Operating Assistance Program

Application and Submission Guide
CY2027

Due Date:

Applications will be accepted beginning:
September 01, 2026, at 9:00 a.m. Central Time
Application submission must be received by:
October 02, 2026, at 5:00 p.m. Central Time

Estimated Funding Availability:

$4,000,000.00

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

EQUAL HOUSING OPPORTUNITY

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INTRODUCTION

Purpose

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

Deadline

Completed applications will be accepted by MHDC starting **Tuesday, September 1, 2026, at 9:00 a.m.** through **Friday, October 2, 2026, at 5:00 p.m.** Applications must be submitted in the Asset Management Reporting System (AMRS) by the deadline and must follow the terms established in the OAP Notice of Funding Availability (NOFA). An application received after the deadline will not be considered. All deadlines are subject to change should the NOFA need to be revised or modified as deemed necessary in the sole discretion of MHDC.

Requirements

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

Awards

Funding decisions are subject to funding availability and Commission approval. OAP awards are anticipated to be announced in February 2027.

Information

- Program materials and information for the OAP are available at: https://mhdc.com/programs/asset-management/operating-assistance-program-oap/.
- Information and access for AMRS is available at: https://mhdc.com/programs/asset-management/program-compliance/compliance-resources/amrs/.
- Please direct all OAP related questions to: OAP@mhdc.com.

GENERAL PROGRAM INFORMATION

Minimum Eligibility Requirements

- The property is currently in MHDC's compliance portfolio; and
- The property is within the initial tax credit compliance period, or the property is within the loan affordability period as detailed in its Regulatory Agreement; and
- The property has an Expense or Debt Coverage Ratio below 1.20 for two consecutive calendar years as outlined in the OAP NOFA; and
- The property is in compliance with MHDC and specifically MHDC's Asset Management compliance policies prior to October 1, 2026. Compliance includes, but is not limited to, the submission of the Annual Owner Certification and audited financial statements for each of the calendar years 2024 and 2025; and
- The property was subject to MHDC Asset Management compliance policies for each of the calendar 2024 and 2025 for the most recently awarded MHDC funding.

Other Eligibility Requirements

- Properties that meet the following criteria do not qualify to apply for funding:
    - In Tax Credit Extended Use Period
    - USDA Rural Development as First Position Lender
    - 100% Project-Based Section 8
- Units eligible to be included in the operating assistance subsidy calculation must meet the following criteria:
    - Occupied
    - Have a move in-date on or before April 30, 2025
    - Do not receive a project-based voucher

Definitions

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

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

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

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

Evaluation of Applications

Submission

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

Review Criteria

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

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

Family Development Example:

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

Elderly Development Example:

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

APPLICATION INSTRUCTIONS

Application Submission

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

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

Application Guidance

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

Part A

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

- The following information is pulled from property data in AMRS and displayed in Part A of the OAP application:
    a. Property Name
    b. MHDC/LIHTC Number
    c. Total Number of Units
    d. Development Type
    e. Owner Name
    f. Management Company
    g. County
    h. Active Funding Type
    i. Property Compliance
    j. DSCR/ECR

- **Compliance Determination:** If the property is currently non-compliant for the following reasons, then the property is not eligible to apply for OAP funding:
    - Failure to submit and respond to Annual Financial Statement Requirements
    - Failure to submit Annual Certification Online (COL) Report
    - Failure to submit Exhibit A Owner's Certification of Continuing Program Compliance

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

- **Eligibility Determination:**
    - Provide an accurate response to the following question:

- *During the submission of the financial statements for* the calendar years as outlined in the OAP NOFA*, did my property have mandatory hard debt?* (If the property has an amortizing loan, you must select YES.)
  - Please reference the applicable financial statements submitted in AMRS, as needed.
- Based on the applicant's YES/NO response, the applicable calculation of Debt Service Coverage Ratio or Expense Coverage Ratio will be displayed and is based on the financial information previously reported to MHDC during the property's financial statement submission period.
  - If the DSCR/ECR is above or equal to 1.20 in either year, then the property is not eligible to apply for OAP funding. The applicant will be unable to proceed with the application.
  - If the DSCR/ECR is below 1.20 in both years, then the property is eligible to apply for OAP funding, and the application will be able to proceed to Part B of the application.
- For applicants that received an OAP award under the CY2026 NOFA, the DSCR/ECR calculation utilized for that award will auto populate in AMRS.

Part B

This section collects information on the property's units, current tenant information, and applicable unit designations. The information submitted must be current as of 8/31/2026. This information will be used to identify eligible units and determine the eligible subsidy.

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

Part C

This section requires the applicant to answer questions and upload documents. Questions are as follows:

- Has a Transfer of Physical Assets (TPA) occurred since the property's most recent tax credit allocation?
- Does the Exhibit J in Compliance Forms match the Ownership/Principals form?
- Identify reason(s) why ownership is requesting operating assistance.
- Are there any judgement, claims, arbitration proceedings or suits pending or outstanding against the ownership entity or management company?
- Does ownership anticipate requesting the full amount of estimated subsidy?
- Provide further information needed for processing the MHDC Operating Assistance Application.

- Required upload section: Rent Roll, Workforce Eligibility Affidavit, Exhibit J
- Acknowledgement that the requested assistance will be offered in the form of a non-amortizing soft loan.

Attachments

The following attachments are required uploads for all OAP application submissions:

- **Rent Roll**: The applicant must submit a rent roll current as the time of application submission. The rent roll must include all units in the property and identify the following minimum information for each unit:
  - Unit Number
  - Bed Room size
  - Head of Household Full Name
  - Move In Date
  - Move Out Date
  - Current Rent
  - Identify Unit Designation for each unit i.e., Tax Credit 60%, High Home, etc.
  - Identify all units with a project-based voucher
- **Ownership Entity Information**: The application must provide the following information on all the principals of the ownership entity for MHDC to complete a Missouri tax clearance check in accordance with the Tax Credit Accountability Act:
  - Name
  - Address
  - FEIN/SSN
- **Exhibit J:** The property must verify that there is an updated and accurate Exhibit J uploaded in AMRS for the property. If the Exhibit J on file does not match the information provided in the ownership entity information form, then the Exhibit J must be updated and uploaded with the OAP application submission.

Certification

The applicant must acknowledge all application certifications and provide a signature to authorize and certify the information provided in the OAP application is accurate.

APPLICATION APPROVAL

Applicants should review MHDC's Standards of Conduct, available at: www.mhdc.com.

Standards of Conduct

The MHDC Standards of Conduct contains the following requirements regarding contact with Commissioners and MHDC staff during an open OAP application process:

Definitions:

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

Procedure:

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

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

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

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

Disclosure:

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

Availability of Funds

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