

Consideration of Additional Credits for Cost Increases due to COVID-19

July 14, 2021 / [HTC News](#) / By Brittany Sistrunk

PROGRAM BULLETIN #21-003

HOUSING TAX CREDIT PROGRAM

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

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

SUBJECT: Additional Credits – COVID-19

DATE: July 14, 2021

Over the past few months, MHC has been approached by several developers concerned with construction cost increases stemming from the COVID-19 pandemic. Specifically, the dramatic cost increase of building materials compared to when the projects were originally awarded credits.

To help ensure the financial feasibility of affected projects, MHC will consider requests for additional credits based on the criteria listed below.

Additional Credits Request Plan

- Projects awarded tax credits in the 2019 (including Opportunity Zones Cycle) and 2020 cycles are eligible.
- Requests for credits may not exceed 15% of the original tax credit award.
- Requests are one-time only.
- Requests must be submitted via email by COB August 2, 2021, to taxcredits@mshc.com. Late submissions will not be accepted.

All requests must include:

- Updated numbers on official MHC Financial Feasibility Forms for underwriting purposes. Each project will be underwritten to determine credit need.
- Documentation evidencing cost increases resulting from COVID-19, such as a contractor budget reflecting the cost issue. MHC may request additional information to properly vet the noted increases.
- Modifications to the original scope of the project are not allowed.
- Staff will submit award recommendations for approval at the September 8, 2021, MHC Board meeting.
- Approved awards will be funded from the 2023 Annual Credit Authority.
- No penalty will be assessed for exceeding the maximum credit amount if awarded.
- Other funding options such as HOME and Housing Trust Fund dollars are available as well to support this effort.