

Executive Summary
2025 Qualified Allocation Plan (QAP)
Proposed Revisions
December 11, 2024

(Items in blue are after the Public Hearing)

1. **Page 5, Introduction**

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

On ~~November 13, 2024~~, MHC, acting pursuant to statutory requirements, held a public hearing at ~~The Westin located at 407 S Congress St., Jackson, MS 39201~~ the Embassy Suites, 200 Township Ave, Ridgeland, MS for the purpose of receiving comments on a draft of Mississippi's ~~2024~~ 2025 Qualified Allocation Plan (QAP).

2. **Page 20/21, Section 3: Set-Asides**

Updated maximum credit amount allowed in each set-aside

Applications for large rehabilitation developments with a minimum of sixty (60) units in the Non-Profit or Rehabilitation Set-Asides will be limited to one million, five hundred thousand dollars ~~(\$1,500,000)~~ (\$1,800,000) in first year credits.

3.1 Non-Profit Set-Aside

NOTE: Rehabilitation applications applying in this Set-Aside which propose fewer than sixty units will be limited to ~~\$750,000~~ \$900,000 in first year credits, but applications which propose sixty (60) or more units will be limited to \$1,500,000 \$1,800,000 in first year credits.

3.2 Smaller Credit Amount Set-Aside

MHC will set aside 25% of its Annual Credit Authority (ACA) for smaller developments. Each development filing under this set-aside will be limited to ~~two hundred seventy five thousand dollars (\$275,000)~~ \$330,000 in first year credits.

3.3 Rehabilitation Set-Aside

MHC will set aside 65% of the remaining Annual Credit Authority (ACA) after satisfying the Non-Profit and Smaller Credit Set-Asides to fund rehabilitation developments. Each development filing under this set-aside will be limited to ~~seven hundred fifty thousand dollars (\$750,000)~~ \$900,000 in first year credits.

NOTE: Rehabilitation applications applying in this Set-Aside which propose fewer than sixty units will be limited to ~~\$750,000~~ \$900,000 in first year credits, but applications which propose sixty (60) or more units will be limited to \$1,500,000 \$1,800,000 in first year credits.

3.4 New Construction Set-Aside

MHC will set aside 35% of the remaining Annual Credit Authority (ACA) after satisfying the Non-Profit and Smaller Credit Set-Asides to fund new construction developments. Each development filing under this set-aside will be limited to ~~seven hundred fifty thousand dollars (\$750,000)~~ \$900,000 in first year credits.

3. **Page 9, 2. Verification of Compliance Status.**

Revised language related to penalties and fees

A written request for compliance status must be received by MHC's Compliance Department by the deadline date outlined in Section 2, Chart 2. ~~Failure to submit the request by the deadline date will result in a late fee as per Section 2.3. Please note that Applicants failing to submit the request by the deadline or with outstanding fees are~~ will not be eligible to apply.

4. **Page 63/64, Development Amenities**

Revised point totals for these amenities

Developments will be awarded points (as stated below) for each development amenity up to a maximum of ~~ten (10)~~ six (6) points.

Walking, Jogging, or Biking Trail (2-pts. 1 point)

Basketball, Volleyball, or Tennis Court (2-pts.1 point)

Landscaped area including a gazebo with sitting area (2-pts.1 point)

Development Wi-Fi (2-pts.1 point)

Multi-Purpose Bus Stop Structure (2-pts. 1 point)

Mississippi Department of Transportation (MDOT) Ride Share Availability (2-pts.1 point)

5. **Page 66/67, Unit Amenities**

Updated language related to the Smart Thermostat point item

- ◆ Smart Thermostat installed in each unit (Applicant must select Development Wi-Fi if Smart Thermostat is chosen)

6. **Page 63, Development Amenities and Page 66, Unit Amenities**

Added language regarding Physical Needs Assessment requirements

Development Amenities -All proposed amenities must be selected on the application and notated and highlighted on the Plans/Drawings and/or Physical Needs Assessment. **In addition, all selected amenities must be listed as a line item in the PNA.**

Unit Amenities- All amenities must be selected on the application and notated and highlighted on the Plans/Drawings and/or Physical Needs Assessment. **In addition, all selected amenities must be listed as a line item in the PNA.**

7. **Page 74, 4. Other Point Deductions**

Added language regarding document upload issues

Documents uploaded to incorrect sections. If a requested document is not applicable to the section, the applicant must upload a placeholder document stating it is not applicable. **All system issues noticed during application submission must be reported in writing to taxcredits@mshc.com prior to the close of the cycle.** (-1 pt each)

8. **Page 8, Major Noncompliance**

Updated list of major noncompliance examples to include

- **Owner nonresponsive to Compliance correspondence**
- **Violation of stated minimum design standards**

9. **Page 44, 2, Quarterly Construction Status Report (QCSR)**

Added requirement for QCSR submissions

The Quarterly Construction Status Report must be submitted on a quarterly basis until the Owner reports that the development has been placed in service and copies of the Certificate of Occupancy (CO) or Certificate of Substantial Completion **and Building/Unit Set-Up Forms** for all buildings have been submitted to MHC's Allocation Department. The owner must submit the reports by the deadline date as outlined in Chart 4.

Corrected item title.

~~Homeless (as defined by HUD 42 U.S. Code §11302) Mississippi Affirmative Olmstead Initiative (MAOI)~~

**10. Page 18, Chart 2, Important Dates
Updated key deadlines for the 2025 Cycle.**

Technical Assistance Period Opens	January 2, 2025
Request for Compliance Verification Deadline (Mandatory)	January 16, 2025
Waiver Requests / Prior Approval Deadline	February 14, 2025
MHC’s Written Response to Waiver Requests	February 28, 2025
Evidence of Compliance with Community Notification due to MHC	March 14, 2025
Technical Assistance Period Closes	March 21, 2025
Application Cycle Opens	March 24, 2025
Application Cycle Closes	March 28, 2025
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 Placed in Service
Development Experience (number of developments PIS)	2014-2024
Management Experience	2021-2024

**11. Page 29, Basis Boost Determination, 3. State’s Discretionary Basis Boost
Added new language regarding Business Development Areas**

g. Business Development Area

Developments located in areas identified as a Business Development Area are eligible for the State Discretionary Basis Boost.

**12. Page 72, Development Experience, Qualified Principal Member
Revised language regarding developer experience requirements.**

- A qualified principal member that meets the requirements herein due to being a member of another applicant’s Development Team in the previous five (5) years or tax credit cycles will ~~only~~ be eligible for a maximum points ~~of half of the Developer Experience criteria points.~~

13. Page 8, Compliance Eligibility, 1. Major Noncompliance
Revised language regarding compliance eligibility for the 2025 cycle.

1. **Major Noncompliance.** Applications that are submitted by an entity with ~~existing major noncompliance findings~~ uncorrected, outstanding IRS Form 8823 (that occurred prior to January 1st of the current cycle year) for the owner, developer, general partner, management entity or consultant that has previously served as owner, developer, or general partner of any development in which they are associated will be disqualified from consideration.

Applicants with ~~a major noncompliance issue~~ uncorrected, outstanding IRS Form 8823 that occurred prior to January 1st of the current cycle year that is resolved by December 31st of the preceding year are eligible to apply without penalties.

Applicants with ~~a major noncompliance issue~~ uncorrected, outstanding IRS Form 8823 that occurred prior to January 1st of the current cycle year that is not resolved by December 31st of the preceding but is resolved prior to the submission of the application are eligible to apply. However, points will be deducted from the application. See Addendum A for point deductions.

14. Page 73, 12. Management Experience
Revised language regarding compliance eligibility for the 2025 cycle.

Five points will be deducted from an applicant’s score if the Management Entity has any uncorrected, outstanding IRS Form 8823 ~~major noncompliance issues~~ that occurred prior to January 1, 2025 that is not corrected by December 31, 2024.

Chart 9: Management Experience Points

Scoring Criteria	Eligible Points
Qualified Development(s)	10 pts
Mississippi Developments	5 pts
HTC Certification	5 pts
Major Non-Compliance <u>IRS Form 8823 not corrected by 12/31/24</u>	-5 pts

15. Page 74, 4. Other Point Deductions

- f. The development has ~~a major noncompliance issue~~ uncorrected IRS Form 8823 that occurred prior to January 1, ~~2024~~ 2025 that was corrected after December 31, ~~2024~~. (-5 pts.)

16. Page 62, High Opportunity Area
Updated metrics criteria for determining qualified High Opportunity Areas

For Rehabilitation –

Census Tract that met the following conditions:

1. Median HHI ~~>=\$27,500~~ \$25,317 (50% of MS 2022 Statewide Median HHI - ESRI Dec 20234)
2. Projected 20234-20289 Population Growth \geq -1.25% (ESRI Dec 20234 estimate)
3. Projected 20234-20289 Median Household Income Growth \geq 0.01% (ESRI Dec 20234 estimate)
4. 20234 Unemployment Rate \leq ~~4.5%~~ 4.6% (state average - MDES – Annual Average, Sept Dec 20234)
5. Located in County that had \geq ~~3.0%~~ -1.1% (state average – MDES New Hires Annual Avg., Oct 2024 new hires between 2022Q3 / 2023Q3 MDES Oct 2023)

(OR)

A-B Rated School District as determined by the Mississippi Department of Education
Accountability Performance Results.

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

For New Construction - Census Tract that met the following conditions

1. Median HHI \geq \$38,512 ~~\$35,443~~ (70% of MS 2023 Statewide Median HHI - ESRI Dec 20234)
2. Projected 20234-20289 Population Growth \geq -0.50% (ESRI Dec 20234 estimate)
3. Projected 20234-20289 Median Household Income Growth \geq 0.01% (ESRI Dec 20234 estimate)
4. 20234 Unemployment Rate \leq 3.0% ~~3.1%~~ (state average - MDES – Annual Average, Sept Dec 20234)
5. Located in County that had \geq 3.0% ~~-1.1%~~ (state average - MDES New Hires Annual Avg., Oct 2024 new hires between 2022Q3 / 2023Q3 MDES Oct 2023)