

**Executive Summary
2012 Qualified Allocation Plan (QAP)
Proposed Revisions**

MHC's revisions made prior to the public comment period are shown in green font.

Section 1: GENERAL POLICIES AND GUIDELINES (GPAG):

Section 1.1 Minimum Requirements

Page 1

Item #2- **ADD language:** An applicant cannot change the irrevocable set-aside election once the application has been received by the Corporation. *The set-aside election shown on page A1 must be consistent throughout the application and will prevail.*

Item #6 **Move to Section 1.8 Funded Developments**

Switch items A and B

Revise language on current item A to read: *Recipients* Applicants must provide the following documentation *with their Reservation package* in the application package.

Move current item A 3 to item B and revise language to read: Each service must be listed on **page A25** of the application form.

Section 1.2 Administrative

Page 3

Item #1- **Change from 2011 to 2012 annual credit authority**

The Mississippi Home Corporation (MHC) will allocate its *2012* annual credit authority (ACA) and any carry forward, returned or national pool credits.

Item #4- **Revise language to read:** The Corporation will accept *competitive* applications *only* within the identified application cycle time frame.

The Corporation will accept applications within the identified application time frame. after the approval of the QAP by the Governor of Mississippi.

ADD NEW:

The Corporation will accept applications financed with tax exempt bonds at any time after the approval of the Qualified Allocation Plan by the Governor of Mississippi.

Section 1.3 Eligibility and Compliance

Page 4

Item #1: **Add language:** Applications that are proposed by an entity with existing major noncompliance findings 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.

Section 1.4 Development Types

Page 5

Item #1- **Revise language:** For all new construction properties, the Minimum Design Quality Standards must be met and *completion of the development in accordance with these standards must be* certified by a licensed architect or engineer. This documentation must accompany the application. *Requests for deviations from these standards must be submitted no later than thirty (30) days prior to the cycle opening date and must receive prior written approval from MHC. During construction, any deviation must receive be approved by the Corporation.*'s approval prior to submitting an application.

Section 1.5 Submission of Application

Page 7

Item #2 **Revise language:** All documents required by the Corporation must be submitted in the application package. All information submitted for review must be current year information dated within six (6) months of the cycle close date, unless otherwise noted in the QAP or if ~~approval has been received from the Corporation at least~~ *if the request for deviation was received by MHC more than thirty (30) ten (10) working days prior to the cycle opening date and written approval was granted* submission of the application. Therefore, it is critical that the developer's documentation contained in the application is clear, concise and to the point as it relates to the QAP item that the documentation is addressing.

ADD NEW

-All applications are considered final at the time they are received. Additional information cannot be submitted unless specifically requested by MHC.

-All waiver requests must be submitted no later than thirty (30) days prior to the cycle opening date.

Item #6 **Move to Section 4: Tax Exempt Bonds**

The Corporation will accept applications financed with tax exempt bonds at any time after the approval of the Qualified Allocation Plan by the Governor of Mississippi. In order to qualify for the full four percent (4%) credit, an opinion letter from a Certified Public Accountant must accompany the application certifying that fifty percent (50%) or greater of aggregate basis will be financed by tax-exempt bonds.

Section 1.8 Funded Developments

Page 11

- Item #8 - **Add language:** All developments that receive an award of tax credits *must* ~~will be required to~~ post signage at the development's construction site listing the Mississippi Home Corporation (MHC) as a financing source. Information on the signage specifications is available on MHC's website at www.mshomecorp.com. *Failure to post signage by the start of construction through completion of construction subjects the development to a non-compliance fee of \$50.00 per day from the date first noticed by the MHC inspector until the signage is properly placed and verified by MHC.*

Section 1.9 Development Requests

Page 12

- Item #1 – **Revise the language for the last bullet:**
- *Any changes of the Owner's physical/ mailing address, fax or phone number, and email address.*

Page 13

- Item #4- **Move to Item #1 and revise language:** All other requests aside from *the standard requests above* ~~those listed under item #1 in this section~~ must be submitted in writing ~~providing a detailed explanation~~ *and must include* along with supportive documentation.
- Item #6- **Add language:** Forms 8609 will not be issued to any development *controlled by an applicant that has* ~~with~~ outstanding fees owed to the Tax Credit Allocation Division *on any development.*

ADD NEW-

MHC is approved to complete HUD Subsidy Layering Reviews. These requests should be submitted to MHC's Construction Lending Division, attention Bradley Joiner, along with all required information and the \$4,500 review fee. Please direct all inquiries to the division.

Section 1.11 Ineligible Applicants

Page 14

- Item #4- **Add language:** *All changes to the development as presented in the application must be disclosed to MHC no more than thirty (30) days after they have been identified during construction/rehabilitation. Principal members will be subject to being disqualified from future participation for a minimum of one (1) year if all changes are not approved by MHC prior to development completion.*

Section 2: DATES AND FEES

1. Page 15, item 2.1 Application Cycle: Change dates of Application Period from April 25-29, 2011 to *April 30 – May 4, 2012.*
2. Change all listings of 2011 to 2012.
3. Page 15, item 2.2 Technical Assistance: Change Technical Assistance Deadline date from April 15, 2011 to *April 20, 2012.*
4. Page 16, Chart 1 (Important Dates): Change deadline dates to:
 - Application Workshop.....*February 15, 2012*
 - Public Hearing Notification Deadline.....*April 11, 2012*
 - Last day to hold a Public Hearing.....*April 15, 2012*
 - Cost Justification Request Deadline.....*April 4, 2012 (30 days before cycle opening date)*
 - All application waiver requests.....*April 4, 2012 (30 days before cycle opening date)*
 - Technical Assistance Deadline.....*April 20, 2012 @ 5:00 p.m.*
 - MHC's written response to waiver requests.....no later than April 20, 2012*
 - Application Cycle Deadline.....*May 4, 2012 @ 2:00 p.m.*
 - Site Control Options Contract Expiration Date...*October 31, 2012*
5. Page 16, Chart 2 (Fees):
 - NEW Item #4 Signage Penalty Fee - *\$50.00 per day that proper signage is not in place until verified by MHC.*
 - Revise Item #9 HUD Subsidy Layering Review ~~\$1,500~~ *\$4,500 per development*

Section 3: APPEALS AND PUBLIC RECORDS REQUESTS

Section 3.1 Appeals

Page 17

Paragraph 1: **Add language:** Any applicant wishing to appeal a decision of the Corporation may do so in writing delivered to the attention of the Corporation's Executive Director no later than 5:00 pm local time on the fifteenth (15th) day following the date of the ~~Reservation or Explanation Letter~~ *scoring or threshold review notice.*

Section 4: TAX EXEMPT BONDS

Page 18

Paragraph 4- **Add Item #6 from Section 1.5 Submission of Application**

The Corporation will accept applications financed with tax exempt bonds at any time after the approval of the Qualified Allocation Plan by the Governor of Mississippi. In order to qualify for the full four percent (4%) credit, an opinion

letter from a Certified Public Accountant must accompany the application certifying that fifty percent (50%) or greater of aggregate basis will be financed by tax-exempt bonds.

Section 5: ACA (ANNUAL PER CAPITA AUTHORITY) SET-ASIDES

Page 19

Item #1 Change all reference from 2011 to *2012*

Item #2 ***Elderly/Persons with Disabilities Set-Aside***

Revise language: The Corporation will set aside five hundred thousand dollars (\$500,000) of the ACA credit authority for Elderly developments. To be eligible, developments must commit one hundred percent (100%) of the residential units to house tenants that are (1) at least sixty-two years of age or (2) *twenty-five percent (25%) of units to persons with disabilities* ~~disabled/handicapped~~ or in accordance with HUD's ~~elderly~~ definition(s).

Item #3 ***Non-profit Set-Aside***

Add language: *Section 42(h)(5) mandates states allocate a minimum of ten percent (10%) of their annual credit ceiling to qualified non-profit entities. MHC will award credits under this set-aside to developments according to prevailing scoring. However, if these awards do not satisfy the minimum 10% non-profit requirement other eligible developments that could not be funded under this set-aside will receive priority ranking on the waiting list to ensure the minimum 10% funding requirement is met.*

Section 6: MHC REVIEW PROCEDURES

Page 20

Add: the non-profit set-aside priority funding under the waiting list item.

Section 7: SELECTION CRITERIA

Page 22

Item #1: **Add language:** In municipalities without a community revitalization plan, documentation must include (i) a letter of support from the highest ranking elected official(s) stating that the proposed development *is not a part of a revitalization plan*, (ii) however it is desired within the community and (iii) describes how the development supports the community's vision for future growth verifying that the development contributes to the community.

Page 23

Item #3: **Revise language:** Development site is located in a zip code which has not had any tax credit developments *funded or PIS from calendar years 2007-2011* ~~within the last five (5) years~~ (See chart at the end of this section). Applicants must provide adequate documentation for verification of the applicable zip code for the development location. *Note: The development must be wholly located within the applicable zip code.*

Item #5: **Add language:** *Plans must include all significant amenities proposed for the development. The proposed amenities must be highlighted on the plans/drawings. Additionally, ALL amenities must be listed on application page A25 of the application form in order to receive points.*

Page 24

Amenities

Listing: **Add & Revise language:**

ADD NEW:

- *Add section for amenities worth two (2) points*
- *Walking/jogging/biking trail (1point)*
- *Tank less water heaters (2 points)*
- *Two car garages with garage door openers (motorized) for single family units (2 points)*

Tenant Security (Ex: ~~Electronic locking system~~, individual *unit* alarm system, *on site courtesy officer*, etc.)

Combine items for LAUNDRY FACILITIES

- a. A minimum of one (1) washer and dryer per every six (6) residential units for ~~preservation~~ *rehabilitation* developments.
- b. A minimum of four (4) washers and dryers for new construction developments which also provide washer & dryer connections in all residential units.

Page 25

Move language to: Section 13: DESIGN QUALITY STANDARDS

Washer and dryer connections in individual units (*NEW CONSTRUCTION*)

- Must have capability to service side-by-side units or opposite wall units.
- Stackable units are acceptable for elderly and rehab developments.

~~NOTE: Washer and dryer connections will not qualify as a separate amenity if washers & dryers are provided in each unit~~

Wiring for cable television and internet access. Must be confirmed by letter from the architect/engineer only. ~~(2 points)~~

Page 25
Item #6:

Delete Item:

Quality Enhancements

Maximum 10 points

~~These items must be certified by a letter from the development's architect/engineer and incorporated into the development plans and specifications.~~

~~Each item will below will be worth 2 (two) points:~~

- ~~a. Water Efficiency Toilets~~
- ~~b. Tank less Water Heaters~~
- ~~c. Two Car Garages with garage door openers (motorized) for single family units~~
- ~~d. Carpet in bedrooms~~
- ~~e. Low VOC Flooring (e.g. carpeting), ceramic tile, or hardwood laminate flooring~~

Page 25
Item #7:

Revise & Delete language:

Lost Housing Preserves Existing Low-income Housing Units **5 points**

The development preserves ~~existing~~ *affordable housing* units which ~~previously~~ served low-income residents that ~~would be lost due to:~~ *have been lost/damaged in a presidentially declared disaster area.*

~~Lost Housing (Housing that has been lost~~

- ~~i. Evidence of loss housing must be provided by the development's financing entity (e.g. HUD) or public records (e.g. documents from the local courthouse, MEMA, HUD, or RD).~~
- ~~ii. Evidence that the development is aged **AND** the units are uninhabitable.~~
- ~~iii. Developments must be rebuilt on the same site with no more than the same number of original units.~~

~~B. Loss of rental assistance (provide documentation of the expiration of the current rental assistance)~~

- ~~i. HAP Contract (HUD)~~
- ~~ii. Rural Development~~
- ~~iii. Development Based (PHA contribution or Project Based Voucher (PBV) Program)~~

Page 26
Item #8:

Single Family Lease Purchase Development

Add language: *Development provides single family type housing for future homeownership. Single family type housing includes the following: Single family detached houses, townhomes, duplexes and 4-plex units.*

Developments will be subject to the guidelines outlined in the SFLP Homeownership Policy Guide which will be added to MHC's Compliance Monitoring Plan. (NOTE: This document can be accessed from MHC's website after the annual housing conference.)

Move to the 1st paragraph of this item & Revise language:

NOTE: The ~~owner~~ applicant must provide a sample lease-purchase agreement in the application package. The agreement must advise tenants of the available purchase option at the end of the fifteen (15) year lease period, which and may be included in the body of the lease. Additionally, the development must be fee simple with a homeowner's association for any common areas and must front on a publicly dedicated street at the time of fee simple transfer.

Item #9: **Revise language:**

Rehabilitation Preservation or HopeVI

15 points

The development is a multifamily *rehabilitation development* ~~Preservation or Hope VI development.~~

Item #10: **Revise & Add language:**

Development-Based Rental Assistance

Maximum 10 points

Minimum 3 points

1) Developments requesting consideration under this category must provide rental assistance for a minimum of fifty-one percent (51%) of the development's units *(10 points).*

OR

2) *Developments which receive rental assistance from USDA or HUD for less than fifty-one percent (51%) of the development's units and do not meet the development based rental assistance criteria below qualify for 3 points. Evidence of the rental assistance must be provided.*

The applicant can elect only one of the following:

- a. The proposed development is a component of a Public Housing Authority ("PHA") development program as evidenced by the PHA's contribution to the long-term economic feasibility of the development for a minimum period of five (5) years from the placed in service date. To be eligible, the applicant must include an executed agreement between the applicant and PHA that sets forth the following:
- type of assistance,
 - terms of the agreement, and
 - amount *(in U.S. dollars)* of the PHA's contribution to the economic feasibility of the development via operating cost contributions and/or tenant rent subsidies;

Page 27

Item #11: **Delete Item:**

Tenant-Based Rental Assistance

3 points

~~Developments requesting consideration under this category must provide evidence from either a local or regional housing authority indicating that Section 8 vouchers or certificates are available in the area where the development is or will be located. Prior to the issuance of IRS Form 8609, applicants will be required to have signed~~

~~agreements with either the authority or administrator of the Section 8 Certificate/Voucher programs to mandate the development's first priority to Section 8 Certificate/Voucher holders.~~

~~Additionally, developments which receive rental assistance from USDA or HUD for less than fifty one percent (51%) of the development's units and do not meet the development based rental assistance criteria can qualify for these points. Evidence of rental assistance must be provided.~~

~~NOTE: No Development is eligible for both Development Based and Tenant Based Rental Assistance points.~~

Page 28

Item #12:

Move under heading: III. Targeting Population & Revise language:
Mixed-Income Developments **5 points**

~~For developments where at least twenty percent (20%) of the units will serve tenants with incomes between sixty percent (60%) and eighty percent (80%) of Area Median Income and twenty percent (20%) of the units will serve market rate tenants.~~ *The development will set aside a minimum of thirty percent (30%) of its units for mixed income tenants with incomes above 60% AMI. Applicants must provide a marketing plan which explains how mixed income residents will be served. Additionally, the mixed income units must be identified on application page A23.*

*NOTE: Scattered site developments **cannot** qualify as mixed income.*

Item #13:

Add language: *Applicants must provide evidence that the development is a qualified historic property. (See page 19: Historic/Preservation Set-Aside)*

Item #15:

Revise language:
Large Families ~~Three or more bedrooms (Large Family)~~ **10 points**
The development targets *large* families by ~~designating~~ *providing* at least 25% of its units three or more bedrooms.

Item #16:

Elderly/Persons with Disabilities Development **10 points**

Multifamily developments that set aside ~~(1)100%~~ of its units for the elderly population age ~~sixty two (62) or older~~ *or (2) twenty-five percent (25%) of units to persons with disabilities* that meet the requirements as defined by Rural Development (*RD*) or the Department of Housing and Urban Development (HUD) for elderly housing and accessibility for handicapped persons. ~~Rural Development~~ *RD's* and HUD's definition of "Elderly" is where the tenant or co-tenant is at least 62 years of age or handicapped/disabled. Developments must meet the following requirements:

- a. The development must provide established policies and procedures, which demonstrate intent to provide ~~housing to the sixty two (62) or older age group, or~~

for persons meeting the Rural Development or Department of Housing and Urban Development's definitions *facilities and services that support elderly residents.*

- b. The development must have significant facilities and services normally specifically designed to meet the physical or social needs of older persons or for persons meeting the Rural Development or Department of Housing and Urban Development's definitions. The development must provide ~~six (6) of the eight (8)~~ *the* appropriate services or facilities listed below:

ADD- a secure living environment

1. ~~an accessible physical environment~~
2. ~~congregate dining facilities~~
3. emergency services (*pull cords, alarms, etc.*)
4. preventive health care programs
5. information and counseling
6. ~~homemaker services~~
7. ~~outside maintenance and referral services~~ *social activity programs*
8. transportation to facilitate access to social services

Page 29

Item #17:

Development Experience

10 points

Add language: *Principal members must have a minimum of 1% ownership interest to qualify under this category. Acceptable previous experience includes Owner, developer, general partner, or consultant.*

Page 30

Item #19:

Add & Revise language:

Application Workshop

10 points

Attendee to the workshop must be a principal *member* of the ownership or general partner entities, as *defined under Development Experience. The principal must be identified* ~~reflected~~ on application page A2 or A3. Attendees will receive one (1) certificate of attendance for point eligibility in the application process at the end of the session. A copy of the certificate must be included in the application file; failure to provide will disqualify the application from receiving points. Applicants will only be eligible to receive points for workshop attendance during the calendar year in which an application is submitted.

Item #21:

Add language:

FHLB or other grants *Additional Financing*

Maximum 7 points

The development receives funding from one of the sources listed below:

FHLB

HOME

Hope VI

State/municipal funding

Mental Health/Medicare/Medicaid Grant

Others (prior approval by MHC required)

<i>\$10,000-\$25,000</i>	<i>1 point</i>
<i>\$25,001-\$50,000</i>	<i>2 points</i>
<i>\$50,001-\$75,000</i>	<i>3 points</i>
<i>\$75,001-\$100,000</i>	<i>5 points</i>
<i>\$100,001 or above</i>	<i>7 points</i>

Applicants must provide evidence of this funding no later than the reservation deadline date if not available at the time of application. If the applicant fails to provide such evidence by this date, the funds will be removed as a source of funding and the development will be re-underwritten to determine if the deal remains financially feasible.

Additionally, the development could be subject to the loss of its tax credit award if the following occurs: (1) the deal is no longer feasible without this funding, and (2) the owner does not secure subsequent additional financing within a reasonably prescribed time. MHC will not award additional tax credits in lieu of this particular funding source because it is a competitive scoring item.

NOTE: Receipt of federal grants will reduce the development's eligible basis.

Page 31
Item #22:

Revise language:

Over Concentration

Minus 5 points

Five (5) points will be deducted if an applicant proposes a new construction development in a primary market area that has received three (3) or more tax credit awards during the previous two (2) years. *Historic and Preservation Rehabilitation developments are exempt from this restriction.* The following chart indicates the areas which are subject to this scoring points deduction:

Item #23:

Add language:

Points will be deducted for the following:

- a. Application sections not tabbed *in accordance with the table of contents (Minus 5 Points)*,
- b. Amenities not highlighted on plans/drawings **(Minus 5 Points)**,
- c. Threshold deficiency **(Minus 2 Points for each Threshold item)**.
- d. *Documentation provided under "Other Attachments" is not labeled/identified on the table of contents (2 points each)*
- e. *Inconsistencies within the application that require clarification (2 points each)*

Section 8: THRESHOLD FACTORS

I. Community Notification

Page 33

Add language: *Public hearing notice published in the newspaper must contain the same language as the public hearing signage posted at the development site.*

Section 10: FINANCIAL FEASIBILITY STANDARDS

10.4 Operating Reserves

Page 42 **Revise language:**

These reserves must be maintained at a minimum until the 3rd year of the tax credit period following issuance of Forms 8609. After the third year, the developer may draw down that account and replace it with a Letter of Credit, *approved and* agreed to by the syndicator *and MHC* in writing. ~~to be~~ *The Letter of Credit must be* maintained and kept valid throughout the remainder of the initial 15 year compliance period. In the event operating reserves are utilized for the development within the first three years of operation, *with approval of the syndicator and MHC*, a letter of credit should be but in place to satisfy the required reserve amount throughout the term.

10.5 MHC'S Discretionary Eligible Basis Boost

Page 43

Revise language:

MHC will ~~allow~~ *designate a* development based *eligible for a* DDA designation ~~or high development costs~~ to meet special needs populations (elderly, homeless, *mentally ill* and *persons with disabilities* ~~disabled~~) and historic preservation for areas that are not currently a DDA. *Developments must set aside a minimum of five percent (5%) of its units for special needs.* Applicants must request this consideration *in writing a minimum of thirty (30) days prior to the start of the application cycle and clearly define the specific need.*

DELETE: Land Cost Consideration

~~A sales history of land sales, up to the date of the option/sales contract used in the application, must be included in the appraisal in accordance with current requirements of the Uniform Standards of Professional Appraisal Practice.~~

~~Acquisition of land at abnormally high cost, that provides additional specific benefits to the tenants residing in the developments (i.e. transportation, hospital, access for seniors) may justify the developments for the 30% (thirty) percent discretionary basis boost.~~

~~MHC will counsel with developers, at their request, up to ten (10) business days prior to the start of an application cycle as to whether or not the land qualifies the development for an additional basis boost for those developments not currently located in a QCT or DDA.~~

NEW paragraph:

MHC's designation of a developer requested discretionary eligible basis boost does not qualify the application for the two (2) point credit under scoring item #1 in Section 7.1.

10.10 Limits on Builder or General Contractor Charges

Page 47

Add Language: Amounts in excess of the subject limits will be considered excessive. *A developer may earn the builder's profit and overhead provided the developer is the actual general contractor for the development; however, the developer may not claim any of these earnings if the development is sub-contracted to another general contractor.*

Section 13: DESIGN QUALITY STANDARDS

Page 51

Item #12: **Add language to read:** Architectural Shingles ~~for roofs~~ *or metal roofing if appropriate to the area and development.*

New Item #16: Add language from Page 25

- Washer and dryer connections in individual units (*NEW CONSTRUCTION*)
- Must have capability to service side-by-side units or opposite wall units.
 - Stackable units are acceptable for elderly and rehab developments.

New Item #17: Add language from Page 25

Wiring for cable television and internet access. Must be confirmed by letter from the architect/engineer only.

Page 53

ENERGY EFFICIENCY / GREEN (SUSTAINABLE) DESIGN

Add language: *All developments shall be built at a minimum to the ICC 700 -2008 National Green Building Standard, **BRONZE** level. National Association of Home Builder or other appropriate certification is required with submission of the developer's 8609 request, (www.nahb.org). Additionally, MHC requires the following:*

Page 54

SITE ACCESSIBILITY

Revise language: Note: The development must be designed ~~in accordance with~~ *to meet ADA and HUD standards for* all applicable handicapped accessibility requirements. ~~In particular, it should be noted that if the project also receives funding from a federal source, federal laws governing accessibility may apply. See Section 17 of this QAP.~~

~~Housing components delivered to the site must meet MHC's "Site-Delivered Housing Component Requirements" available on MHC's website www.mshomecorp.com or by calling 601.718.4642 or 800.544.6960.~~

Section 14: DEVELOPMENT REPORTING STANDARDS

14.3 Fifty percent (50%) Completion Certification

DELETE: ~~For rehabilitation developments, an additional fee of 1.25% of the first five years' allocation of credit will be assessed to a developer if certification that at least fifty percent (50%) of proposed rehabilitation of the total development has been completed is not received from a certified architect or engineer within fifteen (15) months of the tax credit reservation date. An MHC inspection of the development site should clearly evidence that at least fifty percent (50%) of proposed rehabilitation of the total development receiving tax credits has been completed.~~

Will combine the language for new construction and rehabilitation properties to make the language more concise.