National Housing Trust Fund Rental Development 2025 Application Workshop July 30, 2025

EQUAL HOUSING OPPORTUNITY

MISSISSIPPI HOME CORPORATION

Agenda

- Welcome
- Introduction of Key Staff
- Allocation Amounts
- Summary of Changes
- HOME Program Requirements
- HTF Program Requirements
- Environmental Requirements
- Community Housing Development Organizations (CHDO)

2025 Funding Availability	Amount
HOME Rental	$7,136,855
CHDO Set-Aside	$2,783,514
CHDO Operating Expense	$455,000
HTF Rental	$2,701,134
HOME-ARP Rental Development	$11,428,297

Summary of Changes
Overview of key updates and modifications

Area	Previous	New/Updated
HOME/HTF Maximum Award Amount	Based on final sources, subsidy layering analysis	$750,000
CHDO Set-aside Maximum Award Amount	Based on final sources, subsidy layering analysis	$1,500,000
Eligible Projects	HOME only, HTF only, HOME/HTF, 4% and 9% LIHTC	HOME only, HTF only, HOME/HTF and 4% LIHTC
Maximum Construction Cost (MCC) Limits	Waivers were required to exceed the established limits	No waivers granted; projects exceeding the limit by up to 10% points will have points deducted.
HUD's Implementation of Build America Buy America (BABA)	Pre-2024 Grant Awards are not subject to this requirement	Applies to 2024 and further awards

MHC History

- Mississippi Home Corporation (MHC) is the State’s Housing Finance Authority
- Created by the Mississippi Home Corporation Act of 1989 to address housing needs for low- and moderate-income residents
- Mission: “To enhance Mississippi’s long-term economic viability by financing safe, decent, affordable housing and helping working families build wealth.”
- Administers the HOME and HTF programs

HTF Overview

- Modeled after HOME, but is required to assist extremely low-income households at or below 30% AMI
- At least 10% of the units target extremely low-income households or small households (single person or 1-4 persons)
- Must be combined with other federal or non-federal sources

HTF Goals

To increase and preserve the supply of decent, safe, and sanitary affordable housing

The targeted population is for extremely low-income households, including homeless families

HTF Regulations

HTF is regulated by 24 CFR Part 93

Found at www.ecfr.gov

Other resources at www.hudexchange.info

Policies & Procedures Manual

- 2025 HTF Allocation Plan: administration of HTF activities
- Provide guidance, instructional materials, relevant information, requirements, and other data necessary for the submission of successful & competitive applications
- Found on MHC’s website at www.mshomecorp.com

Funding Availability

HTF Rental Program: $2,701,134

Maximum Award

For HTF: $750,000

2025 Application Cycle Timeline

Application Workshop	Today
Application Period Opens	Tomorrow, Thursday, July 31, 2025
Application Deadline	Friday, September 12, 2025, 4 pm (CST)
Quiet Period Begins	Monday, September 15, 2025
Funding Announcement	Wednesday, December 10, 2025

Application Submission

- Must be received no later than September 12, 2025, by 4:00 p.m. Late applications will not be permitted.
- All required documentation must be included in the online application.
- Applicants will be notified of approvals and denials in writing.
- MHC's appeal process must be followed and submitted in writing.
- The list of applicants awarded funds will be published on MHC's website and all applicants will be notified in writing.
- www.mshomecorp.com/federal-programs

Eligible Project Costs

Acquisition

Development hard costs

On-site improvements

Demolition

Project-related soft costs

Ineligible Project Costs

Off-site infrastructure costs not related to utility hookups

Ongoing operating and maintenance funding

Rental assistance (project or tenant-based)

Delinquent taxes or fees

Equipment purchases

Ineligible Project Costs

Refinancing (payoff of bridge financing is allowable if costs are eligible)

A project already assisted with HTF funds during the affordability period

Capitalization of operating or replacement reserves

Ineligible Projects

Projects where construction is already started.

Projects that have been awarded 9% LIHTC

Unit Set-Aside Requirements

HTF units = 20% of total units

Special needs units = 10% of HTF set-aside units

Application Selection Criteria

Three-step process:

- Completeness Review- All required forms and attachments
- Threshold Review- Meets all threshold requirements to be eligible for application scoring
- Application Scoring- Must score a minimum of 75 on a 100-point scale
  - Applications are scored based on specific criteria

Completeness

- Incomplete or missing supporting documentation = 2 points deducted for each resubmitted document after the application deadline
- Failure to respond to document requests results in the application being denied
- Required Documents
  - Listed on pages 11 & 12 of the HTF Allocation Plan

Threshold Factors

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

1. Eligible Applicant

- Non-profit organizations
- For-profit developers
- Must have prior affordable housing experience
- Organizational documentation
- Must submit proof of active SAM registration

2. Eligible Project/Activity

New construction or acquisition of newly constructed rental housing

Substantial rehabilitation of rental housing

Submit Certification of Consistency with Consolidated Plan (HUD Form 2991) to David Hancock at David.Hancock@mshc.com

2. Eligible Project/Activity

- Local Zoning & Development Conditions
- Site Control
- URA & Real Property Acquisition
- Development Size Requirements

3. Merits: Addressing State's Priority Housing Needs (at least one)

Declaration of Restrictive Covenants Statement

1. Percentage of the units that are assigned for housing for small households (single person to 1-4 persons).
2. Percentage of the units that are assigned for extremely low-income households

4. Evidence of Affirmatively Furthering Fair Housing

- HUD form, AND
- Include elements from the application guide, not limited to:
  - Marketing materials
  - Community partners
  - Market study or demographics
  - Public availability

5. Implementation of Supportive Services

Minimum of **2** services from **2** unrelated areas

TWO certification forms

Samples of service areas

- Personal development
- Child development
- Counseling programs
- Community awareness events/activities

6. Applicant Experience

- Developing affordable single or multifamily housing
- Serving low-income, special needs, and/or homeless populations
- Managing capital
  - Financial
  - Human
  - Social
- Proficient with local, state, and federal regulations & compliance requirements
- Must submit certificates from HTF Basics online training

7. Certification of HTF Requirements

On letterhead

Signed by the owner or authorized signer

Scoring Factors: Minimum 75 Points

	Selection Criteria	Points
1	Geographic Diversity	Up to 15 pts
2	Cost Per Unit	10 pts
3	Critical Teacher Shortage Area	5 pts
4	Supportive Services Commitment	Up to 10 pts
5	High Opportunity Areas	Up to 10 pts
6	Universal Design Features	Up to 15 pts
7	Mixed Income Developments	10 pts
8	Readiness to Proceed	Up to 15 pts
9	Small Households	10 pts
	TOTAL	100 pts

1. Geographic Diversity: 15 Points

5 Points: Census tracts w/poverty rate > 30%

5 Points: Population of homeless or admitted to State hospitals

5 Points: Shortage of housing for those 50% AMI and below

2. Cost Per Unit: 10 Points

- Less than MCC limit per unit: 10 points
- Up to 10% over MCC limit per unit: -10 points

3. Critical Teacher Shortage Area: 5 Points

Project is located in a State-designated critical shortage area school district

4. Supportive Services Commitment: Up to 10 Points

5 Points: Special needs set aside exceeds the minimum requirement

5 Points: Letter of Commitment from Approved Service Provider

5. High Opportunity Areas: Up to 10 Points

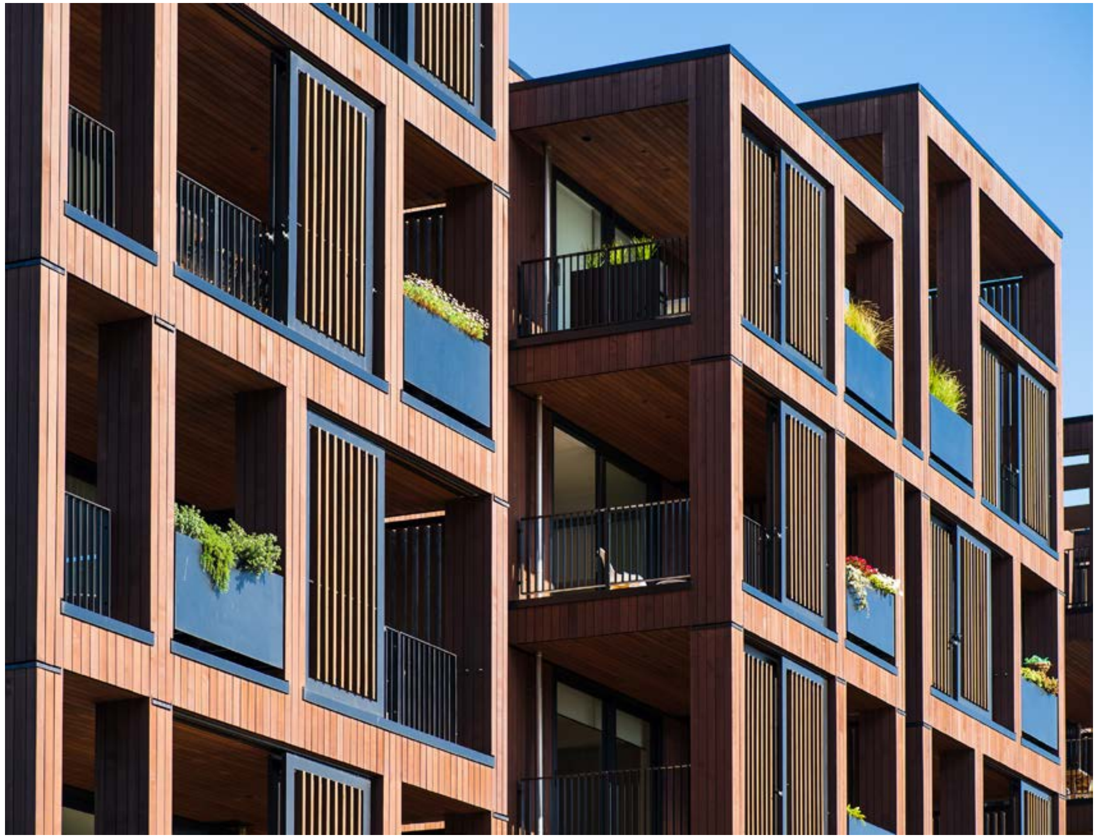
- 2 Points: a high concentration of extremely low-income & a shortage of affordable housing
- 3 Points: project located in a high-performing (at least B-rated) school district
- 1 Point: city or county FTA-funded scheduled bus/transport service
- 2 Points: hospital located within project county
- 2 Points: county new hire growth > 1.38% over the past 12 months

6. Universal Design Features: Up to 15 Points

Must incorporate at minimum (2) features from the Universal Design Standards in all HOME-assisted units.

Design Feature	Available Points
Pull/lever handles on all doorknobs/cabinets	1 point
All rocker light switches	1 point
Contrasting edge bands on countertops in kitchen	1 point
Varied height cabinets in kitchen	2 points
Touch/touchless water faucets in kitchen & bathroom(s)	3 points
36” wide front door/32” wide interior doors	3 points
Zero step entryway	2 points
Grab bars near toilets/bathtub	1 point
Adjustable height showerhead	1 point

7. Mixed Income Developments: 10 Points



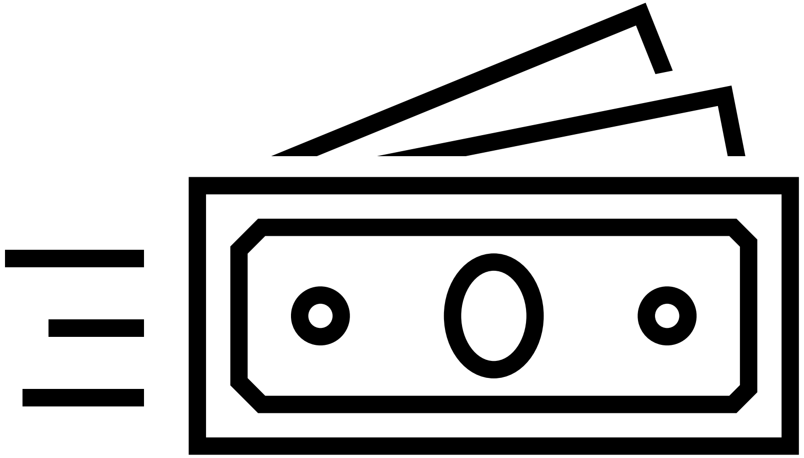
At least 20% of the total units must be leased at market rate. Must be identified in the application.

8. Readiness to Proceed: Up to 15 Points

Firm commitments for all funding sources at application submission – 10 points

Completed environmental provisions at application submission – 5 points

9. Small Households: 10 Points



The applicant agrees to target 30% of the HTF units to be 1-2 bedrooms.

Other Point Deductions

- Missing Documentation: **-2 points** per document submitted after the application deadline, but on or before the deadline in the notice from MHC. Failure to submit the missing documentation by the deadline in the notice will result in the application being rejected.
- Mislabeled Documentation: **-5 points** if supporting documentation is not labeled for easy identification.

Applicant's Responsibility

Must address affordable rental housing needs

Prioritize the prevention, reduction, and expansion of permanent housing opportunities for small households and extremely low-income households, including the homeless

Readiness To Proceed

- Must demonstrate the ability to commit HTF dollars and undertake funded activities on time
- Funds must be committed within 180 days and expended within the regulatory agreement’s performance period
- Work must start immediately after the date of the regulatory agreement between the recipient and MHC
- Projects that fail to indicate in the application the ability to adhere to this requirement will NOT be funded

Form of Assistance

- Final award will be determined by performing a subsidy layering review
- Funds serve as gap financing between committed sources and the total development cost
- Awards are loans with 15-year terms and amortization with payments limited to 20% of cash flow; 1.75% interest rate

Subsidy Layering Analysis

Ensures that the program does not invest more funds than what is necessary for the project

Ensure that the owner's/developer's profit or return on investment is appropriate and reasonable

Verifiable sources and uses of funds

Assess, at minimum, the current market demand in the neighborhood in which the project will be located

Subsidy Layering Analysis

- Evaluates the qualifications of the developer, including experience and financial capacity
- Verifies the firm written financial commitments for the project
- Meets statutory maximum per unit subsidy as determined by HUD

Maximum Per Unit Subsidy Limits

- Request cannot exceed the maximum per unit subsidy limits
- Sources/uses of funds:
  - Must submit a sources/uses of funds statement for the project with supportive documentation
  - Reflect the project development budget and list all proposed sources and uses of funds
- Maximum Subsidy Limits: www.mshomecorp.com/federal-programs

Forms & Exhibits

Documents are located online at:

www.mshomecorp.com/federal-programs/

Key Application Checklist Recap

- The applicant must have site control as evidenced by a signed purchase agreement or vesting title to the property for rental projects.
- The project must serve eligible households.
- The project and cost must be eligible.
- The project must meet the minimum period of affordability.
- The project must meet layering review criteria and not be deemed to be over-subsidized.
- The project must meet MHC's timeliness requirements.
- The project must meet all relevant federal requirements.