Replacement Reserve
- Utility Allowance 49
- Notification of Loss/ Insurance Claims

## Occupancy Report [EXPORT](#)

Projects: Multiple Values Selected Region: County: City: Zip:

PERIODS: **RANGE** Start Month: Jun Start Year: 2024 Period Length: 1 Month Urban/Rural: Dev Type: **APPLY FILTER**

Property	Mgmtco Name	Property #	# Units	Dev Type	City	Jun-2024	Period Total
Arden Groves fka Augusta Oaks Apts.	Housing Residential Management Services, LLC	LIHTC #20-024-T-MO	24	Family	Thayer	100%	100%
Birch Tree Apartments, LLC	Housing Residential Management Services, LLC	LIHTC #11-031-T	56	Family	Farmington	86%	86%
Birch Tree Apts II	Housing Residential Management Services, LLC	LIHTC #13-001-T	48	Family	Farmington	100%	100%
Diamond Apartments fka Oak Tree Apts.	Housing Residential Management Services, LLC	MHDC #20-403-HTE	80	Family	Rolla	86%	86%
Diamond Sr Apts of Potosi	Housing Residential Management Services, LLC	MHDC #19-040HT	32	Elderly	Potosi	100%	100%
Farmington Senior Apartments	Housing Residential Management Services, LLC	MHDC #96-674	24	Elderly	Farmington	96%	96%
Fish Haven Apts	Housing Residential Management Services, LLC	MHDC #14-046-MHT	64	Family	Lake Ozark	100%	100%
Fish Haven Estates	Housing Residential Management Services, LLC	MHDC #16-044-HT	44	Elderly	Lake Ozark	98%	98%
Forest Park Apts	Housing Residential Management Services, LLC	LIHTC #12-719-T	32	Family	Joplin	97%	97%
Forest Park North	Housing Residential Management Services, LLC	MHDC #19-057- HT	40	Family	Joplin	95%	95%
Garden Ridge Apartments	Housing Residential Management Services, LLC	MHDC #21-052-HC	16	Family	Centralia	100%	100%
Heritage Meadows	Housing Residential Management Services, LLC	MHDC #02-046HT	40	Elderly	Farmington	92%	92%
Highland Groves	Housing Residential Management Services, LLC	MHDC #20-027- HC	20	Elderly	Sikeston	100%	100%
James Place	Housing Residential Management Services, LLC	MHDC #14-055-HT	40	Family	Springfield	98%	98%
Kodiak Village	Housing Residential Management Services, LLC	LIHTC #19-033-T-DR	36	Family	Neosho	100%	100%
Lilbourn Garden Apartments	Housing Residential Management Services, LLC	MHDC #00-088-HT-8	36	Family	Lilbourn	81%	81%
Logan West Living	Housing Residential Management Services, LLC	MHDC #19-037-MHT	39	Family	Rogersville	95%	95%

Filtered portfolio	Units	Jun-2024	Period Total
Totals	1,427	94%	94%



## **New** 100% Compliant – **1 pt**

- Now is its own stand-alone category.
- Often referred to in the past as the “bonus point,” and included in the corrected noncompliance score.
- 2022 – 8 perfect scores; 2024 – 4 perfect scores.

# Asset Management Application Scoring Property Acquisitions

- Opportunity to identify troubled properties acquired within calendar years 2023 and 2024.
- Results will be excluded from scoring analysis.
- Owner and management must disclose all properties in the comments section of Application Self Scoring Form.

# Application Self Score Form

**Please complete BROWN colored cells**

Property Name:	[Redacted]		
Target Population:	Family	Type of Construction:	Rehab
Developer:	[Redacted]		
County:	[Redacted]	Self-Score Total Points:	100

**MHDC has NOT included the following categories for self-scoring: Services, Opportunity Area, Economic Development, Credit Efficiency and Development Team Prior Performance. However; questions about some of these categories need completed at the bottom of this spreadsheet.**

<u>Phase I - Threshold Documents</u>	
Executed FIN-100	Yes
Application Fee	Yes
Questionnaire	Yes
Financing Letters of Intent	Yes
Notifications	
Chief Executive of Local Jurisdiction	Yes
State Senator	Yes

**Developer comments on items associated with scoring including comments Asset Management should consider when scoring prior performance:**

ABC Management entered into 3 "troubled property" management contracts with XYZ owner in 2023. They are Happy Trails, Happy Heights, and Smallville. Inspection scores and occupancy have been poor, and there were numerous noncompliance items associated with the property at the time of takeover. Please take these properties into consideration during scoring.



# Preservation Letter Review

- New desk review process - [https://mhdc.com/media/tcdhzoad/11e-preservation-letter-process\\_2025.pdf](https://mhdc.com/media/tcdhzoad/11e-preservation-letter-process_2025.pdf).
- All preservation letter reviews must be requested by **August 19, 2024**.
- Previous unfunded applications must obtain a new letter that corresponds with the QAP year under consideration.
- MHDC has discretion to request and schedule an on-site inspection.
- Submit all requests to Scott Hanak at [shanak@mhdc.com](mailto:shanak@mhdc.com).

# Management Agent Certification

- Check MHDC's website to make sure your company is certified!
- Exhibit A-5 Management Agent Certification must be submitted in AMRS.
- Initial submission can only be viewed by the Management Company's System Administrator.
- System Administrators can designate additional staff by giving permission in the user's module.
- Management Agent Certification approval letter is saved in AMRS and can be accessed.

# Management Agent Certification

## Asset Management Reporting System



V.2.0

The management companies listed below have been approved as MHDC Certified Property Management Agents to manage properties in Missouri as of 7/24/2024. Interested parties are encouraged to review the list to ensure that the chosen management agent is included, as the list may change periodically. Should you have any questions regarding the status of a management agent, please feel free to contact that management company directly. If you have questions about management requirements in Missouri, please call (314) 877-1350

EXPORT

MHDC Certified Property Management Agent Listing (102 rows)

Search



# A B C D E F G H I J K L M N O P Q R S T U V W X Y Z View All

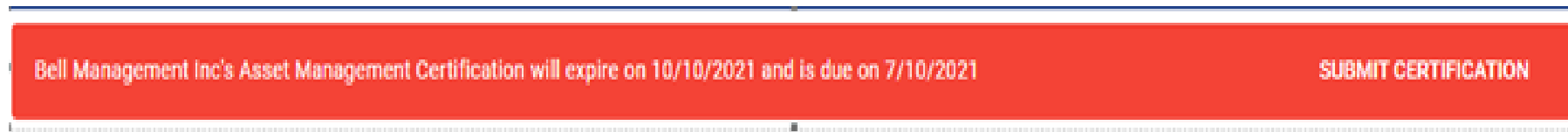
Management Agent	Contact	Email	Telephone #	Address	City	Zip
A B Acq. Property Management, LLC	Leah Dougan	compliance@aplusbgc.com	(314) 807-9333	11726 St. Charles Rock Road, Suite H	Bridgeton	63044
AHAB of Springfield, Inc.	Sherry Blair	sblair@ahabhousing.com	(417) 865-4055	430 E Brower	Springfield	65802
Allied Orion Group, LLC (aka Orion Real Estate Services Southeast, LLC)	Catherine Ridgway	cathycha@earthlink.net	660-885-5852	2051 Greenhouse Dr., Ste 300	Houston	77084
Arnold-Grounds Apartment Management & Affordable Housing Specialists LLC	Jimmy Arnold	jarnold@arnoldgrounds.com	(817) 488-2077	920 S. Main Street, Ste 200	Grapevine	76051
B.L. Real Estate Group LLC	Joseph Lucido	bukowiec.lucidoproperty@gmail.com	(314) 749-1911	5239 Wilson	Saint Louis	63110
Beacon Management LLC	Sarah	sgoldman@beacon.cc	(402) 341-0892	209 S. 19th Street #100	Omaha	68102
Bell Management, Inc.	Frankie Ginn	fg@bellmanage.com	(417) 624-4144	3609 E. 20th Street	Joplin	64801-5849
Beyond Housing/NHS	Cory Dickens	cdickens@beyondhousing.org	(314) 376-5681	6506 Wright Way	Saint Louis	63121
BH Property Manager, LLC	Cory Dickens	corydickens@beyondhousing.org	(314) 376-5681	6506 Wright Way	Pine Lawn	63121
Boone County Family Resources	Laura Cravens	lcravens@bcfr.org	573-874-1995	2700 West Ash St	Columbia	65203

<https://mhdc.com/programs/asset-management/program-compliance/compliance-resources/management-certification-and-fees/>



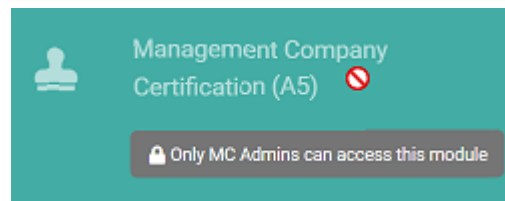
# Management Agent Certification

- System Administrators and all Designated users will see this banner.



- To grant additional user access:

Management Company	Is MC Admin
Boone County Family Resources	<input type="checkbox"/>



**If you see this – the System Administrator has not given you access to the module**

# Management Agent Certification

## Finding the Management Company Approved Management Certification letter

The screenshot displays the 'Asset Management Reporting System' interface. The top navigation bar includes the system name, 'MHDC' logo, 'PROGRAM COMPLIANCE RESOURCES', and user information 'Sheila Calvert' with a 'SIGN OUT' button. The main content area shows 'Management, Inc.' and a table titled 'A5 Certifications (2 rows)'. The table has columns for Contact, Email, Address, Date Submitted, Reporting Quarter, Status, Approved Terms, Expiration Date, Letter Sent Date, and Actions. Two rows of data are visible, with the second row's 'Actions' column containing a download icon circled in red. On the left sidebar, the 'Management Company Certification (A5)' menu item is also circled in red.

Contact	Email	Address	Date Submitted	Reporting Quarter	Status	Approved Terms	Expiration Date	Letter Sent Date	Actions
			5/12/2022	Q2	Approved	1	6/30/2023	5/18/2022	
			3/9/2023	Q2	Approved	2	3/31/2025	4/6/2023	



# Management Fees

- Management fee for 2024 is \$47 per occupied unit.
- \$2 increase from 2023.
- Management fee for 2025 will be \$49 per occupied unit.
- Increase is based on prior year HUD OCAF factor.
- 2024 HUD OCAF factor is 5.20%.



**Missouri Housing**  
Development Commission

# LEGAL GUIDELINES

MHDC.com

# Agenda

- PRESENTATION OVERVIEW
- Financing Guidelines
  - Financing Commitment Letter Requirement for Application
  - MHDC Funds Available
  - Changing Funding Sources
- MHDC Standards of Conduct: Disclosure Period/ Quiet Period
- Fair Housing

# FINANCING COMMITMENT LETTER

- **IF** an application proposes to use non-MHDC funds, **THEN** you must include a commitment letter for these funds.
- If there is more than one source, the letters must specify the priority among the various letters.
- Commitment letters must be from the funding source.

# FINANCING COMMITMENT LETTER (Continued)

Commitment letters are also required for proposed **participation loans**.

Note: Provided that the proposed participating lender meets MHDC's minimum requirements, a participation loan can be done with any bank selected by the development team.

# MHDC FUNDS AVAILABLE

The amount of MHDC funding available for lending is set forth in the FY2025 NOFA.

Interest rates are dependent upon loan type and development characteristics.

# GUARANTY REQUIREMENT

- All MHDC loans require a guaranty during the construction phase of the loan.
- Depending on the type of loan, guarantors may include the general partner and the developer, together with all respective principals. To the extent an investor requires additional guarantors, MHDC reserves the right to match the investor's requirements.

*MHDC reserves the right to require additional guarantors based on deal specifics.*

# FY 2025 UPDATES

- As in prior years, FY2025 resources are limited; please be responsible in requesting MHDC funds.
- If you intend to seek out non-MHDC financing, make your best efforts to secure that financing before submitting your application.
- Staff may need to use HOME funds to fill gaps; be aware of HOME-specific requirements.
- Changing from MHDC sources to non-MHDC sources post-award will only be allowed if financially beneficial to the development.



# Disclosure Period

- Disclosure Period (MHDC Standards of Conduct Pages 6-9)
  - What is it?
    - The period after an **Interested Party** submits a proposal, application, bid or response in a **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 Parties proposal, application, bid, or response, the Interested Party will need to follow disclosure procedure in notifying other interested parties.
    - Commissioners and Employees may, at any time and for any legal purpose, initiate contact with anyone, including interested parties, in the course of investigating any competitive matter.

# MHDC Standards of Conduct -Definitions

- “Interested Party” - Any person or entity (or anyone acting at their direction or on their behalf) who submits a proposal, application, bid or response to a solicitation, request, notice or invitation to do so vis-à-vis a Competitive Matter.
- “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.

# Quiet Period

- Quiet Period (MHDC Standards of Conduct Pages 6-9)
  - What is it?
    - The period consisting of seven days before a scheduled MHDC decision on a Competitive Matter
    - Interested Parties shall not initiate contact with Commissioners or Employees regarding a Competitive Matter
    - Commissioners and Employees may, at any time and for any legal purpose, initiate contact with anyone, including interested parties, in the course of investigating any competitive matter
    - 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.



A simple black silhouette of a house with a chimney on the left side of the roof.  
**Missouri Housing**  
Development Commission

# Fair Housing

[MHDC.com](http://MHDC.com)

# Fair Housing

- MHDC is fully committed to affirmatively furthering fair housing by taking meaningful actions to promote fair housing choice, overcome patterns of segregation, and eliminate disparities in access to opportunity.
- As part of MHDC's obligations under the Fair Housing Act, MHDC prohibits its partners from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), religion, disability, or familial status.

# Fair Housing: What does this mean for

You have an affirmative duty to comply with all local, state, and federal fair housing laws, including:

- The federal Fair Housing Act, <https://www.justice.gov/crt/fair-housing-act-1>
- The State of Missouri Human Rights statutes (RSMo § 213.040.1 et seq.), [www.moga.mo.gov/mostatutes/stathtml/21300000401.html](http://www.moga.mo.gov/mostatutes/stathtml/21300000401.html)
- You should also determine if any additional local rules, regulations, ordinances, or laws exist related to fair housing and are applicable to the project.
- It is important that you consult with your legal counsel to ensure that any project remains in compliance with fair housing laws at all times. At no time does MHDC certify your compliance with fair housing laws, through this presentation of information or otherwise, and MHDC assumes no responsibility or liability for your failure to comply with any fair housing law.

# FAIR HOUSING CONTACTS

Questions regarding fair housing or your obligations may be directed to the following organizations:

- Kansas City Regional Office (HUD):  
400 State Avenue, Room 200  
Kansas City, KS 66101-2406  
Phone: (913) 551-5462

- St. Louis Regional Office (HUD):  
1222 Spruce Street, Suite 3.203  
St. Louis, MO 63103-2836  
Phone: (314) 418-5400

- Missouri Commission on Human Rights  
421 E. Dunklin  
P.O. Box 1129  
Jefferson City, MO 65102-1129  
Phone: 573-751-3325  
[mchr@labor.mo.gov](mailto:mchr@labor.mo.gov)



**Missouri Housing**  
Development Commission

# Application Underwriting Process

MHDC.com



# Agenda

- Phase IV Overview
- Underwriting Process Considerations
  - Geographic Region
  - Development Characteristics
  - MBE/WBE
  - Market Characteristics
  - Development Team Characteristics
  - Feasibility
  - Community Impact
  - Economic Impact
- Notifications
- 2025 Updates described where applicable

# Reservation Process

- Document Review – PHASE I
  - Threshold Documents Review (Pass/Fail)
  - Secondary Documentation Review (Pass/Fail)
- Priority Scoring - PHASE II
- General Scoring – PHASE III
- **Underwriting/Selection Criteria – PHASE IV**
- Team Presentation/Discussion/Evaluation of Applications
- Staff Recommendation to Commission for Approval
- Commission’s Consideration and Approval of Recommended applications

# Underwriting/Selection Criteria

- Applications that earn a minimum of 90 combined points in Phase II and Phase III qualify for funding consideration
- MHDC reserves the right to evaluate, and recommend for funding, applications that do not earn 90 points or more to the extent necessary to meet affordable housing needs as determined by MHDC
- MHDC reserves the right to limit the level of review in Phase IV of lower scoring applications

# Underwriting Standards

- Rents
  - Must not exceed rent maximums of funding sources
  - Must be supported by market study
  - Existing tenants rent must not increase more than 10% after rehab
- Development Cost Minimums
  - Total construction costs must equal or exceed 40% of the total replacement costs
- Development Cost Maximums
  - Not applicable

# Developer Fee Maximums

- Sum of developer and consultant fees
- Limited to lesser of per unit maximum or calculation below
- New construction
  - 15% of total replacement costs for first \$4,000,000
  - 10% of any additional total replacement costs
- Acq/Rehab and Historic Preservation
  - 8% acquisition costs for first \$2,000,000
  - 6% of any additional acquisition costs
- Separate calculation for developments where identity of interest exists between seller and buyer

Per-Unit Development Fee Maximum	
Units 1-40	\$20,000 per unit
Units 41-1008	\$175,000 per unit
Units 101-150	\$15,000 per unit
Units 151+	\$12,500 per unit

# Identity of Interest

- An Identity of Interest relationship exists if any officer, director, board member, or authorized agent of any development team member:
  - Is also an officer, director, board member, or authorized agent of any other development team member;
  - Has any financial interest in any other development team member's firm or corporation;
  - Is a business partner of an officer, director, board member, or authorized agent of any other development team member;
  - Has a family relationship through blood, marriage or adoption with an officer, director, board member, or authorized agent of any other development team member; or
  - Advances any funds or items of value to the sponsor/borrower.

# Contractor Fees

- Limited for general requirements, overhead, and builder's profit
- Cannot exceed 14% of the total construction costs less the sum of general requirements, overhead, builder's profit, bonding and permits
  - Builder's Profit cannot exceed 6%
  - Builder's Overhead cannot exceed 2%
  - General Requirements cannot exceed 6%

# Underwriting Standards

- Appraisal
  - MHDC will order appraisal after Conditional Reservation issued
  - Due diligence for property value ahead of application submission
- Use of HOME/HOME-ARP/HTF
  - Be aware of requirements related to funding sources
  - Some sources will have additional requirements beyond MHDC requirements
  - Timeline may involve more steps
  - Be mindful of request for limited resources



# Elements of a Viable Development

- Development Plan Information
  - Need Supported by Market Study
  - Affordability
  - Beyond Brick & Mortar
  - Feasibility
  - Location/Site
  - Family/Elderly
  - Local Support
  - Design

# Selection Criteria

- Selection criteria described in LIHTC code
- Must include
  - Project location;
  - Housing needs characteristics;
  - Project characteristics, including whether the project involves the use of existing housing as part of a community revitalization plan;
  - Projects intended for eventual tenant ownership;
  - Tenant populations with special housing needs or consisting of vulnerable persons;
  - Sponsor characteristics;
  - Tenant populations of individuals with children;
  - Public housing waiting lists;
  - Energy efficiency and overall sustainability; and
  - Historic character.

# Selection Criteria

- States must give preference to
  - Those serving the lowest income tenants;
  - Those serving qualified tenants for the longest period of time; and
  - Projects located in Qualified Census Tracts only if the development contributes to a concerted community revitalization plan, which is in-place at the time of application.

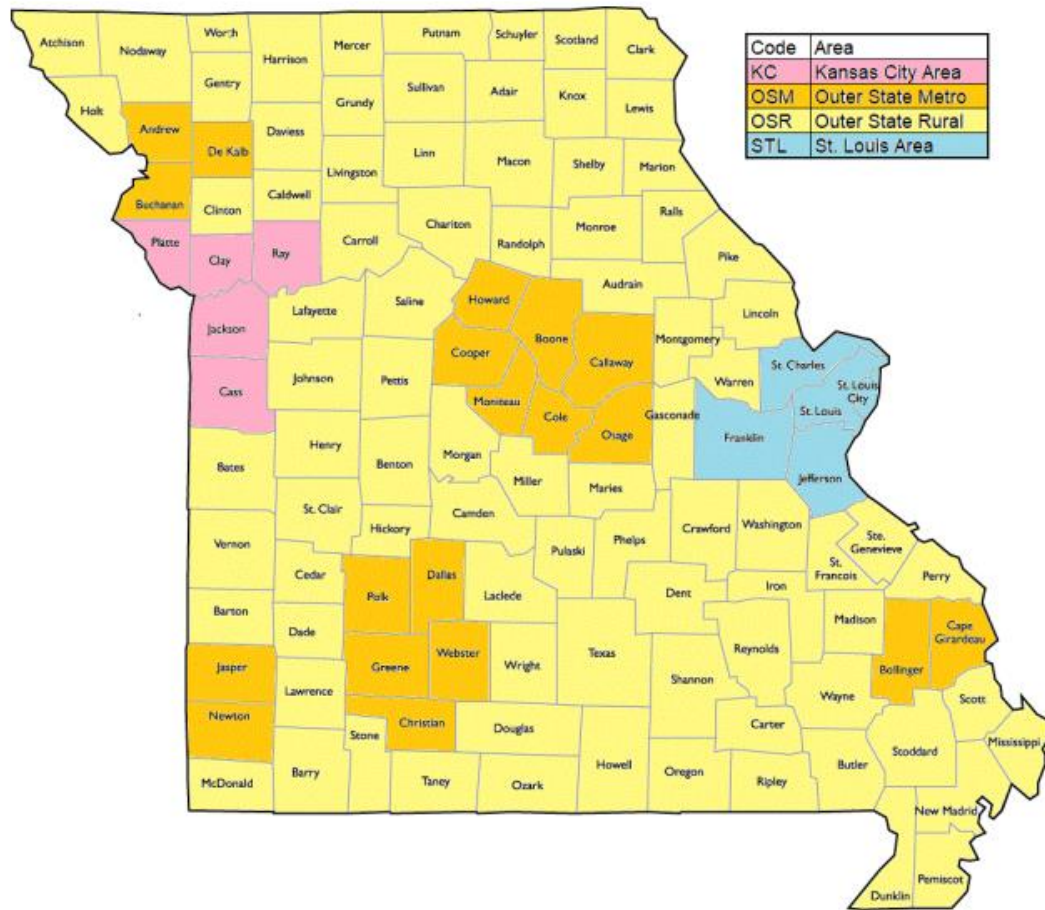
# Staff Review

- Geographic Region
- Development Characteristics
- MBE/WBE
- Market Characteristics
- Development Team Characteristics
- Feasibility
- Community Impact
- Economic Impact

# Geographic Region

- St. Louis Region - 33%
  - Franklin, Jefferson, St. Charles, St. Louis City and St. Louis counties.
- Kansas City Region - 20%
  - Cass, Clay, Jackson, Platte and Ray counties.
- MSA-Rural Region – 20%
  - Cape Girardeau MSA (Cape Girardeau and Bollinger counties), Columbia MSA (Boone, Cooper and Howard counties), Jefferson City MSA (Callaway, Cole, Moniteau and Osage counties), Joplin MSA (Jasper and Newton counties), Springfield MSA (Christian, Dallas, Greene, Polk and Webster counties) and St. Joseph MSA (Andrew, Buchanan and DeKalb counties).
- Rural Region - 27%
  - All other counties.

# Geographic Region



MHDC will make its best effort to reserve LIHTCs in the above-listed manner, but given the needs of individual deals and the strength of applications in each region, it may not be feasible for final approvals to achieve the exact geographic distribution

# Staff Review

- Geographic Region
- **Development Characteristics**
- MBE/WBE
- Market Characteristics
- Development Team Characteristics
- Feasibility
- Community Impact
- Economic Impact

# Development Characteristics

- Tenant Population
- Development Size
- Type
- Site
- Design
- Unit Configuration



# Tenant Population

- Tenant populations with special housing needs, such as persons with physical impairment and/or developmental disabilities, homeless individuals and families, seniors, and other underserved and/or at risk populations;
- Individuals experiencing, or being treated for, or having a diagnosis or a history of mental illness;
- Individuals on public housing waiting lists;
- Individuals with children;
- Youth transitioning out of foster care;
- Developments serving the lowest income tenants; and
- The quantity, quality, and suitability of services provided or offered to the tenants

# Tenant Population

- Services need to be population-appropriate
- Applications should clearly describe what services will be offered
- Development Characteristics should also be appropriate for intended tenant population
- Should always be kept in mind when structuring development

# Development Characteristics

- Tenant Population
- **Development Size**
- Type
- Site
- Design
- Unit Configuration

# Development Size

- Limited to 60 affordable units
- Exceptions for
  - Mixed-income development;
  - Average income set-aside where at least 10% of units designated as 80% AMI
  - Development to replace existing public housing and/or subsidized housing;
  - Development where at least 25% of the units are set aside as Permanent Supportive Housing or Vulnerable Persons housing units;
  - Development that includes serviced enriched housing features;
  - Development that preserves existing affordable housing;
  - Development that is part of a municipal redevelopment plan;
  - Senior housing development; or
  - New construction applications for Federal 4% LIHTC with no other MHDC administered funding sources (**2025 QAP update**)

# Development Characteristics

- Tenant Population
- Development Size
- **Type**
- Site
- Design
- Unit Configuration

# Type

- Evaluated on how contribute to goal of QAP
- Types
  - New Construction
  - Historic Rehabilitation/Adaptive Reuse
  - Acquisition/rehabilitation of existing housing
  - Homeownership
- Extra consideration for developments that obligate to serve tenants for longest period of time

# Type

- Developments utilizing Federal and/or State Historic Rehab Credit considered historic deal
- If receiving historic credit and currently being used as housing, considered both historic and acquisition/rehab
- Homeownership single family homes or duplexes with fire separation walls
- Homeownership must apply to entire development

# Development Characteristics

- Tenant Population
- Development Size
- Type
- **Site**
- Design
- Unit Configuration



# Site

- Marketability, or the likelihood that the site and improvements will be accepted by the target population, including proximity to other affordable housing developments (**2025 QAP Update**);
- Presence of environmental issues and concerns, including but not limited to habitat and wetland preservation, noise, proximity to floodplains, and proximity to other potentially hazardous land uses;
- Neighborhood characteristics and land uses; and
- Proximity to appropriate amenities and services.

# Site

- A development may include multiple buildings if it has similarly constructed units, is located on the same or contiguous tracts of land, is owned by the same federal taxpayer and is financed pursuant to a common plan of financing
- Mixed income must have low-income in each building
- Scattered sites must be 100% rent and income restricted
- Site review not a substitute for environmental review, if approved will undergo more in-depth environmental review

# Development Characteristics

- Tenant Population
- Development Size
- Type
- Site
- **Design**
- Unit Configuration

# Design

- Access into and out of the site and parking;
- Placement of buildings on the site;
- Development amenities, including but not limited to Wi-Fi access, community space, proximity to services, health and fitness space, playgrounds, picnic shelters, community gardens, trails, proximity to transit options;
- Type and quality of materials;
- Energy efficiency and overall sustainability, including an MHDC approved sustainability certification;
- Condition and suitability of structures being reused;
- Scope of work for rehabilitation or renovation;
- Population appropriate design features (for example, universal design features, interior and exterior common spaces, storage space, accessibility, adaptability, safety features, etc.); and
- Exterior Design aesthetics that blend well with the surrounding area.
- Accessibility Requirements **(2025 QAP Update)**

# Development Characteristics

- Tenant Population
- Development Size
- Type
- Site
- Design
- **Unit Configuration**

# Unit Designation

- All units assigned designation at application
  - Primary designation: LIHTC, Market, Employee
  - Only one primary designation
  - Secondary designation: HOME, NHTF, AHAP, Set-Aside, Companion Living, Workforce, Section 8, Accessible
  - Can have zero, one, or more secondary designations
  - Each unit in a development will have an AMGI designation. MHDC Program units will have designations from 20% AMGI – 80% AMGI

# Unit Designation

- All MHDC- Program designations will be at Federal LIHTC rent and income restrictions
- Unit Designations allowed to float once the development is in operation, as permitted by other funding source restrictions
- Specially designated units should be reasonably distributed throughout the development
- Skewing of the unit configuration of specially designated units and AMGI designated units will not be allowed
- The unit configuration will be reviewed at each stage of the development process, and will be monitored throughout the compliance period.

# Staff Review

- Geographic Region
- Development Characteristics
- **MBE/WBE**
- Market Characteristics
- Development Team Characteristics
- Feasibility
- Community Impact
- Economic Impact



# MBE/WBE

- Minority Business Enterprise/Women Business Enterprise
- 2024 30% approved applications were MBE/WBE Developer
- Applications which is defined as:
  - Developer is MBE or WBE
  - Developer Group includes MBE or WBE
  - Developer/Mentor Protégé Relationship
- All applicants must commit to meet MBE/WBE participation requirements
- Additional details provided this afternoon

# Staff Review

- Geographic Region
- Development Characteristics
- MBE/WBE
- **Market Characteristics**
- Development Team Characteristics
- Feasibility
- Community Impact
- Economic Impact

# Market Characteristics

- Development Location
- Housing Needs

# Development Location

- New construction and conversion
  - Publically subsidized housing units should not exceed 20% of units in census tract
  - Any previous developments at 50% construction (**2025 QAP Update**)
  - MHDC may limit number of developments in specific market or city
  - Additional considerations for Kansas City and St. Louis region detailed in Developer's Guide
  - Contribution to community revitalization plan
- New employment opportunities and need for workforce housing

# Housing Needs

- Must address affordable housing needs of region and locality
- Cannot adversely impact existing MHDC developments, exist in questionable market, or create excessive concentration of multifamily units
- Considerations
  - Number and growth of population and intended population in market area
  - Comparability, condition, rents, and occupancy of other affordable housing in market area
  - Capture rate for proposed development
  - Housing needs of Set-Aside Preference population

# Market Characteristics

- No application proposing the delivery of new units will be approved if it is deemed by MHDC to adversely impact any existing MHDC development(s), exist in a questionable market, or create excessive concentration of multifamily units.

# Staff Review

- Geographic Region
- Development Characteristics
- MBE/WBE
- Market Characteristics
- **Development Team Characteristics**
- Feasibility
- Community Impact
- Economic Impact

# Development Team Characteristics

- Developer, general partner, management agent, syndicator/investor, contractor, architect, sustainable design team, consultant, and Lead Referral Agency considered
- Assess experience, performance, financial strength, capacity to complete development considered
- Subjects evaluated can include significant cost increases, significant additional funding requests, responsiveness, timeliness, compliance, consistency



# Staff Review

- Geographic Region
- Development Characteristics
- MBE/WBE
- Market Characteristics
- Development Team Characteristics
- **Financial Feasibility**
- Community Impact
- Economic Impact

# Financial Feasibility

- Sufficient sources available and commitment letters provided
- Development costs reasonable and competitive
- Rents appropriate for market and affordable
- Operating expenses adequate, reasonable, competitive
- Demonstrated timeliness
- Potential to attract investors

# Staff Review

- Geographic Region
- Development Characteristics
- MBE/WBE
- Market Characteristics
- Development Team Characteristics
- Financial Feasibility
- **Community Impact**
- Economic Impact

# Community Impact

- Comments from executive officers and community members
- Encouragement of further development (Catalytic Effect)
- Community needs and how development will address
- Preference for developments that are part of an approved redevelopment plans

# Staff Review

- Geographic Region
- Development Characteristics
- MBE/WBE
- Market Characteristics
- Development Team Characteristics
- Financial Feasibility
- Community Impact
- **Economic Impact**

# Economic Impact

- A description of the proposed services that will be performed and/or proposed products that will be provided by Missourians
- Number of employees in Missouri if the developer has existing operations in Missouri
- Percent of hard and soft costs expected to be paid to Missouri-based firms, vendors and/or suppliers
- Months between initial construction closing and construction completion
- Projected savings in Medicaid expenses (where applicable)

# Notification Requirements

- LIHTC Code requires Chief Executive of local jurisdiction where development located to be notified and provided a reasonable opportunity to comment
- Achieved through threshold document requirements
- Public Notification Elements
  - Public Hearings
  - Public Notice
  - Application Received List
  - Notification to elected officials
  - Application Support letters
- Thorough due diligence in public notification is expected



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# Programmatic Overview and Requirements

MHDC.com



# Agenda

- Low Income Housing Tax Credits
- HOME
- HOME-ARP
- HTF
- Missouri 811 Project-Based Rental Assistance
- Additional HUD Requirements
- Fund Balance and TCAP



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# Low Income Housing Tax Credits

MHDC.com

# Tax Credits

- Provides a dollar for dollar credit on tax liability of individuals or corporations
- Rental housing developments are eligible for credits if:
  - At least 20% of the units are affordable to households at 50% AMI, adjusted for family size or,
  - At least 40% of the units are affordable to households at 60% AMI
  - At least 40% of the units are affordable to households averaging 60% AMI, designations in 10% increments between 30%-80%
- Rent limits determined by HUD

# Tax Credits

- IRS determines each state's credit allocation
- Two major types: 4% and 9%
  - 4% credits for acquisition of buildings for rehabilitation and new construction financed by tax-exempt bonds
  - 9% credits for new construction and rehabilitation without federal subsidies
- LIHTC is limited to a percentage of total costs, based on depreciable basis and the percentage of affordable units in the development

# Tax Credit Calculation

- Eligible basis: basically depreciable costs of development
- Applicable Fraction: percentage of building that is low income
  - Lesser of unit or floor space fraction
- Qualified basis: equal to eligible basis multiplied by applicable fraction

Tax Credit Calculation:	
Eligible Basis	\$6,000,000
Applicable Fraction	X 75%
Qualified Basis	\$5,850,000
Credit Rate	X 9%
Annual Tax Credits	\$526,500
Ten Years	X 10
Total Tax Credits	\$5,265,000

# State LIHTC Accelerated Redemption

- Pilot program for developments to accelerate redemption of State LIHTC
- Available up to 50% of State LIHTC
- Annual State LIHTC available for redemption in first five years of redemption period equal to Federal LIHTC
- Remainder distributed equally over remaining years

# Nonprofit Set Aside

- Pursuant to code, at least 10% of available 9% credit allocated to developments that involve a qualified nonprofit organization
- Housing Priority in QAP
- Receive 45 points in Phase II
- Section 42(h)(5)(C) of the Code defines a qualified nonprofit organization as
  - Having a 501(c)(3) 501(c)(4) nonprofit designation
  - Express purpose of fostering low income housing as stated in bylaws or Articles of Incorporation
  - Owns interest and materially participate in development
  - Not affiliated or controlled by for profit

# Nonprofit Set Aside Materials

- Certificate of Incorporation
- Articles of Incorporation and Bylaws
- Missouri Certificate of Good Standing (dated within 30 days)
- IRS Letter certifying nonprofit status
- Board of Directors list
- Financial Statement – one year, within last two years
- MHDC NP Participation Questionnaire
  - Material participation in development or operation described
  - Service area of non profit vs proposed development



# Nonprofit Set Aside Material Participation

- Section 469(h)(1) requires that the nonprofit be “involved in the operations of the activity on a basis which is regular, continuous, and substantial.”
- Material participation is most likely to be established in an activity that constitutes the principal business/activity of the taxpayer.
- The services provided must be integral to the operations of the activity. Simply consenting to someone else’s decisions or periodic consultation with respect to general management decisions is not sufficient.
- Participation must be maintained throughout the year. Periodic consultation is not sufficient.
- Regular on-site presence at operations is indicative of material participation.
- Providing services as an independent contractor is not sufficient.
- Material participation must occur outside compliance period.

# Nonprofit Set Aside Material Participation

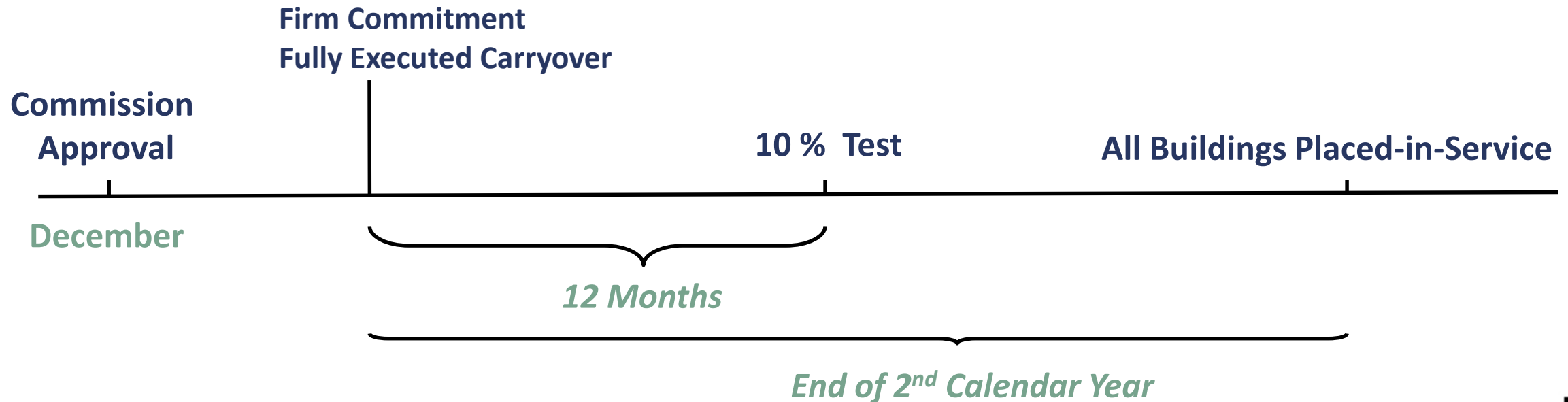
## Present

- Has a general partner (GP) or co-GP interest, or managing member interest in LLC
- Is involved in day-to-day activities, or on a regular, not sporadic basis, throughout the year
- Is onsite regularly
- Hires third party management but pays the management company and management company reports to nonprofit, involving the nonprofit in regular decision making
- Is involved more than 500 hours a year; or is involved more than 100 hours a year and this participation is not less than any other owner

## Not Present

- Only has a limited partner role or investor member role
- Participates sporadically
- Passively consents to decisions by the management
- Is involved less than 100 hours a year
- Is not onsite regularly
- Third party management is supervised by for-profit entity

# Tax Credit Deadlines (9% Credits)



# Carryover and 4% Agreements

- All 9% projects receive a Federal Carryover Allocation Agreement
  - Print single sided
  - Election on page 4
  - Fill out place in service date
  - Sign, notarize, and mail to MHDC
- All 4% projects receive a Federal Tax Credit Authorization Agreement (4% Agreements)
- If 9% project receives State LIHTC allocation, then project receives State Carryover Allocation Agreement
- If 4% project receives State LIHTC allocation, then project receives State Tax Credit Authorization Agreement
- Executed at firm commitment

# Allocation Agreement Deadlines

- Federal Carryover Allocation Agreements must be completed by 12/31/2025
- State Allocation Agreements and State 4% Agreements must be completed by 6/30/2025
- Approved signature block, site plan, legal description and 3345 needed



  
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# HOME Program

[MHDC.com](http://MHDC.com)

# HOME Program

- The HOME Investment Partnerships (HOME) program provides funding to support affordable housing activities for low-income families
- MHDC utilizes portion of annual allocation from HUD to support the development of rental housing
- Eligible costs are the capital costs of permanent housing
  - Acquisition/site improvements
  - Rehabilitation/new construction
  - Soft costs
  - Initial operative deficit

# HOME Program Requirements

- Environmental Clearance
  - No acquisition, construction/demo, contracting for services prior to environmental clearance
- Unit Designation
  - Unit analysis to determine number of HOME units
  - Fixed or floating units
- Income Limits
  - HOME Assisted Units occupied by low income households (<80% AMI)
  - If 5+ HOME units, then 20% must be occupied by very low income households (<50% AMI)
- Rent Limits
  - Low-HOME: 30% at 50% or FMR
  - High-HOME: 30% at 65% or FMR
- Affordability Period
  - Rehabilitation – minimum 15 years, new construction - 20 years



# CHDO Set-Aside

- Community Housing Development Organization (CHDO)
  - Private nonprofit, community-based organization with staff capacity to develop affordable housing for the community it services
  - 15% of annual allocation set-aside for CHDO projects
- CHDO must control project: owner/developer/sponsor
- CHDO Certification
  - Legal structure
  - Independence
  - Community Accountability
  - Capacity
  - Role Grants available for CHDO operating assistance

# CHDO Set-Aside Materials

- CHDO's Certificate of Incorporation
- Articles of Incorporation and bylaws
  - including all amendments
  - must describe the organization's purpose is the provision of decent affordable housing to low-to-moderate income persons
- Missouri Certificate of Good Standing dated within thirty (30) days of the application due date
  - An official certificate may be obtained from the Missouri Secretary of State web site for a nominal fee.
  - A screen print of the search screen indicating the status of an entity is not a certification and is not an acceptable demonstration of good standing;
- IRS letter evidencing nonprofit status
- Letter from Auditor/CPA affirming that the organization conforms to the financial accountability standards of 2 CFR Part 200.
- MHDC CHDO Certification
  - Including all relevant attachments, such as a list of the board members and paid staff, organization chart, and the most recent audited financial statement.



A simple black silhouette of a house with a chimney on the left side of the roof.  
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# HOME-ARP

[MHDC.com](http://MHDC.com)

# HOME-ARP Program

- The American Rescue Plan (ARP) provided funding through the HOME-ARP program to target investments in housing and other assistance for people experiencing or at imminent risk of homelessness, or other vulnerable populations.
- Missouri was awarded a one-time allocation.
- State of Missouri Allocation Plan approved by HUD, determines amount of funding allocated to project types and addresses targeted populations

## **Eligible Costs**

- Development hard costs/Site improvements
- Acquisition costs of real property
- Soft costs
- Relocation costs

# HOME-ARP Program Requirements

## ■ Environmental Clearance

- No acquisition, construction/demo, contracting for services prior to environmental clearance

## ■ Unit Designation

- Unit analysis to determine number of HOME-ARP units
- Fixed or floating units

## ■ Income Limits

- Must be occupied by households within qualifying population, i.e., homeless, very low income (<50% AMI)

## ■ Rent Limits

- Rent may not exceed 30% of the adjusted income of households less than 50% AMI (Low HOME rents)

## ■ Affordability Period

- Rehabilitation – minimum 15 years, new construction - 20 years

# HOME-ARP Qualifying Populations

1. Homeless
2. At-risk of homelessness
3. Fleeing/attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking
4. Other populations where assistance would:
  - a. Prevent the family's homelessness; or
  - b. Serve those with the greatest risk of housing instability
5. Veterans and families including veteran member that meet one of the preceding criteria



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# Housing Trust Fund

[MHDC.com](http://MHDC.com)

# HTF Program

- The Housing Trust Fund (HTF) is a federal program authorized by the Housing and Economic Recovery Act of 2008 to increase and preserve the supply of housing for people with the lowest incomes, including families experiencing homelessness
- Funding is awarded through an annual formula allocation to states

## **Eligible Costs**

- Real property acquisition
- Site improvements and development hard costs
- Related soft costs
- Demolition
- Financing costs
- Relocation assistance



# HTF Program Requirements

- **Environmental Compliance**
  - Environmental Review is required
  - Public notice and comment period not required for HTF
- **Unit Designation**
  - Unit analysis to determine number of HTF units
  - Fixed or floating units
- **Income Limits**
  - Extremely low-income households (<30% AMI)
- **Rent Limits**
  - Rents plus utilities are capped at 30% of the income of a household whose income is 30% AMI
  - If HTF unit receives federal or state project-based rental subsidy, the maximum allowable rent is the allowable rent under the subsidy program, as long as the tenant does not pay more than 30% of their adjusted income
- **Affordability Period**
  - 30-year period of affordability

# HTF – Build America Buy America

- Build America Buy America (BABA) Act requires that all iron and steel, construction materials, and manufactured products used in federally funded infrastructure projects are produced in the United States
  - Iron and Steel
  - Construction Materials
    - Includes raw materials used in construction, such as glass, plastic, drywall, lumber, other metals
  - Manufactured Products
    - Processed into a specific form or shape
    - Combined with other articles, materials, or supplies to create a product with different properties than the individual articles, materials, or supplies

# HTF – Build America Buy America

- Requirements:

- Include language in any procurement bid/contract documents to ensure BABA compliance by contractors
- Documentation/certification of Made in America from vendor/supplier of covered materials

- Project Level Waivers:

- Public Interest
- Nonavailability
- Unreasonable Cost
  - Increase overall project cost by more than 25%

# HTF – Build America Buy America

- Applies to 2025 HTF Developments
  - Understand impact on construction costs/bids
  - Identify contract language and documentation requirements
- Will apply to HOME developments approved under subsequent NOFAs
- Currently in place for use of CDBG funds & other federal assistance programs
- HUD & MHDC developing manual and guidance



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# Missouri Section 811 Project-Based Rental Assistance

MHDC.com

# Missouri Section 811 PRA

## **Program Description**

- Federal program which provides funding for Project-Based Rental Assistance (PRA) vouchers to increase the supply of supportive housing for persons with disabilities.

## **Eligible Funding Uses**

- Project-based rental assistance.
- *Cannot be used to fund any development costs.*

## **Program Requirements**

- Agreement to enter into a Rental Assistance Contract, 30-Year Use Agreement, & more.

## **Target population**

- Extremely-low income persons with disabilities, between the ages of 18 and 61 (non-elderly).
- Direct referrals will be received from Department of Social Service and Department of Mental Health approved programs, namely, the Show Me Home program.

# Missouri Section 811 PRA Eligibility

- Must be awarded federal LIHTC by MHDC
- Must apply and qualify for Service Enriched Housing priority
- Must be multifamily and not be restricted to senior residents (age 62+)
- Must not have occupancy preference for persons with disabilities or more than 25% of the total units used for supportive housing for persons with disabilities
- Units must meet the program criteria for unit integration and accessibility
- The property must be willing to meet all requirements set forth by HUD to ensure eligibility for Section 811 PRA funds
- Owner, property management company, and affiliates must be in good standing with MHDC



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# Additional HUD Requirements

[MHDC.com](http://MHDC.com)



# Additional HUD Program Requirements

- Labor Standards: Davis Bacon
  - Required for more than 12 HOME or HOME-ARP assisted units
  - Requirements are passed through to all contractors/subcontractors
- Section 3
  - Provide employment, training, and contracting opportunities to low-income individuals and the businesses that employ these persons
  - Required compliance for all MHDC developments
  - Requirements as passed through to all contractors/subcontractors
- MBE/WBE
  - Required reporting compliance for all MHDC developments
- Relocation: URA, RSMO 523.205
  - Required for all MHDC developments with rehabilitation or demolition
  - Relocation compliance begins at time of development approval in order to ensure adequate documentation of compliance

# Environmental Compliance

- Environmental Review Completion
  - Level of review varies based on the type of funding
- Project Description
  - A complete and clear explanation of the full scope of work is necessary
- Other HUD Funds
  - If development will receive HUD funds from another Missouri entity, MHDC will complete the Environmental Review process in partnership with other entity
    - i.e., HOME, HOME-ARP, CDBG, CDBG-DR
- Mitigation
  - Mitigation measures or conditions may be required after environmental clearance in order to maintain compliance

# Choice-Limiting Action

- Definition: “One that may have an adverse impact on the environment or limit the choice of reasonable alternatives.”
- Prohibits physical activity, including acquisition, rehabilitation, and construction, as well as contracting for or committing to any of these actions
- From date of application submittal to notification from MHDC for environmental clearance, no participant in the development process may commit non-HUD funds or undertake any activity
- An option agreement on a proposed site or property is allowable if the option is subject to completion of environmental review
  - **Cannot be a legally binding contract or agreement**
  - See MHDC Application Site Control Memorandum



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# MHDC Fund Balance & TCAP

MHDC.com

# MHDC Fund Balance

- \$36,000,000 estimated in 2025 NOFA
  - \$14,000,000 construction only
  - \$22,000,000 construction and permanent
  - \$4,500,000 reserved for applications with 25% or more set-aside units
- 4% construction interest rate
- 1% construction fee
- 4.25% permanent interest rate
- 1% permanent fee
- Must follow MHDC Construction Disbursement Guidelines

# MHDC TCAP

- \$1,200,000 estimated in 2025 NOFA
- 4% construction interest rate
- 1% construction fee
- 4.25% permanent interest rate
- 1% permanent fee
- Must follow MHDC Construction Disbursement Guidelines



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# Service Enriched, Veterans Housing Priority

[MHDC.com](http://MHDC.com)

# Agenda

- Reviewing the 2025 language as it pertains to the QAP
- Gain an understanding of the expectation and guidance of the Service Enriched and or Veterans Housing Priority



# Service Enriched Definition

- Service-Enriched Housing enhances the connection between affordable housing and supportive services. MHDC recognizes the advantages of supportive housing to individuals, communities, and on public resources. To encourage more comprehensive housing environments for vulnerable populations, proposals offering significant services tailored to the tenant population will receive a preference in funding (“Service-Enriched Priority”).
- To qualify for the Service-Enriched Priority, a proposal must have a defined population and demonstrate the services are adequate for the population. Services need to be substantial and not typical of a standard development. Proposed services should take into account the unique characteristics of residents.

# Service Enriched Housing Priority

- Applicants seeking designation under the Service-Enriched Priority must provide substantial resident services appropriate to the population served by the development. This would include services that are supportive of the resident population.
  - Example: A senior development which only offers transportation to residents for shopping once a week and a monthly potluck dinner, while encouraged, is not sufficient to qualify for the priority.
  - Example: A family development which offers numerous children and family activities i.e. game nights, homework help, afterschool programming, back to school events or health fairs would be supportive and substantial to that population.
- Proposals will be looked at more favorably if they offer an extensive menu of services that address the desired program outcomes previously mentioned.

# Service Coordinator

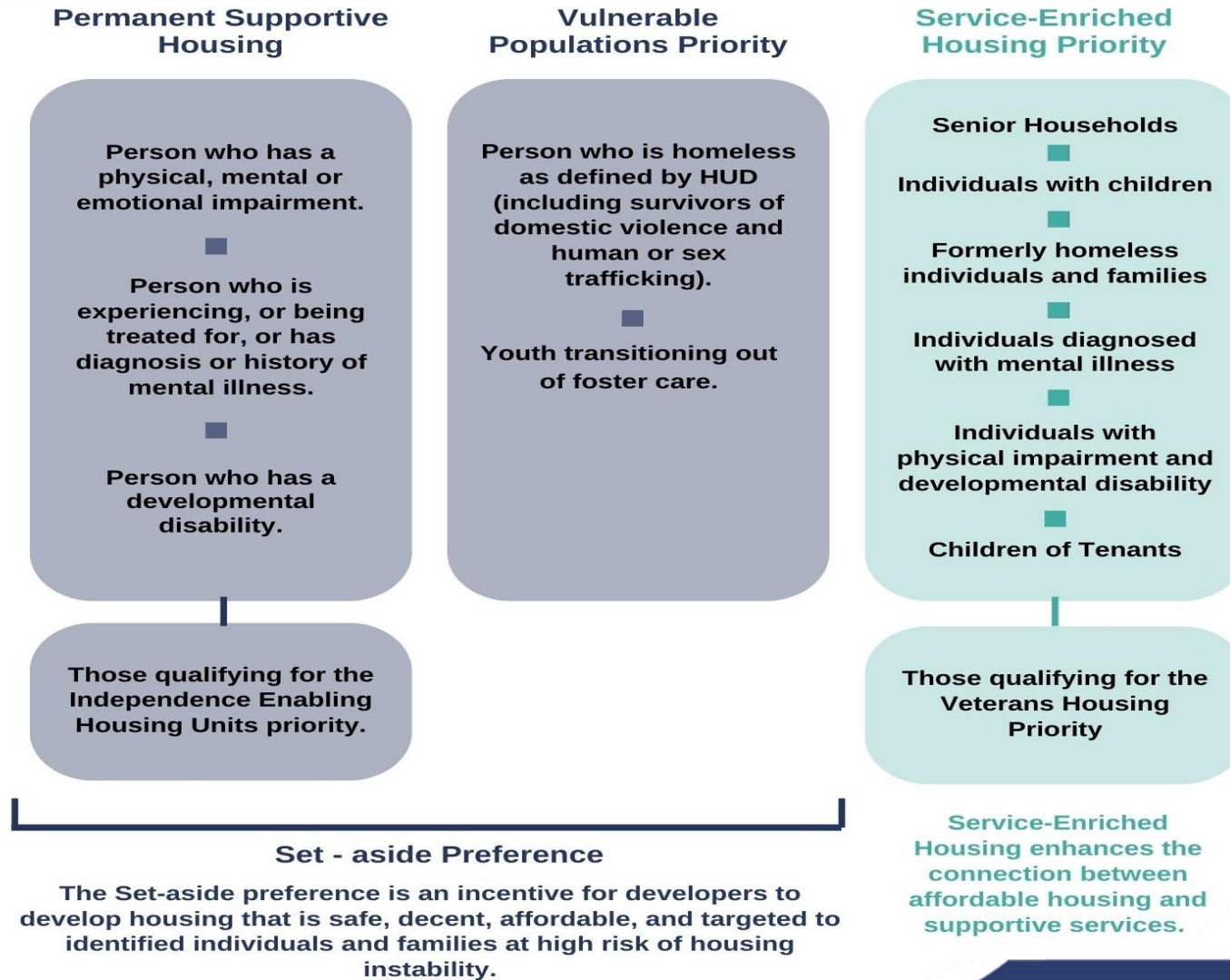
- The property must employ staff dedicated to providing social services (Service Coordinator) or contract with a service agency to provide a service coordinator.
- The purpose of the service coordinator is to direct the service program, provide coordination of services with agencies and other service providers, and work with residents to identify programmatic needs. MHDC looks favorably at service coordinators that work at the property and have office hours available to meet the needs of the residents.

# Veteran's Housing Priority Definition

**Veteran's Housing applicants must apply under the Service Enriched Priority.**

- Applicants developing Service-Enriched Housing targeting Veterans are eligible for this priority. Developments must offer significant services tailored to the Veteran tenant population. Provided services should enhance Veteran tenant housing stability and independence. A substance abuse program **must** be included in the proposal and are also subject to the requirements of the SE Priority.
- At time of application, letter(s) of intent for service commitment(s) shall be in-place with a provider(s) who specialize in, or have substantial experience in, providing services to Veteran populations. If the applicant does not engage with a third-party service provider, support must be provided in the application which demonstrates the substantial experience the applicant has with providing services to Veteran populations.

# Housing Priorities at a Glance



# Application Requirements

Supportive Service Plan

Letter of Intent

Service Coordinator Job Description

Substance Abuse program **\*Requirement for Veteran's Housing**

All information should be fully executed at the time of the application  
submittal

# General Scoring

## Housing Priorities

0 - 10 Points

Applicants may submit a proposal that meets one or both Service Enriched and Set-Aside Preference Priorities, but points will only be awarded to the highest scoring priority that meets all requirements, for a maximum of 10 points available in this priority.

### Housing Priority Category

### Maximum Points Possible

Service Enriched 10

Set-Aside Preference 10



# Service Enriched

Up to 10 points may be awarded to developments that qualify for the Service Enriched Priority. Points will be awarded based on the following criteria:

Applications that include a commitment to provide services for the duration of the affordability period will receive 5 points. Applications that commit to provide services that fall under the Service Parameters as reflected below may receive 1 point per Service Parameter.

Applications must include a fully executed letter of intent for each Service Parameter to receive points for that category. In awarding points, MHDC will evaluate the quality of services provided, the correlation between the services or programs to the tenant population, the service delivery plan, and the duration of the commitment from the service provider(s) for a minimum of 3 years.



# Service Parameters

**Housing Stability**

**Increased Income and/or Employment**

**Physical and/or Mental Health**

**Quality of Life**

**Social and Community Connection**



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# Set-aside Preference: Permanent Supportive Housing, Vulnerable Housing

MHDC.com

# Agenda

- Reviewing the 2025 language as it pertains to the QAP
- Gain an understanding of the expectation and guidance of the Set-aside Preference

# Defining Set-aside Preferences

The Set-aside Preferences shall consist of two separate and distinct priorities: **Permanent Supportive Housing** and **Vulnerable Persons**, as defined and set forth in more detail below.

Developments applying under the Set-aside Preferences must select either the Permanent Supportive Housing Priority or the Vulnerable Persons Priority, but not both.

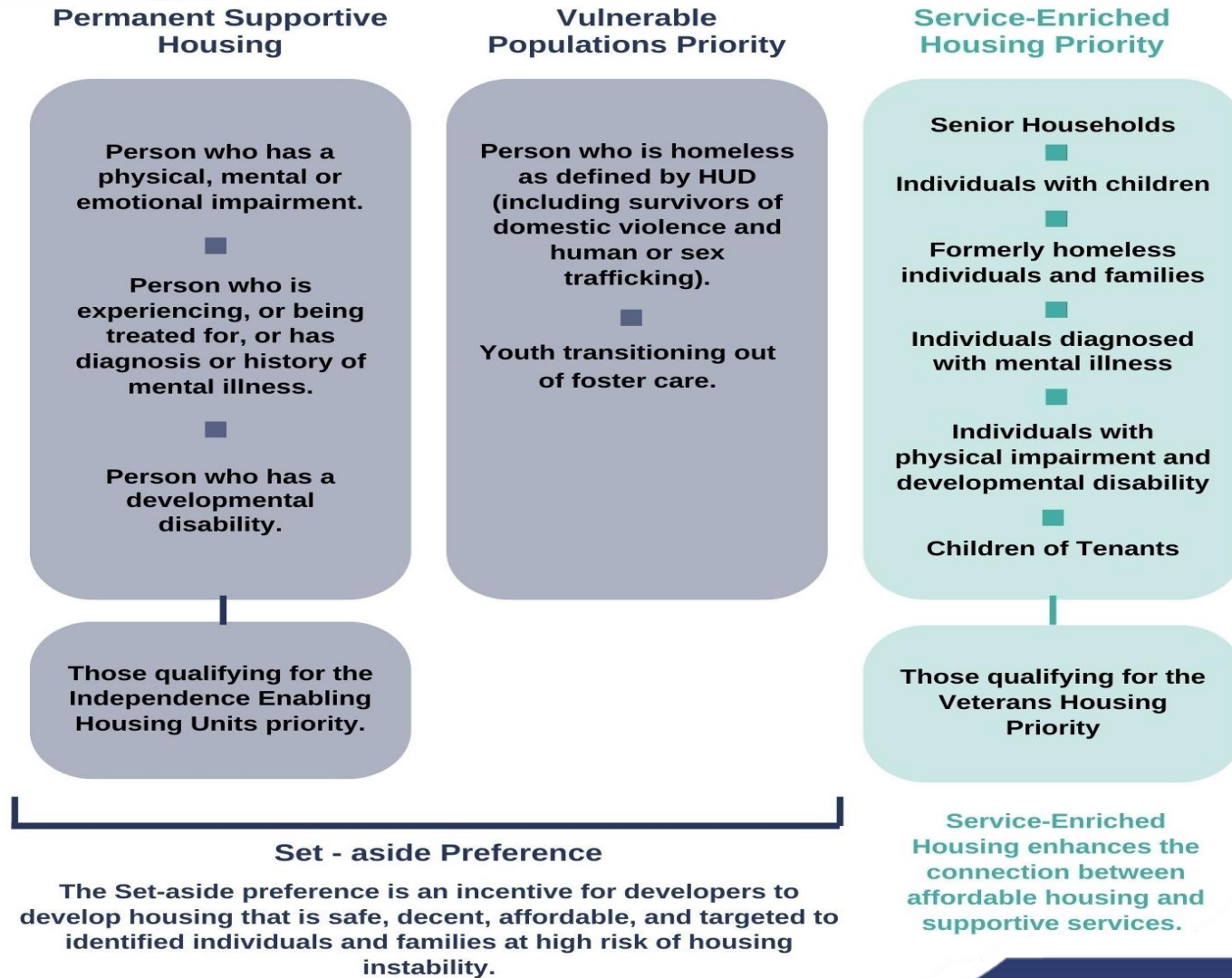
# Defining Set-aside Preference

- The Set-aside Preference is an incentive for developers to develop housing that is safe, decent, affordable, and targeted to identified individuals and families at high risk of housing instability with the partnership of an experienced Lead Referral Agent.
- This is accomplished by providing housing options, combined with social services to stabilize them once in place. The desired outcomes of the Set-aside Preference are for tenants to stay housed, have social and community connections, improve their physical and mental health, increase their income and employment, and to be satisfied with the services and housing.

# Defining Set-aside Preferences

- Developments providing housing opportunities for persons in need of permanent supportive housing or vulnerable persons are strongly encouraged. Proposals committing to a set-aside of at least 15 % of total units will receive a preference in funding (“Set-aside Preference”).

# Housing Priorities at a Glance



# Lead Referral Agency

- For purposes of the Set-aside Preference, a “Lead Referral Agency” is a service provider agency that will provide tenants and services to the community through the later of (i) the completion of the Compliance Period, or (ii) the completion of the affordability period connected to any MHDC loan on the development. The Lead Referral Agency should demonstrate the ability to serve identified populations.
- The Lead Referral Agency must be an agency that coordinates with a range of local social service agencies to develop a collective process for referring and making their services available to qualified residents. A Lead Referral Agency acts as the point of contact with property management.



# Lead Referral Agency cont'd

- Applicants must submit documentation demonstrating they have obtained commitments from a Lead Referral Agency which will refer set-aside preference households qualified to lease identified units and from local service agencies which will provide a network of services capable of assisting each type of Set-aside Preference population.
- Set-aside Preference households must be referred to the property by the Lead Referral Agency in order to be eligible and qualified for an identified unit. Such persons must have a relationship with the Lead Referral Agency at the time they apply for housing.

# Application Requirements

**Draft Referral and Support Agreement**

**Marketing Plan Exhibit**

**IEH/CL unit model plan \*Only needed for the IEH/CL applications**

**Rental Assistance documentation**

# Housing Priorities - **10 pts**

Applicants may submit a proposal that meets one or both Service Enriched and Set-Aside Preference Priorities, but points will only be awarded to the highest scoring priority that meets all requirements, for a maximum of 10 points available in this priority.

Housing Priority Category Maximum Points Possible:

**Service Enriched 10**

**Set-Aside Preference 10**

# Set-Aside Preference Scoring

Up to 10 points may be awarded to development that qualify for the Set-Aside Preference. Points will be awarded based on the below criteria:

- Applications that include a commitment to set aside 15% or more of the units for permanent supportive housing and/or vulnerable population tenants will receive five (5) points.
- For applications that meet the 15% set-aside qualifications, MHDC will evaluate the Supportive Services Plan and award up to five (5) points based on the quality and alignment of services with the targeted population(s).



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# Environmental Compliance

[MHDC.com](http://MHDC.com)

# Agenda

- Environmental Review: What is it?
- Choice Limiting Action
- Roles
- Environmental Review Items
- Other Funding Sources

# Environmental Review

- An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards.
- The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users.
- Not every project is subject to a full environmental review (i.e., every project's environmental impact must be examined, but the extent of this examination varies depending on funding and type of project); however, every project must be in compliance with the [National Environmental Policy Act \(NEPA\)](#), and other related federal and state environmental laws.

# Choice Limiting Action

- Prohibits physical activity, including acquisition, rehabilitation, and construction, as well as contracting for or committing to any of these actions before clearance is received.
- A legally binding agreement may not be executed before the environmental review is completed (including securing release of funds approval, when required).
- Neither may bids for choice limiting actions occur before the environmental review is completed.
- Commitment of HUD or non-HUD funds prior to approval of the ER inherently diminishes and biases objective consideration of alternative locations for the proposed project (including a no-action alternative).



# Environmental Review Roles

## MHDC Roles

- Responsible entity
- Determination of Level of Review
- Evaluate scope of work
- Evaluate for compliance with National Environmental Policy Act (NEPA)

## Developer Roles

- Site Plan, surveys, maps, reports (LBP, Asbestos, Radon, Phase I)
- Supply Partner Worksheets completely filled out with documentation
- Engage Environmental Professional
- Completion of additional evaluation resources, per MHDC request
- Communicate changes in a timely fashion

# Environmental Review Items

- **Noise** - ≤65 dB
  - Tip: Be mindful of proximity to roads, railways, and airports
- **Airport Hazards** – 2,500 ft. of civilian and 15,000 ft. of military airport
- **Air Quality** – non-attainment status.
  - Tip: St. Louis projects be mindful
- **Contamination & Toxic Substances** – Phase I/II, Vapor Encroachment Screening
  - Tip: Sites that had mechanics, dry cleaners, or farms that may have used pesticides could cause further inspections
- **Endangered Species** – BATS!
  - Tip: It's always bats.

# Environmental Review Items

- **Explosive & Flammable Hazards** – Above ground storage tanks
  - Tip: 1 mile radius around the site. Size and material inside make a difference.
- **Farmlands Protection** – Urbanized Area
  - Tip: Check TigerWeb website with 2020 Census data.
- **Floodplains/Wetlands** – New Rules this Year
  - Tip: Check out new regulation. Gives leeway to sites in floodplain or wetland. May have to rise site above floodplain for approval.
- **Historic Preservation**
  - Tip: Let MHDC know about site changes as SHPO and tribes will need to be kept in loop.
- **Environmental Justice**
  - Tip: Pull EJ Report from EPA's website EPA EJScreen.

# Other Funding Sources

- Need to know other funding sources from other entities ASAP!
- Earlier we know about the other source the better!
- If city or local source in addition to MHDC source, MHDC will take the lead in the review.
  - This means MHDC's review could also satisfy any local government's review and could speed up the process.



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# Relocation

HUD Programs

[MHDC.com](http://MHDC.com)

**Applicants seeking funds through any MHDC-administered program for developments with existing tenants are required to follow MHDC's Relocation Assistance Policy.**

# Relocation Requirements

- MHDC Relocation Policy and required forms are available on the MHDC website: <https://mhdc.com/programs/hud-programs/relocation-requirements/>
- Four stages of relocation process – application submission is Stage 1
- Details & requirements of each stage are listed on the Checklist of Documentation Required for Relocation Activities

# Relocation Requirements

- Stage 1 – Application Documents:
  - Seller Certification (FIN-305)
  - Acceptance of MHDC Relocation Policy Form
  - Relocation Plan
  - Tenant List & Demographic Information
  - Draft Tenant Notices
  - Proof of GIN delivery to all tenants – **new this year**
    - **Timing of delivery for the General Information Notice has been moved up. GIN must inform tenants that an application for funding is being submitted.**



# Relocation Requirements

- Earlier General Information Notice delivery – WHY:
  - Tenant tracking begins with the tenant list submitted with your application
  - Demonstrates collaboration between buyer & seller and shows buyer's planning for relocation activities is in tenants' best interests
  - Per MHDC Relocation Policy: documentation is required if the potential for relocation exists, regardless of ownership of property or current site control at application submission
  - Tenants will also receive either a Notice of Non-Displacement OR Notice of Relocation Eligibility after closing, but before they move

# Relocation

## Common Application Issues

- Using old versions of MHDC forms. Updated versions are available on the MHDC website and are required for 2025 applications.
  - Not identifying a relocation point of contact. Your development team must have a specified person that MHDC can contact regarding relocation activities.
  - Tenant demographic information must be included in the submitted tenant list – see Relocation Checklist for details.
- If development is approved:
    - MHDC will inform the development's relocation contact of any missing or incorrect relocation items
  - **Timely submittals are critical to the relocation process**
  - Address any concerns with MHDC staff as soon as possible

# Relocation Requirements

- Stage 2 – FIRM Submission Documents:
  - Updated Relocation Plan, if needed
  - Updated Tenant List – must be current at time of FIRM submission
  - Proof that Advisory Services have been provided to tenants
    - If conducting group meetings, provide a sign-in sheet to show who attended
  - Copies of Tenant Notices for any new move-ins (FIN-310)
  - List of tenants evicted for cause since application submission
  - List of tenants who may be over-income or rent-burdened
  - Documentation on any households to become permanently displaced

# Relocation Requirements

- Stage 3 – Ongoing Reporting Documents:
  - Records of all tenants moving into or out of the property throughout construction
  - Proof that all moves (temporary and permanent) are into units that are decent, safe and sanitary
  - If applicable, documentation of permanently displaced households and the assistance given to them

# Relocation Requirements

- Stage 4 – Development Completion Documents:
  - Final Tenant List with Demographic Information (must be dated within 30 days of development completion)
  - Final List of All Permanently Displaced Persons
  - Any additions, corrections or revisions to previously submitted documentation



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# Minority/Women-Owned Business Enterprise Initiative (MBE/WBE)

[MHDC.com](http://MHDC.com)

# MBE/WBE Initiative

- Developer is MBE or WBE
- Developer Group includes MBE or WBE
- Developer/Mentor Protégé Relationship

# Definition of Mentor/Protégé Relationship

- A relationship in which a more experienced or more knowledgeable non-MBE/WBE developer (the Mentor) helps a less experienced or less knowledgeable MBE/WBE (the Protégé) designed to support, promote and develop the knowledge, skill, and ability of the Protégé as a developer. The Protégé must perform a Commercially Useful Function. At the time a Protégé is awarded a development on his/her own, they can no longer be considered in a Mentor/Protégé relationship.



# MBE/WBE Utilization Plan

- If you are claiming the priority/preference as a Mentor/Protégé include the agreement which should define the relationship and the fee arrangement
- This document should be signed by the parties
- If you are claiming the Developer Group preference clearly define the roles and the parties

# MBE/WBE Utilization Plan

## Part 1:

- Begin your summary with your participation commitment percentages of both hard and soft costs
- Summarize your plan and commitment to the MBE/WBE Initiative
- Indicate any previous history of securing MBE/WBE participation

## Part 2:

### Soft Costs:

- Itemize the soft cost work and estimate cost/percentages which you anticipate for MBE/WBE contracts

# MBE/WBE Utilization Plan

## Part 3:

- Provide any additional information or documentation you feel will be helpful in the evaluation of your plan
- Include previous history of work performed with MHDC

## Part 4:

- Attach MBE/WBE certifications for prospective hard cost contractors
- Signature on Utilization Plan

# MBE/WBE Utilization Plan Outline

- Indicate your priority preference – be sure that you clearly define the relationship and include a signed agreement
- List your soft cost contractors and contract amounts; project hard cost/contractors
- Include certification documents
- List previous MHDC development history
- List outreach plans
- Signature on Utilization Plan



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# Application Materials & Submission

MHDC.com

# Application Submission

- New process for 2025, please be aware of deadlines
- All application documents will be submitted electronically
  - ShareFile individual folders
  - No documents should be mailed to MHDC
- Request for application submission folder link
  - **5:00 p.m. on Friday, September 13, 2024**
- Application submission deadline
  - **5:00 p.m. on Wednesday, September 18, 2024**
- Application fee payment submission deadline
  - **5:00 p.m. on Wednesday, September 18, 2024**

# Application Submission Process

1. Email [application@mhdc.com](mailto:application@mhdc.com) (before 9/13/2024) and request an application link for each individual application
2. Respond to MHDC request for information
  - 9% or 4%
  - Development Name, Location
  - Applicable Application Fee
3. Receive individual ShareFile application folder link & PayPal invoice
  - Folder link can be shared amongst organization/consultants, etc.
4. Upload application documents into ShareFile folder
5. Access to folder expires at application deadline of 5:00 p.m., Wednesday, September 18, 2024

# Folder Access

- Enter email, name, organization
- No registration or password required

To continue, please enter your information below.

Email

First Name

Last Name

Company

Remember Me

Continue

Your information will be used for internal tracking purposes only. It will not be shared with third parties.



# Folder View

- Drop-box type of access
- Browse computer files or drag and drop documents

File Request from Julie Smith at Missouri Housing Development Commission

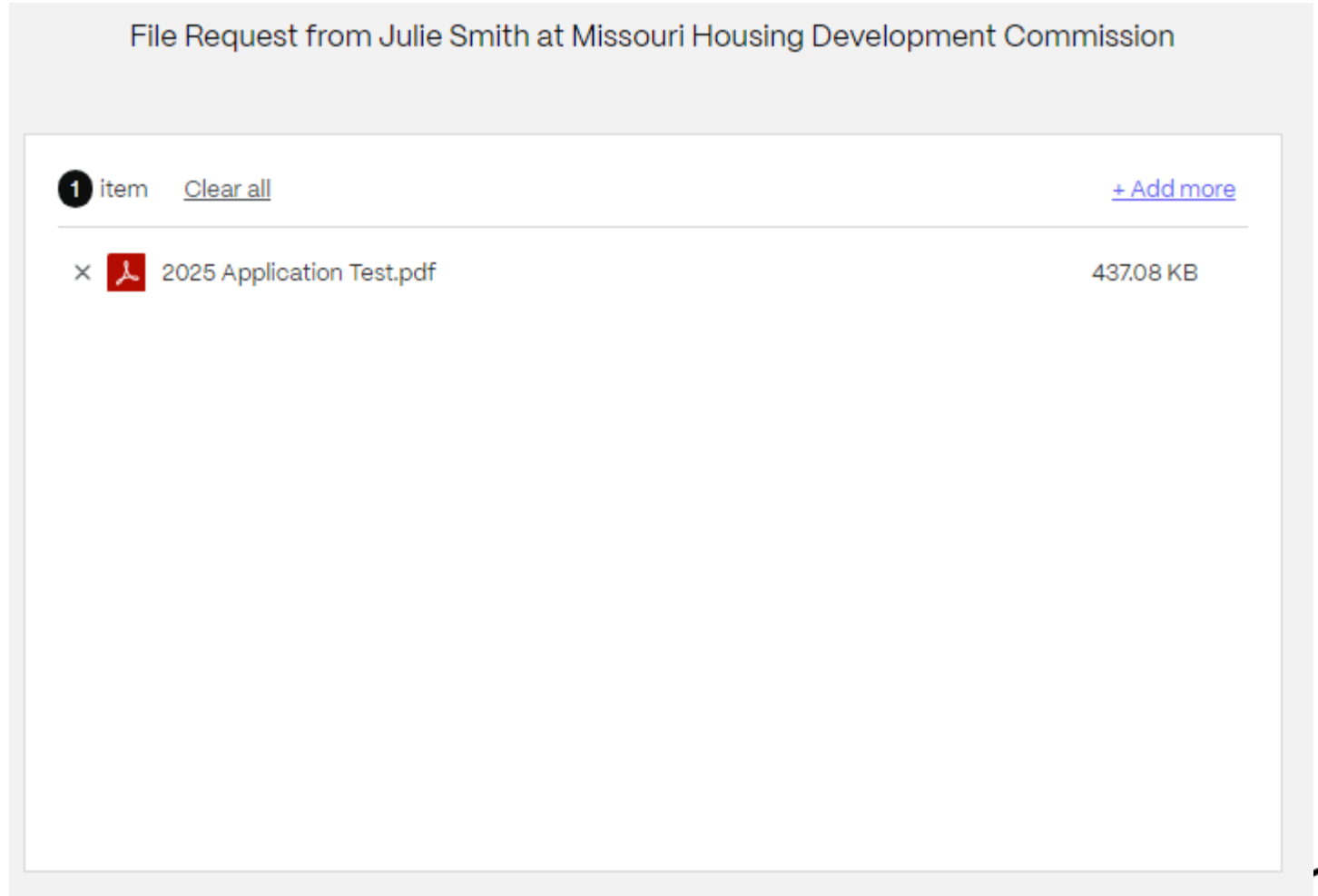


Drag files here

[Browse files](#)

# Document Upload

- Each uploaded document will show up in the list
- Documents must be uploaded individually
  - No folders, zip folders, etc.
  - Multiple page documents are acceptable



# Document Upload

- Document will appear in folder
- Click blue “Upload” button in bottom left corner



File Request from Julie Smith at Missouri Housing Development Commission

1 item	<a href="#">Clear all</a>	<a href="#">+ Add more</a>
x	 2025 Application Test.pdf	43708 KB

Upload



# Document Upload

- After document is uploaded, it appear in the list and the file upload icon will appear again
- Can delete documents after uploading
- Upload date/time will show

File Request from Julie Smith at Missouri Housing Development Commission

 2025 Application Test.pdf

Uploaded 437.08 KB



Drag files here

[Browse files](#)

# ShareFile Upload Tips

- When uploading documents, select one document at a time and upload individual files
- Save files to your computer folder and then drag or browse and select the file you want to upload
- Do not upload files from zip folders
- Do not use the ShareFile folder for document management, this is intended for application submission only

# 2025 Application Materials

- Posted on MHDC website
  - Be aware of updated documents, as posted or emailed
- NOFA, QAP, Developer's Guide
- FIN-125 Checklist
- FIN-100 Workbook
  - Must register to download workbook
- Application Forms
  - MHDC-created forms, does not include external documents
  - Use currently posted forms, some forms have updated questions or fields

# FIN-125: Application Checklist

- Lists all application documents
- Details documents required for applications
  - Documents required for all applications (ex: Market Study)
  - Documents required if... (ex: Economic Development)
  - Either/or documents required (ex: Site Control)
- Specifies naming convention and file type
- Indicates if form is on MHDC's website

# 1a. FIN-100

- Must be filled out completely
- Signed certification page required
- Must use 2025 version, previous forms not acceptable
- Threshold Document



# 1b. FIN-100 Addendum

- Must be filled out completely and accurately
- Signed PDF and excel required
- Use all fields before attaching an additional exhibit
  - Additional exhibit should be in Excel
- Deficiency if incorrect/incomplete
- Required for all applications

# 1c. Exhibit A to #2013

- PDF or Word document preferred
- Provides justification/explanation of out-of-the-ordinary costs and expenses
- “Other” costs should be explained
  - If FF&E costs exceed \$30,000 provide breakout
- If basis boost, explanation on why needed

# 1d. Identity of Parties

- All Parties in Development Team
- Identity of Interest Disclosure
- Note updates to form

## 1e. Dev/Co-Dev/Consultant Fee Structure Addendum

- Required if the project has multiple developers or a consultant
- List all parties that will draw from developer/consultant fee
- Detail the responsibilities, guarantees and amounts earned of each party
- If the consultant is not providing development guarantees, then the maximum allowable consultant fee cannot exceed 30% of the total developer fee

# 1f. Self-Scoring Form

- Provide a completed copy of the MHDC Application Self-Scoring form
- Important to see where applicant believes it should receive points and allows MHDC to evaluate accordingly
- Required for all applications

# 1g. & 1h. Alternate FIN-100

- Alternate FIN-100 submitted when requesting Housing Trust Fund resources
  - Original FIN-100 = Requested HTF sources
  - Alternate FIN-100 = No HTF sources
- Alternate FIN-100 Addendum also included

## 2. Application Fee

- All applicants required to pay application fee through PayPal
- Invoice provided when applicant is provided the application submission link
- Include copy of payment receipt with application submission
- Fee Requirements:
  - Standard Fee: \$2,000
  - Nonprofit Priority fee: \$750
- Threshold Requirement
  - Payment must be made by application submission deadline
  - Please be aware of timely completion of this requirement and contact MHDC promptly if issue with completing payment through PayPal
- Non-refundable

# 3a. Development Questionnaire

- Chance to address selection criteria
- Share any information that is necessary to understand development and/or distinguish application
- Threshold document



# 3a. Development Questionnaire

- **Development Characteristics:** describe type of development, population served, design amenities, services provided
- **Market Characteristics:** rent structure, how rents compare with others in area, how application addresses housing need
- **Development Team Characteristics:** Information on key members
- **Site Control and Identity of Interest:** description of timeline for site control and qualification as ALT or IOI transaction
- **Financial Feasibility:** Description of anything unusual
- **Community Impact:** Local support/opposition, catalytic effect
- **Narrowing Digital Divide:** HUD broadband rule compliance
- **Other Salient Information:** any other important characteristics

## 3b. Economic Development

- Required if requesting economic development points
- Review Developer Guide for details

## 4a. Site Review - Development Location Map

- Two maps must be submitted
- Community-wide map identifying site with respect to town or to two large thoroughfares for metropolitan areas
- More detailed map showing property within context of 5-10 block area with clear site boundaries
- Context should be provided so person unfamiliar with area can find property
  - Include clearly marked street names
- Detailed directions welcome

## 4b. Site Review – Site Photographs

- Color photos
- Include landmarks
- Include surrounding properties

## Site Review – Site Plan (4c) or Subdivision Map (4d)

- Subdivision map if single-family homes, lots must be outlined
- All other proposals site plan identifying footprint(s) of building and site amenities
- Include distances from perimeter to building

## 4e. Site Review – FEMA Flood Map

- Copy of current FEMA flood map panel
- Clearly mark subject boundaries
- Include panel number and map date
- Maps can be found at: <https://msc.fema.gov/portal>

# 5. Applicant Site Control

- Evidence of applicant site control must clearly link current owner to eventual ownership
- Executed purchase option agreement, deed, OR long term lease
  - Price, Legal description(s), Timing
- If requesting HOME/HOME-ARP/HTF must have 100% site control of all application sites
  - Purchase option agreement vs. conditional contract
  - Specific language requirements, reference [HUD Memo](#)
  - Different restrictions/circumstances for use of either option or conditional contract
- All developments not requesting HOME or other HUD financing must demonstrate proper site control for at least 50% of sites
- For developments that do not evidence 100% site control, a description of how site control will be obtained is mandatory

## 5e. MHDC Scattered Site Addendum

- Required if project has scattered sites.



# 6. Market Studies

- The purpose of analysis is to inform MHDC
  - What positive and negative locational factors affect the subject site
  - What the achievable restricted rent is per unit type
  - What the achievable market rent is per unit type
  - If the market supports the developer's projected restricted rents
  - The point in time when the property is expected to reach stabilization
  - If there are any risks to projections
  - If there are enough households at sufficient income levels to make the project viable.

# 6. Market Studies

- Must be dated within 6 months of application
  - If within 24 months, update letter must be provided
- Must be prepared by approved provider listed on [MHDC website](#)
- Must follow guidelines listed on [MHDC website](#)
- Form 1300 must be completed by Market Analyst

## 7. Preliminary Financing Commitments

- In cases where MHDC is providing a loan dependent on cash flow for repayment, deferred developer fee should be structured as a note and its position in the distribution of cash flow clearly indicated in the owner's partnership agreement or operating agreement, as applicable
- MHDC reserves the right to create, eliminate, or adjust the deferred developer fee to efficiently utilize resources and appropriately underwrite each deal
- Deferred developer fee in excess of 50% of the total developer fee should be avoided and will be allowed only in rare circumstances
- It must be demonstrated that the deferred developer fee can be paid back from cash flow. Preferably, this repayment will take place within the first ten (10) years

## 7. Preliminary Financing Commitments

- If a bridge loan is to be provided by the equity investor, the terms and conditions of that loan can be included with the equity commitment and do not need to be presented in a separate commitment letter
- Bridge loan fees and interest should not be reflected in development budget

# 7a-7d. Preliminary Financing Commitments

- Federal and State LIHTC and Historic Credits
  - Reflect ownership percentage & amount of annual credits to be purchased
  - Price per dollar of credit
  - Total capital contribution
  - Detail syndication costs and asset management fees
  - One letter can be used for multiple equity types

## 7e. Financing Commitments Non-MHDC

- Non-MHDC financing – Private Bank
  - Interest rate
  - Loan term / amortization term
  - Maximum loan amount
  - 2<sup>nd</sup> position to MHDC Fund Balance if requesting MHDC Fund Balance and not a Participation Loan
  - No variable rate permanent loans
  - No permanent loans with balloon payments due before year 18

## 7f. MHDC Participation Loan

- MHDC Request for Participation Loan form must be included
- Must include letter of intent from the participating lender stating that:
  - Take co-first lien position to MHDC Fund Balance
  - Amount willing to loan
  - Acknowledge that the loan is subject to the MHDC Participation Loan Agreement

## 7e. Financing Commitments – Non-MHDC

- Non-MHDC funding – grants/city loans/etc.
  - Submit commitment letter from agency granting/loaning funds
- Non-MHDC funding – assumptions or restructured loans
  - Include information on Development Questionnaire
  - Include documentation reflecting current balance
  - Letter from current lender stating the loan qualifies for assumption/restructuring
  - New terms for the assumed/restructured loan



## 7g. Request for MHDC Funds

- Required if requesting MHDC HOME, HOME/CHDO, HOME/ARP, NHTF or Fund Balance

## 7h. MHDC Financing Fee Addendum

- Used to detail very complicated loan fee structures
- Helps indicate where fees are located in development costs

## 7i. Income During Construction Calculator

- Income from operations during construction must be included as a source of funds
- The MHDC Income during Construction Calculator must be submitted with the initial application

# 8. Seller Site Control

- Applicant must demonstrate site control in form of vesting deed or title policy clearly indicating current owner
  - Additional requirements for identity of interest
- Seller Certification FIN-305 required for every application with existing tenants
- Legal description must be included as separate exhibit
  - Narrative if site being purchased larger than development
  - Clearly label legal descriptions for multiple-parcel single-family

## 9. Public Official Contact Verification

- For all notifications - include a copy of the letter and certified mail delivery receipt
- Letter of support on letterhead is proof of notification
- Contacting chief executive threshold document
- State Senator, State Representative, Councilperson, Housing Authority Executive Director, Local Legislative Body, Head of Local Law Enforcement required
  - If there is no city resolution – must provide proof that all council members/alderpersons have been notified in all districts abutting the district the proposal is located in

## 9. Public Official Contact Verification

- Letters must include the population being served, the number of units proposed, and any other relevant information demonstrating the official has received a sufficient description of the proposed development
- Emails may serve as contact verification if the email describes the proposed development
  - The documentation of contact verification must be an email chain showing the initial email to the contact and the email responses from the contact
  - It must be obvious from the email reply the name and position of the contact

# 10. Statutorily Required Documents

- IRS/MO 8821 completed by:
  - All general partners or members of the developer/ownership entity
  - All key principals of developer/ownership entity
  - All guarantors
- IRS 8821
  - Complete Section 1 and sign and date Section 6
- MO 8821
  - Complete only the top section and sign/date at the bottom
- Tax clearance required in Phase I

## 10. Statutorily Required Documents

- MHDC Legal Employment Practices Cert FIN-109 always required
- Certification Regarding Debarment, Suspension & Other Responsibility Matters always required



# 10d-10e. Evidence of Consistency with Consolidated/Comprehensive Plan

- Developments located in a jurisdiction with a consolidated plan filed with HUD are required to provide certification the proposed development is in compliance with such plan
  - Letter must be from HUD or local governing official in charge of the Consolidated Plan
- If a jurisdiction does not have a consolidated plan, a certification the proposed development is consistent with the comprehensive plan must be submitted
  - Letter must be from the City Planning Director, Community Development Director, City Manager or other city official in a comparative role
- Formal letter on official letterhead with signatures required

# 11. Housing Priorities

- Required if applying under 2025 QAP Housing Priorities
  - Nonprofit
  - HOME CHDO
  - Service Enriched
  - Permanent Supportive Housing
  - Preservation
  - Opportunity Area
- If the required documentation is missing or does not fulfill the applicable requirement(s), the Application may not be considered for the desired priority
- If applying for Nonprofit and HOME CHDO, provide both materials

# 11a. Non-Profit Priority

- Non-Profit Participation Questionnaire
- NP Certificate of Incorporation
- NP Articles of Incorporation
- NP Bylaws
- NP Certificate of Good Standing
- NP Evidence of NP Status
- List of Current Board of Directors
- Most Recent Audited Financial Statements

# 11b. HOME CHDO

- CHDO Certification Form
- Certificate of Incorporation
- Articles of Incorporation
- Bylaws
- Certificate of Good Standing
- NP Evidence of NP Status
- CPA Certification Letter of Independent Audit
- List of Staff, Resumes, Payroll

# 11d. PSH/Vulnerable Populations

- Set-aside Priority Questionnaire
- Draft Referral & Support Agreement
- Permanent Supportive Housing Marketing Plan
- Rental Assistance Commitment Letter

# 11e. Preservation Priority

- Property Note
  - Copies of all notes on project and current balance
- Property Regulatory Agreement
  - Includes regulatory agreements, LURAs or any other restrictions placed against the property
- Rent Subsidy Agreement
  - Provide most current HAP contract, RD Rental Assistance Agreement or PHA Subsidy Agreement
- Property Audited Financials (last 3 years)

# 11e. Preservation Priority

- Preservation Letter – HUD Properties
  - Contact HUD office
- Preservation Letter – from MHDC
  - Required for all Preservation Applications
- Preservation Letter – RD properties
  - Support letter
  - Meetings with RD discussing all details about the project – sources, rental assistance, rents, expenses, replacement reserves, Capital Needs Assessment, etc.

# 11e. Preservation Priority

- Physical Needs Assessment for HUD-MHDC Properties
  - Detailed PNA - match project needs
  - PNA will be used for plans and specs if project is approved
- As-Is Capital Needs Assessment for RD properties
  - Discuss with RD
  - Must meet RD's requirements



# 11f. CDBG-DR

- Applications that will include CDBG-DR funding must obtain a Letter of Intent prior to application submission from DED
- This letter does not guarantee an award from MHDC
- Please contact DED for all details concerning this Priority

# 11g. Opportunity Area

- Opportunity Area
  - Include Affirmative Market Plan
    - Must include a Special Marketing Reserve to assist in initial relocation expenses for families with children
  - Must also apply under the SE Priority
    - Refer to Developer's Guide for service examples and additional guidance

# 12. Zoning

- Evidence of zoning always required in application
- Zoning letter must be an original, on the letterhead of the local governmental unit responsible for zoning, and must clearly indicate:
  - The zoning designation with a brief description of such designation
  - Density requirements/limits
  - Description of any conditional use restrictions or overlay regulations that further restrict the property

# 13. Architectural Items

- Elevations (new construction) or Photos (rehabilitation)
- Development Characteristics Worksheet always required
  - Pay careful attention as this should not change later should the project be approved
- Specific items for rehab and new construction outlined on checklist and detailed in Developer's Guide

# 14. Sustainable Housing Items

- Required for new construction
- Must meet the current standards for the certification level of choice for of one of the following green building rating systems
  - Enterprise Green Communities
  - Any of the LEED rating systems
  - National Green Building Standard

# 15. MBE/WBE

- Utilization plan required if more than 6 units
- Additional items if applying as part of MBE/WBE Preference
- Fee Structure Addendum
  - List all parties that will draw from developer/consultant fee
  - List work and/or guarantees that each party will perform to merit fee

# 16a–16e. Relocation

- Include with Application:
  - A current Tenant List with incomes
  - Relocation Plan
  - Draft General Information Notice (GIN)
- **Permanent Displacement** – Goal is no tenant permanently displaced
- There may be additional relocation guidelines when federal funds are utilized. When multiple funding sources, the most stringent rule will be used.

# 17. Homeownership Plan

- Required if development has existing tenants
- Permanent displacement strongly discouraged
- Applicant must take all reasonable steps to minimize displacement of existing tenants



# 18. Utility Allowance Schedule

- Required for all applications
- Most current utility allowance schedule from the local public housing authority (PHA) or the HUD Utility Schedule Model (HUSM).
- On projects that request HOME funds, HUSM will be applied to HOME units to calculate gross rent for HOME units.

# 19. Developer & GP Information

- FIN-105 - Experience Summary for Developer
- FIN-107 - Developer Qualification
  - All guarantor's in any capacity should be listed
- Developer Financial Statements
  - Required to be included in the application submission folder
- Experience Summary for Key Principals of GP
  - Only necessary if GP has different key principals than the developer

## 20. Management Agency Certification

- FIN-105 - Experience Summary for Management Agent
- Management Company Certification
  - All properties must be managed by an agent listed on MHDC's Certified Property Management Agent Listing
  - All existing and/or new management companies seeking to manage properties in Missouri are required to submit an application to be approved as a "Certified Property Management Agent"
  - Certifications will be valid for up to a three-year period

# 21. MHDC Waiver Request

- Must be submitted and signed by MHDC **before** the application is submitted
  - Submit waiver request by email to [julie.smith@mhdc.com](mailto:julie.smith@mhdc.com) by COB **Monday, September 9, 2024.**
  - Include the signed, approved copy with the application
- Specific Waiver Requirements:
  - Market Study
    - No waiver for delayed submission
  - Development Cost Minimums
    - Due 30 days before application due date (August 19, 2024)

## Affordable Housing Division

<b>Julie Smith</b>	(816) 759-7265	<b>Director of Affordable Housing</b>
<b>Aidan Rich</b>	(816) 759-6632	<b>Underwriter</b>
<b>Ann Strum</b>	(816) 782-8059	<b>Construction Disbursement Coordinator</b>
<b>Annette Lloyd</b>	(816) 759-6626	<b>Appraiser</b>
<b>Bryan Harris</b>	(816) 648-0545	<b>Rental Production Manager</b>
<b>Charla Sallee</b>	(816) 759-6614	<b>Construction Disbursement Supervisor</b>
<b>Cindy Gibson</b>	(816) 648-0537	<b>Davis Bacon/ Section 3 Administrator</b>
<b>Cristina Dusenbery</b>	(816) 759-6864	<b>HUD Programs Manager</b>
<b>Jason Cline</b>	(816) 759-2888	<b>Environmental Compliance</b>
<b>John Driver</b>	(816) 759-6810	<b>OSHA Instructor/Construction Inspector</b>
<b>Karen Justice</b>	(816) 759-6842	<b>Environmental Compliance</b>
<b>Lauren Guminger</b>	(816) 800-8893	<b>Relocation Administrator</b>
<b>Margaret Murphy</b>	(816) 759-7262	<b>Tax Credit Allocation Manager</b>
<b>Melanie Wilson</b>	(816) 759-6838	<b>Affordable Housing Administrator</b>
<b>Michael Zeigler</b>	(816) 759-6678	<b>Architect</b>
<b>Nikki Walsh</b>	(816) 759-7226	<b>Construction Disbursement Coordinator</b>
<b>Rachel Wood</b>	(816) 800-8992	<b>Tax Credit Administrator</b>
<b>Remona Miller</b>	(816) 759-7238	<b>Services/Supportive Housing Coordinator</b>
<b>Sabrina Smith</b>	(816) 759-6833	<b>Underwriter</b>
<b>Sheryl Butler</b>	(314) 877-1382	<b>MBE/WBE Administrator</b>
<b>Talin Golightly</b>	(816) 800-8892	<b>Underwriter</b>
<b>Terence Sullivan</b>	(816) 759-6616	<b>Underwriter</b>
<b>Tiffany Frazier</b>	(816) 759-6873	<b>Underwriter</b>
<b>Tina Clubine</b>	(816) 759-6816	<b>Underwriter</b>