



2025 DRAFT QUALIFIED ALLOCATION PLAN *SUMMARY OF CHANGES*

May 17, 2024

Administrative Changes

- Changed dates to reflect current funding years.
- Updated funding types and amounts to reflect available resources.
- Revised language describing application submission process. Applications will be accepted through online submission, no physical binders or documents will be accepted. Language updated to reflect ShareFile application submission and online application fee payment.
- Replaced references to 4% NOFA and rolling applications with subsequent application rounds to align with current practice.
- Updated website addresses and document titles to reflect most recent versions.
- Generalized references to specific funding sources to “MHDC-approved developments” to refer to developments with MHDC funds.
- Standardized program terminology used (NHTF, HOME Final Rule, Qualified Allocation Plan, Set-aside Preference, Service-Enriched Priority, Average Income Minimum Set-Aside).
- Lists, numbers, and point totals revised as necessary.
- Updated order of text in bulleted lists for consistency throughout document.
- Replaced “as defined” with “as detailed” where applicable in reference to Developer’s Guide.
- Replaced “will” with “may” as applicable to reflect MHDC discretion during review.

Draft QAP Changes

I. General Information

C. Credit Types and Availability

- Removed deadline of September 30th to reallocate returned credits.
- Removed requirement to submit two applications when applying under State LIHTC Accelerated Redemption Pilot Program. Updated to require two Letters of Intent (LOI) within single application. Subsequent references updated.

D. Notice of Funding Availability

- Added approximate language to Conditional Reservation timeline after Commission approval.

II. Standards

A. Participant Standards

- 2. Clarified resale of ownership interest policy language:

“Any individual or entity awarded Federal LIHTC and/or State LIHTC cannot resell their ownership interest (or any Federal LIHTC and/or State LIHTC flowing therefrom) unless approved by MHDC, excluding individuals or entities included in investor group. Any individual or entity which violates this provision may, in the sole discretion of MHDC, be barred from further participation in any MHDC rental production programs.”

B. Development Standards

- 5. Documentation required if units not included in rehabilitation scope of work.
- 11. Copies of construction contracts provided to MHDC if requested.
- 13. Replaced “contractor” with “vendor” regarding MBE/MWE requirements to reflect applicability to soft cost service providers.
- 22. Added VAWA Emergency Transfer (VET) Plan language:

“Developments with MHDC funding must have an Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking. The Model Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (HUD-5381) form contains only general provisions of an Emergency Transfer Plan that apply across HUD programs. Adoption of this model plan without further information will not be sufficient to meet an Owner/Agent’s responsibility to adopt an emergency transfer plan. Owner/Agents must consult applicable regulations and program-specific HUD guidance when developing their own emergency transfer plans, to ensure their plans contain all required elements.”

C. Underwriting Standards

- 1. Revised rent standards:

“The proposed rents must not exceed the rent maximums set by funding sources utilized in the application. Proposed rents must meet all underwriting standards for applicable funding sources and be 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.”

- 2. Requests for exception to 40% threshold due 30 days before application deadline.
- 3. Revised development cost maximum language to reflect current practice.
- 5. 4% development not eligible for State Difficult Development Areas. Revised priority headings to reflect this.
- 5c. Removed Independence Enabling Housing from Set-Aside Preference qualification list and removed all subsequent references.
- 6b. Condensed language outlining contractor fee calculation. Bonding and permits not included in calculation.
- 7. Added “Acquisition costs will not be increased after approval.”
- 9. Maximum Credit Amount includes consideration of basis boost.

- 13. Added National Housing Trust Fund (NHTF) Language:

“Use of National Housing Trust Fund (NHTF). Funding from NHTF is subject to the requirements of the Build America Buy America Act. Due to the limited amount of NHTF resources available, applications that include a request for NHTF should also include an alternate FIN-100 that does not include NHTF as a source. Further details regarding the NHTF Program requirements can be found in the Developer’s Guide.”

- 14. Clarified HOME-ARP use permitted by HOME-ARP notice and noted further details can be found in the Developer’s Guide.
- 15. Added 811 Project Rental Assistance (PRA) Language:

“Use of 811 Project Rental Assistance (PRA). MHDC will make available approximately twenty-five (25) project-based vouchers through this QAP. Applications under the Service-Enriched Priority are eligible to request, as eligible under the program guidelines. 811 PRA vouchers are not eligible to be paired with Set-aside units.

The 811 PRA program must serve households in which one non-elderly adult 18-61 has a qualifying disability at the time of admission, are extremely low-income and are eligible for Medicaid services. This is a rental assistance program, not a loan program. Eligible properties will receive an award through the Missouri 811 PRA Program for project-based rental assistance. The PRA units will then be rented to persons with disabilities referred by the Missouri Department of Social Services and Missouri Department of Mental Health. No more than twenty-five percent of the total units in the project can be designated for individuals with disabilities, regardless of whether or not the units receive rental assistance.”

- 16. Removed LOI requirement to acknowledge election of Average Income Minimum Set Aside.

III. Housing Priorities

- 1. Purpose of fostering low-income housing must be in nonprofit articles of incorporation or bylaws to be eligible for nonprofit set-aside.
- 1, 2. Removed list of application attachments detailed in the Developer’s Guide.
- 5. Any prior LIHTC allocation eligible for Preservation Priority. Revised timeline to submit to request for preservation letters from MHDC to 40 days before application deadline.
- 6. Removed CDBG-DR language and all subsequent references.
- 11. Removed Opportunity Zone language and all subsequent references.

IV. Reservation Process

A. Document Review

- 1(a). Timeline to submit waiver request is seven business days before application deadline, unless otherwise specified.
- 1(b). Good standing with MHDC may impact application evaluation.
- 1(d). Added language regarding sunshine request and tax identification numbers:

“Information contained within Missouri and IRS Form 8821 submitted with application is not subject to public records request.”

- 2e. Contacting Chief Executive of local jurisdiction threshold requirement. State Senator, State

Representative, and Executive Director of Public Housing Authority moved to secondary document requirement.

- 3a. Moved economic impact to secondary review document category.
- 3c. Applications must include documentation demonstrating adequate site control.
- 3d. Market Study requirement may not be waived or submitted after application deadline.
- 3i. Allow for letter describing zoning process and timeframe.
- 3m. Homeownership must apply to entire single-family homes or duplex development.

C. General Scoring Phase III

- Revised Phase III point summarization to reflect updated point categories.

“The following chart summarizes the point categories in Phase III.”

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

Development Characteristics

- Income Targeting eligible for up to 13 points, increasing points possible for targeting of 30% AMI units. Proposals with Average Income Minimum Set Aside must maintain percentage of units receiving income targeting.
- Mixed Income Development includes workforce housing units.
- Tenant Ownership renamed to Homeownership Opportunity.
- Services renamed to Housing Priorities and added language clarifying points awarded:

“Applicants are only eligible to receive 5 points under one of the following housing priorities: Service Enriched or Set-Aside Preference. Applicants may submit a proposal that meets 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	5
Set-Aside Preference	10

Up to 10 points may be awarded to developments 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).”
- Economic Development replaced language to align with level of detail provided in QAP:

“Points will be awarded based on the below criteria:

1. Direct Coordination Letter (2 Points)
2. Primary Market Map of Economic Development (1 Point)
3. Development Proximity Map (1 Point)
4. Transportation Map Routes (1 Point)

Further details about the Economic Development category can be found in the Developer's Guide."

- Preservation Priority eligible for 10-20 points. Added language:

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

Preservation Development	Points
Located in Kansas City or St. Louis regions	10
Located in MSA-Rural or Rural regions	17
Development is existing USDA-RD property	20

Use of Resources

- Removed energy/utility rebates from Leveraged Funds.
- Historic Tax Credit point eligible if state tax credits requested.
- Removed National Housing Trust Fund, HOME CHDO, and Total Development Cost points in the Use of Resources category.
- Revised Rental Assistance language:

"Applications that include committed rental assistance for at least 15% of units will be awarded two (2) points. Developments with Rural Development, Project Based Rental Assistance, or self-funded rental assistance reserves will be eligible for the points in this category. MHDC requires rental assistance commitments for at least three-year terms. Rental assistance commitments for ten (10) years or longer are eligible for an additional three (3) points, for a maximum total of five (5) points within this category."

- Removed LIHTC bedroom size requirements from Credit Efficiency.

Development Team

- Removed HOME CHDO points.
- Development team prior performance considered through July 31st of application year.

D. Underwriting/Selection Criteria – Phase IV

- MHDC reserves right to limit review in Phase IV and consider applications that do not earn 90 points to meet affordable housing needs as determined by MHDC.
- Development size limit exception includes new construction 4% with no other MHDC funds.
- Site considerations include proximity to other affordable housing developments.
- Design considerations include accessibility requirements.
- Market Characteristics - development location criteria include previous phase at 50% construction.

- Development Team Characteristics language added:
 “Performance regarding MHDC deadlines for previous funding awards including significant cost increases, additional funding requests, responsiveness, and timeliness and adherence to MHDC requirements.”
- Revised public comment notification language to reflect current practice.

IV. Allocation Process

- A. Revised language:
 “Applications receiving approval will be awarded a conditional reservation after approval and submission of additional ownership documentation by developer (“Conditional Reservation”). A Conditional Reservation will describe the funding characteristics and requirements applicable to the development in question. Conditional Reservations will be subject to the requirements MHDC staff determines necessary or appropriate to assure the development will meet the goals of this Plan in a timely manner.”
- B. Clarified carryover allocation and 10% language.
- C. Replaced request for Tax Credit Issuance with submission of cost certification.
- E. Replaced average-income minimum set-aside language:
 “For tax credit resyndication developments, the original LURA restrictions must be followed for the original LURA term.”
- G. Added language:
 “Applications for Federal 4% LIHTC that do not include a request for other MHDC-administered sources of funding are not required to meet the 90-point threshold for funding consideration.”
- G. Allow for 42(m) requests from IDA or similar authority.

VII. Other Information

- A1. Tax credit allocation fee due at closing.
- A3. The Construction Cost Analysis Fee is due at Conditional Reservation.
- A6. Clarified Compliance Fee \$300 per low-income unit.
- A8. Plan review worksheet revision fee may be charged for changes after Cost Certification.
- B. Development changes include credit pricing.