

**2010 QUALIFIED ALLOCATION PLAN
THRESHOLD REQUIREMENTS CHECKLIST AND CERTIFICATION**

The following threshold requirements must be met in order to receive consideration for a reservation or commitment of tax credits.

Community Notification

- Proof of Publication of the Notice of Public Hearing
- Copy of Actual Notice
- Photograph of Signage (*required at the proposed site*)
- Acknowledgment of Notice of Public Hearing (*Form TR-2*)
- Minutes of Public Hearing
- Attendance Roster from Public Hearing
- Written compilation of comments from the public hearing
- Developer's statement responding to comments from the public hearing
- Affidavit of Compliance with Community Notification (*Form TR-3*)

Site Control

(A) *Contracts (Provide one of the following.)*

- Warranty Deed
- Purchase Contract
- Long-Term Land Lease
- Firm Option Contract
- For HUD financed properties, written correspondence from HUD that confirms that a transfer package has been submitted.
- For RD finance properties, a copy of the loan commitment of interim financing or a copy of Form RD 3560-1.

(B) *Ownership Structure*

- Certificate of Partnership or Corporation for Owner and General Partner Entity
- Copy of Business Structure (must detail the principal members of the Ownership entity)

Local Zoning and Development Conditions (*Provide one of the following*)

- Proper zoning or building permits issued
- Letter stating that zoning or building permits not needed

Documentation of Need

- Acceptable market study to identify need
- Certification of Market Study Acceptance (*Attachment 8*)

Permanent Financing Commitment (*Provide one of the following*)

- Commitment letter for permanent financing
- Documentation of existing resources or line of credit
- RD Obligation of Funds Analysis
- For HUD financed properties involving a Transfer of Physical Assets (TPA), written correspondence from the appropriate agency that confirms that a transfer package has been submitted and pending approval.

APPLICANT'S CERTIFICATION

I, _____, (Applicant's Name) do hereby certify that all five Threshold Requirements have been satisfied for _____ (Proposed Development).

Applicant's Signature

Date

**2010 QUALIFIED ALLOCATION PLAN
ACKNOWLEDGEMENT OF NOTICE OF PUBLIC HEARING**

Development Name: _____

Development Location: _____

Chief Executive Officer

I, _____, (*Name of Official*) Chief Executive Officer (Mayor or President of the Board of Supervisors) of the jurisdiction in which the above referenced tax credit development is being proposed, certify that I have received notice of the Public Hearing to be held in accordance with the Mississippi Home Corporation's Qualified Allocation Plan on _____ (*Date of Public Hearing*).

Local Official's Signature

Date

Title

Elected Representative

I, _____, (*Name of Official*) the elected representative (Supervisor, Alderman, or Councilman) of the jurisdiction in which the above referenced tax credit development is being proposed, certify that I have received notice of the Public Hearing to be held in accordance with the Mississippi Home Corporation's Qualified Allocation Plan on _____ (*Date of Public Hearing*).

Local Official's Signature

Date

Title

Applicant's Certification

I, _____, (*Applicant Name*) the applicant of the above referenced tax credit development certify that I have provided notice of the Public Hearing to the above representatives in accordance with the Mississippi Home Corporation's Qualified Allocation Plan.

Applicant's Signature

Date

(MAY BE EXECUTED IN ONE OR MORE COUNTERPARTS)

**2010 QUALIFIED ALLOCATION PLAN
AFFIDAVIT OF COMPLIANCE WITH COMMUNITY NOTIFICATION**

STATE OF _____

COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the jurisdiction aforesaid of the full age of majority and who first being duly sworn deposed:

1. Affiant is an applicant for tax credits pursuant to the Mississippi Home Corporation's 2010 Qualified Allocation Plan ("Applicant");
2. Applicant has held at least one Community Notification Public Hearing, in accordance with the requirements of the Qualified Allocation Plan;
3. Applicant has met the Community Notification publication requirements as outlined in the Qualified Allocation Plan;
4. Applicant has posted signage at the proposed site as of the date of the public advertisement of the public hearing, as required in the Qualified Allocation Plan.

FURTHER, AFFIANT SAYETH NOT.

Owner Name

Applicant's Signature

SWORN TO AND SUBSCRIBED BEFORE ME, this the _____ day of _____, 20____.

Notary Public

SEAL

My Commission Expires: _____

NOTICE OF PUBLICATION FORM

Applicants must submit this form via email to MHC at taxcredits@mshc.com no later than the date the notice is published in the newspaper. A copy of the notice must be provided.

Development Name: _____

Development Location: _____

Ownership Entity: _____

Contact Person: _____

Phone Number: _____

1. Date of Advertisement: _____

(This date must be no more than twenty (20) days prior to but at least four (4) days before the date of the public hearing.)

2. Date of Public Hearing: _____

(This date must be at least fifteen (15) days prior to the submission of the tax credit application.)

The following documentation must be attached:

3. Copy of the Public Notice

4. Attachment of the Site Assessment Form

Submitted By:

Owner: _____

Date: _____

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I. Data Sources

1. Acceptable data sources include:
 - i. The 2000 Census
 - ii. Data from state or local planning bodies
 - iii. Data purchased commercially from organizations such as CACI or National Planning Data Service

II. Minimum Standards

The market study must be organized in the order of this guide and the market study checklist and must include all the following items.

1. Problem Definition:

Define the problem the market study seeks to answer, specifically addressing the population to be served. The problem definition and market study must specifically address the population being served. In almost all cases, the problem will be whether sufficient potential demand exists for the development as proposed. Potential demand is the pool of households that are income qualified (household income does not exceed applicable program limits) and can afford the proposed development's rents.

For example, if the proposed development will serve 100% frail elderly it is inappropriate for the study to address the entire elderly population. The study must target the analysis to the frail elderly population, the potential pool of residents. The study must also segment the frail elderly pool into those households that are income-qualified and can afford the proposed rents.

2. Market Area Definition:

The market area is defined as the area in which similar properties compete with the subject property for tenants. A factual basis for defining the boundaries of the market area must be established. Primary and secondary market areas may be delineated as subsets of the entire market area but a valid basis must be demonstrated for the decision to include a secondary market and for the geographical areas selected as primary and secondary.

If a secondary market is included in the study, appropriate adjustments must be made in the reconciliation of supply and demand to reflect the development's decreased likelihood of attracting households from the secondary market area. Provide a map that identifies the development site and both the primary and secondary market area for the proposed development.

3. Physical/Location Analysis

Include a description of the development site, development improvements, development amenities, units, and unit amenities. The description may be based upon a review of the development, the developer's description, or taken from the blueprints. The study should describe those attributes and amenities that set the development apart from its competitors and that will enhance or detract from the development's marketability.

It is particularly important to compare the development to competing developments and market preferences. For example, it is not enough to know that the development has one-bedroom units with a given set of amenities. The

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study must indicate whether those amenities are above standard, standard or substandard in the market. Compare the proposed development's positive or negative attributes to competing developments already built or in the pipeline, specifically addressing:

1. Site
 - Site amenities (view, topography)
 - Contiguous uses
 - Nuisances
2. Improvements
 - Development size (gross square feet, stories)
 - Development description (exterior appearance, finish)
 - Construction type (methods, materials)
 - Development age (where applicable)
3. Development Amenities
 - Common area
 - Parking
 - Storage
 - Laundry
 - Elevator
 - Green space
 - Recreational area/equipment
4. Units
 - Mix of units (i.e., number of 1, 2, and 3-bedrooms and baths)
 - Unit sizes (in square feet)
 - Rent set asides
5. Unit Amenities
 - Appliances
 - Floor covering
 - Air conditioning
 - Window treatments
 - Cable TV hookups
 - Utilities

The market study must also describe public services, infrastructure and linkages available to the development. Linkages are the location and relationship of the services, institutions, and businesses which are likely to be important to the development's residents

6. Public Services
 - Public and private transportation (modes, availability)
 - Fire/police protection
7. Linkages (Distances from Subject)
 - Schools
 - Shopping
 - Employment

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- Recreation
- Transportation
- Medical
- Services for special-needs populations (where applicable)

4. **Economic Analysis:**

The market study must provide an overview of the market area's economic base. The economic analysis, at a minimum, must provide the:

8. Number of persons employed in the market area (defined in Item II above) currently and as of the last census with employment broken out by the following categories:
 - a. Agriculture
 - b. Construction
 - c. Manufacturing
 - d. Transportation, communication & public utilities
 - e. Wholesale trade
 - f. Retail trade
 - g. Finance, insurance and real estate
 - h. Services (Business, repairs, personal services, entertainment, recreation, health, education, public administration, etc.)
9. Unemployment rate currently and as of the last census
10. Projected future employment in the market area

The above information may not be available for the geographical area delineated as the market area. If the required information is not available for the market area it should be provided for the smallest available geographical area which also encompasses the market area. For example, if the market area has been delineated as a five mile radius around Bentonina and economic data is not available for that area, data for Yazoo County may be used.

However, the study must then desegregate the data based on historical trends and/or shifts in the employment base. Include a map which shows both the area for which the information was available and the market area.

The study must also include a survey of major employers in the area and contain the following information:

11. A list of major employers in the area, including type of industry, number of employees, and proximity to the proposed development's location.
12. Expectations for employment changes over the next three to five years.

The major employers described above need not be located in the primary market area if those employers draw their employees from the market area. However, indicate the location of the proposed development in relation to major employment locations (i.e., the employment site is four miles east of the proposed site).

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5. Demographic Summary

A demographic summary must be included. Unless otherwise noted, the following information must be provided for three points in time: the most recent census, the current year, and a calendar year between three and five years in the future. Describe the following specific population characteristics:

13. Population

- a. Total population
- b. Total population by age cohorts broken down in ranges of five years or less

14. Household

- a. Average household size
- b. Total households

15. Income:

- a. Household income by tenure, household size broken down in income cohorts of no more than \$5,000. (Households with income over \$50,000 can be grouped into a single category)

16. Tenure

- a. Tenure by persons in unit (Households with six or more persons can be grouped into a single category of 6 or more persons)--Most recent census only
- b. Units in structure by tenure (i.e., number of properties with 5 to 9 units that are owner occupied, renter occupied, or vacant--Most recent census only)

6. Supply Analysis

The market study must analyze the supply, both current and potential, of competing developments within the market area. Address existing multifamily developments, planned multifamily developments, and land zoned for multifamily uses in close proximity to proposed project site.

17. Housing conditions of existing developments

- a. For both existing and planned developments describe, in aggregate, the:
 - i. Number of units
 - ii. Unit mix (i.e., number of 1, 2, and 3-bedrooms and baths)
 - iii. Average rents by number of bedrooms and baths
 - iv. Vacancy by number of bedrooms (existing developments only)
 - v. Federal assistance and subsidies available by type (i.e., section 8)

18. Describe the land zoned multifamily within a one mile radius of the proposed project site. Specifically address the:

- a. Amount of land zoned for multifamily Density restrictions on land zoned multifamily
- b. Number of units which could be developed given zoning restrictions Estimated date of availability of utilities

19. The market study must also describe the competition on a development by development basis, including the:

- a. Name and address of competing developments
- b. Unit mix (i.e., number of 1, 2, and 3-bedrooms and baths)

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- c. Unit sizes
- d. Rents by number of bedrooms and baths
- e. Concessions offered
- f. Vacancy
- g. Development's age
- h. Waiting list (Length of list, frequency of updating)
- i. Vouchers/certificates in the development
- j. Development amenities relative to the subject property
- k. Unit amenities relative to the subject property
- l. Name and phone number of on-site manager
- m. Map showing development-by-development location of competition relative to the subject development

20. Summary of Supply Analysis

7. Demand Analysis

21. Articulate anticipated demand for the development and for competing housing in the market area. In some instances, this will overlap with information required in the demographic summary. The analyst must estimate the:

- a. Potential pool of households within the market area
- b. Number of age, income, and rent qualified households that will create the effective demand and expected change in that number over the next five to ten years
- c. Average size of the potential renter households and the expected change in that number over the next five to ten years.

22. Vouchers and certificates

The study must document the number of rental vouchers and/or certificates that are available and used in the community. If waiting lists for developments with vouchers and/or certificates are available, indicate the number of persons on the list(s) along with the frequency with which the waiting lists are updated.

23. Special-needs populations

For developments serving a special-needs population, the demand analysis must address the specific-needs population. For example, if the development's tax credit or loan application is based on the fact that a portion of the population is expected to be frail elderly, then the study must demonstrate demand for those frail elderly units through:

- a. Secondary data
- b. Data maintained by local governmental agencies establishing the market area's number of percentage of frail elderly or special-needs households
- c. Developer's demonstrated experience with special needs populations

24. Summary of Demand Analysis

8. Reconciliation of Supply and Demand

25. Each market study must specifically articulate:

- a. An overall vacancy rate for competitive housing in the market area;
- b. A vacancy rate, by number of bedrooms, for competitive multifamily housing in the area;

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- c. The expected demand for units;
- d. An estimated absorption rate (units rented per month/year) for the development overall and by number of bedrooms; and
- e. The penetration rate (development units divided by qualified households) for the development overall.

In every instance, all data sources and calculations used in arriving at the above results must be shown in their entirety in the market study. Any assumptions used to derive any of the above rates must be explained within the study and supported by verifiable data.

26. Summary of Conclusions for reconciliation of supply and demand

9. Tax Credit Housing Forecast

27. The analyst should provide a detailed summary that addresses each of the items listed below:

- a. Identify HTC developments and units approved with the previous five (5) years of the study available on the Corporation's website at www.mshomecorp.com, and those currently under construction in the market area
- b. Identify tax credit developments' rent levels and lease-up experience.
- c. Analyst should define the market area and defend the definition.
- d. Calculate achievable rents (most important)
- e. Identify number of people and households in the income band included in the application.
- f. Comment on the possibility of tax credit market saturation (i.e. What is the total number of units the market will support as of the date of the market study).

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III. Recommendation

The analyst must state, in his or her professional opinion, whether the proposed development is feasible from a market perspective and whether a market exists for the development as proposed in the application for tax credits. If the analyst does not believe that the development, as proposed, is feasible, the analyst must indicate what modifications would be needed to make the development feasible (i.e., phased construction, fewer units, different mix of units, different market niche). If the analyst does not believe that the proposed development, even with modifications, is feasible, the analyst should indicate that in the study and should state why.

IV. Standards of Review

In reviewing the market studies, MHC will first determine whether the market study meets the minimum standards set forth in this document. If the minimum standards are not met, applicants will be advised of the deficiencies and given an opportunity to correct those deficiencies (in the next tax credit cycle).

If the minimum standards are met, MHC will then determine whether the study establishes, in a logical, reasonable and supportable manner, that a market probably exists for the proposed development. If it is not clear from reviewing the study, that such a market probably exists, the reviewer will make reasonable efforts to look at the data contained within the market study and determine whether such a market probably exists. If it is not evident from a reasonable review and interpretation of the data that a market exists, the study and application will be rejected.

V. Conclusion

This document establishes minimum standards. It is not meant to limit the scope of the market study. If the required data is unavailable, document all steps taken to obtain the data and include that documentation as an appendix to the study.

Exhibit 1 -- Market Standards Checklist	
Standard	Included
I. PROBLEM DEFINITION	
II. MARKET AREA DEFINITION	
Definition	<input type="checkbox"/>
Map	<input type="checkbox"/>
III. PHYSICAL/LOCATION DESCRIPTION	
Site	<input type="checkbox"/>
Site amenities (view, topography)	<input type="checkbox"/>
Contiguous uses	<input type="checkbox"/>
Nuisances	<input type="checkbox"/>
Improvements	<input type="checkbox"/>
Development size (gross square feet and stories)	<input type="checkbox"/>
Development description (exterior appearance, finish)	<input type="checkbox"/>
Construction type (methods, materials)	<input type="checkbox"/>
Development age (where applicable)	<input type="checkbox"/>
Development Amenities	<input type="checkbox"/>
Common area	<input type="checkbox"/>
Parking	<input type="checkbox"/>
Storage	<input type="checkbox"/>
Laundry	<input type="checkbox"/>
Elevator	<input type="checkbox"/>
Green Space	<input type="checkbox"/>
Recreational area/equipment	<input type="checkbox"/>
Units	<input type="checkbox"/>
Mix of units (i.e. number of 1, 2 and 3-bedrooms and baths)	<input type="checkbox"/>
Unit sizes (in square feet)	<input type="checkbox"/>
Rent set-asides	<input type="checkbox"/>
Unit Amenities	<input type="checkbox"/>
Appliances	<input type="checkbox"/>
Floor covering	<input type="checkbox"/>
Air conditioning	<input type="checkbox"/>
Window treatments	<input type="checkbox"/>
Cable TV hookups	<input type="checkbox"/>
Utilities	<input type="checkbox"/>
Public Services	<input type="checkbox"/>
Public/private transportation (modes, availability)	<input type="checkbox"/>
Fire/police protection	<input type="checkbox"/>
Linkages	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Shopping	<input type="checkbox"/>
Employment	<input type="checkbox"/>
Recreation	<input type="checkbox"/>
Transportation	<input type="checkbox"/>
Medical	<input type="checkbox"/>
Services for special-needs populations (where applicable)	<input type="checkbox"/>
IV. ECONOMIC ANALYSIS	
Persons employed (currently and as of last census) with employment broken out by 8 defined categories	<input type="checkbox"/>
Current unemployment rate and unemployment rate at most recent census	<input type="checkbox"/>
Projected future employment in market area	<input type="checkbox"/>
Major employers, including industry, employees, and proximity to development	<input type="checkbox"/>
V. DEMOGRAPHIC ANALYSIS	
Population	<input type="checkbox"/>
Total population	<input type="checkbox"/>
Total population by age cohorts in ranges five years or less	<input type="checkbox"/>
Households	<input type="checkbox"/>
Average household size	<input type="checkbox"/>
Total households	<input type="checkbox"/>

Exhibit 1 -- Market Standards Checklist	
Standard	Included
Income	<input type="checkbox"/>
Household income by tenure and household size broken down in cohorts of no more than \$5,000	<input type="checkbox"/>
Tenure	<input type="checkbox"/>
Tenure by persons in unit (Most recent census only)	<input type="checkbox"/>
Units in structure by tenure (Most recent census only)	<input type="checkbox"/>
VI. SUPPLY ANALYSIS	
Existing and Planned Units (in Aggregate)	<input type="checkbox"/>
Total number of units and Unit mix (i.e., number of 1, 2 and 3-bedrooms and baths)	<input type="checkbox"/>
Average rents by number of bedrooms and baths	<input type="checkbox"/>
Vacancy by number of bedrooms (existing developments only)	<input type="checkbox"/>
Federal assistance and subsidies available by type	<input type="checkbox"/>
Housing Conditions of Existing Developments	<input type="checkbox"/>
Land Zoned Multifamily	<input type="checkbox"/>
Amount of land zoned for multifamily within one mile of proposed project site	<input type="checkbox"/>
Density restrictions on land zoned multifamily	<input type="checkbox"/>
Number of units which could be developed given zoning restrictions	<input type="checkbox"/>
Estimated date of availability of utilities	<input type="checkbox"/>
Description of Competition (Development by Development)	<input type="checkbox"/>
Name and address of competing developments	<input type="checkbox"/>
Unit sizes and Unit mix (i.e., number of 1, 2 and 3-bedrooms and baths)	<input type="checkbox"/>
Rents by number of bedrooms and baths	<input type="checkbox"/>
Concessions offered	<input type="checkbox"/>
Vacancy overall and by number of bedrooms	<input type="checkbox"/>
Development's age	<input type="checkbox"/>
Waiting list (length of list, frequency of updating)	<input type="checkbox"/>
Vouchers/certificates	<input type="checkbox"/>
Development amenities relative to subject property	<input type="checkbox"/>
Name and phone number of on-site manager	<input type="checkbox"/>
Map showing development-by-development location of competition	<input type="checkbox"/>
Summary of Supply Analysis	<input type="checkbox"/>
VII. DEMAND ANALYSIS	
Potential pool of household within the market area	<input type="checkbox"/>
Number of age, income, and rent qualified households that will create the potential demand and expected change in that number over the next three to five years	<input type="checkbox"/>
Average size of the potential renter households and the expected change in that number over the next three to five years.	<input type="checkbox"/>
Vouchers and/or certificates	<input type="checkbox"/>
Waiting lists	<input type="checkbox"/>
Summary of Demand Analysis	<input type="checkbox"/>
VIII. RECONCILIATION OF SUPPLY AND DEMAND	
Overall vacancy rate for competitive housing	<input type="checkbox"/>
Vacancy rate, by number of bedrooms, for competitive multifamily housing	<input type="checkbox"/>
An estimated absorption rate (units rented per month/year)	<input type="checkbox"/>
The penetration rate (development units divided by qualified households for the development overall)	<input type="checkbox"/>
Basis for assumptions used to support reconciliation	<input type="checkbox"/>
Summary of Conclusions for Reconciliation of Supply and Demand	<input type="checkbox"/>
IX. TAX CREDIT HOUSING FORECAST	
Identify HTC developments and units approved with the previous five (5) years of the study available on the Corporation's website at www.mshomecorp.com and those currently under construction in the market area.	<input type="checkbox"/>
Identify tax credit developments' rent levels and lease-up experience.	<input type="checkbox"/>
Analyst should define the market area and defend the definition.	<input type="checkbox"/>
Calculate achievable rents.	<input type="checkbox"/>
Identify number of people and households in the income band included in the application	<input type="checkbox"/>
Comment on the possibility of tax credit market saturation (i.e. What is the total number of units the market will support as of the date of the market study?)	<input type="checkbox"/>
X. RECOMMENDATION	
Conclusion that proposed development is feasible	<input type="checkbox"/>
Statement of modifications required to be feasible	<input type="checkbox"/>

