

**Executive Summary**  
**2024 Qualified Allocation Plan (QAP)**  
**Proposed Revisions**  
**October 11, 2023**

**1. Page 5, Introduction**

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

On November 8, 2023, MHC, acting pursuant to statutory requirements, held a public hearing at The Westin located at 407 S Congress St., Jackson, MS 39201 for the purpose of receiving comments on a draft of Mississippi's 2024 Qualified Allocation Plan (QAP).

**2. Page 8, Major Noncompliance**

**Added additional language to noncompliance examples:**

Examples of Major Noncompliance includes but not limited to:

**3. Page 9, Verification of Compliance Status**

**Update language to ensure that all associated entities and members of the development are included.**

Prior to submission of the tax credit application, the Applicant (and its associated entities including members of the development team) **must** verify their compliance status with any and all programs offered or administered by MHC.

**4. Page 18, Chart 2 Important Dates and Fees**

**Updated key cycle dates**

EVENT	DEADLINE DATE
Technical Assistance Period Opens	<u>January 2, 2024</u>
Request for Compliance Verification Deadline (Mandatory)	<u>January 16, 2024</u>
Waiver Requests / Prior Approval Deadline	<u>February 16, 2024</u>
MHC's Written Response to Waiver Requests	<u>March 1, 2024</u>
Evidence of Compliance with Community Notification due to MHC	<u>March 22, 2024</u>
Technical Assistance Period Closes	<u>March 28, 2024</u>
Application Cycle Opens	<u>April 1, 2024</u>
Application Cycle Closes	<u>April 5, 2024</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 <sup>th</sup> 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 Placed in Service

Development Experience (number of developments PIS)	<u>2014-2023</u>
Management Experience	<u>2021-2023</u>

**5. Page 22, Notice to the Community**

**Update Signage Requirements to reflect the current application cycle.**

specifically state that the Applicant will be applying to the Mississippi Home Corporation for Housing Tax Credits in its 2024 Application Cycle.

**6. Page 26, Development Financing**

**Adding language from the HOME and Housing Trust Fund Guidelines under Other Sources of Financing**

**Housing Trust Fund/HOME Investment Partnership Program**

Developments that intend to use HOME and/or HTF must apply for those funds either before submission of the HTC Application or twelve (12) months after the original HTC Award. A non-binding Preliminary Award letter must be provided with the application. The expected HOME/HTF funds should be included as a source on the tax credit application. HOME/HTF is designed to fill a gap in financing to help make a project financially feasible.

**7. Page 29, Minimum Reserve Requirements**

**Update the funding term requirement for replacement reserves.**

Reserves must be funded ~~for the term of the loan of the senior lender-~~ throughout the term of the compliance period as reflected in the development's 15-year proforma.

**8. Page 34, Other Fees.**

**Removed references to the former Excel application pages A15.**

- General Requirements ~~(line item 46 on application page A15)~~ cannot exceed six percent (6%) of the total construction cost.
- Construction Contingency ~~(line item 11 on application page A15)~~ cannot exceed five percent (5%) of new construction costs and ten percent (10%) of rehabilitation costs.
- All "Other Costs" ~~(line item 15 on application page A15)~~ line items must be identified and listed, and may not exceed two percent (2%) of the total construction cost.

**9. Page 43, Additional Credits Request**

**Added requirements for additional credits requests along with additional funding from other MHC administered programs.**

d. Requests must only include hard costs.

e. Developer fee cannot be increased.

For developments funded as a result of a tiebreaker, requesting additional sources such as HOME, Housing Trust Fund or Tax Credits due to increased costs will be underwritten by Allocations to determine if the new Sources and Uses results in an increased Soft Cost/Hard Cost ratio percentage. For any increased soft cost percentage, Allocations staff will compare the percentage to the awards list to determine if that application would have been funded originally. If it is determined that the application would not have been funded, the applicant may rescind the request or return the tax credit award.

**10. Page 43, HUD Subsidy Laying Reviews.**

**Updated the language to reflect the correct MHC Department to submit the review.**

Requests for Subsidy Layering Reviews should be submitted to MHC's Construction Lending Division- Federal Programs Division for deals involving HOME and/or HTF. Deals involving LIHTC should be submitted to MHC's Tax Credit Allocation Department along with the development's Sources and Uses documentation and the \$1,250 review fee.

**11. Page 51, Qualified Contract Provisions**

**Updated language to clarify that developments that elect deeper targeting are not eligible to apply for a Qualified Contract**

A preliminary application can be submitted any time after the end of the 14th year of the compliance period unless the owner agreed to extend the rental restrictions as specified in the development's extended use agreement. Owners of developments that were awarded points for deeper targeting are not eligible to apply for a Qualified Contract.

**12. Page 60, 3. High Opportunity Area**

**The metrics associated with High Opportunity Area are not expected to change, however, the date ranges and percentages for the source data will be updated.**

**Placeholder:**

**For Rehabilitation** - Census Tract that met the following conditions:

1. Median HHI  $\geq$  \$24,864 (50% of MS 2022 Statewide Median HHI estimate ESRI Nov 2022 estimate)
2. Projected 2022-2027 Population Growth  $\geq$  -1.25% (ESRI Nov 2022)
3. Projected 2022-2027 Median Household Income Growth  $\geq$  0.01% (ESRI Nov 2022 estimate)
4. 2022 Unemployment Rate  $\leq$  4.8% (MDES Aug 2022)
5. Located in County that had  $\geq$  4.2% (state average) new hires between 2021Q3-2022Q3 (MDES Nov 2022)

**For New Construction** - Census Tract that met the following conditions

1. Median HHI  $\geq$  \$34,809 (70% of MS 2022 Statewide Median HHI estimate ESRI Nov 2022 estimate)
2. Projected 2022-2027 Population Growth  $\geq$  -0.50% (ESRI Nov 2022)
3. Projected 2022-2027 Median Household Income Growth  $\geq$  0.01% (ESRI Nov 2022 estimate)
4. 2022 Unemployment Rate  $\leq$  3.8% (MDES Aug 2022)
5. Located in County that had  $\geq$  4.2% (state average) new hires between 2021Q3-2022Q3 (MDES Nov 2022)

**13. Page 61, 4. Business Development Area**

**Updated the application year for the map layer.**

Specifically, MHC will provide a 10-point map layer to the Low-Income Housing Tax Credit Qualified Allocation Plan for the 2023 2024 application year.

**14. Page 69, 9. Deeper Targeting**

**Added language notifying applicants that by electing deeper targeting they are waiving their right to a qualified contract. Also, added language requiring sufficient bedroom size distribution for deeper targeting units.**

Applicants applying for deeper targeting points are automatically waiving their right to a qualified contract by agreeing to extend the affordability period for this income level for forty (40) years.

**15. Page 70, 10. Special Needs Housing**

**Added additional language and requirements for applicants receiving points. Removed Mississippi United to End Homelessness (MUTEH) as network partner.**

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 Affirmative Olmstead Initiative (MUTEI)~~ 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.

Onsite management staff are required to receive training on MAOI residents from the Department of Mental Health. Developments applying for MAOI points will need to have a sufficient number of one (1) bedroom units to accommodate this target population. Sixty (60) percent of the units set aside for MAOI would need to be one (1) bedroom. If unable to maintain MAOI compliance, marketing efforts must include documentation from the referral network partner stating that for the current marketing period, there are no referrals available. Additionally, premarketing efforts must include identified Olmstead population in the target area. Data is available from the MS Department of Mental Health.

**16. Page 71, Qualified Principal Member**

**Updated the outstanding major noncompliance date.**

Development experience points will not be awarded if a principal of the general partner entity has any outstanding major noncompliance issues which occurred prior to January 1, ~~2022~~ 2024.

**Experience (any state)**

**Updated the range of years (10 years) for developments placed in service.**

Qualified Principal Members that have developments that Placed in Service (in any state) between ~~2012~~ 2014 and ~~2021~~ 2023 will be awarded points as stated in Chart 8.

**17. Page 72, Management Experience Points**

**Clarified language regarding the HTC Certification contact.**

Five points will be awarded to a development if ~~it has an HTC Certified~~ contact person listed on the application form (under "Management Entity") has at least one of the following HTC Certifications: