



STATE OF MISSISSIPPI



NATIONAL HOUSING TRUST FUND (HTF)

2022 ALLOCATION PLAN

Table of Contents

OVERVIEW	4
STATUTORY BACKGROUND	4
PURPOSE.....	4
MHC’S RESPONSIBILITY	4
ALLOCATION 2021.....	6
PERFORMANCE GOALS AND BENCHMARKS.....	6
LIMITATIONS TO A PARTICULAR SEGMENT/POPULATION	7
COMPLIANCE WITH HTF REQUIREMENTS	8
GENERAL POLICIES AND GUIDELINES.....	9
SITE AND NEIGHBORHOOD STANDARDS	9
DISTRIBUTION OF FUNDS	9
ELIGIBLE & PROHIBITED ACTIVITIES.....	10
HTF FUNDS & PUBLIC HOUSING	13
PROHIBITED ACTIVITIES AND FEES.....	14
INCOME TARGETING REQUIREMENTS.....	14
PROJECT REQUIREMENTS	14
MAXIMUM PER-UNIT DEVELOPMENT SUBSIDY, LAYERING & UNDERWRITING GUIDELINES.....	14
PROPERTY STANDARDS.....	15
QUALIFICATION AS AFFORDABLE RENTAL HOUSING	16
TENANT PROTECTION & SELECTIONS	18
OTHER FEDERAL REQUIREMENTS.....	19
COMPLIANCE WITH COMMUNITY NOTIFICATION.....	24
SITE CONTROL.....	25
PROJECT EVALUATION	26
FORMS OF ASSISTANCE	28
REGULATORY AGREEMENT.....	28
DEVELOPMENT REQUIREMENTS.....	29
PROGRAM REQUIREMENTS	29
REHABILITATION STANDARDS	30
OTHER PROGRAM REQUIREMENTS.....	33
REFINANCE GUIDELINES & CONDITIONS	37
APPLICATION REQUIREMENTS.....	38
CRITERIA FOR SELECTION OF APPLICATIONS.....	41

Addendum 1 THRESHOLD FACTORS 43

Addendum 2 SCORING 48

ATTACHMENTS 53

Exhibit 1..... 54

Exhibit 2..... 55

Exhibit 3..... 56

Federal Register..... 59

HTF Table of Contents Form 60

Housing Trust Fund Loan Application 61

Sources of Funds Statement 62

Project Development Cost Budget and Timeline..... 63

Subsidy Layering Worksheet 64

Housing Trust Fund Maximum Subsidy Limits..... 65

Long Term Rental Assistance Commitment Certification 66

Initial Site Assessment Form..... 67

Environmental, Energy Laws, Regulations and Worksheets.....68

Construction Certification Form 69

Period of Affordability Period Awareness Statement..... 70

Violence Against Women Act (VAWA) Certification 71

Physical Needs Assessment Form 72

Development Experience Form 73

Management Experience Form 74

Special Needs Housing Commitment Certification 75

Community Service Certification Form..... 76

Development Organizational Chart..... 77

Development Narrative 78

HTF Rehabilitation Standards 79

Housing Tax Credit Compliance 80

Housing Tax Credit Allocation Plan- Minimum Design Quality Standards (Addendum B)..... 82

Uniform Physical Standards (UPCS) 86

Uniform Physical Standards (UPCS) Physical Condition Standards for HUD Housing (24 CFR 5.703)..... 86

Income Limits 88

Reference (QAP) 89

OVERVIEW

STATUTORY BACKGROUND

The National Housing Trust Fund (HTF) was enacted as part of the Housing and Economic Recovery Act of 2008 (HERA), Section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. The HTF's most important features include: Dedicated source of funding not subject to the annual federal appropriations process; at least 90% of funds must be used for the production, preservation, rehabilitation, or operation of rental housing; at least 75% of funds for rental housing must benefit Extremely Low Income (ELI) households, and up to 25% can benefit Very Low Income (VLI) households. If capitalized under \$1 billion, all HTF funds must be targeted toward ELI households.

HTF is distributed as block grants to states by formula. The size of the annual allocation will vary depending on the amount of GSE's business in a given year and any amounts that may be appropriated, transferred, or credited to the HTF under any provision of law. Each GSE sets aside an amount equal to 4.2 basis points of each dollar of unpaid principal balance of its total new business purchases during the fiscal year for allocation in accordance with section 1337(a). There will be no allocation of grants under HTF if there is neither revenue from GSEs nor other funds as provided by HERA. Amount of allocation is identified within 60 calendar days after the end of each fiscal year. Allocations will be published in the Federal Register within 60 days from date of determining formula.

PURPOSE

The primary purposes of the HTF is to increase and preserve the supply of rental housing for extremely low income (ELI) households earning less than 30% of area median income (AMI) or the federal poverty guidelines published by the Department of Health and Human Services (whichever is greater). Grantees are required to use at least 80 percent of each annual grant for rental housing; up to 10 percent for homeownership housing; and up to 10 percent for the grantee's administrative and planning costs. The HTF can be used to build, preserve, and rehabilitate housing affordable for ELI and VLI households.

MHC'S RESPONSIBILITY

The mission of Mississippi Home Corporation (MHC), the State Housing Finance Agency, is to enhance Mississippi's long-term economic viability by financing safe, decent, affordable housing and helping working families build wealth. MHC is designated as the state entity to administer the HTF Program, make awards, and provide reporting and oversight of the National Housing Trust Fund on behalf of the State. MHC will use HTF to:

- 1) Reduce homelessness and help ELI families avoid paying a disproportionate share of their income for housing.

- 2) Complement existing Federal, State and local efforts to increase and preserve the supply of rental housing for extremely low-income households, which includes homeless and serious mentally ill families.

MHC will comply with the regulatory and statutory requirements regarding activities eligible for HTF funding using written policies, procedures, and systems. MHC will use a system to assess the risk of activities, projects and system for monitoring entities to ensure requirements are met.

MHC uses an annual Allocation Plan to indicate how it will distribute HTF resources based on the priority housing needs identified in the State's Consolidated Plan (Con Plan). Mississippi's HTF Allocation Plan is a component of the State's Five-Year Consolidated Plan. The Plan identifies the State's housing priority needs as meeting the needs of low-income rental and owner households through homeownership opportunities, homeowner rehabilitation, and rental development/substantial rehabilitation.

The State prioritized homelessness in the HTF portion of the State's Consolidated Plan and will use HTF to support strategies to end chronic homelessness and identify special needs groups in Mississippi.

These groups include persons with HIV/AIDs and their families; persons with mental illness; persons with disabilities as defined by the Americans Disabilities Act.

Mississippi Home Corporation will make every effort to balance statutory priorities and preferences and ensure a geographic distribution of funds as defined by the State's Consolidated Plan and/or low and high opportunity areas.

ALLOCATION 2022

The State of Mississippi received an HTF allocation of \$4,433,035 million for 2022. MHC will commit 90% of HTF allocation for rental housing and 10% used for administrative costs. MHC will not allocate funds for homeownership activities due to the shortage of rental units for ELI households and addressing the State's priority needs.

**Mississippi Home Corporation
Housing Trust Fund 2021 Budget**

Total Budget	\$4,433,035
Administration 10%	\$ 443,304
Operating Costs	-0-
Multifamily Development	\$3,989,971

IMPORTANT DATES:

EVENT	DEADLINE
Application Cycle Begins	October 3, 2022
Application Workshop	September 21, 2022
Waiver Deadline	October 31, 2022
Evidence of Compliance with Community Notification due to MHC	October 10, 2022
Application Cycle End	October 31, 2022
Awards Announced	By January 11, 2023

PERFORMANCE GOALS AND BENCHMARKS

MHC will allocate funds to applicants that most directly address the following performance goals and benchmarks:

Development Size

- 1)** Developments receiving HTF must designate at least 20% of total units for HTF eligible households.
- 2)** Developments receiving HTF must designate at least 10% of HTF-assisted units for persons who are homeless or diagnosed with serious mental illness who will be connected with Supportive Services appropriate to their needs.
- 3)** Develop rental housing in High Opportunity areas and Poverty areas of the State
(See Addendum A)/ (Exhibit 1 & 3)

Development Team

All members of the development team must be in good standing with all MHC programs to apply for funding under the Housing Trust Fund Program. The Development Team is defined as the: (i) Applicant entity, (ii) proposed owner, (iii) principal(s) of the owner or Applicant, (iv) developer, (v) general contractor, (vi) property management company, (vii) any third-party development consultant, (viii) any related party(ies) or entity(ies) in the seller of any land or property. For this purpose, a related party or entity is considered to be related if one party or entity directly or indirectly has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

LIMITATIONS TO A PARTICULAR SEGMENT/ POPULATION

All projects will address the affordable rental housing needs for extremely low income (30 % of AMI) households. The competitive scoring system used to rank applications prior to making awards assigns points to projects that address critical housing needs specifically the expansion of permanent housing for persons experiencing homelessness and persons with serious mental illness.

COMPLIANCE WITH HTF REQUIREMENTS

A recipient of HTF funds is required to sign a statement certifying that it will comply with the requirements of the HTF program pertaining to project activities beginning with site selection and continuing through the end of the affordability period.

To be eligible a recipient must comply with the following rules for the Housing Trust Fund contained in 24 CFR Part 93.

HTF REQUIREMENTS:

Program Requirements

- 1) Site and Neighborhood Standards (93.150)
- 2) Distribution of Assistance (93.151)

Eligible & Prohibited Activities

- 3) Eligible Activities (93.201)
- 4) Eligible Project Cost
- 5) HTF Funds & Public Housing (93.203)
- 6) Prohibited Activities and Fees (93.205)

Income Targeting

- 7) Income-Targeting Requirements for Rental Units (93.250)

Project Requirements

- 8) Maximum Per-Unit Subsidy Amount, Underwriting and Subsidy Layering (93.300)
- 9) Property Standards (93.301)
- 10) Qualification as Affordable Housing; Rental (93.302)
- 11) Tenant Protections & Selections (93.303)

Other Federal Requirements

- 12) Other federal requirements and nondiscrimination; Affirmative Marketing (24 CFR 92.350)
- 13) Lead-Based Paint (93.351)
- 14) Displacement, Relocation, and Acquisition (24 CFR 92.352)
- 15) Conflict of Interest (93.353)

SECTION I: GENERAL POLICIES AND GUIDELINES

National Housing Trust Fund 24 CFR Part 93 Requirements:

HTF funds may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities. All HTF-assisted rental housing must meet a minimum affordability period of 30 years.

1.0 PROGRAM REQUIREMENTS

1.1 SITE AND NEIGHBORHOOD STANDARDS

HTF assisted new construction projects must comply with (24 CFR 983.57 (e)). Site and neighborhood standards do not apply to rehabilitation projects under HTF. However, if project-based vouchers are used in an HTF rehabilitation unit, the site and neighborhood standards for project-based vouchers will apply. In addition, the requirements of 24 CFR Part 8 (which implement section 504 of the Rehabilitation Act of 1973) apply to the HTF, and specifically address the site selection with respect to accessibility for persons with disabilities.

1.2 DISTRIBUTION OF ASSISTANCE

Funds will be distributed through a competitive application. Applications will be scored based on how well they propose to meet the following priority housing needs:

1. Rental housing affordable to extremely low income (30 % of AMI) households in local housing markets where there is a shortage of such housing.
2. Address prevention and reduction, in number of persons experiencing homelessness.
3. Expand access to permanent housing with supportive services for persons with serious mental illness.
4. Be located within priority areas defined by the State's Consolidated Plan, areas with high poverty, or in high opportunity areas.

These priorities were determined by MHC in accordance with the HTF regulations (24 CFR Parts 93) and the State's Consolidated (Plan 24 CFR 91) and Annual Action Plan (AAP). Annual Action Plan, a strategic one year-plan, which outlines programs and activities that will meet identified priority needs of the State.

Citizen Participation in Forming HTF Investment Priorities - MHC facilitates the development and implementation of the Consolidated Plan and subsequent Annual Action Plan (AAP), the Consolidated Annual Performance and Evaluation Report (Caper) as well as, ensuring Citizen Participation requirements are followed. In identifying uses of HTF funds for 2021, MHC solicited input from an Advisory Team consisting of individuals and groups representing aspects of low-income housing, including Low Income Housing Tax Credit Developers, Planning & Development Districts, For-Profit/Non-Profit Organizations/ Developers and Public Housing Authorities, Disability community, Continuum of Care, ESG grantees and individuals working with HIV/AIDS populations.

MHC brought together individuals with a broad range of expertise and suggestions for best utilizing Federal Programs included in the Annual Action Plan; ensure a connection with the community and its needs; and provide a broad understanding of the critical role affordable housing plays in the community.

Acting pursuant to statutory requirements, a virtual statewide Public hearing was held on March 3 and in Person on March 10, 2022 in Batesville, MS at North Delta Planning & Development District and on March 29, 2022 in Biloxi, MS at Beau Rivage for receiving public comments on a draft of the 2022 State of Mississippi Annual Allocation Plan, of which the National Housing Trust Fund Allocation Plan was a component. In addition to verbal comments received at the hearings, MHC requested written comments from interested members of the public concerning the draft of the AAP. Comments received were taken into consideration and fully evaluated prior to completion of the 2021 Plan.

2.0 ELIGIBLE & PROHIBITED ACTIVITIES

2.1 ELIGIBLE ACTIVITIES

MHC will adhere to Eligible and Prohibited Activities discussed in 24 CFR 93.200. Applicants must describe activities to be undertaken in sufficient detail for MHC to determine that the proposed activities are permitted by Regulation. Activities identified in 24 CFR 93.200 that are eligible under this plan are:

1. production, preservation, and rehabilitation of affordable rental housing
2. new construction, reconstruction, or rehabilitation of nonluxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs,
3. relocation expenses of any displaced persons, families, businesses, or organizations
4. acquisition of vacant land or demolition must be undertaken only with respect to a particular housing project

2.12 ELIGIBLE APPLICANTS

Organizations eligible to receive funding through the Housing Trust Fund are non-profit and for-profit organizations with demonstrated development experience and capacity with creating, rehabilitating, or preserving affordable housing.

For-profit entity (must meet all (4) requirements)

1. Incorporated
2. In good standing with Mississippi Secretary of State
3. Not on list of entities debarred by the U.S. Department of Housing and Urban Development
4. Legal structure may be one of the following:
 - a. Partnerships
 - b. Limited partnerships
 - c. Limited liability company
 - d. Joint venture

- e. Sole proprietorship,
- f. Trust or association

Non-profit entity (must meet all (4) requirements)

- 1. Established as 501(c)(3) under IRS Code
- 2. In good standing with Mississippi Secretary of State
- 3. By-laws include housing purpose
- 4. If two or more organizations share common by-laws, over 50% of board members, and have a common service area, they will be treated as one entity for application purposes.

2.13 INELIGIBLE APPLICANTS

Applicants/entities that are not in good standing may not file HTF applications. An applicant is not in good standing, if it has failed to comply with the terms of any HTF or HOME Program requirements. The general and limited partners for partnerships and for all applicants, the management agent proposed as a member of the development team must disclose any finding or a violation of any Federal or State laws or regulations pertaining to fair housing, housing accessibility, or non-discrimination in the areas of ownership and rental housing. Applicants disclosing such findings of violations or convictions must obtain a waiver from MHC in order to apply for funding. The granting of such waivers is at the discretion of MHC.

- 1. **Debarment/Suspension.** Any person (individual, corporation, partnership, association) or principal that is under debarment, proposed debarment, or suspension by MHC, a federal agency, a state agency, or other state housing finance agencies shall be ineligible to participate in the application review process for an application pursuant to this Allocation Plan. Such applications will be disqualified from consideration. Each Applicant must include a statement concerning any criminal convictions, indictments, and pending criminal investigations of all owners, developers and/or general partners in the application package. Also, Applicants must provide dates and details of each circumstance, unless otherwise prohibited by court order, statute or regulation.
- 2. **Development Changes.** All changes to the development as presented in the application must be disclosed to MHC no more than thirty (30) days after they have been identified during construction/rehabilitation. (See Section 7.6 “Development Requests” of the 2021 QAP.) Principal members of the Ownership Entity will be subject to disqualification from future participation for a minimum of one (1) year or a loss of 10 points in the next funding cycle if all changes are not approved by MHC prior to development completion.
- 3. **Failure to Meet a Scored Item Requirement.** All members of the Development Team (as defined in Section 2.12) will have a one (1) year suspension from future program participation during the subsequent year for any scoring item that is not satisfied anytime during the initial thirty (30) year compliance period.

2.14 ELIGIBLE PROJECT TYPES

HTF funds shall be used for rental housing that meets the requirements of the Housing Trust Fund. The following project types are designated as eligible and ineligible for HTF funding:

- 1. Multi-family rental housing
- 2. Single family rental housing

2.15 INELIGIBLE PROJECT TYPE

1. Alcohol treatment facilities
2. Chemical dependency treatment facilities
3. Correctional facilities
4. Facilities providing continual or frequent nursing, medical or psychiatric services
5. Medical treatment facilities
6. Nursing homes
7. Student Housing
8. Private foster care facilities

2.2 ELIGIBLE PROJECT COST

All project costs must be reasonable, whether paid directly with HTF funds or other funding sources. MHC will review all project costs, including hard and soft costs, to evaluate reasonableness and may, at its option, require applicants to obtain additional quotes, bids, or estimates of costs. A cost analysis will be conducted to determine cost reasonableness.

NEW CONSTRUCTION

Eligible costs include:

- Hard costs associated with new construction activities;
- Utility connections including off-site connections from the property line to the adjacent street;
- Site work related to driveways, sidewalks, landscaping, etc.
- Related infrastructure costs - improvements to the development site that are in keeping with improvements of surrounding, standard developments. Site improvements may include on-site roads and water and sewer lines necessary to the development
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- General Requirements, Contractor Contingency

REHABILITATION

Eligible costs include:

- Hard costs associated with rehabilitation activities
- Lead-based paint interim controls and abatement costs.
- Mold remediation
- Site work related to driveways, sidewalks, landscaping, etc.
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street is eligible when it is deemed a threat to health and safety. Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served

RETAINAGE POLICY - MHC will hold the final 10% of an award until, closeout documentation, and completion reports are received and approved. Closeout documentation will not be approved until the final monitoring and inspection is completed and all associated findings and/or concerns are resolved.

HTF funds may be used for the following eligible costs:

1. Real Property Acquisition (limited to the purchase price and related costs associated with the acquisition of real property)

2. Site improvements and development hard costs (actual cost of constructing or rehabilitating housing)
3. Related soft costs
4. Demolition of existing structures
5. Financing costs (rehabilitated with HTF (funds))
6. Relocation assistance
7. Reasonable administrative planning costs
8. HTF assists in the development of public housing units under limited circumstances as outlined in 24 CFR 93.203.

2.21 ELIGIBLE FINANCING

Developments that use 9% Low Income Housing Tax Credits must request a waiver from MHC before applying for HTF. HTF is designed to fill a gap in financing to help make a project financially feasible. There should be no gap in financing for projects that receive LIHTC funding.

MHC solicits applicants that incorporate significant funding from other sources, such as tax-exempt bonds with 4% Low Income Housing Tax Credits, federal and local government programs, or other sources. Tax-Exempt Bond developments must meet the exempt facility bond requirements under 26 US Code §142 as well as the tax credit requirements under 26 US Code §42(h)(4). Applicants that anticipate receiving an award of other funding must provide evidence that they have applied for such funding, including acknowledgement from the funding entity that the application has been received and the amount requested is consistent with the sources and uses statement presented with the HTF application.

2.3 HTF FUNDS & PUBLIC HOUSING

1. HTF funds may be used for new construction or rehabilitation of public housing as part of the Choice Neighborhoods (Choice) program under a HUD appropriation act or for new public housing units that have been allocated and will receive low-income housing tax credits under section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42);
2. HTF funds may be used for the rehabilitation of existing public housing units in which the public housing assistance will be converted and used at the properties under the Rental Assistance Demonstration (RAD) program under HUD's 2012 Appropriations Act (Pub. L. 112-55, 125 Stat. 552, approved November 18, 2011) or subsequent statutes;
3. Public housing units constructed using HTF funds must replace units that were removed from a public housing agency's public housing inventory as part of a Choice program grant, or as part of a mixed-financed development under section 35 of the 1937 Act. The number of replacement units cannot be more than the number of units removed from the public housing agency's inventory.
4. The public housing units constructed or rehabilitated using HTF funds must receive Public Housing Operating Fund assistance (and may receive Public Housing Capital Fund assistance) under section 9 of the 1937 Act. These units cannot receive operating costs assistance or operating cost assistance reserves from HTF.

2.4 PROHIBITED ACTIVITIES AND FEES

1. Provide assistance to a project previously assisted with HTF funds, during the affordability period
2. Pay for the acquisition of property owned by the grantee
3. Pay delinquent taxes, fees, or charges on properties to be assisted with HTF funds
4. Pay for political activities, advocacy, lobbying, counseling services, travel expense, and preparing or providing advice on tax returns
5. Pay for administrative, outreach, or other costs to manage and operate the grantee of HTF funds
6. Pay for any cost that is not eligible under 92.371 and 92.732
7. Project owners are prohibited from charging origination fees, or charge more than is customary for parking and laundry room use, among other fees
8. HTF funds shall not be used for
 1. Luxury improvements according to 24 CFR 92.205 and 24 CFR 93.200
 2. Non-residential accessory structures such as free-standing community/leasing buildings, garages, carports, or maintenance structures
 3. Community space or common laundry facilities included in residential buildings
 4. Off-site infrastructure costs, including any costs associated with extending infrastructure to the project site. The cost of connecting to public infrastructure located in an adjacent right-of-way (e.g., water or sewer tap) is an eligible cost
 5. Organizational costs such as partnership formation or syndication costs associated with transactions using equity from Low Income Housing Tax Credits (LIHTC), historic tax credits, or other similar tax incentives

3.0 INCOME TARGETING REQUIREMENTS

The HTF program is limited to household below 30% of Area Median Income. Each family occupying a HTF assisted unit is income eligible by determining the family's annual income as defined in 24 CFR 93.151. For subsequent income determinations during the period of affordability, MHC will use the method which will examine at least (2) months of source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the family.

4.0 PROJECT REQUIREMENTS

4.1 MAXIMUM PER-UNIT SUBSIDY AMOUNT, UNDERWRITING & SUBSIDY LAYERING

MHC will perform a Subsidy Layering Analysis before committing HTF Funds to a project. The analysis will determine costs are reasonable, verifiable sources and uses of funds, amounts requested are necessary and their uses are determined feasible. MHC's evaluation of developments using HTF funds in combination with other forms of assistance ensures that no more than the necessary amounts of program funds are invested in any one development to provide affordable housing. The subsidy layering review is conducted during the application period. HTF required review elements:

1. Actual total development cost
 - a) Including costs that are not eligible to be paid with HTF

- b) Costs funded from sources other than HTF
 - c) Costs of meeting applicable codes and standards for rehabilitation or new construction in the area
 - d) Costs Associated with meeting all applicable HTF requirements and other federal requirements
 - e) Costs associated with meeting priority housing needs of the State (e.g., accessibility for special needs populations)
 - f) Costs in producing housing units for extremely low-income families
 - g) An assessment of current market demand for the neighborhood of project location (DATA)
 - h) Financial Return to the Owners or Developers
2. Firm Financial Commitments for the project
 3. Geographic location of the project
 4. Adjustment for number of bedrooms

MHC has adopted the HOME Program Maximum Per Unit Subsidy Limits. MHC will use the HOME Program maximum per unit subsidy limits which are based on the HUD Section 234-Condominium Housing-limits for elevator-type projects. MHC will follow current Base City High-Cost Percentages (BHCP) for specific high-cost areas established annually by the HUD Office of Multifamily Housing to determine maximum subsidy amount in those areas. **(See HTF Attachment- HTF Maximum Subsidy Limits)**

4.2 MAXIMUM AWARD

The maximum HTF awarded per applicant and per project will be determined by performing a subsidy layering review which involves reviewing the applicant’s sources and uses, development costs, debt service coverage, and operating revenues.

4.3 PROPERTY STANDARDS

Rental Projects are subject to property standards throughout the affordability period.

Property Standards: New Construction and Gut Rehabilitation Projects- MHC uses the Qualified Allocation Plan (QAP 2021) written standards to ensure that project plans, specifications, and work write-ups are following State and local codes, ordinances, requirements, and standards and cost estimates. HTF–assisted new construction and gut rehabilitation projects must meet all applicable state and local codes, ordinances, and zoning requirements, the International Residential Code or International Building Code (as applicable), or state or local residential and building codes for new construction or gut rehabilitation.

All buildings of five or more residential units in new construction or substantial

rehabilitation of HTF projects must include the installation of “broadband infrastructure” as defined by 24 CFR 5.100. In limited circumstances, the Fund may waive this requirement if the project’s location makes such installation infeasible or creates an undue financial burden. In practice, this requires the developer to provide the wiring for high-speed internet but does not require the project to provide the internet service itself.

Energy and Water Efficiency- All mid-or high-rise multifamily housing over 3 stories must exceed by 20%, the minimum energy efficiency requirements defined by the American Society of Heating, Refrigerating, and Air-Conditioning engineers (ASHRAE) Standard 90.1-2007. All water-usage products installed in HTF-assisted units must bear the Water Sense label.

Property Standards: Rehabilitation Projects (93.301 (b)) - HTF assisted rehabilitation projects must meet all applicable state and local codes, ordinances, and requirements upon project completion.

4.4 **QUALIFICATION AS AFFORDABLE RENTAL HOUSING**

4.41 **Eligible Tenants**

The HTF assisted units in a rental housing project must be occupied by households in accordance with the income targeting requirements in 93.250 regulations. Eligible tenants selected to occupy HTF-assisted units are Extremely Low- Income (ELI) families. HUD will publish the HTF rent limits on an annual basis and limits will be provided to grantees on an annual basis. MHC will ensure that rents do not exceed the maximum rent limits and are following HTF regulations.

4.42 **Rent Limitations**

- a) **Extremely Low-Income Tenants**- HTF rent plus utilities of an extremely low-income (ELI) tenant shall not exceed the greatest of 30 percent of the federal poverty line or 30 percent of the income a family whose annual income equals 30 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit.
- b) HTF-assisted units must be rented at or below the HUD-published Housing Trust Fund rent for extremely low-income units. In general, HUD calculates the HTF rent to be 30% of the HTF income limit for the county in which the project is located, adjusted for unit size. If the HTF unit receives Federal or State project-based rental subsidy, and the tenant pays as a contribution toward rent not more than 30% of the tenant’s adjusted income, the maximum rent is the rent allowable under the Federal or State project-based rental subsidy program.

4.43 **Market Rate Units & HTF Funds**

A housing development may contain market rate units. However, HTF funds may not be used to support market rate units.

4.44 **Rent Adjustments**

Owners must obtain approval before implementing HTF unit rent increases. Owners shall also provide not less than 30 days’ written notice to tenants upon receiving approval of HTF unit rent increases.

In the event a tenant occupying an HTF unit becomes over-income, the HTF-assisted unit continues to qualify as affordable housing despite a temporary noncompliance caused by increases in the existing tenant's income if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with 24 CFR 93.302 until the noncompliance is corrected.

4.45 Prohibition on Certain Fees to Tenants

Pursuant to 24 CFR 93.204 for HTF, program participants may not charge fees to program beneficiaries to cover administrative costs related to the cost of administering the HTF program. Specifically, rental project owners may not charge tenants fees that are not customarily charged to tenants of rental housing (e.g., laundry room access fees). However, Owners may charge fees approved by MHC for the following:

1. Reasonable application fees to prospective tenants;
2. Fees or penalties related to the late payment of rent, non-sufficient funds or returned checks, or the like provided such fees are determined by the Fund to be customary for rental housing projects in the area and not excessive;
3. Parking fees to tenants only if such fees are customary for rental housing projects in the neighborhood; and
4. Fees for optional services such as supportive services for special needs tenants or general services such as bus transportation or meals, as long as the services are voluntary, and fees are charged only for services provided.

MHC will review and approve fee schedules annually to ensure that any fees charged in addition to rent are permissible under the applicable HTF requirements and whether proposed fees are reasonable, and customary based on market comparisons.

4.46 Utility Allowances

HTF rent limits are gross rent limits. The actual rent collected from a tenant must be adjusted, taking into account an allowance for tenant paid utilities. HTF regulations, 24 CFR 24 CFR 93.302(c), respectively, require that the utility allowance (UA) for the project be based on the type of utilities used at the project.

4.47 Income Determination

Each family occupying an HTF assisted unit is required to be income eligible to ensure that income targeting requirements are met.

4.48 Income Verification

Projects shall use the HUD Part 5 definition of income for determining income eligibility. Prior to signing a lease, income must be verified for all new tenants using at least two months of source documentation in accordance 24 CFR 93.151(d) for HTF. Third party verification can only be used in situations where source documentation is not available.

During the period of affordability, the income of in-place tenants must be recertified using source documentation at least every sixth year of the project's affordability period (e.g., in the sixth year, all in-place tenants must be recertified using source documentation even if a given tenant is only in his/her second year of occupancy). In other years, owners must recertify the income of existing tenants annually.

5.0 TENANT PROTECTION & SELECTIONS

5.1 Tenant Selection Plan

- All HTF-funded properties must create a written tenant selection plan that meets all requirements. This includes compliance with the nondiscrimination requirements of the Fair Housing Act, Violence Against Women Reauthorization Act, Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Rule, and the 2016 HUD Office of General Counsel Guidance on Criminal Records.
- The owner must adopt and follow written tenant selection policies and criteria that: (1) Limit the housing to income eligible families; (2) Are reasonably related to the applicants' ability to perform the obligations of the lease (i.e., to pay the rent, not to damage the housing; not to interfere with the rights and quiet enjoyment of other tenants); (3) Limit eligibility or give a preference to a particular segment of the population if permitted in its written agreement with the grantee (and only if the limitation or preference is described in MHC's consolidated plan).

5.2 Leases

Leases between the tenant and owner shall be for one year, unless by mutual agreement between the tenant and the owner. Owners are required to provide 30 days' written notice prior to terminating or refusing to renew the lease. In accordance with the provisions 24 CFR 93.303 for HTF, the following terms are prohibited from HTF project leases:

1. agreement to be sued;
2. treatment of personal property;
3. excusing owner from responsibility;
4. waiver of notice;
5. waiver of legal proceedings;
6. waiver of a jury trial;
7. waiver of right to appeal court decision;
8. tenant chargeable with cost of legal actions regardless of outcome; and
9. mandatory participation in supportive services (note, transitional housing projects funded with HOME may be permitted to require service participation under limited circumstances).

6.0 OTHER FEDERAL REQUIREMENTS

6.1 Other federal requirements and nondiscrimination; Affirmative Marketing

Nondiscrimination and Equal Opportunity

The following federal nondiscrimination and equal opportunity guidelines apply to all Rental Housing projects and affect both development and operation of assisted housing:

1. The Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 et seq.;
2. Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107;
3. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1;
4. The Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146;
5. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title;
6. Title II of the Americans with Disabilities Act, 42 U.S.C. 12101 et seq.; 24 CFR part 8;
7. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135;
8. Executive Order 11246, as amended by Executive Orders 11375, [[Page 41]] 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p. 339; 3 CFR, 1966- 1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60;
9. Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971- 1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development);
10. Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise). The nondiscrimination provisions of Section 282 of the National Affordable Housing Act of 1982; and
11. The Equal Access Rule, 24 CFR 5.105(a)(2), requiring that assisted housing be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

6.12 Language Access

Recipients of federal financial assistance, including HTF funds, are required to provide meaningful access to their programs and services for persons with limited English proficiency (LEP). The U.S.

Supreme Court has held that failing to take reasonable steps to ensure meaningful access for LEP persons is a form of national origin discrimination prohibited by Title VI of the Civil Rights Act of 1964.

The requirement to provide language assistance to LEP individuals applies to all recipients of federal financial assistance, including HTF funds, regardless of conflicting state or local laws. When meaningful access requires interpretation, interpreters should be provided at no cost to the persons involved. Budgeting adequate funds to ensure language access is essential. While costs are a consideration in determining what language assistance is reasonably required, fiscal pressures do not provide an exemption from civil rights requirements.

Recipients of HTF funds should develop, and periodically update, a written LEP plan that describes their language assistance services and explains how staff and LEP persons can access those services. Guidance regarding LEP compliance can be accessed on the HUD website at www.hud.gov.

6.13 **Uniform Relocation Act (URA)**

All Rental Housing projects fall under requirements of the URA. Applicants must further document that any purchase of property meets the requirements of URA, including provision of notices to the seller identifying the transaction as a voluntary sale not under the threat of eminent domain. To ensure compliance with URA applicants should see regulation:

6.14 **Labor Standards**

The HTF was established under Title I of the Housing and Economic Recovery Act of 2008, Section 1131 (Public Law 110-289). **This statute did not make the labor standards of Davis-Bacon applicable to the HTF Program.** Prevailing wages will be paid to all laborers and mechanics employed on the job, and such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (42 CFR Part 327-333). All contractors, subcontractors, and other participants must comply with regulations issued under these Acts and with other federal laws and regulations pertaining to labor standards including HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable. The developer is responsible for monitoring, compiling the appropriate documentation and forwarding copies to MHC compliance department.

6.15 **Minority Business Enterprise and Women Business Enterprise (MBE/WBE) Plan**

Developers must maintain a MBE/WBE plan that demonstrates marketing and solicitation of MBE/WBE businesses and contractors for the construction of the project.

6.16 **Section 3**

Section 3 requires that economic opportunities generated by certain HUD financial assistance (including public and Indian housing) and community development programs shall, to the greatest extent feasible, be given to extremely-low, low and very-low income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide economic opportunities for these persons. This is a statutory requirement for the award of jobs and contracts generated from projects

that receive HUD funding. Developers must maintain a Section 3 plan that demonstrates a marketing plan to include Section 3 contractors and all tiers of subcontractors in the construction of the project. Any recipient receiving an aggregate amount of \$200,000 or more from one (1) or more of the HUD CPD programs in a program year must comply with the Section 3 requirements. Section 3 provides preference to low and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects.

6.17 Excluded Parties

MHC will not fund projects owned, developed, or otherwise sponsored by any individual, corporation, or other entity that is suspended, debarred, or otherwise precluded from receiving federal awards. Furthermore, the owner may not contract with any other entity (including but not limited to builders/general contractors, property management companies, or other members of the development team) that are suspended, debarred, or otherwise so precluded. Similarly, the general contractor will be required to determine that subcontractors are not so precluded.

6.18 Marketing and Leasing

The owner/developer must establish a written tenant selection plan consistent with the requirements at 24 CFR 93.303 for HTF. Among other requirements, the tenant selection plan must, insofar as is practical, provide for the selection of tenants from a project's waiting list in chronological order of their applications and provide written notification to any rejected applicant of the reason for their rejection.

6.19 Violence Against Women's Act (VAWA)

HTF-Assisted projects must comply with the requirements of the Violence Against Women's Act (VAWA) as required by 24 CFR 93.356 for HTF. VAWA provides certain additional tenant protections to applicants and tenants who are victims of domestic violence, sexual assault, and/or stalking. In general, among other requirements owners must provide notices to all tenants of the VAWA provisions, may not deny an application or terminate or refuse to renew a lease as a result of a person's status as a victim or on the basis of criminal activity related to such status, and must allow for the bifurcation of a lease in order to evict the perpetrator of such criminal activity while allowing the victim to maintain occupancy.

MHC will provide a standard form lease-addendum for use by owners of HTF-assisted housing that will provide required tenant protections and eliminate any prohibited provisions from uses, otherwise used by owners. The following forms are located at www.mshc.com:

- Notice of Occupancy Rights Under VAWA-HUD Form 5380
- Emergency Transfer Plan VAWA-HUD Form 5381
- Certification of Domestic Violence-VAWA-HUD Form 5382
- Emergency Transfer Request-VAWA-HUD Form 5383

6.2 **Affirmative Fair Housing Marketing Plan**

HTF-funded projects consisting of 5 or more units must establish an Affirmative Fair Housing Marketing Plan detailing marketing procedure to attract eligible occupants without regard to race, color, national origin, sex, religion, familial status, disability, or sexual orientation. Affirmative Fair Housing Marketing Plans shall include all required aspects as stated in 24 CFR 93.350 for HTF.

6.3 **Lead-Based Paint**

Housing will meet the lead-based paint requirements at (24 CFR Part 35). HTF assisted housing is subject to the regulations at 24 CFR Part 34, Subparts A, B, J, K, and R which govern lead-based paint poisoning prevention in residential structures. Applicants, developers, and builder of any project requiring the rehabilitation of structures built prior to 1978 must comply with this regulation. A license lead-based paint inspector will be used to certify that units are complying.

6.4 **Displacement, Relocation, and Acquisition**

6.41 **Displacement**

To the extent feasible, displaced residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the project.

6.42 **Relocation**

Temporary relocation: The following policies cover residential tenants who will not be required to move permanently but who must relocate temporarily for the project. Such tenants must be provided: (1) Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs. (2) Appropriate advisory services, including reasonable advance written notice of: (i) The date and approximate duration of the temporary relocation; (ii) The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period; (iii) The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the project;

6.43 **Acquisition**

The acquisition of real property for a project is subject to the Uniform Relocation Act (URA) and the requirements of 49 CFR part 24, subpart B, which states to ensure that persons displaced as a direct result of Federal or federally-assisted projects are treated fairly, consistently, and equitably so that such displaced persons will not suffer disproportionate injuries as a result of projects designed for the benefit of the public as a whole.

6.5 Conflict of interest

To comply with HTF requirements and to maintain a high standard of accountability to the public, conflicts of interest and perceived conflicts of interest must be avoided.

Owners shall maintain compliance with all HUD conflict of interest provisions as stated in 24 CFR 93.353 for HTF.

Applicant and Related Parties. Developers and owners with employees, family members, consultants, or agents that are otherwise eligible to occupy HTF-funded units must receive approval from MHC before entering into a lease with HTF eligible employees, family members, consultants, or agents. 24 CFR 93.353(f) provisions apply to all HTF projects.

Conflict of Interest applies to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the grantee or sub grantee. No persons described above who exercise or have exercised any functions or responsibilities with respect to activities assisted with HTF funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or financial benefit from a HTF assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to HTF- assisted activity, either for themselves or those with whom they have business or immediate families ties, during their tenure or for one year, thereafter.

7.0 COMPLIANCE WITH COMMUNITY NOTIFICATION

All applicants must notify the public in the community in which they are planning to develop or rehabilitate a housing trust fund development. Written notification must be provided to the local government and proper signage must be posted at the proposed site. A written compilation of any comments received from the public notification that includes the developer's response must be submitted with the application. In addition, the developer must provide a statement as to how the concern(s), if any, will be addressed if HTF funds are awarded to the development.

1. Notice to Local Government

The applicant is required to notify the Chief Executive Officer (Mayor or President of the Board of Supervisors) and Elected Representative (councilperson, alderman and/or local supervisor) for the district in which the proposed development will be located, of its intent to apply for housing tax credits. The applicant must provide a properly executed Local Government Notification Form (Form TR-1).

2. Notice to the Community

Newspaper Notification Requirements. Applicants must publish notice of its intent to submit a Housing Trust Fund application to MHC. The notice must be published at least twenty-one (21) days prior to the application submission.

In addition, the notice must:

- be published in the legal section of the local or regional newspaper having general circulation in the development area
- include the name of the proposed development;
- include the type of development (new construction or acquisition/rehabilitation);
- specifically state that the Applicant will be applying to the Mississippi Home Corporation for Housing Trust Fund in its current year Application Cycle;
- include contact information (proposed owner's name, contact person, phone number, and email address) for the public to submit questions/comments

Signage Requirements. Applicants must post signage at the proposed site giving notice that a Housing Trust Fund application will be submitted to MHC. The signage must be posted at least ten business days prior to the application cycle closing date and shall remain in place until the development is placed in service, if awarded.

In addition, the signage must:

- include the name of the proposed development;
- include the type of development (new construction or acquisition/rehabilitation);
- specifically state that the Applicant will be applying to the Mississippi Home Corporation for Housing Trust Fund 2021 Application Cycle;
- provide contact information (proposed owner's name, contact person, phone number, and email address) for the public to submit questions/comments;
- be of professional quality;
- be a minimum size of 36" x 36";
- be fully legible from the street;

- be posted near the property entrance or the property line facing the main thoroughfare.

MHC may, at its discretion and without notification to the Applicant, conduct a site inspection to verify that the signage is in place.

8.0 Site Control

Applicants must provide evidence that it has and will maintain from the start of the application review process until the land is acquired, direct site control. The entity having control of the proposed site must be the same entity listed as the applicant in the application. The seller/lessor/optioneer must be identifiable in the purchase, lease or option agreement and must be listed in the application. Also, site control documentation must clearly identify the physical location of the property (i.e. property address, full legal description or plat map identifying street names) and be consistent with the physical location identified on the application form. Any addendum/exhibit referenced on a contract must be included in the application or points will be deducted. Acceptable documentation may be any of the following:

1. **Fee Simple Ownership.** Fee simple ownership of the proposed development site evidenced by the warranty deed. The owner of the property must be in the application.
2. **Lease.** Lease of the proposed site development for a term meeting or exceeding the 30-year compliance period or for such longer period as the applicant represents in the application that the development will be held for occupancy by extremely low income persons and families. MHC shall approve all lease hold documents and the fundamental structure thereof. The developer must, at a minimum, make monthly, quarterly, bi-annual or annual payments under the lease.
3. **Option/Contract.** Right to acquire or lease the proposed site development by a valid and binding option or contract and the fee simple owner of the site, provided that such option or contract shall have no conditions within the discretion or control of the owner of the site. The option must be good for a total of one hundred eighty (180) days from the last day of the application cycle.
4. **Transfer of Physical Assets.** For acquisition and rehabilitation properties that are federally assisted and require a Transfer of Physical Assets (TPA) approval, documentation showing that a transfer request has been submitted must accompany the application in order to have a valid option/purchase contract. Applicant must provide a letter evidencing pending TPA approval from Rural Development (RD) or the local Housing and Urban Development's (HUD) state field office. The only allowable condition to obtaining such transfer approval will be that of obtaining housing tax credits.
5. **RD Transfers.** For RD transfer properties, loan transfers/assumptions shall be evidenced by approval on Form RD 3560-1 (Rev. 02/05), "Application for Partial Release, Subordination or Consent" executed by the State Director or the Multi-Family Housing Program Director or their designee as evidence of final approval.

8.10 Local Zoning and Development Conditions

The proposed development must be properly zoned for its intended use. Documentation must be provided from the local governing authority where the proposed development will be located. The documentation must be dated within one (1) year of the application submission date and must include the development's name, physical location (i.e. street address or nearest intersection), intended use, zoning code and description of what the zoning allows.

All information must be consistent with the development information provided on the application form. In the event that zoning and permitting requirements are not applicable to the proposed site, then the Applicant must provide (a) a letter from the local authority stating that zoning is not required and (b) a letter from the utility providers verifying the availability of all requisite public utilities for the proposed development.

9.0 PROJECT EVALUATION

MHC review and evaluate the project from a number of perspectives, including the following:

Market Study Assessment Guidelines

All applications must contain an independent third-party market study. The market study must be current (no more than one year old from the date of the application). The market study must support the number of units identified in the application and provide consideration as to the total number of units the market will absorb should other developments be awarded funding in the same market area. The following market study assessment guidelines must be followed for any rental development. The numbers submitted should accurately reflect the market study feasibility of the proposed activity.

MARKET AREA – Describe the market area from which the majority of the development's tenants are likely to come and provide a map with a scale. Describe how the market area was determined to be appropriate for the development. **SOCIOECONOMIC PROFILE AND TRENDS** – Describe the trends in population and households by age and income and estimate the number of eligible tenants for the development. **HOUSING STOCK** – Describe the existing housing stock within the market area including the number of housing units, type (single family or multifamily), percent vacant, percent owner-occupied and renter occupied, etc. In addition, provide a list of all other rent restricted properties in the market area and indicate whether they are age restricted.

- 1. CAPTURE RATE AND ABSORPTION PERIOD** – Provide an estimate of the capture rate for the development (project's units divided by the number of eligible tenants from the market area), and estimate the absorption period to ensure lease-up within 18 months of project completion.
- 2. NEEDS ASSESSMENT** – Describe how the development addresses the community's housing needs, given the market area's socioeconomic profile, trends, and housing stock.
- 3. DEVELOPMENT SITE DESCRIPTION** – Explain how the site is adequate in size, exposure, and contour to accommodate the number and type of units proposed. In addition, describe whether there are adequate utilities (water, sewer, gas, and electricity) to accommodate the development.

Capacity and Financial Strength- Applicant/Borrower's financial statements and/or tax filings for at least the past two years plus the current year to date to evaluate whether there is sufficient income, equity and cash flow to undertake, carry out and successfully complete the proposed projects.

Project Budgets and Financing-The project's pro-forma budgets are reviewed and analyzed to determine and evaluate the project's development costs, operating income and expenses, and sales

proceeds. Financial Commitments for the key sources the project have received.

Sources of Repayment- During the term of the loan, the project/borrower should have sufficient income and cash flow to make interest payments on loan.

Loan Collateral- Properties that serve as collateral for the loan must have sufficient value to support the loan. Liens are subject to be subordinated to other financing under acceptable terms and conditions.

Appraisals or Indicators of Value- The HTF Program will not always require an independent appraisal of the properties, if there are other prudent ways to establish the value of the properties. MHC will always request copies of existing appraisals that are obtained by our applicants or lenders. When an applicant provides an existing appraisal to support its application, updated or supplemental information may be required. New appraisals of the property may also be required by a certified licensed appraisal.

10.0 FORM OF ASSISTANCE

The level and type of assistance provided by the HTF Program to a specific project must be the minimum amount necessary to achieve the desired degree of affordability. Funds from the HTF Program may be used to support the acquisition, development or preservation of affordable rental housing units.

Cash Flow Loan- Loans are structured as payable from cash flow after deducting operating expenses, debt service, and other expenses determined eligible by MHC, from operating revenue. Developments sponsored by non-profit organizations serving high-need individuals that may not generate net operating income are eligible.

Terminated Projects- HTF assisted projects that are terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity. Therefore, the recipient of HTF funds will be responsible for the repay of any HTF funds invested in the project.

11.0 REGULATORY AGREEMENT

Regulatory Agreement

Regulatory Agreements often referred to as *Written Agreements* are used to contract with funded Applicants in order to implement proposed HTF activities and govern project execution. It is an executed agreement that evidences a commitment of HTF Funds. The agreement must be legally binding, signed by all parties to the agreement, and all signatures must be dated to verify compliance.

Binding commitments required for all financing

MHC will enter in to binding commitment of HTF at the same time legally binding commitments are present for all other funding sources. The definition of a “commitment” of HTF funds is a legally binding Regulatory Agreement with a State recipient, non-profit developer or for-profit developer to use a specific amount of HTF funds to produce affordable housing. Contingent awards do not constitute a commitment of HTF funds.

Extension of Regulatory Agreement

Extensions of Regulatory Agreement periods may, at MHC's discretion, be permitted for any HTF recipient that can demonstrate that the project is proceeding in a manner such that completion of the project is certain in the time identified. However, Regulatory Agreements cannot be extended beyond the Project completion deadlines set forth in the HTF Interim Rule.

Projects selected for funding in conjunction with Applications for tax-exempt bond financing may receive a reservation of HTF, contingent on closing the bond issue. Contingent reservations may be withdrawn if the Applicant does not close the bond financing within 12 months.

Withdrawal of Assistance

Recipients receiving an award of HTF must commit to beginning construction within 12 months of receiving notice of reservation of funds. If MHC determines a project will not proceed within 12 months, MHC may, at its discretion pursuant to 24 CFR Part 93, reallocate the funds to another project in order to meet federal expenditure deadlines for HTF. MHC regularly assesses the performance of its HTF partners. Based on the performance pursuant to the requirements contained in its Regulatory Agreements and the Program regulations, MHC may withdraw funding due to non-performance, poor performance, and/or untimely performance.

DEVELOPMENT REQUIREMENTS

Readiness to Proceed

Recipients must commit to beginning construction within 12 months of receiving a reservation of funds. The application announcement and award letter will identify a specific date by which the start of construction is expected to begin.

MHC will determine Applicants readiness to proceed by reviewing the following information:

- 1) Applicant files a complete application, and the proposed development meets eligibility requirements stated in these Guidelines. Commitment of other financing evidenced by Letters of commitment
- 2) Underwriting Guidelines
- 3) Evidence of Affirmative Fair Housing Marketing Plan
- 4) Applicants with developments subject to bidding requirements must submit a letter from the agency describing the bid schedule and a copy of the agency's bid policy
- 5) Evidence of site control of a site suitable for the intended purpose;
- 6) Evidence of necessary environmental clearances, including Flood Zone. If a project is to be located in a flood zone, developer must provide evidence the project will maintain flood insurance for the duration of the Period of Affordability.
- 7) Relocation Plan

- 8) Written evidence of zoning approval
- 9) Development team in place, including architect, general contractor, relocation specialist, if applicable, and management agent
- 10) Outline specifications, written description indicating the level of rehabilitation based on a capital needs analysis performed by a licensed architect or engineer
- 11) Evidence of availability of utilities and access to the site.

REHABILITATION STANDARDS

Rehabilitation Projects

All rehabilitation of multi-family and single-family dwellings that utilize HTF funds will meet requirements @ 24 CFR 93.301 (b). MHC will adhere to HTF Rehabilitation Standards by adopting the **(Minimum Design Quality Standards (MDQS))** established by **MHC's Housing Tax Credit Department and Housing Credit Compliance Department**. The Compliance Department will inspect properties in accordance with HUD Physical Condition Standards and Inspection Requirements 5.701; Physical Condition Standards for HUD housing that is decent, safe, sanitary and in good repair; 5.703; Uniform Physical Inspection Requirements 5.705)-Subpart G. MHC will follow the QAP written standards and to ensure that project plans, specifications, and work write-ups are in compliance with State and local codes, ordinances, requirements, and standards and cost estimates.

The QAP standards are designed to assist in achieving consistency throughout the State for all LIHTC rehabilitation activities. These standards are intended to provide the acceptable standards for development units rehabilitated according to LIHTC. Considering HTF regulations encourage the use of other funding sources to achieve financial feasibility and the most with the HTF Allocation. MHC will use LIHTC in conjunction with HTF funds in developing units for extremely low-income households. The adopted standards are following the following HTF rehabilitation standards requirement@93.301 (b).

MHC will assure that knowledgeable inspectors and Architects will thoroughly inspect each dwelling for compliance of regulations and certification that the development complies with all the minimum requirements. Inspections will verify compliance of HTF rehabilitation standards, which is inclusive of health and safety, major systems, state and local codes, ordinances, and zoning requirements, uniform physical condition standards, capital needs assessment, lead-based paint requirement, accessibility, disaster mitigation, construction documents and cost estimates and frequency of Inspections.

Rehabilitation Requirements (24CFR 93.301 (b))

Health and Safety- MHC certifies that all dwelling will be free of all health and safety defects 12 months after project completion and during the period of affordability. All properties assisted with HTF must be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and

safety of occupants or conflict with the intended use of property. MHC adopted the Uniform Physical Condition Standards (UPCS) utilized by the LIHTC Department to serve as a guide and an assure compliance.

Onsite inspections will occur 12 months after project completion and at least once every 3 years thereafter during the period of affordability. MHC will issue a preliminary audit review letter, in writing, within 45 days of the date of the initial inspection. MHC's Inspection Department will randomly select samples of HTF-assisted units for inspection to determine compliance. For projects with one to four HTF-assisted units, the inspectable items (site, building exterior, building systems, and common areas) for each building with HTF-assisted units and 100 percent of the HTF-assisted dwelling units will be inspected.

If there are any health and safety deficiencies according to the standards adopted by MHC and depending on the severity of the deficiency, they must be addressed and corrected within 12 months or immediately. Any deficiencies considered **LIFE THREATENING HAZARD** will be addressed immediately and **NON-LIFE THREATENING** but generates health and safety issues will be addressed within 12 months.

To adhere to HTF requirements, property owners are required to certify on an annual basis that each unit in the development is suitable for occupancy; considering State and local health, safety, and other applicable codes, ordinances, HTF requirements, and property standards established.

Major Systems- Major systems are structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning. MHC's designated inspector will estimate (based on age and condition) the remaining useful life of these systems, upon project completion of each major system. For multifamily housing projects of 26 units or more the inspector will determine the useful life of major systems through a capital needs assessment of the project. For rental housing, if the remaining useful life of one or more major system is less than the applicable period of affordability, MHC will ensure that a replacement reserve is established. All components, systems, and equipment of a development unit shall be in good working order and condition and be capable of being used for the purpose for which they were intended and/or designed. Components, systems and/or equipment that are not in good working order and condition shall be repaired or replaced. Energy Star labeled and Water Sense labeled products are installed when older obsolete products such as windows, doors, lighting, fans, water heaters, furnaces, boilers, air conditioning units, refrigerators clothes washers dryers, dishwashers, toilets, showers, and faucets) are replaced as part of the approved rehabilitation work and such products are appropriate for achieving energy efficiency for the climate area in which the housing is located. When it is necessary to replace items, the replacement items must conform to the LIHTC Minimum Design Quality Standards and HTF Rehabilitation Standards.

Accessibility- All units will meet the accessibility requirements at 24 CFR Part 8, which implements section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act, implemented at 28 CFR Parts 35 and 36, as applicable. If the rehabilitation includes an addition, covered multifamily dwellings, as defined t 24 CFR Part 100.201, must also meet the designed construction requirements at 24 CFR Part 100.205, which implements the Fair Housing

Act. The development units will comply with energy and water efficiency requirements. Energy Star labeled and Water Sense labeled products are to be installed, when older obsoleted products are replaced as part of the approved rehabilitation work and as appropriate for achieving energy efficiency.

Disaster Mitigation-Where relevant, the housing will be improved to mitigate the impact of potential disasters, (e.g., earthquake, hurricanes, flooding, and wildfires) in accordance with applicable State and local codes, ordinances, and requirements, or such other requirements established by HUD.

State and local codes, Ordinances, and Zoning requirements- HTF assisted housing will meet all applicable State and local codes, ordinances, and requirements or, in the absence of a State or local building code, the International Existing Building Code of the International Code Council.

Uniform Physical Condition Standards- Housing assisted with HTF funds and which are placed in service must follow property standards which include all inspect able items and inspect able areas specified by the US Department of Housing and Urban Development (HUD) based on the HUD physical inspection procedures, known as the Uniform Physical conditions (UPCS) prescribed by HUD pursuant to 24 CFR Part 5 G. Upon completion, the HTF-assisted project and units will be decent, safe, sanitary, and in good repair. Units will be free of all health and safety defects according to the Uniform Physical Conditions Standards for Multi- family. The housing will meet minimum standards of habitability and functionality, and all inspected items with an observed deficiency will be corrected.

Construction Standards and Physical Inspections-All HTF-assisted units must be inspected twice during the award period. The first inspection will occur when 50% of the funds drawn for single site projects, or when half the units are complete for scattered site projects. The second inspection will be conducted upon completion of the construction for the award. Site visits during construction may be conducted to monitor progress of all projects. MHC Inspector will conduct the physical inspections.

Capital Needs Assessment- For multifamily rental housing projects of 26 or more total units, MHC determine all work that will be performed in the rehabilitation of the housing and the long-term physical needs of the project through a capital needs assessment of the project.

- 1) The CNA will be completed by a competent, independent third party, such as a licensed architect and/or engineer.
- 2) The assessment will include a site visit and a physical inspection of the interior and exterior of all units and structures.
- 3) The assessment will consider the presence of environmental hazards such as asbestos, lead paint and mold on the site. In addition, the assessment will examine and analyze the following:
 1. Site, including topography, drainage pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, and gas and electric utilities

- and lines.
2. Structural systems including exterior walls and balconies, exterior doors and windows, roofing system, and drainage
 3. Interiors, including unit and common area finishes (carpeting, tile, plaster walls, paint condition, etc.), including unit kitchen finishes, cabinets and appliances, unit bathroom finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors
 4. Mechanical systems, including plumbing and domestic hot water; HVAC, electrical, lighting fixtures, fire protection, and elevators.
 5. Verification of modest amenities and anesthetic features and non-luxury improvements.

Construction Documents and Cost Estimates- MHC will adhere to HTF Rehabilitation Standards by adopting the Minimum Design Quality Standards established by MHC's Housing Tax Credit Department. MHC will follow the QAP written standards to ensure that project plans, specifications, and work write-ups are following State and local codes, ordinances, requirements, and standards and cost estimates. (Reference MDQS Addendum B/Pages 74-79)

Frequency of Inspections- When the final plans and specifications are submitted, the Architect shall include a statement that the development has met the minimum criteria. Plans will be submitted as 1/4 scales. At the completion of construction, the Architect shall certify that the development complied with all the minimum requirements.

See HTF-Attachments

***(Reference to the Qualified Allocation Plan (2021 QAP) -Minimum Design Quality Standards, Addendum B Pages 75 and the HTF Rehabilitation Standards @ 24CFR 93.301 (b)-Federal Register); 24CFR 5.701; 5.703; 5.705)**

***Reference Inspectable Area: Physical Condition Inspection & Health & Safety Defects: (See Housing Tax Credit Compliance Monitoring Plan 2021- Pages 124-129) Attachment-HTF)**

***Reference Uniform Physical Standards (UPCS) - HTF Allocation Plan- (Attachment)**

OTHER PROGRAM REQUIREMENTS

Monitoring

MHC's compliance monitoring requirements apply to all HTF projects; however, additional compliance requirements may be applicable based other funding sources in addition to those required under the HTF Fund Program.

MHC will monitor HTF-assisted units for the following:

1. Compliance of HTF regulations/requirements/policies and procedures
2. Impact of HTF funded projects that reached targeted populations
3. Community Certification of Supportive Services

4. Affirmative Furthering Fair Housing
5. The extent to which beneficiaries and communities live improved and were enhanced
6. Recordkeeping and Retention

Period of Affordability-The Minimum Period of Affordability for HTF assisted units is 30 years. A Land Use Restrictive Agreement (LURA) and Declaration of Land Use Restrictive Covenant must be executed and recorded. Projects willing to extend the affordability period beyond this minimum period by at least 5 years will receive preference. Funds are subject to be recaptured, if commitment requirements are not met.

Affirmative Furthering Fair Housing-Projects receiving HTF funds must comply with Affirmative Furthering Fair Housing by encouraging development in high opportunity areas. Areas which will give the ELI and VLI populations accessibility to services, jobs, transportation, better school system and amenities. Developers are strongly encouraged and will be given preference.

Inspections-Property Inspections will comply in accordance with 93.404 and guidelines of LIHTC (QAP).

Environmental Provision- Applicants should adhere to the following:

HTF Environmental Provisions are determined prior to construction.

These environmental provisions pertain to new construction and rehabilitation that are required for Housing Trust Fund (HTF)-assisted projects under the property standards at **24 CFR § 93.301(f)(1) and (2)**.

HUD Suggested formats should be used to document compliance with the HTF Environmental Provisions: HTF Only and/or Combining with Other HUD Funding Sources

- <https://www.hudexchange.info/programs/environmental-review/htf/>
- <https://www.hud.gov/sites/documents/16-14CPDN.PDF>
- Determinations of the Phase I Environmental Site Assessment

The state, state-designated entity, or subgrantee administering HTF must maintain documentation demonstrating that each project meets the HTF Environmental Provisions at project completion n [§ 93.407(a)(2)(iv)].

When combining HTF and HOME Funds HTF funds cannot be committed to a project until the

HOME Environmental Review is complete, and an Environmental Clearance has been received.

- The violation of this provision may result in the denial of any funds under the agreement; and

The agreement to provide funds to the project is conditioned on the PJ's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review meeting HTF Environmental Provisions.

Environmental Provision-Applicants must comply with the requirements in 24 CFR 93.301 and HUD CPD Notice 16-14

Requirements for Housing Trust Fund Environmental Provisions.

- To help facilitate timely expenditure of HTF funds, all applicants are required to complete and submit the Environmental Review Record (ERR) and Section 106 Historic Review at the time of application.
- As part of the Section 106 Historic Review process, MHC is required to submit all new construction projects to the Mississippi Department of Archives & History Preservation Office (SHPO) for archaeology review. SHPO is statutorily required to complete this review within 30 days. Please plan your project timeline accordingly.
- The applicant will receive their fully executed HTF award documents and will be allowed to draw funds only after the applicant has been allowed to publish a public notice and when the Release of Funds process is complete.
- Applicants may not purchase any property to be assisted with HTF funds, sign contracts, or begin rehab/construction until the ERR/Environmental/Release of Funds process has been completed and approved.

Reporting and Recordkeeping

The owner of a low-income housing project must keep records for each HTF-assisted project for each year of the compliance period and the extended use period. To allow effective oversight of funded projects and document compliance with applicable HTF requirements, all projects must submit periodic reports to MHC. MHC reserves the right to require additional reporting or to alter the reporting format or frequency based on future changes to HTF requirements or its policy and procedures guidelines. In addition, MHC reserves the right to require additional or more frequent reporting for projects with compliance deficiencies.

Owners are required to report quarterly during the development phase and lease up phase. Quarterly reports will be due on the 15th of the month following the end of the prior quarter (e.g., by April 15th reports on the first quarter are due).

During the construction phase, owners must provide monthly reports detailing construction progress and barriers to progress, copies of invoices being paid, and

evidence of appropriate lien waivers.

During the initial phase of lease-up, MHC may request owners to provide monthly or quarterly reports detailing the number of additional leases, total project leases, marketing activity, and monthly income and expenses. Once the owner has leased 100% of units, leasing and marketing reporting will be required annually.

Annual Reports shall be required for HTF projects, and shall include an Annual Occupancy Report, utility allowance documentation, and examples of marketing materials.

HTF projects shall be required to submit annual budgets to MHC for review and approval. Additionally, all projects will be required to submit an audit prepared by an independent Certified Public Accountant within 180 days of the end of its fiscal year. For small projects where the cost of a project-specific audit is deemed by MHC to be burdensome, MHC may accept a statement of financial condition with prior approval by the manager of Asset Management.

Owners and developers shall allow MHC and HUD the right to inspect records and property.

Owners must annually submit any updates to their Tenant Selection Plan and Affirmative Fair Housing Marketing Plan and must maintain records of annual efforts to affirmatively further fair housing in accordance with 24 CFR 93.350. Updates must clearly detail all changes.

Owners must annually report to the Fund on compliance with the provisions of the Violence Against Women Act (VAWA) as applied through 24 CFR 93.356 (HTF) including records related to any emergency transfer requests and their disposition.

MHC may periodically require owners to obtain a capital needs assessment prepared by an independent third-party architect, engineer, or other qualified firm approved by MHC. Such capital needs assessments shall be used for the purposes of determining the adequacy of the Replacement Reserve, taking into account its existing balance, planned deposits, and anticipated future capital replacement costs for the Project. If the capital needs assessment indicates the Replacement Reserve is not sufficient to address anticipated capital costs during the Affordability Period, the owner must, at MHC's option, either make an additional deposit or increase its annual deposits sufficient to meet any underfunding. If an additional deposit is required by MHC, the owner (or the Guarantors) must replenish the Replacement Reserve Account within six months.

REFINANCE GUIDELINES & CONDITIONS

Guidelines and conditions for refinancing existing debt on a multi-family rental property will be implemented according to HTF requirements and MHC's policy and procedures. Refinancing of an existing debt under the HTF Program is an eligible activity.

The following refinance guidelines and conditions are:

- 1) The new investment is being made to create additional affordable units
- 2) The housing has not been previously financed with HTF funds
- 3) A review of the management practices of the applicant must demonstrate that the proposed rehabilitation is not the result of disinvestment in the property by any entity involved in the application for HTF funds
- 4) A review of the proposed operating budget for the project must demonstrate that both the cost of refinancing and rehabilitation of the project can be met and still result in units affordable to HTF-eligible tenants for a period of 30 years or the term of the refinancing, whichever is longer
- 5) The activity does not involve the refinancing of a multifamily loan made or insured by any state or federal program, including the CDBG program, unless additional affordable units will be income-restricted to extremely low-income households
- 6) Demonstrate that rehabilitation is the primary eligible activity.
- 7) Cost to refinance existing debt is secured by rental housing units that are being rehabilitated with HTF funds.
- 8) Refinancing the existing debt is necessary to reduce the overall housing costs.
- 9) The proportional rehabilitation cost must be greater than the proportional amount of debt that is refinanced.

APPLICATION REQUIREMENTS

MHC will offer a technical assistance period and an implementation workshop providing information in preparation of application submission and implementation of the projects. **MHC will accept applications following the technical assistance period.** The announcement of MHC's Technical Assistance Period and Implementation Workshop and deadline for applications will be posted on MHC's website.

APPLICATION SUBMISSION

Interested parties will submit applications on-line via MHC's website. Applications will be submitted to the Mississippi Home Corporation, 735 Riverside Drive, Jackson, MS 39202.

MHC will to the extent practicable, underwrite the project, make a determination of whether the project is ready to proceed, confirm that the development has a financing gap that requires HTF funding.

Application Review

Each application must address only one development. Review of applications follows the steps as outlined in the 2022 Allocation Plan. Funded applications will be announced at the published MHC Board Meeting date and posted to MHC's website. Reservation letters will be sent by the close of business on the day of the Board Meeting. Applications that are not funded will be notified by MHC via denial letters by the close of business on the day of the Board Meeting.

Completeness Requirements

- a. Timeliness – All documentation must be turned in by the application due date.
 - On or before the application deadline, the applicant must provide all documentation as instructed in this allocation plan as well as required documentation listed in the HTF Application Forms.
 - If MHC requests additional information from the applicant, all requests are due on or before the date provided by MHC staff.
 - Any forms that are late will be denied review and will be sent back to the applicant.
- b. Responsiveness – All questions must be answered and all supporting documentation must be provided.
 - The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.)
 - Required signatures must be originally signed.

Allocation Plan

The Allocation Plan outlines the requirements for administering HTF awards. A complete copy of the Allocation Plan, including exhibits, is available on MHC's website:

Award Notice

Once an entity receives an HTF award, the following must be performed:

- Complete Environmental requirements within four (4) months of award reservation letter. Waivers are granted only by the VP of Federal Programs on a case by case basis. Waivers must be submitted to MHC no later than 90 days following the HTF award letter.

- Firm commitments
- Schedule loan closing in order to execute “Regulatory Agreement” and other necessary loan documents.
- Receive “notice to proceed” with construction issued by MHC.
- HTF activities for Rental Rehabilitation must begin within twelve (12) months of the executed regulatory agreement.
- Implement the project in accordance with HUD regulations and MHC’s Policy Guide.

HTF Recipients should carefully review the “regulatory agreement” and other necessary loan documents to become familiar with all terms and conditions contained therein; i.e., loan agreement, development budget, Special Conditions (if applicable), length of affordability period, etc.

- HTF Rehabilitation projects require written clearance of Special Conditions should begin at this time. Some examples of Special Conditions that require written clearance are as follows:
Special Conditions Clearance must be completed within four (4) months of award notification following the loan closing. Failure to complete this process may result in delay of construction and/or withdrawal of HTF award.
 - Environmental Clearance
 - Policies, Procedures and Guidelines (adopted/signed by developer)
 - Detailed Project Completion Schedule
 - Start-up Letter

Disbursement of Funds

HTF awards will be disbursed at 50% of project completion and final disbursement at one hundred percent (100%) of project completion. An amount equal to ten percent (10%) of the HTF award amount will be retained by MHC until the final inspection (satisfactory to MHC). At MHC’s discretion, an alternative disbursement schedule may be considered at the request of the project owner. MHC requires project to be inspected to confirm that the HTF-assisted units conform to the phases of completion.

Environmental Review Record and Section 106 Historic Review User’s Guide

The Environmental Review Record (ERR) and Section 106 Historic Review User’s Guide provides additional background information about the federally required processes including why the review is necessary, how to perform the review. These documents can be found on MHC’s website.

Affordability Requirements

The affordability period for all HTF developments is 30 years.

HTF subsidized activities must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by MHC. The recipient shall comply with the following requirements of the HTF Program throughout the affordability period: (1) ensuring that the property meets the Property Standards set forth in 24 CFR 93.301; ensuring that the tenants meet the affordability requirements set forth in 24 CFR 93.205 by documenting and verifying the income of tenants as set forth in chapter 7 of MHC’s Tax Credit 2019 Compliance Monitoring Plan, as amended from time to time by MHC; (3) submitting annual tenant events and annual owner certifications to MHC; (4) participating in periodic monitoring and inspections of the Property by MHC and/or the U. S. Department of Housing and Urban Development (“HUD”); (5) complying with the Federal income and rent limits issued by HUD and published annually on MHC’s website; (6) providing MHC with information regarding unit substitution and filling vacancies if the Project has floating units; and (7) ensuring that each tenant enters a lease that does not contain HUD prohibited lease language. The affordability period begins after the regulatory agreement has been executed and project entered in the Integrated Disbursement and Information System (IDIS) and the project completion forms have been submitted to and approved by MHC. During the affordability period all HTF program rental requirements apply to the property.

Lien and Restrictive Covenant Agreement

Each recipient of a HTF award must ensure that a lien and restrictive covenant is executed and recorded against every property constructed, rehabilitated, or acquired, in whole or in part, with HTF funds. Upon the occurrence of any of the following events during the Affordability Period, the entire sum secured by the lien shall be due and payable by developer and/or owner upon demand.

Award Term

The HTF award must be fully expended within a 24-month period. The award generally expires on the last day of the month, 24 months following execution of the regulatory agreement by the recipient and MHC.

Conditional Award Letter

Applications scoring above the published minimum threshold will be issued a conditional award letter containing the following information:

1. The terms under which the HTF cash-flow loan will be funded by MHC;
2. Conditions that must be met before the loan documents are executed. Conditions for funding are provided with a timeline for providing a response. If conditions are not met within specified timeline, MHC reserves the right to withdraw the funding commitment; and
3. A statement that federal regulations require that any fiscal year grant funds allocated to Mississippi be committed by MHC within twenty-four (24) months after the date of the execution by the U.S. Department of Housing and Urban Development (“HUD”) of the HTF grant agreement, in accordance with 24 CFR 93.400(d)(1).

Terms of Assistance

- Financing is available only to the extent it is necessary as determined by MHC’s underwriting guidelines.
- All conditions required by the conditional award letter and closing checklist must be met prior to execution of the loan documents and funding of the HTF loan by MHC.
- HTF awards are made in the form a cash-flow loan, secured by a promissory note, deed of trust, assignment of rents and leases, security agreement and fixture filing, a declaration of restrictive covenants and a UCC financing statement.
- HTF loans are structured as payable from available cash flow.
- HTF loans are interest free.
- The term of the HTF loan will be fifteen (15) years.
- HTF loans are structured as payable from available cash flow. Payments are set at twenty percent (20%) of the average annual net income after debt service over the first fifteen (15) years of the pro forma. The amount of payment is calculated based on audited financial statements submitted by June 30 of the year following the audited year.
- The recipient of the HTF loan must be eligible under MHC’s HTF guidelines and federal statutes and regulations governing HTF and have a legal structure enabling it to enter into the HTF regulatory agreement with MHC.

Loan Closing

- MHC legal counsel will serve as the closing attorney for the loan received pursuant to the HTF program.
- MHC or its counsel will provide a closing checklist that will include a list of requested due diligence items that must be provided to MHC’s counsel prior to closing.

- The recipient must provide for MHC a lender’s policy of title insurance, issued by a title insurance company satisfactory to MHC, with endorsements required by MHC.
- At closing, the recipient must pay certain closing costs incurred by MHC, including, without limitation, the fees of MHC’s counsel.
- The following HTF loan closing documents will be provided in advance of closing:
 - Promissory Note;
 - HTF Investment Program Regulatory Agreement (the “Regulatory Agreement”);
 - Deed of Trust, Assignment of Rent & Leases, Security Agreement and Fixture Filing;
 - Declaration of Restrictive Covenants; and
 - UCC financing statement.
- The Regulatory Agreement will contain, among other items, the following:
 - Certifications by the recipient to comply with all HTF requirements and associated federal and state laws and regulations;
 - Performance goals and benchmarks;
 - Restrictions to use of HTF funds for eligible project costs; and
 - Requirements for completing eligible projects in a timely manner (Schedule of Completion).
- MHC will consider execution of subordination agreements when required by senior lenders, although such must allow for repayment to and recapture by MHC, as required by federal regulations, without restriction.

CRITERIA FOR SELECTION OF APPLICATIONS

MHC will use a ranking process to select projects for funding. Applications will be subject to a subsidy layering review of sources of financing to determine that HTF financing gap and does not result in federal funds providing excess in subsidy.

ProjectsthatwiluseHousingTaxCreditswilundergoaseparatereviewunderthe Housing Tax Credit Qualified Allocation Plan and procedures. Applications with incomplete supporting documentation will not be considered for funding. Applicants will receive a letter of rejection and may re-submit during subsequent competitive processes. The application process consists of two steps:

- 1) Threshold Review - Does the application meet Threshold requirements to be considered for funding (Addendum 1);

Applications are reviewed for completeness. Applicants will be notified if documentation provided is unclear and will have 3 calendar days to clarify requested items. This does not apply to missing items. MHC will permit such additional documentation and/or

clarification to be provided electronically unless a document with an original signature is required. Complete applications will proceed to scoring.

- 2) **Application Scoring** - Applications must score a minimum of 75 on a 100-point scale to be considered for funding. (Addendum2)

Regardless of strict numerical ranking, the Selection Criteria does not operate to vest in an applicant or development any right to a reservation or allocation of HTF in any amount. Further, notwithstanding the point ranking system set forth above, MHC reserves the right and shall have the power to allocate funds to a development irrespective of its point ranking, if such intended allocation is:

- 1) In compliance with 24 CFR Part 93, of the National Housing Trust Fund regulations
- 2) In furtherance of the housing goals stated herein; and
- 3) Determined by MHC to be in the interests of the citizens of the State of Mississippi

Projects scored below Seventy-five percent will not be funded. MHC will make funding offers to the highest scoring projects until available funds are exhausted.

If there is a **tie in the scoring** among proposed developments, MHC reserves the right to utilize a tie- breaking system identified herein to break the tie. In the event of a tie in the scores, the Tiebreaking System will be used in the following order:

- 1) Priority funding will be given to the development that has the lowest cost per unit (CPU).
- 2) Address the most critical rental housing demand
- 3) A development located in a poverty-stricken area of the State
- 4) Developers' firm commitment to provide project-based rental assistance

Funding Announcements- Upon the completion of the application review process in a competitive cycle, MHC Staff will make approval recommendation to its Board of Directors (the Board) at its next regularly scheduled board meeting. Once the Board approves the recommendations, a commitment letter will be mailed to applicant. **(See Addendum 2/Scoring)**

Addendum 1 THRESHOLD FACTORS

MHC will use the following threshold and selection criteria items to process and select applications for funding.

An application must meet all threshold requirements in order to be eligible for reservation of an HTF award. Any application that does not meet all the threshold requirements will be disqualified.

Threshold factors for the 2022 HTF Application Cycle

(1)	Eligible Applicant
(2)	Eligible Project Type/Activity
(3)	Merits: Addressing State’s Priority Housing Needs
(4)	Evidence of Affirmatively Furthering Fair Housing
(5)	Implementation of Supportive Services
(6)	Applicants Experience
(7)	Certification of HTF Requirements

Eligible Applicant

Organizations eligible to receive funding through the National Housing Trust Fund are non-profit and for-profit organizations with demonstrated development experience and capacity with creating, rehabilitating, or preserving affordable housing. **Applicants are required to provide a description of activities or projects proposed to be developed in accordance with 24 CFR 93.200.**

The application must include the following documents:

Organizational Documentation

Formation documents for the owner and general partner entities (see chart below), which bear the committal stamp of the Mississippi Secretary of State. For entities that are not formed in Mississippi, the formation documents and a Certificate to do Business in the State of Mississippi must be submitted. (Formation documents are required to be submitted with the application and

Operation documents are required to be submitted during the final scoring for HTF funds)

Entity Type	Formation Document	Operation Document
Corporation	Articles of Incorporation	Bylaws
Limited Partnership	Certificate of Partnership	Partnership Agreement
Limited Liability	Certificate of Formation	Operating Agreement

Certificate of Good Standing (dated within 30 days of the application date) for the owner and general partner entities

A detailed Organizational Chart which illustrates the business structure of the principal members of the ownership entity. The chart must detail each principal member down to natural persons for every entity listed and it must reflect the ownership percentage of each entity and natural person.

(See Attachment)

Non-Profit Documentation

Non-Profit Organization Requirements- To be considered a qualified non-profit entity, the entity must be a 501(c) 3 or 501(c) 4 organization with an exempt purpose of fostering low-income housing. The non-profit organization cannot be formed by one or more individuals of for-profit entities for the principal purpose of being eligible for funding. In addition, the non-profit entity must not have any staff member or member of the nonprofit's board of directors materially participate in the proposed development as a for-profit entity in any capacity as staff, executive, or board member.

A copy of the Non-Profit Entity's Articles of Incorporation and Bylaws, and all relative amendments, one of which must contain a description of the Non-Profit Organization and its activities that include the fostering of low-income housing in its Articles of Incorporation or Bylaws, as may be amended must be included in the application.

Eligible Project Type/Activity

HTF funds shall be used for projects supplying rental housing that meet the requirements of the Housing Trust Fund. Construction and rehabilitation of multi-family and single-family rentals are eligible. Activity includes construction or rehabilitation of rental housing for extremely low-income families.

Merits: Addressing State's Priority Housing Needs

All developments must meet the priority housing needs of the State's Consolidated Plan. Developments assisted with HTF funds are required to set aside at least twenty percent (20%) of the total units for persons whose income does not exceed thirty percent (30%) of the area median income. HTF –Assisted units developed will be designated for Special Needs Housing.

Based on the Special Needs Category listed below:

- 1) Percentage of the units are assigned for Housing for Disabled Persons;
- 2) Percentage of the units are assigned for Housing for Homeless

A Land Use Restrictive Agreement (LURA) committing to serve tenants at this income level for a period of 30 years or longer must be executed and recorded prior to final approval. Applicants must indicate this election on the application form. In addition, a statement, executed by a principal member of the Ownership Entity, electing to set aside 20% of the total units for persons at or below 30% of the area median income must be included in the application package.

Evidence of Affirmatively Furthering Fair Housing

Fair Housing requirements, including affirmatively furthering fair housing, apply to the HTF program and any limitation or preference must not violate nondiscrimination requirements. Applicants must adhere to 24 CFR 200.615) and provide an Affirmative Marketing Plan demonstrating the goal and effort to affirmatively further fair housing for ELI households, according to HTF requirements and the State's Consolidated Plan. The Affirmative Marketing Plan must include the following elements:

- 1) Implement a method that is effective in marketing the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy.
- 2) Identify a housing market area from which a multi-family housing project owner/agent may reasonably expect to draw a substantial number of its tenants
- 3) Identify an expanded housing market area which is a larger geographic area which may provide additional demographic diversity in terms of race, color, national origin, religion, sex, familial status, or disability.
- 4) Include marketing material in other languages for limited English proficient individuals, and alternative formats for persons with disabilities in public view.
- 5) Include community contacts to help market the project to those least likely to apply.
- 6) Describe the proposed method of advertising to market those least likely to apply.
- 7) Marketing Plan must be in effect throughout the life of the affordability period.
- 8) Made available for public inspection at the sales or rental offices of the designated project
- 9) Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place
- 10) Project site sign must display in a conspicuous position the HUD-approved Equal Opportunity Housing Opportunity log, slogan, or statement

(See Exhibit 2)

Implementation of Supportive Services

Applicants must demonstrate a connection with the community and its needs by implementing programs and/or community activities to assist in building wealth and assets, promoting life skills and the enhancement of beneficiaries and the community. All developments must commit to provide a

minimum of two (2) community services in at least two (2) unrelated areas not otherwise typically present in low-income rental housing (**See examples below**). Applicants must select services that will meet the needs of beneficiaries and the community. In addition, the types of services must be kept current as to changing needs, economic conditions, and social change.

Applicants must list all services that will be provided by the development in the application. Upon receipt of a reservation of HTF funds, Applicants must provide supporting documentation for each service. Additionally, development owners will be responsible for making sure that property managers maintain evidence that the services are being provided (e.g. sign-in sheets, letters/memos to beneficiaries/ tenants advertising the event/service, service log book and/or activity reports). Requests for changes from prior approved community services must be approved by MHC. Development Owners/Property Managers must provide an annual performance report as evidence that Community Service requirements have been met. Community Service activity must be provided during the duration of the affordability period.

Examples of Acceptable Community Services:

Personal Development	Child Development
Computer Classes	After School Program
GED Training	Child Care Services
Job Training	Parenting Classes
Health/Nutrition Classes	
Counseling Programs	Community Awareness Events/Activities
Credit Counseling	Health Fair
Personal Budget	Fire Safety
Homebuyer Education	Crime Watch
Drug and Alcohol Prevention	Mental Health Programs

*Community Services Certification Form must be submitted with application. (See HTF Attachment)

Applicant Experience

Applicant’s experience and capacity to develop and manage the project- Proof documentation, such as, resume, references, and financial statements demonstrating applicant’s capacity and years of hands-on experience in developing multi-family and single-family housing, evidence of successful completion and operation of similar projects for ELI populations. **Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to:**

- 1) Own, construct or rehabilitate, and manage and operate an affordable multifamily rental housing development and
- 2) Serve extremely low-income households and special needs populations, such as homeless families and people with disabilities
- 3) Demonstrate ability and financial capacity to undertake, comply, and manage eligible activities

- 4) Demonstrate its familiarity with the requirements of other federal, state, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable program requirements and regulations.

When applicants do not have direct experience, the applicant must provide legally binding agreements with other parties with the necessary experience that will carry out activities required for the project being proposed. In addition, other training and related experience maybe taken into consideration, when evaluating applicant's capacity.

Certification of HTF Requirements

Recipients of HTF funds are to submit written certification assuring that HTF assisted housing units will comply with all Regulatory and Statutory HTF requirements, during the entire period, which is inclusive of the selection to receive funds and at the end of all HTF funded activities/affordability period. This certification must be provided on company's letterhead signed by owner/ developer of the Development. (See Appendix)

Addendum 2 Scoring

Selection Criteria

MHC will score each application based on the selection criteria listed below. An application must score a minimum of seventy-five (75) points in order to be considered for an HTF award.

(1) Geographic Diversity	Up to 15 pts
(2) Rental Assistance	10 pts
(3) Extended Affordability Period	5 pts
(4) Supportive Services Commitment	Up to 20 pts
(5) High Opportunity Areas	Up to 10 pts
(6) Section 504 Compliant Units	Up to 20 pts
(7) Energy Efficiency Plan	10 pts
(8) Development Amenities	Up to 10 pts
Total	100 pts

Geographic Diversity 15 pts

Geographic diversity as required in the Consolidated Action Plan – Projects that focus and achieve the most impact on the State’s priorities in rural and urban areas of the State.

- a. Projects developed are in locations that are considered poverty driven and address the affordable rental housing needs for extremely low-income (30 % of AMI) households. **Five Points (5) are awarded to developments located in counties or Census Tracts with a poverty rate above 30 percent.**
 - i. **Exhibit 1- Persons in Poverty by County**
 - ii. **Exhibit 2 Persons in Poverty by Census Tract**

- b. Address critical housing needs with an emphasis on the prevention, reduction, and expansion of permanent housing opportunities for persons experiencing Homelessness and persons with serious mental illness.
 - i. **Up to 5 points awarded to project based on the number of persons in the county who are counted as Homeless or who have entered a Mississippi State Hospital from the county. Developments that will serve both populations will be awarded points based on the county’s highest points in either category.**

1. **Exhibit 3 Admissions to State Hospital**
2. **Exhibit 4 Persons Homeless**

- c. Projects will be funded according to the shortage or strong evidence of an inadequate supply of rental housing affordable to extremely low-income households.

Five (5) Points are awarded. Documented by market study. The analysis must document the need for rental units affordable to ELI households in the market served by the property. The analysis must include a clear statement that the market can absorb the units being proposed. The market study shall assume the new supply from the project will be at least 10% of the units in the development, or higher percentage established by the applicant.

Rental Assistance 10 pts

Acceptable rental assistance is limited to assistance contracted by HUD and/or USDA for period of affordability documented on the HTF application. If awarded funds, applicant must certify that it will provide rental assistance acceptable to MHC or that it will adjust tenant's rent to maintain affordability for the tenants. This certification is part of the written agreement that commits HTF to the development.

To be eligible to receive points, the applicant must include a copy of an executed agreement between the ownership entity and the funding entity that includes the amount of rental assistance that will be provided, the number of units assisted, its duration, and any qualifying terms and/or conditions.

Extended Affordability Period 5 pts

To receive points, the applicant must elect to extend the affordability period beyond the minimum required by federal regulation which is 30 years. This extended affordability period will be incorporated into the Written Agreement between MHC and the Recipient of HTF funds. Failure to satisfy the extended affordability period is subject to recapture of HTF funds

Supportive Services Commitment Up to 20 pts

1. To be considered for points under this category, applicants must incorporate facilities and services that stabilize living environments and enhance quality of life for the following special needs categories, which are identified in the State's Consolidated Plan as high priority and targeted populations: (1) Persons with Serious Mental Illness; (2) Persons with Disabilities; (3) Persons released from incarceration; (4) Homeless Elderly 55+; (5) Youth Homeless or aging out of the Foster Care System

Applicants are required to submit with application a Supportive Services Plan appropriate to the target populations selected. The Plan must include a narrative describing how the proposed services meet the needs of the target population(s). Applicant may receive up to 20 points under this category. **Points are assigned per each selection.**

- a. The number of HTF units designated for special needs population must exceed the minimum requirement by at least one unit. **5 points**

- b. Development contracts with a service provider or hires staff to deliver the services provided for special needs population selected in the application. **15 points**

Examples of services may include, but not limited to, the following to enhance target population(s) quality of life and independence:

- 1) Provide services that will enhance life skills and level of education for the targeted populations.
- 2) Provide nutritional /health wellness services.
- 3) Provide supportive services for residents released from incarceration to accomplish adjustment back into society, job placement, educational and financial literacy.
- 4) Provide supportive services for emancipated youth who are Homeless, at risk of Homelessness, or aging out of the foster care system.

High Opportunity Areas Up to 10 pts

Projects developed in High Opportunity Areas where there is availability of sustainable employment, a low poverty rate, high- performing schools, housing accessible to hospitals; employment centers; transportation corridors and hubs.

Points will be awarded based on the following:

- 1) Areas which include a high concentration of extremely low-income populations and a shortage of affordable housing in the geographical area as documented in market study - **2 points (Documented by market study)**
- 2) High-performing school districts: defined as areas that have a public-school district with a “B” or higher rating as listed in the Mississippi Department of Education’s Accountability Results—**3 points (Exhibit 5 School Districts)**
- 3) Housing accessible to transportation corridors and hubs. Cities or counties served by a scheduled bus service or providers operating with grants funded by Federal Transit Administration. – **1 point (Exhibit 6 Counties Served by Public Transit)**
- 4) Housing accessible to hospitals. Project located in a county with a hospital. - **2 points (Documented by market study)**
- 5) Housing accessible to employment centers. Project located in a county with over 500 new hires per quarter twelve months ending 2018 Q2. - **2 points (Exhibit 7 New Hires by County)**

Section 504 Compliant Units Up to 20 Pts

To be considered for points under this category, applicants of multi-family, new construction or rehabilitation developments must increase the number of mobility units above the minimum required under Section 504 regulation by one (1) or more units. 1) Development provides one (1) additional mobility unit: 10 points. 2) Development provides two (2) or more additional mobility units: 20 points.

Energy Efficiency Plan 10 Pts

Rental developments are designed and built to a level of energy efficiency that meets or exceeds the levels required to qualify for the Energy Efficiency/Green Sustainable Design. Examples of energy efficiency, but not limited to high-efficiency heating & cooling equipment & controls, energy-efficient lighting upgrades & controls, programmable thermostats, insulation improvement, air-sealing & weatherization. The following must be submitted with the application to receive points under this category:

- a. Energy Efficiency Plan outlining the method to reduce the energy cost for tenants.
- b. Estimated cost savings proposal per unit
- c. Building Plans & Specifications
- d. Contract with service provider

Development Amenities 10 Pts

Developments will be awarded two points per development amenity up to a maximum of ten points. Amenities must be appropriate to the proposed tenant population. All proposed amenities must be selected on the application and notated and highlighted on the Plans/Drawings or Physical Needs Assessment. Applicants must adhere to all amenities selected on the application, regardless of whether points are awarded. Building components installed to qualify for Section 504-compliant unit points do not qualify as Development Amenities.

1. Advanced Community Services/Classes

Developments that offer at least one advanced service/class beyond the required services notated below will receive two points. All services/classes must meet all requirements. Acceptable advance services/classes are as follow:

- Mentoring Program for At-Risk Boys and Girls
- Reading Programs for adults that have difficulty reading or do not know how to read

The required services must be conducted by a third-party service provider. Classes/Services conducted by employees of the management entity or unqualified individuals will not be considered acceptable.

2. Neighborhood Services

Points may be awarded to a proposed development that has at least two of the following services located within one half (1/2) mile of the proposed site:

- Grocery Store
- Pharmacy
- Bank or Credit Union
- Hospital or Medical Clinic

3. Furnished Clubhouse or Community Building

The Clubhouse/Community Building must have a designated room for tenant activities and meetings.

Also, it must meet the requirements of MHC's Minimum Design Quality Standards. Multi-phase developments may share the Clubhouse/Community Building provided that it will accommodate the development size.

4. On-site Business/Education Center

Must have its own dedicated equipment (including desktop computers with Internet access, scanner, fax machine, and copier/printer) separate and apart from the equipment used by the development manager's office staff. Detailed drawings of the community building to include business center and its equipment must be shown.

Full perimeter fencing with controlled access gate

The fencing and gate must be either wrought iron or wood. Chain-link fencing is unacceptable.

5. Exterior Security

The security system must consist of a camera system, motion detector sensors and lighting that will provide adequate monitoring and coverage of the property.

6. Fitness Center

The Fitness Center must have a minimum of five pieces of equipment. The equipment must be of commercial grade and consist of strength training machines and cardiovascular machines. A photo and specifications of the equipment must be included in the application.

7. On-site Laundry Facility

The laundry facility must contain a minimum of one washer and one dryer for every eight residential units.

8. Walking, Jogging, or Biking Trail

9. Basketball, Volleyball, or Tennis Court

10. Landscaped area including a gazebo with sitting area

The landscaped area must include a site built and permanently affixed gazebo with sitting area. The gazebo must be a minimum of 400 square ft. Under roof.

11. Playground

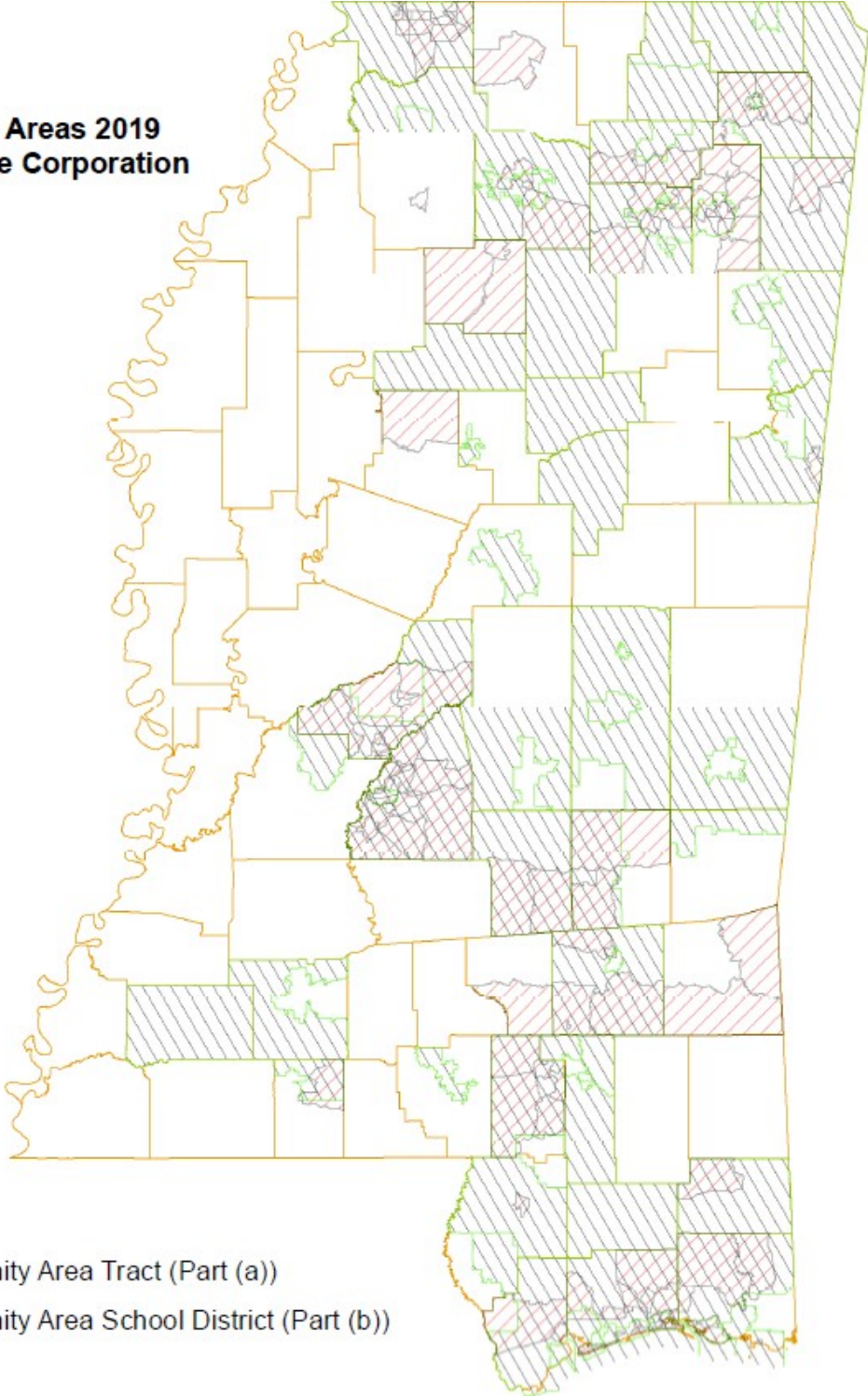
The playground equipment must be of commercial grade with a minimum of four separate play activities. Multi-functional single structures are acceptable provided that it has at least four separate play activities. A photo and specifications of the equipment must be included in the application. Multi-phase developments must each have its own playground.

ATTACHMENTS

- Exhibits 1, 2, & 3
- Federal Register
- HTF Table of Contents Form
- Housing Trust Fund Loan Application- [Housing Trust Fund – Mississippi Home Corporation \(mshomecorp.com\)](http://mshomecorp.com)
- Sources of Funds
- Project Development Cost Budget and Timeline
- Subsidy Layering Worksheet
- State of Mississippi HTF Maximum Mortgage Limits
- Long Term Rental Assistance Commitment Certification
- Initial Site Assessment Form
- Construction Certification Form
- Minimum Design Quality Standards (MDQS)
- MHC Housing Tax Credit Compliance Monitoring Plan
- Period of Affordability Awareness Statement
- Notice of Occupancy Rights Under VAMA-HUD Form 5380
- Emergency Transfer Plan VAWA-HUD Form 5381
- Certification of Domestic Violence-VAWA-HUD Form 5382
- Emergency Transfer Request-VAWA-HUD Form 5383
- Rehabilitation Standards
- Uniform Physical Condition Standards (UPCS)
- Physical Needs Assessment Form
- Development Experience Form
- Management Experience Form
- Special Needs Housing Commitment Certificate
- Community Services Certification Form
- Development Organization Chart
- Development Narrative (location map & neighborhood description)
- Income Limits
- Definitions
- References

Exhibit 1

High Opportunity Areas 2019 Mississippi Home Corporation



Affirmative Fair Housing Marketing Plan (AFHMP)
--

Exhibit 2

Affirmative Fair Housing Marketing Plan Form - Multifamily Housing and Single-Family Housing

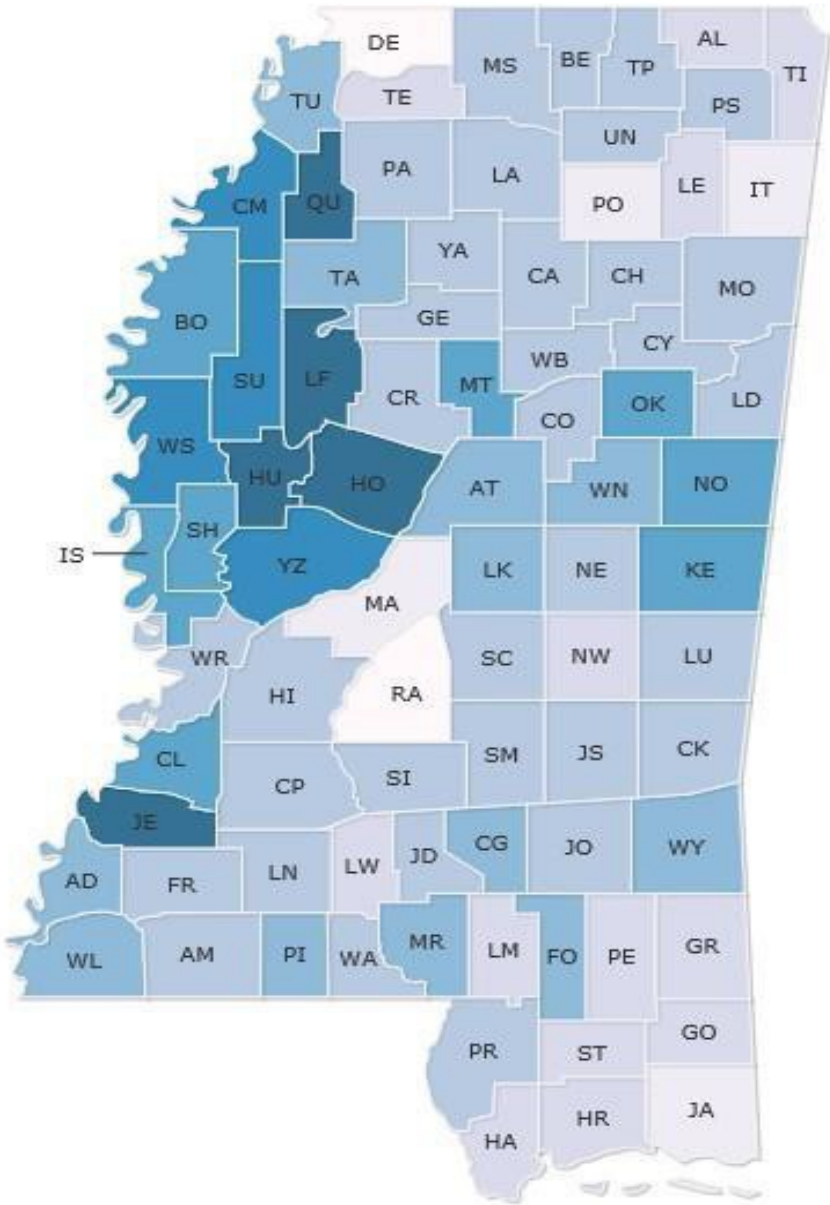
The purpose of the AFHMP is to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. The AFHMP helps owners/agents (respondents) effectively market the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy. Affirmative fair housing marketing and planning should be part of all new construction, substantial rehabilitation, and existing project marketing and advertising activities.

All Owners and Management Entities of Special Needs Housing Developments are required to demonstrate continuous marketing efforts to serve the targeted special need population elected. The application package must include (a) a marketing plan that identifies how the development will market to the targeted population; and (c) a comprehensive service plan that identifies each supportive service to be provided, the location of the services, the anticipated service provider for each service and their experience in providing service to the targeted population.

(See Attachment)

Exhibit 3

Mississippi Poverty Rate by County



Mississippi Poverty Rate by Counties

Mississippi Poverty Rate by Counties

<u>Rank</u>	<u>County</u>	<u>Poverty Rate</u>	<u>Rank</u>	<u>County</u>	<u>Poverty Rate</u>
41st	Attala County	24.4%	74th	Wilkinson County	35.6%
76th	Bolivar County	37.8%	16th	Union County	19.1%
80th	Claiborne County	41.2%	60th	Winston County	28.3%
82nd	Holmes County	45.0%	64th	Adams County	30.4%
36th	Newton County	23.3%	58th	Copiah County	28.1%
39th	Warren County	23.7%	78th	Issaquena County	40.4%
72nd	Washington County	34.9%	28th	Lowndes County	21.9%
69th	Yazoo County	34.5%	46th	Hinds County	25.5%
2nd	DeSoto County	10.0%	59th	Tallahatchie County	28.2%
54th	Forrest County	27.3%	37th	Tippah County	23.5%
81st	Humphreys County	42.5%	25th	Webster County	21.5%
79th	Leflore County	40.4%	26th	Yalobusha County	21.6%
3rd	Madison County	12.7%	18th	Perry County	19.7%
67th	Noxubee County	32.4%	43rd	Lafayette County	25.3%
22nd	Pearl River County	20.3%	35th	Lauderdale County	23.1%
1st	Rankin County	9.6%	55th	Marion County	27.3%
21st	Stone County	20.3%	23rd	Monroe County	20.6%
5th	Tate County	15.7%	75th	Quitman County	37.8%
61st	Tunica County	28.4%	34th	Smith County	22.7%

15th	Franklin County	18.7%
12th	Lee County	18.5%
65th	Sharkey County	31.4%
56th	Simpson County	27.4%
7th	Carroll County	17.4%
11th	Marshall County	18.2%

****The Average Poverty Rate in Mississippi is
22.3%

Federal Register

[Federal Register](#)

HTF Table of Contents Form

[Home/HTF Forms](#)

- [0101. Statement of Application and Certification for HOME & HTF](#)
- [0102. Applicant/Owner Signature Authorization](#)
- [0103. Application Preparer Certification](#)
- [0104. 2020 HTF Application Rating Form](#)
- [0105. Financial Feasibility Forms](#)
- [0106. Initial Site Assessment Form](#)
- [0107. Project Completion Schedule](#)
- [0108. Environmental Checklist](#)
- [0109. Certification of Consistency with the Consolidated Plan \(HUD Form 2991\)](#)
- [0110. Development Experience](#)
- [0111. Management Experience](#)
- [0112. Supportive Services Certification Form](#)
- [0113. Certification of Bid Law Compliance](#)
- [0114. Physical Needs Assessment](#)
- [0115. Description of Materials](#)
- [0116. Construction Certification Form](#)
- [0117. Applicant Self Certification](#)
- [0118. Certifications & Assurances](#)
- [0119. Affirmative Fair Housing Marketing Plan Multifamily \(HUD Form 935.2A\)](#)
- [0120. Affirmative Fair Housing Marketing Plan Single Family \(HUD Form 935.2B\)](#)
- [0121. Applicant/Recipient Disclosure/Update Report \(HUD Form 2880\)](#)
- [0122. Special Needs Certification](#)

Sources of Funds Statement

Applicants must demonstrate through a Sources & Uses Statement that other sources of funding will be utilized.

Project Development Cost Budget and Timeline

Submit a Development Cost budget in sufficient detail to determine total project development cost and funding. List the number of units included in the development.

A detailed development timeline that lists expected dates of all phases of the construction and development (including but not limited to funding source closing dates, construction start and end dates, lease-up dates, etc.)

Subsidy Layering Worksheet

A Subsidy Layering Analysis will be conducted before committing HTF Funds to a project. The analysis will determine costs are reasonable, verifiable sources and uses of funds, amounts requested are necessary and their uses are determined feasible.

Housing Trust Fund Maximum Subsidy Limits

Pursuant to 24 CFR 93.300(a), all HTF grantees must establish maximum limits pursuant to 24 The maximum per-unit development subsidy provides the maximum limitations on the total amount of HTF funds that maybe invested per-unit for development of non-luxury housing.

HUD Publishes New 2022 Limits for HTF Maximum Per-Unit Subsidies

The following HOME subsidy limits were in effect as of June 4, 2020 and adopted for the National Housing Trust Fund (HTF) :

2022 Section 234 Condominium Housing Limits* Jackson, MS High Cost of 270%**			
Bedrooms	Elevator-Type Basic Limit	High Cost Percentage Multiplier	HOME Maximum Per Unit Subsidy Limit
0	\$66,564	240%	\$159,753.60
1	\$76,305	240%	\$183,132.00
2	\$92,789	240%	\$222,693.60
3	\$120,039	240%	\$288,093.60
4+	\$131,765	240%	\$316,236.00

***Effective March 17, 2022**

****Capped by Office of Affordable Housing Programs at 240%, CPD Notice 15-003.**

Any questions, please refer to the Notice published on the HUD Exchange at: <https://www.hudexchange.info/news/hud-publishes-limits-for-home-maximum-per-unit-subsidies/>

Long Term Rental Assistance Commitment Certification

A Land Use Restrictive Agreement (LURA) committing to providing rental assistance for tenants at or below 30% of the area median income level for a period of 30 years or longer must be executed and recorded prior to final approval.

ENVIRONMENTAL, ENERGY LAWS, REGULATIONS, & WORKSHEETS

[Environment and Energy Laws, Regulations, & Worksheets | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

No Binding commitments to expend funds for project activities will be made prior to the completion of the environmental review record clearance process. This applies whether those funds are HUD dollars or otherwise.

- Must not commit funds, HUD dollars or otherwise, therefore choose-limiting actions prior to environmental clearance
- Must refrain from acquiring, leasing, repairing, rehabilitating, converting, or demolishing properties, or undertaking any construction activities prior to environmental clearance

The environmental review procedures cover numerous and varied considerations and can take a significant amount of time and effort to complete. Starting EARLY is a necessity.

Construction Certification Form

For new construction or rehabilitation, construction must start within 12 months of date of contract between the recipient and MHC.

Construction Documents- a Construction Financing Letter showing the construction loan amount and terms. A properly executed and dated Construction Contract Construction Certification Form, properly executed by the development's owner, architect/engineer and general contractor.

Period of Affordability Period Awareness Statement

The commitment to executing a Land Use Restrictive Agreement (LURA sets forth, as covenants running with the land for a minimum of 30 years (or additional years if the development owner has committed to a longer use period), the low-income unit set-asides, the percentages of low income to be served, the special housing needs units committed to (if any), and such other requirements as MHC may apply based on HTF requirements and the (QAP).

Violence Against Women Act (VAWA) Certification

The commitment to adhere to maintaining compliance with all applicable legal requirements imposed by VAWA; Ensuring the physical safety of victims of actual or threatened domestic violence, dating violence, sexual assault and stalking; Providing and maintaining housing opportunities for victims of domestic violence, dating violence, sexual assault and stalking; Creating and maintaining collaborative arrangements between the HHA, law enforcement authorities, victim service providers and others to promote the safety and well-being of victims of actual or threatened domestic violence, dating violence, sexual assault and stalking; and Taking appropriate action in response to an incident or incidents of domestic violence, dating violence, sexual assault and stalking affecting individuals assisted by the HOME, HTF and LIHTC Programs.

Special Needs Housing Commitment Certification

Certification from the development's owner committing to a set-a-side at least 20% of total units developed for targeted population, whose income does not exceed thirty percent (30%) of the area median income.

Community Service Certification Form

Community Services Requirements- All developments must commit to provide a minimum of two (2) community services listed in the HTF Allocation Plan. Applicants must select services that will meet the needs of its tenants. In addition, commit that these services will be kept current as to changing tenant needs, economic conditions, social change and duration of Affordability Period.

Development Organizational Chart

Organizational Documents –The application must include the formation documents, Certificate of Good Standing, and a detailed Organization Chart as outlined in Section 1.2(3). See (QAP)

Development Narrative (location map and neighborhood description)

A written narrative describing the proposed development including the type of development to be constructed/rehabilitated, proposed targeted population, and the financing to be utilized. Applicants are encouraged to provide as much additional detail and background information about the proposed development as possible; particularly for describing areas in the application involving unusual or complex elements. The narrative must also provide a breakdown listing the specific roles and responsibilities of the developer(s), general partner(s), and consultant.

Location Map: Development map(s) identifying the development location and the general county boundaries.

HTF Rehabilitation Standards

All rehabilitation of multi-family and single-family dwellings that utilize HTF funds will meet requirements @ 24 CFR 93.301 (b). MHC will adhere to HTF Rehabilitation Standards by adopting the **(Minimum Design Quality Standards (MDQS))** established by **MHC's Housing Tax Credit Department** and **Housing Credit Compliance Department**.

The Compliance Department will inspect properties in accordance with HUD Physical Condition Standards and Inspection Requirements 5.701; Physical Condition Standards for HUD housing that is decent, safe, sanitary and in good repair; 5.703; Uniform Physical Inspection Requirements 5.705)-Subpart G. MHC will follow the QAP written standards and to ensure that project plans, specifications, and work write-ups are in compliance with State and local codes, ordinances, requirements, and standards and cost estimates.

State and local codes, Ordinances, and Zoning requirements- HTF assisted housing will *meet* all applicable State and local codes, ordinances, and requirements or, in the absence of a State or local building code, the International Existing Building Code of the International Code Council.

Uniform Physical Condition Standards- Housing assisted with HTF funds and which are placed in service must follow property standards which include all inspect able items and inspect able areas specified by the US Department of Housing and Urban Development (HUD) based on the HUD physical inspection procedures, known as the Uniform Physical conditions (UPCS) prescribed by HUD pursuant to 24 CFR Part 5 G. Upon completion, the HTF-assisted project and units will be decent, safe, sanitary, and in good repair. Units will be free of all health and safety defects according to the Uniform Physical Conditions Standards for Multi- family. The housing will meet minimum standards of habitability and functionality, and all inspected items with an observed deficiency will be corrected.

Construction Standards and Physical Inspections-All HTF-assisted units must be inspected twice during the award period. The first inspection will occur when 50% of the funds drawn for single site projects, or when half the units are complete for scattered site projects. The second inspection will be conducted upon completion of the construction for the award. Site visits during construction may be conducted to monitor progress of all projects. MHC Inspector will conduct the physical inspections.

Housing Tax Credit Compliance

Community Notification

All applicants must notify the public in the community in which they are planning to develop or rehabilitate a housing tax credit development. Written notification must be provided to the local government and proper signage must be posted at the proposed site. A written compilation of any comments received from the public notification that includes the developer's response must be submitted with the application. In addition, the developer must provide a statement as to how the concern(s), if any, will be addressed if tax credits are awarded to the development.

1. **Notice to Local Government**

The applicant is required to notify the Chief Executive Officer (Mayor or President of the Board of Supervisors) and Elected Representative (councilperson, alderman and/or local supervisor) for the district in which the proposed development will be located, of its intent to apply for housing tax credits. The applicant must provide a properly executed Local Government Notification Form (Form TR-1).

In the event that an executed form cannot be obtained, the applicant must provide evidence of the notification by documentation of certified mailing receipts. The certified mailing receipt must be postmarked at least ten business days prior to the application cycle opening date. Failure to meet the postmarked deadline will result in a two-point deduction in the application score. If an Applicant does not provide any evidence of notification to the local government, then the application will be disqualified.

2. **Notice to the Community**

Newspaper Notification Requirements

Applicants must publish notice of its intent to submit a housing tax credit application to MHC. The notice must be published at least ten (10) business days prior to the application cycle opening date.

In addition, the notice must:

- be published in the legal section of the local or regional newspaper having general circulation in the development area
- include the name of the proposed development;
- include the type of development (new construction or acquisition/rehabilitation);
- specifically state that the Applicant will be applying to the Mississippi Home Corporation for housing tax credits in its current year Application Cycle;
- include contact information (proposed owner's name, contact person, phone number,

and email address) for the public to submit questions/comments

Signage Requirements

Applicants must post signage at the proposed site giving notice that a tax credit application will be submitted to MHC. The signage must be posted at least ten business days prior to the application cycle opening date and shall remain in place until the development is placed in service, if awarded.

In addition, the signage must:

- include the name of the proposed development;
- include the type of development (new construction or acquisition/rehabilitation);
- specifically state that the Applicant will be applying to the Mississippi Home Corporation for housing tax credits in its 2019 (or 2020, as applicable) Application Cycle;
- provide contact information (proposed owner's name, contact person, phone number, and email address) for the public to submit questions/comments;
- be of professional quality; • be a minimum size of 36" x 36";
- be fully legible from the street;
- be posted near the property entrance or the property line facing the main thoroughfare.

MHC may, at its discretion and without notification to the Applicant, conduct a site inspection to verify that the signage is in place. 3. MHC Notification All applicants must submit evidence of compliance of the Community Notification requirements to MHC via email to taxcredits@mshc.com no later than ten (10) business days prior to the application cycle opening date. Late submissions of Community Notification will be considered a Threshold Deficiency resulting in a two (2) point deduction.

The notification to MHC must include the following:

- a. Local Government Notification Form (TR-1);
- b. Proof of Publication of the Notice of Intent to Apply for Housing Tax Credits
- c. A copy of the notice published in the legal section of the local newspaper
- d. Affidavit of Compliance with Community Notification (TR-2);
- e. Two photos of the signage: one close up shot clearly showing all the information on the sign and the other from a distance showing the location of the sign in reference to the property

Housing Tax Credit Allocation Plan- Minimum Design Quality Standards

Minimum Design Quality Standards

The purpose of the Mississippi Home Corp Architectural Review is to determine if a development meets the Agency's recommended architectural standards. The design standards for 4% (noncompetitive) tax credits will remain consistent with the design standards for the 9% (competitive) tax credits. When the final plans and specifications are submitted, the Architect shall include a statement that the development has met the minimum criteria. Plans must be submitted as ¼ scale. At the completion of construction, the Architect shall certify that the development has complied with all the minimum requirements. FAILURE TO COMPLY WITH THE MINIMUM STANDARDS WILL RESULT IN A LOSS OF CREDITS.

SINGLE FAMILY HOMES

The following is required for all new construction of single-family homes:

1. The minimum heated/cooled area for a single family detached two bedroom/two bath home will be 1,100 square feet (2-bedroom 2 bath units are limited to no more than 25% of the total unit mix). The minimum heated/cooled area for a single family detached three bedroom/two bath home will be 1,300 square feet. The minimum heated/cooled area for a single family detached four bedroom/two bath home will be 1,700 square feet. (One (1) bedroom single family units are prohibited.)
2. Average lot sizes of no less than 7,500 square feet (single family detached) or determined by the local municipality of the proposed site.
3. At least eighty percent (80%) of the home's exterior being brick or equivalent surface, i.e. Hardiboard or similar cement composite board.
4. Master bedrooms should be at least 12'x14' (13'x15' is preferred)
5. Secondary bedrooms should be at least 10'x10' (11'x12' is preferred).
6. All single-family type construction (single family detached houses, town homes, duplexes, and 4-plex units) must have, at a minimum, a two-car garage for each unit. The minimum dimensions for two cars should be 20'x21' (inside face of stud to face of stud). A minimum of 50 sq. ft. of enclosed storage is required.
7. Owner shall provide a maintenance schedule of items to be replaced prior to the purchase of the units by the Tenant.
8. Paved driveways.
9. Entrance Appeal. Provide adequate entrance signage with landscaping clearly illustrated in the plans.
10. Side by side, opposite wall units, or stackable washer and dryer connections.
11. Landscape Plan and Maintenance (Applicants shall maintain lawns and landscaping throughout the required compliance period.)
12. Architectural Shingles or Solar Reflectance Index (SRI) metal roofing (if appropriate to the area and development).
13. Development note: provide curb & gutter with sidewalks (4' min width) and underground utilities in new communities. Scattered lot developments should conform to existing standards of surrounding development.
14. Along with the primary "street" or front elevation, provide (2) additional elevations for each plan as well as mirror

image of each. These elevations should be spread throughout the development to create variation in the street scene as well as future value.

15. SFLP developments must have a minimum of two (2) elevations per plan with no more than fifteen percent (15%) of the total units having the same elevations. The elevations cannot be located side by side and there must be at least three (3) different elevations between them. The different elevations must be staggered throughout the development to create variation in the street scene.

16. Wiring or wireless connections for cable television and internet access must be confirmed by letter from the architect/engineer.

17. All SFLP develop

ments, including townhome developments must build the required ADA minimum number of handicapped accessible units. If the development is a planned traditional townhome unit with all bedrooms being on the second floor, the developer will be required to construct the appropriate number of accessible units with the accommodating bedroom(s) on the first floor.

18. Furnished Clubhouse or Community Building for all new construction.

19. Ceiling fans standard in living room/great room and all bedrooms.

SINGLE FAMILY HOMES AND MULTIFAMILY APARTMENTS

The following is required for all new construction and rehabilitation developments:

UNIT LIVABILITY

The long-term marketability of apartment units is affected not only by their sizes but also by the livability of the units. One important functional component of livability is the ability of the space to accommodate the potential number of occupants and the basic pieces of common furniture necessary for daily activities. A well thought-out furniture plan may resolve conflicts in the unit layout, providing improved functionality and livability.

KITCHEN

Kitchen cabinets and appliance space required at 16 lineal feet for 2 & 3 bedroom units with the addition of a pantry for larger units (**). Utilize 16" clear counter space on one side of each appliance and fixture and a minimum of 9" on the opposite side of a range (**). Each kitchen must contain an Energy Star Rated Refrigerator/Freezer and Dishwasher.

CLOSETS

1. Minimum of 12 lineal feet of closet rod in master bedroom and 5 lineal feet in other bedrooms.

2. Entry coat closet and linen closet in multiple bedroom units, if possible.

CEILINGS & HALLWAYS

1. Hallways must be a minimum of 3'4 in width (measured from face of stud to face of stud). This will accommodate a 2'8" door and allow for wheelchair access as well as moving furniture without damage to walls.

2. 9' Ceiling heights.

BEDROOMS

Bedrooms size should be a minimum of 96 sq. ft. plus the required closet space (**).

BATHROOMS

Secondary baths must have at least one door that is 2'8" (**). This allows for wheel chair access (Fair Housing standard).

SMOKE DETECTORS

Each unit must include at least two hard wired smoke detectors, in proper working condition, on each level of the unit.

CARBON MONOXIDE DETECTOR

Each unit must include at least one hard wired carbon monoxide detector, in proper working condition, on each level near bedrooms in properties which contain a combustible appliance.

COMMON AREAS

1. Community/Recreation facility will be a minimum of 1,200 square feet or 20 sq. ft. per unit for family; whichever is greater (**). The facility will include a community kitchen, sink, refrigerator and range or microwave (**). Management office will be no less than 100 sq ft (**).
2. Maintenance workshop and storage room that provides a workbench, sink and shelving area (**).
3. Common area laundry room when washers/dryers are not provided in the units. The common laundry room must provide 1 washer/dryer per 12 family units (**).
4. Elevators are required in developments that provide for senior housing and special needs (**).
5. Exterior trash enclosures should have enclosure protection and a nearby hose bib; for Multi-Family developments or for those developments located in areas where services are not provided by local municipalities (**).
6. Playgrounds, Community Centers and Mail Kiosks should have sufficient separation as to provide safety for the children and minimize traffic congestion for the various functions (**).

EXTERIOR

1. Structures of two or more stories must be a minimum of sixty percent (60%) brick or cementitious product (**).
2. Where vinyl siding is used, if on the allowed 40% and for soffit and fascia, it must be certified through VSI's Program and be installed by a certified installer. Additional information can be obtained at <http://www.vinylsiding.org/certifiedinstaller>.
3. A color variation throughout the development is encouraged.
4. Housing components delivered to the site must meet MHC's "Site Delivered Housing Component Requirements" available on MHC's website www.mshomecorp.com.

(**) Includes requirement for Acquisition/Rehabilitation developments. Historic Developments may request a waiver.

PARKING

All multifamily developments must have a minimum of two (2) parking spaces per unit or 1.5 spaces per unit for elderly properties. MHC will allow a waiver of these parking requirements subject to the local jurisdiction's parking requirements.

CENTRAL AIR/HEAT

Any development receiving tax credits must have central air and heat by the placed in service date. A certified letter from the development's architect or engineer must verify that the central heat and air system has the capacity to properly accommodate all of the units.

ENERGY EFFICIENCY / GREEN (SUSTAINABLE) DESIGN

1. Use of all Energy Star rated appliances.
2. Use of low or zero V.O.C. (Volatile Organic Compounds) interior paints.
3. Use of Formaldehyde-free insulation
4. Use of at least of one (1) high efficiency toilet or dual flush per unit.
5. Use of double glazed, insulated energy efficient windows, with Low-E glazing and a minimum: U factor of .55, Heat Gain Coefficient of .29 and Visibility Transfer of .52
6. Use of alternate, high efficient H.V.A.C. sources and delivery systems (14 SEER).
7. Use of water efficient landscape plants
8. Use of efficient, compact site design (when local codes allow).
9. Use of Gutters and downspouts at eaves less than 12" on 1 story and less than 24" on 2nd level. Downspouts to underground drain system or concrete splash blocks or hard surface required.
10. Use of PEX plumbing systems for domestic water.

11. Use of Day-lighting. Day-lighting includes strategies for increasing the percentage of illumination provided by natural light by optimizing building orientation and room layout.

SITE ACCESSIBILITY

1. Accessible path to the primary entry of all ground floor units
2. Identify all common area facilities on an accessible path (show walkways slope and landing dimensions at ramps, accessible parking spaces, van stall location, and trash enclosures)

Note: The development must be designed to meet ADA and HUD standards for all applicable handicapped accessibility requirements. See Section 9 of the QAP.

Uniform Physical Standards (UPCS)

Physical Condition Standards for HUD Housing (24 CFR 5.703)

HUD housing must be decent, safe, sanitary and in good repair. Owners of housing described in § 5.701(a), mortgagors of housing described in § 5.701(b), and PHAs and other entities approved by HUD owning housing described in § 5.701(c), must maintain such housing in a manner that meets the physical condition standards set forth in this section in order to be considered decent, safe, sanitary and in good repair. These standards address the major areas of the HUD housing: the site; the building exterior; the building systems; the dwelling units; the common areas; and health and safety considerations.

(a) Site. The site components, such as fencing and retaining walls, grounds, lighting, mailboxes/project signs, parking lots/driveways, play areas and equipment, refuse disposal, roads, storm drainage and walkways must be free of health and safety hazards and be in good repair. The site must not be subject to material adverse conditions, such as abandoned vehicles, dangerous walks or steps, poor drainage, septic tank back-ups, sewer hazards, excess accumulations of trash, vermin or rodent infestation or fire hazards.

(b) Building exterior. Each building on the site must be structurally sound, secure, habitable, and in good repair. Each building's doors, fire escapes, foundations, lighting, roofs, walls, and windows, where applicable, must be free of health and safety hazards, operable, and in good repair.

(c) Building systems. Each building's domestic water, electrical system, elevators, emergency power, fire protection, HVAC, and sanitary system must be free of health and safety hazards, functionally adequate, operable, and in good repair.

(d) Dwelling units.

(1) Each dwelling unit within a building must be structurally sound, habitable, and in good repair. All areas and aspects of the dwelling unit (for example, the unit's bathroom, call-for-aid (if applicable), ceiling, doors, electrical systems, floors, hot water heater, HVAC (where individual units are provided), kitchen, lighting, outlets/switches, patio/porch/balcony, smoke detectors, stairs, walls, and windows) must be free of health and safety hazards, functionally adequate, operable, and in good repair.

(2) Where applicable, the dwelling unit must have hot and cold running water, including an adequate source of potable water (note for example that single room occupancy units need not contain water facilities).

(3) If the dwelling unit includes its own sanitary facility, it must be in proper operating condition, usable in privacy, and adequate for personal hygiene and the disposal of human waste.

(4) The dwelling unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each level of the unit.

(e) Common areas. The common areas must be structurally sound, secure, and functionally adequate for the purposes intended. The basement/garage/carport, restrooms, closets, utility, mechanical, community rooms, day care, halls/corridors, stairs, kitchens, laundry rooms, office, porch, patio, balcony, and trash collection areas, if applicable, must be free of health and safety hazards, operable, and in good repair. All common area ceilings, doors, floors, HVAC, lighting, outlets/switches, smoke detectors, stairs, walls, and windows, to the extent applicable, must be free of health and safety hazards, operable, and in good repair. These standards for common areas apply, to a varying extent, to all HUD housing, but will be particularly relevant to congregate housing, independent group homes/residences, and single room occupancy units, in which the individual dwelling units (sleeping areas) do not contain kitchen and/or bathroom facilities.

(f) Health and safety concerns. All areas and components of the housing must be free of health and safety hazards. These areas include, but are not limited to, air quality, electrical hazards, elevators, emergency/fire exits, flammable materials, garbage and debris, handrail hazards, infestation, and lead-based paint. For example, the buildings must have fire exits that are not blocked and have handrails that are undamaged and have no other observable deficiencies. The housing must have no evidence of infestation by rats, mice, or other vermin, or of garbage and debris. The housing must have no evidence of electrical hazards, natural hazards, or fire hazards. The dwelling units and common areas must have proper ventilation and be free of mold, odor (e.g., propane, natural gas, methane gas), or other observable deficiencies. The housing must comply with all requirements related to the evaluation and reduction of lead-based paint hazards and have available proper certifications of such (see 24 CFR Part 35).

(g) Compliance with State and local codes. The physical condition standards in this section do not supersede or preempt State and local codes for building and maintenance with which HUD housing must comply. HUD housing must continue to adhere to these codes.

Income Limits/Rent Limits

Rents on HTF assisted units are restricted. The maximum allowable rent is based on the number of bedrooms and area median income as established annually by HUD. Income limits and Rent Limits can be found at [Housing Trust Fund – Mississippi Home Corporation \(mshomecorp.com\)](https://www.mshomecorp.com)

Reference (QAP)

- Initial Site Assessment Form-
- Construction Certification Form-
- Physical needs Assessment
- Description of Materials-
- Development Experience Form Attachment
- Management Experience-
- Community Service Certification Form
- Development Organizational Chart-
- Sample MOU for Mississippi Olmstead Initiative
- Compliance Monitoring Plan Summary
- Fair Housing Accessibility Requirements