

Executive Summary
2023 Qualified Allocation Plan (QAP)
Proposed Revisions
December 14, 2022

The following is a summary of proposed changes (highlighted in red font) for Mississippi’s 2023 Qualified Allocation Plan. Items in blue font represent changes after the Public Hearing.

1. Page 5, Introduction

Updated paragraph to reflect the proposed date and location of the Public Hearing

November 10, 2022, The Westin located at 407 S Congress St., Jackson, MS 39201, 2023 Qualified Allocation Plan (QAP)

2. Page 18, Chart 2 Important Dates and Fees

Updated key cycle dates

EVENT	DEADLINE DATE
Technical Assistance Period Opens	January 5, 2022 <u>January 2, 2023</u>
Request for Compliance Verification Deadline (Mandatory)	February 4, 2022 <u>January 16, 2023</u>
Waiver Requests / Prior Approval Deadline	March 4, 2022 <u>February 17, 2023</u>
MHC’s Written Response to Waiver Requests	March 18, 2022 <u>March 3, 2023</u>
Evidence of Compliance with Community Notification due to MHC	April 8, 2022 <u>March 24, 2023</u>
Technical Assistance Period Closes	April 15, 2022 <u>March 30, 2023</u>
Application Cycle Opens	April 18, 2022 <u>April 3, 2023</u>
Application Cycle Closes	April 22, 2022 <u>April 7, 2023</u>
Tax-Exempt Bond (4%) Application Submissions	Anytime outside of 9% cycle
Tax-Exempt Bond (4%) Waiver Requests	30 days prior to application submission
Tax-Exempt Bond (4%) Evidence of Community Notification	10 days prior to application submission
Appeal Deadline	5:00 PM on the 15 th day following notice
10% Certification Test	One (1) year from Carryover date
Initial Status Report	90 days after Reservation Letter
Quarterly Construction Status Report	Within 15 days following each Quarter
15-Month (50% Completion) Certification	15 Months after Reservation Letter
IRS Form 8609 Request Package	Within 180 days of Place in Service
Development Experience (number of developments PIS)	2012-2021 <u>2013-2022</u>
Management Experience	2019-2021 <u>2020-2022</u>

3. Page 23, 5. RD Transfers

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” a Tax Credit Support Letter~~ executed by the ~~Production and Preservation Division of the Rural Housing Service State Director or the Multi-Family Housing Program Director or their designee as evidence of final approval~~

4. Page 25, 2. Rural Development, b. Transfers/Assumptions:

Transfers/Assumptions: RD loan transfers/assumptions, permanent financing shall be evidenced by ~~approval on Form RD 3560-1 (Rev. 02/05), "Application for Partial Release, Subordination or Consent" a Tax Credit Support Letter~~ executed by ~~the State Director or Multi-Family Housing Program Director or their designee as evidence of final approval.~~ the Production and Preservation Division of the Rural Housing Service. Additionally, a ~~cover~~ the letter from ~~the Multifamily Program Director~~ which RHS must confirms the amount of the loan and the rates and terms that ~~the funds~~ are currently available, and must be submitted and dated within the current calendar year.

5. Page 42, Additional Credit Request

Updated language for additional credit request requirements and rules

Requests for additional housing tax credits (only one (1) request per development) will be considered on a first come, first served basis subject to the extent that credits are available. MHC will not review requests for additional housing credits until after its annual tax credit cycle has been completed.

Additionally, Owners requesting additional credits may email the following required documentation to taxcredits@mshc.com:

1. Detailed current cost information ~~from the contractor or CPA~~ and updated documentation of all funding sources. ~~with such requests~~ Updated development costs should be submitted in the same format as in the online application, Section XI, Estimated Development Costs.
2. Revised Financial Feasibility Forms
3. Explanation detailing the reason for the additional credit request.

All updated financials must reflect a minimum of a 40% Deferred Developer Fee to be eligible for an additional credit award. MHC will not consider requests for additional credits submitted after the year in which the buildings are Placed-in-Service (PIS). Applicants are encouraged to inquire of credit availability prior to submitting a request.

6. Page 44, 7.8 Notification to MHC of Special Events

Updated language to reflect the new process for notifying MHC of upcoming events.

All Owners of funded developments are required to notify MHC's Marketing Department of all upcoming events pertaining to the development (*e.g., Ribbon Cutting Ceremonies, Groundbreaking Ceremonies, and any other public events initiated by the Owner*) prior to setting the date of the event. The Marketing Department, at the Owner's discretion, may assist with the planning of the special event. All notifications must be submitted online via the "Inform MHC Staff of HTC Event" button on the MHC website.

7. Page 60, 3. High Opportunity Area

The metrics associated with High Opportunity Area are not expected to change, however, the date range for the source data will be adjusted to more current dates.

For Rehabilitation - Census Tract that met the following conditions:

- Median HHI \geq ~~\$22,311~~ \$24,864 (50% of MS ~~2020~~ 2022 Statewide Median HHI estimate ESRI ~~July 2020~~ Nov 2022 estimate)
- Projected ~~2021~~ 2022-2027 Population Growth \geq ~~-0.25%~~ \geq ~~-1.25%~~ (ESRI ~~July 2020~~ Nov 2022)
- Projected ~~2020-2025~~ 2022-2027 Median Household Income Growth \geq 0.01% (ESRI ~~July 2020~~ Nov 2022 estimate)
- ~~2020~~ 2022 Unemployment Rate \leq ~~10.6%~~ \leq 4.8% (ESRI ~~July 2020~~ estimate MDES Aug 2022)

5. Located in County that had ≥ 500 4.2% (state average) new hires per quarter in 2017Q3–2018Q2 (as reported by MDES) between 2021Q3-2022Q3 (MDES Nov 2022)

(OR)

A-B Rated School District as determined by the Mississippi Department of Education 2019 Accountability Performance Results data. Undated, retrieved using “All Data” option on September 25, 2020 at:

<https://msrc.mdek12.org/>.

For New Construction - Census Tract that met the following conditions

1. Median HHI \geq ~~\$31,235~~ \$34,809 (70% of MS 2020 2022 Statewide Median HHI estimate ESRI July 2020 Nov 2022 estimate)
2. Projected 2021-2022-2027 Population Growth $\geq 0.01\%$ $\geq -0.50\%$ (ESRI July 2020 estimate Nov 2022)
3. Projected 2020-2025 2022-2027 Median Household Income Growth $\geq 0.01\%$ (ESRI July 2020 Nov 2022 estimate)
4. 2020 2022 Unemployment Rate $< 10.1\%$ $\leq 3.8\%$ (ESRI July 2020 estimate MDES Aug 2022)
5. Located in County that had ≥ 500 $\geq 4.2\%$ (state average) new hires per quarter in 2017Q3–2018Q2 (as reported by MDES) between 2021Q3-2022Q3 (MDES Nov 2022)

8. Page 62, National Green Building Standards
Edited the section to include Fortified Multifamily program.

NATIONAL GREEN BUILDING STANDARDS

7 PTS

Applicants may choose from two green building standards or the Fortified Multifamily program to receive up to seven (7) points for the Building Standards category.

1. National Green Building Standard (Silver Level) or Enterprise Green Communities (EGC)

Seven (7) points will be awarded to developments that build/rehabilitate the development to meet the standards of either ICC 700 National Green Building Standard (Silver Level) or Enterprise Green Communities (EGC)

The application package must include (1) a signed letter of intent from the Applicant that states its intention to become certified for the program and must specify the proposed level, (2) a letter certified by the development’s architect/engineer stating that the development will be built according to the NGBS or EGC and (3) a written proposal from a Verifier of the NGBS or EGC Program that specifies the proposed level. Prior to issuance of 8609 forms, final certification from the Verifier must be submitted to MHC. Failure to provide the final certification from a certified NGBS or EGC Verifier will subject the development team to penalties as outlined in Section 1.4(6) of the QAP. For more information on the NGBS and EGC certification, please refer to www.homeinnovation.com/green or www.greencommunitiesonline.org.

2. FORTIFIED Multifamily

FORTIFIED Multifamily™ (Gold)

The Insurance Institute for Business & Home Safety’s (IBHS) FORTIFIED Multifamily™ standard addresses specific natural hazard risks and provides recommendations for reducing damage particular to those risks. The FORTIFIED Multifamily standard helps building owners improve their

[multifamily structure’s ability to resist wind, water, and hail damage from tropical cyclones or convective storms. Incorporating FORTIFIED features when building or re-roofing will transform multifamily buildings and communities into more resilient and durable assets.](#)

[The application package must include \(1\) a signed letter of intent from the Applicant that states its intention to become certified for the program and must specify the proposed level, \(2\) a written proposal from a Professional/Evaluator of Fortified Multifamily at: \[www.fortifiedhome.org\]\(http://www.fortifiedhome.org\). Prior to issuance of 8609 forms, final certification from IBHS must be submitted to MHC.](#)

9. Page 62, 5. Development Amenities

Updated language regarding highlighting amenities

Developments will be awarded points (as stated below) for each development amenity [up to a maximum of ten \(10\) points selected](#). 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~~ [and](#) Physical Needs Assessment.

10. Page 62, 5. Development Amenities, Service Coordinator and Experienced Service Provider

Clarifying language regarding selection of these point items. Applicants may now choose between Service Coordinator and Experienced Service Provider. Advanced Community Service/Classes will remain as is as a two (2) point item.

◆ Development Services

[Applicants may choose either Service Coordinator or Experienced Service Provider to be eligible for six \(6\) points:](#)

[1. Service Coordinator – Developments that contract...](#)

[OR](#)

[2. Experienced Service Provider- Developments that enter...](#)

11. Page 13, 8. Tax-Exempt Bond Developments, c. Housing Tax Credits Requirements

Bond-financed developments will be reviewed for feasibility and threshold requirements under this allocation plan. In addition, all bond-financed developments that include 4% tax credits must score a **minimum of ~~70~~ eighty 80 points** under the selection criteria requirements outlined in Addendum A.

[NOTE: Upon completion of the application review, all Tax-Exempt Bond applications will be presented to the MHC Board for consideration and approval prior to issuance of the Section 42\(m\) Determination Letter.](#)

12. Page 60, Site Location

(1) Contributes to a Concerted Revitalization Plan	5 pts
(2) Qualified Zip Codes (for Rehabilitation)	5 pts
(3) High Opportunity Area	10 pts
(4) Business Development Area	10 pts
Maximum Points:	10 pts

4. BUSINESS DEVELOPMENT AREA

10 PTS

[A Business Development Area \(BDA\) is a shovel-ready site identified by the Mississippi Development Authority \(MDA\) for companies seeking new locations in the state of Mississippi. These sites are specifically situated to spur economic growth by attracting new industry to promote business opportunities through job creation, expansion, and infrastructure improvements. The sites range in a variety of sizes to accommodate all business needs in high-demand locations with strong labor forces and utility and logistics available. To complement MDA's efforts, the Mississippi Home Corporation \(MHC\) will support affordable housing development in census tracts where the BDAs are located. Specifically, MHC will provide a 10-point map layer to the Low-Income Housing Tax Credit Qualified Allocation Plan for the 2023 application year.](#)

[The application package must include a map detailing the location of the proposed development within a Business Development Area. The map must be obtained from MHC by contacting David Hancock at david.hancock@mshc.com.](#)

13. Page 64, Development Amenities, 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~~ three (3) miles of the proposed site:

14. Page 65, Development Amenities

Added a new two (2) point item for Development Amenities

[MDOT Ride Share Availability](#)

[\(Additional definition regarding this program to follow\)](#)

15. Page 65, Three-point Amenities, Storm Shelter

Add language to serve as guidance for storm shelter design

Storm Shelter

[For guidance regarding storm shelter design, please refer to FEMA at this link:](#)

[Safe Room Publications and Resources | FEMA.gov](#)

16. Page 65, Unit Amenities

Developments will be awarded ~~points for providing a combination~~ up to a maximum of ten (10) points for providing a combination of any of the unit amenities listed below. Amenities must be appropriate to the proposed tenant population.

17. Page 65, 6. Unit Amenities, Three-point Amenities, Storm Doors

Clarifying language for Storm Doors

[Storm Doors must be installed on all exterior doors that are exposed to the elements](#)

18. Page 65, 6. Unit Amenities, Two-point Amenities

Tankless ~~gas~~ water heaters

19. Page 68, Preservation/Loss of Rental Assistance

Updated language regarding documentation that will be provided by USDA Rural Development (due to recent realignment)

Loss of Rental Assistance. Affordable Housing Developments that are federally subsidized and are at risk of being converted to market rate housing through the loss of rental assistance. The property must have

a contract with HUD or Rural Development for development-based rental assistance. The application must include a copy of the ~~expiring~~ contract, a copy of the land use restrictions (not applicable to Rural Development projects), and a letter from HUD/~~RD~~ that states that the property is at risk of being converted to market rate housing. For USDA Rural Development (RD) projects, a Tax Credit letter of support issued by the Production and Preservation Division of the Rural Housing Service ~~RD~~ must be provided.

20. Page 69, Housing for Disabled Persons Targeted by MAOI
Updated language regarding referral partners.

Housing for Disabled Persons Targeted by Mississippi Affirmative Olmstead Initiative (13 pts)

Thirteen (13) points will be awarded to developments that set aside a minimum of 7% but no more than 20% of the total development units for persons targeted by the Mississippi Affirmative Olmstead Initiative. To qualify for this incentive, the owner must agree to accept referrals from the MAOI referral network partner serving the property’s location such as, Mississippi United to End Homelessness (MUTEH) or Open Doors Homeless Coalition (ODHC) and execute a memorandum of understanding between the owner, property manager, and the MAOI referral network partner for the period of the targeting agreement. The tenant selection plan must describe how it will handle requests for reasonable accommodation(s) as defined in the Fair Housing Act.

21. Page 75, Closets

Update language regarding closet requirements

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

Closet rods may be double hung to satisfy the lineal feet requirement.

22. Page 77, Parking

Updated language regarding parking waiver requests.

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~~ consider a waiver of these parking requirements subject to the local jurisdiction’s parking requirements. Parking wavier requests must include documentation from the local jurisdiction detailing the parking requirements.

23. Page 72, 1. Over Concentration

Updated County and ZIP over concentration

Zip Code(s) with 3+ Developments Allocated HTC in Previous Two Years of current tax credit cycle			
COUNTY	ZIP	2020 2021	2021 2022
<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>

Updated Maximum Construction Costs (MCC)

Revised MCC limits will be reflected on Financial Feasibility Form FF-2 as follows:

MAXIMUM CONSTRUCTION COST (MCC) LIMITS	
NEW CONSTRUCTION MULTIFAMILY DEVELOPMENTS	Cost per Unit
Family.....	\$ 142,000.00 <u>\$170,400.00</u>

Elderly/Persons with Disabilities.....	\$	109,000.00 <u>\$130,800.00</u>
NEW CONSTRUCTION SINGLE-FAMILY DEVELOPMENTS		
Single Family - Attached (<i>Townhomes/Duplexes/4 plex</i>) ...	\$	137,000.00 <u>\$164,400.00</u>
Single Family - Detached.....	\$	152,000.00 <u>\$182,400.00</u>
REHABILITATION DEVELOPMENTS		
Moderate Rehabilitation.....	\$	48,500.00 <u>\$58,200.00</u>
Substantial Rehabilitation (<i>stripped to the studs</i>)	\$	104,500.00 <u>\$125,400.00</u>
Historic Rehabilitation.....	\$	151,000.00 <u>\$181,200.00</u>