
Executive Summary

2021 Qualified Allocation Plan (QAP)

Proposed Revisions

The following is a summary of proposed changes (highlighted in red font) for Mississippi's 2021 Qualified Allocation Plan. Items highlighted in blue font reflect comments received and incorporated from the Public Hearing

1. Page 5, Introduction

Updated section to reflect Public Hearing date and location

INTRODUCTION

On November 4, 2020, MHC, acting pursuant to statutory requirements, held a public hearing at Mississippi Home Corporation, 735 Riverside Drive, Jackson, MS 39202 for the purpose of receiving comments on a draft of Mississippi's 2021 Qualified Allocation Plan (QAP). In addition to oral comments received at the hearing, MHC requested written comments from interested members of the public concerning the draft QAP. Both the oral and written comments received were considered and fully evaluated prior to MHC's adoption of the 2019/2020-2021 Qualified Allocation Plan. The 2019/2020 2021 Qualified Allocation Plan was presented to the Governor of the State of Mississippi, who formally approved its terms by Resolution received by MHC on Month/Day/Year.

2. Page 13, 8. Tax-Exempt Bond Developments

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~~The following documents are required for Bond Resolution:~~

~~b. Inducement Resolution Requirements Documentation:~~

- ~~1. Investment Grade Rating (independent or enhanced)/OR Privately placed with an investment letter to be approved by MHC.~~
- ~~2. Project narrative to include: General Description, Project location, ~~A~~Number of units, Financing Sources, Initial Pro-Forma ~~initial~~, and Type ~~and A~~mount of Bond Issue~~
- ~~3. References ~~other details~~~~
- ~~4. List of Developments~~

~~c. Timeline:~~

~~5. Location~~

- ~~1. Development Stage~~
- ~~2. Lease-Up~~

~~6.d. Developer Responsibilities:~~

~~2.1. Developer to select Select professionals.~~

~~2. Developer is Responsible for paying all costs of issuance (including MHC's Issuer Counsel and Financial Advisor).~~

~~7.e. Fees~~

- ~~1. \$3,500 application inducement fee (non-refundable, per application) ~~which is~~ submitted at the time of the Inducement Resolution.~~
- ~~3.2. If the principal balance is less than \$15 million, MHC shall be paid twenty basis points but not less than \$10,000. If the principal balance is greater than \$15 million, MHC shall be paid fifteen basis points or \$30,000, whichever is higher.~~

3. Page 20, Section 3: Set-Asides
Removed Statewide Set-Aside. Added a Rehabilitation Set-Aside and a New Construction Set-Aside

SECTION 3: SET-ASIDES

MHC will allocate Tax Credits first to the highest-scoring Applications meeting all eligibility, threshold, and underwriting requirements in the order of the Set-Aside categories listed below. Applicants may apply in only one Set-Aside. Applicants not selected in a Set-Aside category will be evaluated with other applications for the remaining available Tax Credits.

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

3.3 ~~Statewide Set-Aside~~ 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) 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) in first year credits.

4. Page 15, 1.7 Identity of Interest
Added new language for Identity of Interest

- All members of the development/ownership entities must be listed on the Mississippi Secretary of State's website. Future Developer Experience credit will not be given for Development and/or Management Experience if the members are not listed.
- Addresses for all development/ownership entities listed in the application must be exactly as described and issued by the United States Postal Service (USPS). Any variations of issued addresses will immediately disqualify all applications.
- Addresses for all development/ownership entities must be listed the same for all applications filing in the same Tax Credit Cycle. Those not complying will be immediately disqualified.

5. Page 22, MHC Notification

All applicants must submit evidence of compliance of the Community Notification requirements to MHC via email to taxcredits@mshc.com no later than ten (10) business days prior to the application cycle opening date. Late submissions of Community Notification will be considered a Threshold Deficiency resulting in a two (2) point deduction.

6. Page 18, Chart 2 Important Dates and Fees

EVENT	DEADLINE DATE
Technical Assistance Period Opens	<u>January 4, 2021</u>
Request for Compliance Verification Deadline (Mandatory)	<u>January 5, 2021</u>
Waiver Requests / Prior Approval Deadline	<u>February 5, 2021</u>
MHC's Written Response to Waiver Requests	<u>February 19, 2021</u>
Evidence of Compliance with Community Notification due to MHC	<u>March 12, 2021</u>
Technical Assistance Period Closes*	<u>March 18, 2021</u>
Application Cycle Opens	<u>March 22, 2021</u>
Application Cycle Closes	<u>March 26, 2021</u>

7. Page 18, 2.1 Application Period

- Applicants may apply for the competitive 9% Tax Credit Cycle only during the application cycle dates established in Chart 2 above. Tax Exempt Bond (4%) financed developments may only submit applications prior to and after the 9% Tax Credit Cycle.
- NOTE: Waiver requests for 4% applications must be submitted at least thirty (30) days prior to submitting the application online. Evidence of Community Notification to MHC must be submitted ten (10) business days prior to submitting the application online.

**8. Page 35, MHC Review Process
Adjusted minimum score**

Selection Criteria. MHC will use the Selection Criteria stated in Addendum A to rank developments during the competitive application cycle. These applications must meet the minimum score of ~~ninety-five (95)~~ eighty-five (85) points to be considered for a reservation of tax credits.

**9. Page 59, Addendum A: Selection Criteria
Adjusted minimum score**

MHC will use the Selection Criteria in this Addendum to rank developments during the Application Cycle. Competitive Applications must score a minimum of ~~ninety-five (95)~~ eighty-five (85) points to be considered for a reservation of housing tax credits.

**10. Page 59, Selection Criteria
Removed Revitalization Plan and Natural Disaster Area Site Location options**

Developments may receive up to ~~ten (10) five (5)~~ points if the site is located in ~~up to two of the four~~ one of the categories listed in Chart 5 below. For scattered site developments, all sites must be fully located in the scoring item selected.

(1) Contributes to a Concerted Revitalization Plan	5 pts
(2) Zip Code Concentration <u>(for Rehabilitation)</u>	5 pts
(3) Natural Disaster Area	5 pts
(4) High Opportunity Area	<u>5</u> pts

Maximum Points:

510 pts

~~Contributes to a Concerted Revitalization Plan~~

~~Five points may be awarded to developments located in a community that has a concerted revitalization plan. A letter from the city/county, signed by the subject area's verifiable authority must be provided in the application. The letter must include a statement stating that the proposed development is a part of the community revitalization plan and provides a detailed description of the contribution to the Revitalization Plan. In addition, the Applicant must submit a copy of the relevant information from the area's plan regarding its housing goals/objectives OR the locality's letter must reference the title, adopted date, and information on how a complete copy of the plan may be accessed.~~

~~Natural Disaster Area~~

~~Five points may be awarded to developments that are located in a county that has been recently impacted by a federally declared natural disaster (e.g. hurricane, tornado, and flood). The natural disaster event must have occurred after January 1, 2016. The county must be listed on the Federal Notice provided by FEMA (www.fema.gov/disasters) as being adversely affected by the major disaster.~~

11. **Page 60, 4. High Opportunity Area**
Removed Federal Opportunity Zone Tract as a point option

- ~~• a combination of the following indicators from the Environmental Systems Research Institute, Inc. (ESRI):~~

~~**Census Tract that met the following conditions:**~~

- ~~•1. Median Household Income \geq 70% of MS ~~2018~~2020 Statewide Median Household Income ([ESRI July 2020 estimate](#))~~
- ~~•2. Projected ~~2018-2022~~2021 Population Growth \geq 0% (ESRI July 2020 estimate)~~
- ~~•3. Projected 2020-2025 Median Household Income Growth \geq 0.2%~~
- ~~•4. ~~2018-2020~~ Unemployment Rate $<$ TBD4.7%~~
- ~~•5. Located in County that had \geq Counties that had more than 500 new hires per quarter in ~~2018~~2020 as reported by Mississippi Department of Employment Security~~

~~(OR)~~

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

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

~~high-performing school districts: defined as areas that has a public school district with a "B" or higher rating as listed in the Mississippi Department of Education's Accountability Results (<https://www.mdek12.org/sites/default/files/Offices/MDE/OEA/OPR/2018/Updated-2018-Accountability-Media-File.xlsx>).~~

- ~~• Federal Opportunity Zone Tract if different from Census Tract designated above:
<https://esrimedia.maps.arcgis.com/apps/View/index.html?appid=77f3cad12b6c4bffb816332544f04542>~~

For New Construction

1. Median Household Income (%TBD) of MS Statewide Median Household Income
2. Projected 2021 Population Growth (>=%TBD)
3. Projected 2020-2025 Median Household Income Growth (>=%TBD)
4. 2020 Unemployment Rate (%TBD)
5. Located in County that had (TBD) new hires per quarter in (TBD)

Applicants may utilize the interactive map provided on MHC’s website to determine if the proposed development ~~is located in~~ is in an area of high opportunity ~~or Opportunity Zone~~. Applicants must contact Dr. Ben Mokry for a map which identifies the proposed development location within the high opportunity area.

**12. Page 61, 5. National Green Building Standards:
Added Enterprise Green Communities as a second Green Standards point option.**

~~National~~ Green Building Standards:

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

Silver Level..... 7 points

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.

**13. Page 61, 6. Development Amenities
Added a new point item intended to serve multiple transportation options such as school buses, public transit, car services, etc.**

- ◆ Multi-Purpose Bus Stop Structure
Bus stop structure must be covered to protect waiting passengers from the elements. The structure must provide seating and a trash container. A drawing of the proposed structure must be submitted with the application.

14. Page 64, 7. Unit Amenities

Two-point Amenities:

- ◆ A washer and dryer provided in each unit. Stackable units are acceptable for elderly and rehabilitation developments.
- ◆ Tankless gas water heaters
- ◆ ~~Energy Star rated Frost free Refrigerator/Freezer provided in each unit~~
- ◆ ~~Energy Star rated Dishwasher provided in each unit~~

15. **Page 65, 8. Development Type:
Removed points for Single Family Lease Purchase (SFLP). Developments may continue to implement SFLP as described in the QAP, but the option is no longer a point item.**

Chart 6: New Construction Points

(a) Single Family Homes	5 pts
(b) Lease Purchase Option for Tenants	10 pts
Maximum Points:	15 pts

(a) ~~Lease Purchase Option for Tenants (10 pts.)~~

16. **Page 67, Preservation (5 pts.)**

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.

Historic Developments and SFLP Developments are not eligible for these points. Developments that receive points for Deeper Targeting are not eligible for these points.

17. **Page 67, 9. Deeper Targeting**

Five points will be awarded to developments that set aside at least fifteen percent (15%) of the total units for persons whose income does not exceed thirty percent (30%) of the area median gross income. The 30% of area median gross income will be the straight-line calculation of the 50% AMI and not the 30% AMI published in the MTSP limits by HUD. A Land Use Restrictive Agreement (LURA) committing to serve tenants at this income level for a period of forty (40) years or longer must be executed and recorded prior to issuance of Forms 8609. Applicants must indicate this election on the application form. In addition, a statement, executed by a principal member of the Ownership Entity, electing to set aside 15% or more of the total units for persons at or below 30% of the area median gross income must be included in the application package. Single Family Lease Purchase developments are not eligible for these points. Developments that receive points for Preservation are not eligible for these points.

18. **Page 68, 10. Large Family
Removed Large Family point item**

~~Five points will be awarded to developments that accommodate large families. A development will be considered a Large Family development if at least 25% of the total units are three or more bedrooms. The application package must include a statement from the development owner stating that the development will target large families. In addition, the plans/drawings for the development must show the drawings for three-bedroom units. Developments that receive points for Elderly Housing are not eligible for these points.~~

19. **Page 68, Housing for Disabled Persons Target by Mississippi Affirmative Olmstead Initiative Adjusted point value assigned to units set aside for MAOI. Replaced MSHousingSearch.org.**

- **Housing for ~~Disabled~~ Persons Targeted by Mississippi Affirmative Olmstead Initiative (MAOI) (~~10-13~~ pts)**

~~Ten-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 Mississippi Olmstead initiative MAOI referral network partner serving the property's location, 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 Community Mental Health Center serving the area under the Mississippi Olmstead Initiative 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.~~

~~In addition, applicants must commit to listing vacant units on MSHousingSearch.org (<http://www.mshousingsearch.org/>) and identify any special accommodative features of the units for the population they intend to serve. When registering the property in MSHousingSearch.org, the development must complete the section "Special Needs Populations: (private) page", and check the "Mental Health Consumer" option.~~

Owners and Management Entities must demonstrate continuous marketing efforts by adhering to its marketing plan by utilizing the above referenced agencies for referrals, ~~and listing units on MSHousingSearch.org.~~ If after exhausting all of these efforts, the Owner/Management Entity is still unable to find a qualified tenant that meet the requirements of the Mississippi Affirmative Olmstead Initiative, the unit may be rented to other qualified tenants. However, the Owner/Management Entity must put forth the same marketing efforts towards the next available unit. Documentation of the marketing efforts must be kept on file with the site manager.

20. **Page 71, Over Concentration Updated over concentration zip code chart**

Zip Code(s) with 3+ Developments Allocated HTC in Previous Two Years of current tax credit cycle			
COUNTY	ZIP	2018 2019	2019 2020
Madison Forrest	39046 39401	2 2	1 1

21. **Page 72, Tiebreakers Updated first tie-breaker language**

- ~~1. Priority funding will be given to the development that has with the lowest soft cost percentage, calculated by dividing soft costs by total hard cost (all improvements plus the cost of the land/buildings.)~~ The soft cost percentage calculation will appear on Financial Feasibility Form FF-1.

**22. Page 73, Other Point Deductions
Updated point deduction options**

Points will be deducted for each of the following:

- i. Documents uploaded to ~~located in~~ incorrect sections. If a requested document is not applicable to the section, the applicant must upload a placeholder document stating it is not applicable. (-1 pt. each)

Page 74, Minimum Design Standards, Kitchen

Kitchen cabinets and appliance space required at 16 lineal feet for 2 & 3 -bedroom units with the addition of a pantry for larger units (**). Utilize 16" clear counter space on one side of each appliance and fixture and a minimum of 9" on the opposite side of a range (**). Each kitchen must contain an Energy Star Rated Refrigerator/Freezer and Dishwasher.