



REVISED
FEBRUARY 28, 2019

MISSISSIPPI HOME CORPORATION (MHC)
HOUSING TAX CREDIT PROGRAM
PROGRAM BULLETIN #19-001

TO: Developers, Owners, Management Agents Representing Owners,
Interested Parties and State of Mississippi

FROM: Cliff Holmes, Vice President of Tax Credits
Mississippi Home Corporation

SUBJECT: 2019/2020 Qualified Allocation Plan (QAP) Amendment
Opportunity Zones Special Allocation Cycle

DATE: January 9, 2019

This bulletin serves to inform of an amendment to the Mississippi Home Corporation's (MHC) 2019/2020 Qualified Allocation Plan (QAP) establishing policies for a special tax credit cycle in 2019.

OPPORTUNITY ZONES SPECIAL ALLOCATION CYCLE

MHC will commit 12.5% of each year's Annual Credit Authority (ACA) for 2018, 2019, 2020 and 2021, to the extent available to the State of Mississippi from the U.S. Treasury, for applicants participating in the Opportunity Zones Special Allocation Cycle beginning in 2019.

A public hearing to review the amended 2019/2020 QAP will be held at the Mississippi Home Corporation, 735 Riverside Drive, Jackson, MS 39202 on Tuesday, January 22, 2019 at 2:30PM.

Applications for the special cycle will be accepted June 17-21, 2019. All applications must be

submitted online by 4:00PM, June 21st.

Upon review of all applications, MHC will announce awards on October 9, 2019 after approval from the MHC Board of Directors.

An application must be for a proposed project located in a Qualified Opportunities Zone in Mississippi. Qualified Opportunity Zones were created by the 2017 Tax Cuts and Jobs Act. These zones are designed to spur economic development and job creation in distressed communities throughout the country and U.S. possessions by providing tax benefits to investors who invest eligible capital into these communities. Taxpayers may defer tax on eligible capital gains by making an appropriate investment in a Qualified Opportunity Fund and meeting other requirements. Applicants applying in the round do not have to participate in an Opportunity Zone Fund; however, the development must be located in an identified Opportunity Zone Tract.

A map from Dr. Mokry must be included in the application evidencing the project is in a qualified zone.

The special cycle will consist of two set-asides, Opportunity Zones and Non-Profit. In order to satisfy IRS Section 42 regulations, at least 10% of the available allocation will be set-aside for Non-Profit with the remainder being available to Opportunity Zones.

The maximum tax credit award per application is \$1,000,000 in annual credits.

For applicants also participating in the 2019 9% Tax Credit Cycle, will be allowed only one award in the special cycle if the 25% maximum credit award per developer is exceeded.

The following items are amendments to Scoring Criteria only applicable to the Opportunity Zones Cycle:

1. High Opportunity Areas: Applicants participating in this special cycle are not eligible for this point item.
2. **Qualified Zip Codes: Applicants participating in this special cycle are not eligible for this point item.**
3. Special Needs: Applicants participating in this special cycle are not eligible for this point item.
4. **Large Family: Applicants participating in this special cycle are not eligible for this point item.**
5. **Mississippi Developer Experience: Applicants participating in this special cycle are not eligible for additional points for having at least one development in Mississippi.**
6. Opportunity Zones Fund (OZF): Applicants linking the project directly to an OZF where the proposed project is located will be eligible for five (5) additional points. Applicants must provide evidence **that at least 90%** of the investment fund is intended to support the proposed project.

7. Mixed Use/Mixed Income: Applicants participating in this special cycle are eligible for two (2) points if the proposed project allows for mixed use/mixed income.
8. Innovative Developments: Applicants participating in this special cycle are encouraged to take advantage of the increased annual tax credit amount to incorporate innovative ideas (unique design and materials, architecture, solar panels, sustainability, etc.,) into the proposed development. All applicants requesting this point item must submit a pre-approval request to MHC at least 45 days prior to the opening of the special cycle.

Innovative Developments (1 point each, with a maximum of 3 total innovation points)

- Are innovative
- Are replicable
- Respond to an important state housing need
- Demonstrate measurable benefits to HFA targeted customers
- Have a proven track record of success in the marketplace
- Provide benefits that outweigh costs
- Demonstrate effective use of resources
- Effectively employ partnerships
- Achieve strategic objectives

Applicable only to the 9% Tax Credit Cycle scheduled to begin March 18, 2019:

Site Location: A new Site Location available under the High Opportunity Area option referred to as Opportunity Zones will be available as a ten (10) point item for applicants participating in the traditional 2019 9% tax credit cycle. This item may be selected if the proposed project is within a 5-mile radius of a Qualified Opportunity Zone Project and located in the same Opportunity Zone tract.