

MISSOURI HOUSING DEVELOPMENT COMMISSION

2017 MISSOURI ALLOCATION PLAN FOR THE NATIONAL HOUSING TRUST FUND



**This plan was approved by the
Missouri Housing Development Commission
Board of Commissioners
On July 14, 2016**

**This plan was approved by the
Department of Housing and Urban Development
On March 2, 2017**

Purpose

The Missouri Housing Development Commission (“MHDC”) has been designated by the Governor of the state of Missouri as the state-designated entity (“SDE”) for the State. This designation gives MHDC the responsibility of administering the National Housing Trust Fund Program (“HTF”) established under Title I of the Housing and Economic Recovery Act of 2008, Section 1131 (Public Law 110-289)(“HERA”). Section 1131 of HERA amended the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4501 *et seq.*) to add a new section 1337, entitled "Affordable Housing Allocation" and a new section 1338, entitled "Housing Trust Fund." The responsibilities of an SDE in administering HTF are defined in the Interim Rule published in the Federal Register Vol. 80, No. 20, on or about January 30, 2015, and recorded at 24 CFR Parts 91 and 93 (the “Interim Rule”).

One of the duties of the SDE is to prepare an allocation plan (the “HTF Allocation Plan”). The purpose of this HTF Allocation Plan is to set forth the process that MHDC will use to administer the HTF throughout Missouri and pursuant to §91.220(5) of the Interim Rule, this HTF Allocation Plan will be included with the state of Missouri’s Consolidated Plan and Annual Action Plan.

MHDC’s goal is to further the purpose of the HTF which includes efforts to increase and preserve the supply of rental housing for extremely low- and very low-income households, defined as follows:

Extremely low-income families (“ELI families”) means low-income families whose annual incomes do not exceed 30 percent of the median family income of a geographic area, as determined by HUD with adjustments for smaller and larger families.

Very low-income families (“VLI families”) means low-income families whose annual incomes are in excess of 30 percent but not greater than 50 percent of the median family income of a geographic area, as determined by HUD with adjustments for smaller and larger families. VLI families also includes any family that resides in a nonmetropolitan area that does not exceed the poverty line applicable to the family size involved.

Developer’s Guide

The Developer’s Guide (Exhibit A) is a detailed resource regarding the principles and procedures governing all MHDC rental production programs, including but not limited to HTF. The Developer’s Guide is a supplement to this Plan.

Description of Distribution of Funds

A Notice of Funding Availability (the “NOFA”) will be published immediately following the MHDC commissioners’ formal approval of this HTF Plan and a proposed 2017 NOFA. The NOFA will describe due dates of applications and the types and amounts of funding available which may include, but is not limited to, low income housing tax credits, HOME program funds, MHDC Fund Balance and HTF funds. MHDC will accept applications for its main NOFA once per allocation year, but may issue subsequent NOFAs if deemed appropriate.

MHDC has adopted the principles, requirements, where applicable, and goals of MHDC’s Rental Production Programs for the Housing Trust Fund. To be considered for a HTF allocation, an application must be submitted in accordance with this Plan, the NOFA and the Developer’s Guide. MHDC shall set forth the protocol and timing for the submission of applications in the Developer’s Guide as it may be amended from time-to-time. Missouri does not intend to use sub-grantees in the 2017 program year.

Housing Needs Assessment and Strategic Plan and Goals

The total amount of HTF funding allocated to Missouri during 2017 is **\$3,000,000**.

Overwhelmingly, Missouri’s most common housing problem is cost burden. MHDC will utilize the HTF to address cost burden. MHDC has identified a statewide need for housing within special needs populations, specifically households with disabilities, households with mental illness, households experiencing homelessness and youth aging out of foster care.

MHDC’s goal is to approve commitment of 100 percent of the HTF funding available through one or more competitive funding rounds, but shall commit HTF funding only to qualified, eligible applicants who meet all of the requirements

and criteria for selection. In the event that less than 100 percent of the HTF funding is approved for commitment, the remaining portion of HTF funding will be carried forward and added to subsequent funding rounds.

All funding will be awarded to developments producing housing units for extremely low-income households.

Pursuant to §91.220(5)(C) and §91.215(b)(2) of the Interim Rule, MHDC has established goals of providing affordable housing units to households at or below 30 percent AMI as follows:

15 Rental Units Constructed

Participant Standards

All participants must be in good standing with MHDC. In addition to satisfactory previous performance, participants must be aware that:

All identities of interest between members of the development team must be documented to MHDC's satisfaction. This includes, but is not limited to, identities of interest between a property/land seller and purchaser and identities of interest between any two or more development team members such as developer, general partner(s), syndicator(s), investor(s), lender(s), architect(s), general contractor, sub-contractor(s), attorney(s), management agent, etc.

When available and feasible, best efforts must be employed to use local vendors, suppliers, contractors, and laborers.

MHDC has established an MBE/WBE Initiative (as detailed in the Developer's Guide) which encourages involvement of businesses certified as a Minority Business Enterprise (MBE) and/or Woman Business Enterprise (WBE) under a business certification program by a municipality, the state of Missouri, or other certifying agency, as deemed appropriate by MHDC in consultation with the State of Missouri Office of Equal Opportunity.

All participants must agree to abide by the MHDC Workforce Eligibility Policy, as the same may be amended from time-to-time.

Pursuant to the Fair Housing Act (42 U.S.C. 3601 *et seq.*), discrimination on the basis of race, color, national origin, sex, disability or familial status is strictly prohibited. In addition to prohibiting discrimination, the Fair Housing Act also imposes an obligation to affirmatively further the goals of the Fair Housing Act. MHDC is fully committed to affirmatively furthering fair housing by taking meaningful actions to promote fair housing choice, overcome patterns of segregation, and eliminate disparities in access to opportunity, and consequently, MHDC will consider the extent to which a certain development affirmatively furthers fair housing when deciding which developments should be recommended for funding.

In addition to the requirements set forth above, and also in addition to any other requirements set forth in federal, state, or local law, and notwithstanding the site and neighborhood standards cited below, the Commission requires occupancy of housing financed or assisted by MHDC be open to all persons, regardless of race, color, religion, national origin, ancestry, sex, age, disability, actual or perceived sexual orientation, gender identity, marital status, or familial status. Also, contractors and subcontractors engaged in the construction of such housing shall provide equal opportunity for employment without discrimination as to race, color, religion, national origin, ancestry, sex, age, disability, actual or perceived sexual orientation, gender identity, marital status, or familial status.

The applicant must provide evidence that local public officials, as detailed in the Developer's Guide, have been informed that the applicant is submitting an application to MHDC.

Pursuant to MHDC's adopted Standards of Conduct, criteria has been established upon which individuals and/or entities may be suspended or debarred from future participation in MHDC sponsored programs (4 CSR 170 8.010-8.160, as may be amended from time-to-time).

Rental Production Application Workshop

Each year MHDC hosts an application workshop. The workshop will be open to applicants who wish to submit an application for 9% and 4% Low Income Housing Tax Credits, HOME funds, MHDC Fund Balance or Housing Trust Fund. The workshop covers all exhibits related to the Rental Production application and allows time for in-depth questions and discussions about the application process. The workshop covers any changes to the application; changes to the Developer's Guide, changes to the HTF Allocation Plan; changes in funding sources, and any other special topics of interest to the development community.

Application Process - The Application

An “Application” is defined as: (1) the MHDC Application - FIN-100 (Exhibit B), (2) one tabbed, three-ring binder with all required exhibits and original signatures, where required, (3) digital media with electronic exhibits, and (4) the appropriate application fee. The MHDC FIN-125 (Application Workbook) (Exhibit C) will identify exhibits to be submitted in the three-ring binder and exhibits to be submitted digitally. Three-ring binder and digital media exhibit names must match the FIN-125 exhibit names. The Application Checklist and FIN-100 are attached as exhibits.

Applicants must request HTF as well as indicate whether they are seeking a 9% Tax Credit or a 4% Tax Credit (for Bond Developments). Although not required, it is highly recommended that Tax Credits be coupled with HTF requests due to the limited allocation of HTF funds (\$3,000,000 for 2017). MHDC does not require nor accept separate proposals unless the applicant wishes to have a proposal considered for both 9% Credits and 4% Credits.

Should an applicant wish to have their proposal considered for both 9% Credits and 4% Credits, they must provide complete and separate Applications for each credit type, structured appropriately (“Dual Proposal”). A Dual Proposal is essentially a submission of two Applications for the same site(s). MHDC will not accept more than one Application for any site(s) utilizing the same type of tax credit. For example, a 9% Credit family proposal and a 9% Credit senior proposal for the same site(s) will not be considered. A 9% Credit senior proposal and a 4% Credit family proposal (or vice versa) will be considered. If more than one Application is received for a site or a collection of sites utilizing the same type of credit, the first Application received will be accepted and any subsequent applications will be rejected. For senior proposals, the Applicant must present a development that at all times complies with the requirements set forth under 42 U.S.C. § 3607 for housing intended for either (i) households where all residents are persons who are sixty-two (62) years of age or older (“62+ Developments”) or (ii) households where at least one resident is a person who is fifty-five (55) years of age or older (“55+ Developments”). Applicants must select one test for a senior development. MHDC will not accept separate proposals for the same site to be utilized as a 55+ Development and a 62+ Development.

Application Submission Deadline

The Application deadline for 2017 Round 1 is September 6, 2016. The deadline is subject to change should the NOFA need to be revised or modified. Round 2, if available, will be announced at a later date by issuance of a new NOFA. Applications received after the applicable deadline will not be considered, no exceptions will be made. Complete applications must be received at MHDC’s Kansas City office located at 920 Main Street, Suite 1400, Kansas City, MO64105 by the deadline noted above. Early submittals are encouraged but do not receive preferential treatment.

Application Requirements and Eligible Activities

Pursuant to §91.220(5)(B) of the Interim Rule, MHDC requires that applications contain a certification that housing units assisted with HTF will comply with HTF requirements. Further a description of the eligible activities that will be conducted with HTF funds must be contained with the application.

HTF must be used for permanent housing.

HTF eligible activities include using funding for the production of affordable rental housing through land acquisition and new construction of non-luxury housing with suitable amenities, including:

- a. Real property acquisition
- b. Site improvements
- c. Demolition
- d. Financing costs
- e. Relocation expenses
- f. Operating costs

Operating cost assistance and operating cost assistance reserves may be provided only to rental housing newly constructed with HTF funds and MHDC will award no more than one-third of the state’s annual grant to be used as operating cost assistance or operating cost assistance reserves. Operating cost assistance and operating cost assistance reserves may be used for insurance, utilities, real property taxes, maintenance, and scheduled payments to a reserve for replacing major systems. The eligible amount of HTF funds per unit for operating cost assistance is determined

based on the deficit remaining after the monthly rent payment for the HTF-assisted unit is applied to the HTF-assisted unit's share of the monthly operating cost.

Pursuant to §93.203(a) of the Interim Rule, HTF cannot be used for operating cost assistance reserves if HTF funds are used for the construction of public housing units. The public housing units constructed using HTF must receive Public Housing Operating Fund assistance under section 9 of the 1937 Act.

MHDC will only make an award of HTF funds for the purpose of acquisition when such funds are used to purchase real estate involving a particular identifiable housing development on which construction can be reasonably expected to start within 12 months of commitment of HTF funding.

HTF Funds may be used as:

1. Equity investments
2. Interest bearing loans or advances
3. Non-interest bearing loans or advances
4. Interest subsidies
5. Deferred payment loans
6. Grants

In housing developments with multiple funding sources, only the actual HTF eligible development costs of the assisted units may be charged to the HTF program. If assisted and non-assisted units are not comparable, actual costs may be determined based on a method of cost allocation; notwithstanding, HTF units must be built to the same quality and standard as non-HTF units. If assisted and non-assisted units are comparable in terms of size, features, and number of bedrooms, the actual cost of the HTF-assisted units can be determined by prorating the total HTF eligible development costs of the project so that the proportion of the total development costs charged to the HTF program does not exceed the proportion of the HTF-assisted units in the project.

MHDC will use the same Cost Limits (Exhibit D) for the HTF that it uses for the Low Income Housing Tax Credit program; these published cost limits vary across the state based on hard and soft construction costs and the cost of labor. Since 2014, MHDC has conducted Cost Analysis Reports on all approved MHDC developments. Analysis from these reports indicate that developers and contractors are able to provide quality housing while staying under the cost limits. MHDC believes the published cost limits are such that developers are able to provide housing that will last the affordability period while still being an efficient and responsible use of resources. MHDC will use the Section 234-Condominium Housing basic mortgage limits, for elevator-type projects, as adjusted. MHDC will use the 270% High Cost Percentage (HCP) factor for both Kansas City and St. Louis, and then group all Missouri counties into eight different "Key Localities," which use either Kansas City or St. Louis as the base for cost comparison; a high cost percentage is calculated for each Key Locality by a multiplier (as determined by Marshall & Swift Multiplier) to adjust for costs in each locality relative to either Kansas City and St. Louis. MHDC uses these limits for the Tax Credit Program. Using this calculation method will allow the HTF to work seamlessly with other funding sources.

After project completion, the number of units designated as HTF assisted may be reduced only in accordance with § 93.203, except that in a project consisting of all HTF-assisted units, one unit may be converted to an onsite manager's unit if the grantee determines the conversion is reasonable and that, based on one fewer HTF assisted unit, the costs charged to the HTF program do not exceed the actual costs of the HTF-assisted units and do not exceed the subsidy limit established pursuant to § 93.300(a).

An HTF assisted project that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and HTF funding must be repaid.

Pursuant to § 91.220(5)(D) and § 93.301(b) of the Interim Rule, MHDC requires that all developments comply with development building standards.).

The Application Process – Initial Application Review

Applications submitted in response to a NOFA will undergo staff review stages described below. If an application is rejected during the Initial, Primary Documentation, or Secondary Documentation Review, a written explanation will be provided to the applicant.

The Initial Review will be conducted to determine if the applicant and its application meet the following requirements:

Organized Application

Each Application must be complete and submitted in a three-ring binder and organized with tabs according to the MHDC FIN-125. Applications that are not organized or are incomplete may be eliminated from further consideration. MHDC staff has the right, in its sole discretion, to waive an exhibit requirement on a case-by-case basis upon the review of a formal waiver request submitted by an applicant prior to the applicable NOFA deadline.

Application Forms, Exhibits, and Digital Media Requirements

Each applicant is required to submit exhibits applicable to the type of development it is proposing. A completed and executed FIN-100 (Rental Housing Programs Application) with appropriate certifications and elections made, digital media, application fee, development narrative and questionnaire, site review information, applicant site control, market study, and financing commitments constitute the Primary Documentation.

Acceptable forms of digital media include, but are not limited to, a CD-R, DVD, or a USB flash drive. All remaining exhibits listed on the FIN-125 constitute the Secondary Documentation. MHDC staff may contact applicants for clarification or to submit questions regarding any submitted application.

If an exhibit is required but the applicant feels it should be exempt from the application, a waiver may be requested. Requests must be submitted on the MHDC waiver form and submitted and approved prior to the Application deadline. Waivers will only be granted in rare circumstances with a rational explanation and proper justification.

Good Standing with MHDC

Any member of the development team that is the owner or general partner of a development currently in noncompliance due to site audits or a failure to comply with the MHDC owner's reporting requirements will be denied participation in the NOFA. In addition, any development team member not in compliance or good standing with any other MHDC program will be similarly denied participation. If MHDC learns that any principal involved with a proposed development has serious and/or repeated non-performance or non-compliance issues in Missouri or any other state before or during the time of application, the application will be rejected. Prior performance considered may include, but is not limited to, progress made with a previous Conditional Reservation Agreement, Firm Commitment, closing, cost certification, development compliance, payment of fees, and/or violation of the MHDC Workforce Eligibility Policy. Please contact MHDC staff prior to submittal if you are unsure whether you or your development team members are in good standing.

Consistent with Code Requirements

The proposal must meet all the requirements set forth in the Code and all relevant U.S. Treasury regulations, notices, and rulings.

Consistent with Fair Housing Requirements

The submitted proposal must meet all the requirements of The Fair Housing Act of 1968 as amended.

Consistent with Internal Revenue Service Memorandum of Understanding (if also requesting tax credits)

MHDC and the IRS have executed a Memorandum of Understanding ("IRS MOU") to improve the administration of the Federal LIHTC. Under the terms of this IRS MOU, all developers must complete IRS Form 8821 (Rev. 8-2008), Tax Information Authorization, as a condition of consideration for an allocation of 9% Credit or 4% Credit. An executed IRS Form 8821 for the developer and all key principals of the developer and general partnership must be included as part of the application.

Consistent with Tax Credit Accountability Act (if also requesting tax credits)

Under the provisions of the Tax Credit Accountability Act (R.S.Mo. 135.800-135.830), all developers/applicants must complete all necessary forms and reporting requirements during the reservation process, the allocation process and for a period of three years following the issuance of State LIHTC by MHDC to comply with the provisions of the State Tax Relief Act. All developers must complete MDOR Form 8821 (Rev. 11-2007), Missouri Department of Revenue Authorization For Release of Confidential Information, as a consideration for the allocation of the State LIHTC. MHDC will obtain tax clearance for the developer/applicant from the Missouri Department of Revenue at the time of application. Should the developer, general partner, or any key principal be found to have outstanding tax liens or delinquent taxes, for federal or state taxes, the related application will be rejected. The Initial Review will be performed in conjunction with the Primary and Secondary Documentation reviews (described below). If at a later date it is discovered that an application does not meet one of the Initial Review requirements, it will be rejected or, if funds have been reserved, that reservation may be terminated.

The Application Process – Primary Documentation Review Requirements

All primary documents must be complete, fully executed, and submitted by the applicable application deadline. A list of documents can be found on the MHDC FIN-125. A missing primary document, documents in draft form, or documents missing signatures will result in Application rejection. MHDC may be forced to allow corrections to primary documentation but this will be allowed only in rare circumstances. Applicants should expect that if they turn in an Application missing primary documentation, it will be rejected.

Rental Housing Programs Application

FIN-100 Rental Housing Programs Application

The FIN-100 must be filled out completely, accurately and must be executed in the appropriate places. The FIN-100 in the original binder must have original signatures. Please utilize the FIN-100 provided for the 2017 NOFA round. Submitting the application on a previous FIN-100 form will not be acceptable, as changes are made from year-to-year to reflect new MHDC requirements.

FIN-100 Addendum

The FIN-100-Addendum (Exhibit E) must be filled out completely and accurately with the certification executed by all reporting parties. The FIN-100-Addendum in the original binder must have original signatures. If you have any questions when completing the FIN-100-Addendum, please contact MHDC staff.

Application Fee

The check for the applicable application fee must be included in the binder and the development name must be written on the check submitted.

Nonprofit Priority Application Fee-

Proposals that qualify for the Nonprofit Priority and request consideration under that priority owe a \$750 application fee. This does not include Bond Developments, which must pay the standard application fee.

Standard Application Fee-

All applications that do not qualify for the Nonprofit Priority owe a \$2,000 application fee.

Narrative Description

The applicant should supply a narrative description that presents any information about their proposed development they feel is necessary for the reviewer to understand that may not be adequately described in the rest of the Application. The narrative is an opportunity to share with MHDC why they feel their

development is important and why it should be funded. MHDC looks for and encourages any information that can help illuminate and distinguish an application.

The narrative should include a brief description of the following items:

1. **Development Characteristics:** describe the type of development, population served, amenities, and services of the development.
2. **Market Characteristics:** describe the rent structure and how those rents compare with other affordable and market rate properties in the area. Also should discuss how the Application will address the relevant housing needs.
3. **Development Team Characteristics:** explain the key development team members and highlight experience with similar development types.
4. **Financial Feasibility:** provide a description of anything unusual regarding feasibility that may not be obvious from looking at the rest of the submitted information.
5. **Community Impact:** explanations of the level of local support, catalytic effect and how the Application will address the needs of the community.
6. **Other Salient Information:** provide any information or description of the development that explains any unique or important characteristics that would help MHDC better understand what the applicant is trying to accomplish.

Development Questionnaire

The questionnaire (Exhibit F) must be completed. The questionnaire is a complement to the narrative description and the narrative description need not cover items discussed in the questionnaire.

Exhibit A to Form 2013

Applicants should provide more information on costs or circumstances related to the project that is important to evaluation of the project, which is not otherwise captured in the Application. This should be labeled "Exhibit A to Form 2013."

Site Review Information

MHDC's site reviewers use the information in the site review exhibit to properly evaluate the proposed site and proposal. The following site review information must be included in the Application:

Development Location Maps-

Two maps must be submitted: (i) a community-wide map clearly identifying the site with respect to the town as a whole or, for large metropolitan areas, its proximity to the intersection of two major thoroughfares; and (ii) a more detailed map showing the property within the context of a five- to ten-block area with site boundaries clearly demarcated. Detailed directions are welcome, especially with respect to vacant ground.

Site Photographs-

Color photos of the site, including landmarks and surrounding properties

Site Plan or Subdivision Map-

If a proposal is for single-family homes in a subdivision, a subdivision map must be provided noting the lots for the proposed development. All other proposals are required to provide a site plan that identifies the footprint of the building(s) and site amenities. Distances from the property perimeter to the building locations should be noted or other references that will assist site inspectors in identifying the proposed footprint on vacant ground.

FEMA Flood Map-

A copy of the FEMA flood map panel that covers the application site must be provided. Subject property boundaries must be clearly marked and the panel number included if it is not printed on the maps. FEMA maps can be found at: <https://msc.fema.gov/portal>.

Market Study Documentation

The Market Study is a valuable tool to help MHDC determine the demand for a proposed project in a given area as well to be able to assess the proposed rents in comparison to market rents. The following must be included in the application package:

Existing Reports- The market study must be dated within six months of application and address the property in question. If the market study is dated within eighteen (18) months of the application due date, an update letter must be provided. No market study older than eighteen (18) months will be accepted.

Form 1300 (Exhibit G) - This must be completed by the market analyst and included as both an exhibit on its own and as part of the narrative market study. When submitted as part of the application, this Form must be a separate document.

Market Study Narrative- A favorable statement of conclusions about the strength of the market for the proposed development does not vest in an applicant or development any right to a reservation or an allocation of MHDC financing (including, but not limited to, LIHTC) in any amount.

The market study must:

1. Be prepared by an experienced market analyst shown on MHDC's approved provider list (not an affiliated company), who is an independent third party and completely unaffiliated with the developer and/or owner of the proposed development.
2. Contain a statement by the analyst that:
 - a. The report is in full compliance with MHDC's Market Study Guidelines. The MHDC Market Study Guidelines can be found at http://www.mhdc.com/rental_production/market_study/index.htm.
 - b. The information included is accurate and the report can be relied on by MHDC as a true assessment of the affordable housing rental market in the area of the proposed development.
 - c. The document is assignable to lenders and/or syndicators that are parties to the development's financial structure.
 - d. Acknowledges and agrees the market study will be shared with other parties that will assist MHDC in the analysis of the market study.
 - e. Lists the support, if any, that may justify the need for the proposed units by type, size, number, and location.
 - f. The analyst has compared the proposed rents to those found in the subject's PMA, and
 - g. The analyst's opinion of the market's need, if any, for the proposed development.

Preliminary Financing Commitments

All non-MHDC sources of debt and equity must be evidenced by a commitment or acceptable documentation in lieu of a commitment. All preliminary commitment letters must include the information required by the

MHDC Guidelines for Preliminary Financing Commitments which can be found at www.mhdc.com. At a minimum, there should be commitments for the following types of funds, where applicable:

1. Federal LIHTC Equity. If one syndicator/investor is purchasing all housing and historic tax credits, one commitment meeting the requirements for each type of credit is acceptable. If the syndicator/investor is also providing a bridge loan, that commitment can be included in the equity commitment if it contains all of the terms of the bridge loan.
2. State LIHTC Equity
3. Other Non-MHDC Financing. All debt and grant financing must have a commitment letter included with the application, including any construction loans. All commitment letters must include the contact information for the person writing the commitment. MHDC may contact the author of a commitment to discuss the development and their commitment.

MHDC requires a preliminary commitment letter at the time of Application for all non-MHDC sources of financing. Updated commitment letters are required at the time of Firm Submission for approved Applications.

Debt/Grant Commitments

1. Any debt or grant funds that will be part of the development's financing must have a commitment letter or a letter stating an application has been received for the source in question. Commitment letters must indicate the following:

- a. Loan or grant amount. If using tax-exempt bonds, specify if bonds are draw down bonds
- b. Loan term and amortization. The minimum acceptable term for permanent loans is eighteen (18) years
- c. Interest rate. Permanent loans must have a fixed interest rate throughout the loan term.
- d. Fees associated with the loan or grant
- e. Reserve requirements
- f. Lien position of the loan
- g. Relevant requirements that may affect other financing sources or the operations of the property
- h. Contact information for the person providing the commitment and to whom MHDC's questions can be directed Commitment letters are required for both construction and permanent sources.

If a loan is going to be assumed or an existing loan is to be restructured the following must be included: a copy of the note, current note balance, and a letter from the lender stating the loan can be assumed and details of the terms and conditions of any assumed or restructured note. This is of particular applicability to HUD- and RD-financed developments being preserved.

If a loan/grant has been applied for or will be applied for from a competitive source (e.g., city funds, Federal Home Loan Bank), a letter is required that either acknowledges the funds have been applied for or verifies a funding round is coming up and the applicant is eligible to apply. The letter should indicate the amount of funds requested and the timing for funding decisions. Applicants should be prepared to explain alternative plans if not successful in any non-MHDC competitive funding rounds.

An updated commitment letter must be provided with the Firm Submission and should update the information from any commitment(s) provided at Application.

Equity Commitments

If all the various types of tax credit equity are to be provided by the same syndicator, one commitment letter meeting all the requirements below will be sufficient. Any development with

tax credit equity listed as a source must include a preliminary commitment letter or letter of interest stating:

1. The ownership percentage and amount of annual credits to be purchased by the equity provider
2. The price per dollar of annual credit purchased. Investors taking more than a de minimis share (i.e. 1% or greater) of ownership interest must provide a capital contribution (at the same price as the primary investor) in exchange for their share of Federal LIHTC
3. The total amount of capital contributions
4. The amount of equity paid during the construction period
5. Any fees, such as an asset management fee, that must be paid during the Compliance Period
6. Any reserve requirements
7. For developments committing to special needs housing units, evidence the investor(s) is aware of the special needs housing commitment being proposed
8. Contact information for the person providing the commitment and to whom MHDC's questions can be directed

At Firm Submission (defined hereinafter), commitments for tax credit equity must update all the information provided with the Application and also include the following:

1. Capital contribution timing and amounts, including the dates or milestones when equity will be contributed to the partnership. MHDC requires a minimum contribution of 10% of Federal LIHTC and State LIHTC equity invested at construction closing with at least another 10% of Federal LIHTC and State LIHTC equity invested by 50% construction completion.
2. Description of development costs attributed to the limited partner, including syndication costs. If a bridge loan is to be provided by the equity investor, the terms and conditions of that loan can be included with the equity commitment and do not need to be presented in a separate commitment letter.

Timing Requirements

All equity commitments must be signed by the provider of the commitment and dated within forty-five (45) days of the Application deadline or Firm Submission date, as applicable.

Site Control

Seller Site Control

The applicant must demonstrate seller site control in the form of:

1. A vesting deed (e.g. a warranty deed); or
2. Title policy that clearly indicates the current owner.

For transactions in which there is an identity of interest between the seller and the buyer or between the seller and a member of the development team, the applicant must include a copy of the seller's contract or settlement statement from the last arm's length transaction if the transaction took place within the last fifty (50) years. If an identity of interest relationship exists between the buyer and seller of real estate a limitation of developer fee will result. Please see the Developer Fee + Consultant Fee section for more information.

Applicant Site Control

Evidence of applicant site control must clearly link the current owner to the eventual ownership entity and be in the form of:

1. Executed purchase option agreement. MHDC will not accept a purchase contract;
2. Executed long-term land lease or option on a long-term lease;

3. Other commitments/agreements approved by staff prior to the Application deadline.

Applicants that already own the ground as evidenced by a vesting deed need only provide a copy of that recorded deed for the applicant site control. Applicants will also need to provide the identity of interest transaction information in the seller site control section described above. Due to certain restrictions (“Choice Limiting Actions”) imposed by HUD on all developments requesting HOME Funds or other HUD financing, all applications requesting HOME Funds must have 100% site control of all application sites and the form of site control document must be a purchase option, not a real estate contract. All developments not requesting HOME Funds or other HUD financing must demonstrate proper site control for at least 50% of the sites listed in the Application. For developments that do not evidence 100% site control, a description of how site control will be obtained is mandatory. Failure to provide such description will result in Application rejection. The use of eminent domain to obtain site control of any sites not under control at the time of Application may be deemed acceptable by MHDC if at least 50% of the total parcels making up the development site are under control at the time of Application. Applicants who do not clearly have acceptable site control should contact MHDC prior to the Application deadline. MHDC approval of site control prior to the Application is advisable.

FIN 305: Seller Certification

The FIN-305 (Exhibit H) is required for every application with existing tenants and/or requesting a loan from MHDC. If no loan is requested but MHDC ultimately awards a loan, the FIN-305 must be completed and submitted prior to the execution of any Conditional Reservation.

Legal Description

A legal description of the proposed development site must be included as a separate exhibit. The legal description must match what is included in the site control section. If the site(s) being purchased is larger than the development site(s), a narrative description of how much of the site is for the development and a breakdown of the costs attributable to the development’s site is required. For multiple-parcel single-family proposals, clearly label the legal descriptions, contracts/options, and any other documentation related to the various sites so staff can match the documentation to the proposed parcels.

The Application Process – Secondary Documentation Review

Secondary documentation must be submitted by the application deadline to receive further consideration. If six or more secondary review documents are missing or incomplete at the time the application is submitted, the application may be rejected. If five or fewer secondary documents are missing or incomplete at the time the application is submitted, the applicant will be notified in writing of deficient items and a date by which deficiencies must be cured (“Cure Date”). If the requested documents are not received by the Cure Date, the application will be rejected. The FIN-125 contains an exact list of the required documentation and the exhibit discussion below further explains the requirements. It is expected, but not guaranteed, that notification regarding secondary documentation deficiencies and the Cure Date will be emailed within ten (10) business days of the application due date established in the applicable NOFA. If the Initial, Primary Documentation, and Secondary Documentation reviews are successfully passed, an application is deemed complete and will be considered for further review.

Public Official Contact Verification or Support Letters

The Commission places great importance on the demonstration of need for the proposed development and a key indicator of its potential and perception may be found in the opinions expressed by the public officials. Public officials should be contacted via certified mail or some other manner that can be proven to have been received by the official. Public official contact letters must include the population being served, the number of units proposed, and any other relevant information demonstrating the official has received a sufficient description of the proposed development. The following public officials must be contacted prior to Application submission:

1. Chief Elected Official. Provide evidence the local legislative body (for example, city council members) and chief elected official of the local jurisdiction (for example, mayor) have been

informed the applicant is submitting an application to MHDC.

2. State Senator
3. State Representative
4. City Councilperson or Alderman
5. Public Housing Authority Executive Director or local Community Action Agency (if applicable)
6. School Superintendent (new construction family developments only)
7. Head of Local Law Enforcement
8. City Council or County Board Resolution of Support, if possible

Scattered site developments must contact public officials for each locality/jurisdiction in which the sites are located. The applicant must submit either (a) a copy of the letter sent to the official and evidence the letter was received, or (b) a copy of a letter of support from the official. MHDC recommends using certified mail and obtaining the returned receipt card to prove the letter was received, but other proof is acceptable if discussed in advance with MHDC staff. MHDC strongly encourages letters of support from public officials required to be contacted. Letters should clearly reference the development being supported. Resolutions of support from municipal or county boards are not required but strongly encouraged. All letters and resolutions should be included.

In municipalities and counties from which MHDC has received multiple applications, staff reserves the right to contact mayors and county executives to request a prioritization of the applications. While support letters are not required from other officials, community groups, neighborhood partners, current residents, or citizens at the time of application, all correspondence is welcome. Letters may be included in the application or sent directly to MHDC (c/o Rental Production).

Statutorily Required Documentation

Various federal and state regulations require applicants provide certain information at the time of application. The following required documents must be filled out properly and executed.

IRS Form 8821

In accordance with the IRS MOU, IRS Form 8821, Tax Information Authorization, must be submitted for the developer, all key principals of the developer and ownership entity, and all general partners that are not affiliates of the developer.

Missouri Form 8821

In accordance with the Tax Credit Accountability Act, MDOR Form 8821, Authorization for Release of Confidential Information, must be submitted for the developer, all key principals of the developer and ownership entity, and all general partners that are not affiliates of the developer.

FIN-109 Legal Employment Practices Certification

In accordance with § 285.025, RSMo, MHDC requires all applicants to certify (Exhibit I) they do not employ illegal aliens/undocumented workers in compliance with federal, state, and local hiring laws.

Evidence of Consistency with Consolidated Plan

Developments requesting financing from MHDC and located in a jurisdiction with a consolidated plan filed with HUD are required to provide certification the proposed development is in compliance with such plan. If a jurisdiction does not have a consolidated plan, a certification the proposed development is consistent with the comprehensive plan must be submitted.

Housing Priority Documentation

Applications requesting consideration under one or more of the established Housing Priorities must include the applicable required documentation with the Application (please see the list of the required documentation in the Housing Priorities section – see exhibit B). If the required documentation is missing or does not fulfill the applicable requirement(s), the Application will not be considered for the desired priority, but it will still be considered for funding.

Zoning Letter

The zoning letter submitted must be an original, on the letterhead of the local governmental unit responsible for zoning, and must clearly indicate:

1. The zoning designation with a brief description of such designation;
2. Density requirements/limits; and
3. Description of any conditional use restrictions or overlay regulations that further restrict the property.

If the site is not properly zoned, include a letter from the appropriate governmental body describing what needs to be done to be in compliance and the time frame for achieving such compliance. If there is no zoning in a jurisdiction, a letter from the locality stating no zoning exists is acceptable in lieu of a zoning letter.

Architectural Items

Elevations, floor, and unit plans included as exhibits in the Application cannot be larger than 11" x 17" and must be drawn to scale when possible. The following architectural items must be included with each Application:

Elevations

Floor Plans

Floor plans for each floor must be provided. If one or more floors have identical plans, it is acceptable to show one plan with the number of each floor with that plan highlighted.

Unit Plans

A plan must be provided for each unit type being proposed. Unit plans must have the square footage for the unit listed.

Development Characteristics Worksheet

The Development Characteristics Worksheet (Exhibit J) must be filled out and fully executed. The development characteristics described or chosen must be adhered to by the owner. Failure to do so may result in the termination of any Conditional Reservation or Firm Commitment.

Sustainable Housing Information

All new construction proposals must meet the current standards for the certification level of choice for of one of the following green building rating systems: Enterprise Green Communities, any of the LEED rating systems, or the National Green Building Standard. Any certification level of these systems is acceptable, but the development team must indicate in the Development Characteristics Worksheet the rating system and certification level to which they are committing. All new construction Applications must provide documentation demonstrating how the development team and property will achieve and maintain the selected green building standard. New construction applications must also include:

1. The criteria and features being incorporated from the chosen green building rating system accompanied by the applicable checklist:
 - a. Enterprise Green Communities – Green Communities Criteria Checklist;
 - b. LEED – LEED Checklist;
 - c. National Green Building Standard – Designer’s Report from the Green Building Scoring Tool;
2. Resumes for development team members with sustainable development experience, proof at least one team member is a LEED AP®, LEED Green Associate™ or a Certified Green Professional™, and a description of the development(s) they have worked on and their role in the process. If the development is not being formally certified, the development team member must

document the pledged green building standards with pictures, a signed and scored scoring tool, and brief narrative during the construction process; and

New construction developments must demonstrate at Application, Firm Submission, and construction completion that the development has been designed and built to meet certification under the chosen system. Formal certification by a certified third-party is welcome but not required. Failure to provide the sustainable housing promised at the time of Application may result in the recapture of funding and will reflect poorly on future applications

Relocation and Existing Multifamily Operations Data

For developments requesting HTF and requiring temporary or permanent relocation of existing residential or commercial tenants, the owner must comply with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (“URA”). For developments requesting all other types of MHDC financing and requiring temporary and permanent relocation of existing residential or commercial tenants, the owner must comply with the requirements of § 523.205, RSMo. Each of the exhibits below is required, regardless of the type of financing.

Current Tenant List

Tenant list must include the names of the leaseholder, the number of persons in each household, the start date of each lease, the amount of rent charged, the amount of rent paid, income of each household, and race/ethnicity information. Subsidies being provided to residents should be noted. For properties that are currently market-rate, if household income cannot be provided, indicate to the best of your knowledge which households may be permanently displaced by the proposed financing restrictions.

Relocation Plan

When reviewing the relocation plan, MHDC will look for the following: (i) a brief description of the type of relocation anticipated and how it will be handled, (ii) a list of all buildings (with addresses) currently occupied by renters or owner-occupants of residential or commercial buildings being renovated or demolished as a part of the proposed development, (iii) a breakdown of the relocation expenses expected to be incurred (which reflect the number used in the development budget), (iv) a description of services provided during the relocation period, (v) how records will be maintained, and (vi) a relocation timeline. If an identity of interest exists between a member of the development team and the firm hired to perform the relocation planning and execution, the profit for relocating tenants will be limited to a maximum of 20% of the relocation costs.

MHDC reserves the right to require a cost certification of relocation costs for any development that has a relocation expense. MHDC is likely to exercise this right when an identity of interest exists, as described above.

General Information Notice (GIN)

A copy of the General Information Notice (GIN) required by the Uniform Relocation Act (URA) for application purposes must be provided. At minimum, this must include a copy of the proposed GIN to be distributed to tenants if MHDC funding is approved.

Acceptance of MHDC Relocation Policy

A signed statement acknowledging must be provided by the applicant indicating that the MHDC Relocation Policy (available at www.mhdc.com) has been read and accepted.

Annual Financial Statements

MHDC will require the property’s annual financial statements for the last three years. If the applicant is related to the current ownership entity, any unaudited financial statements must be accompanied by a certification from an authorized representative of the owner the information is true and accurate to the best of their knowledge.

PHA Approved Utility Allowances

Provide the most current utility allowance schedule from the local public housing authority. The utility allowance used in the application should match the PHA-approved allowance for the property type. If using less than or more than the PHA amount, an explanation of the difference must be provided. On the utility allowance schedule circle or highlight the appropriate utility amounts. The utility allowance schedule must be dated within twelve (12) months of the applicable NOFA deadline. If the provided schedule is more than twelve (12) months old, a letter from the issuing authority stating the included allowance is the most recent must be included.

Developer and General Partner Information

The following exhibits, if applicable, must be included for the developer. If the developer and general partner are unaffiliated entities, information for each entity must be provided. If a developer is a newly-formed entity made up of principals from other companies/individuals with housing experience, the information must be provided for each entity/individual.

FIN-105 Experience Summary for Developer(s) (Exhibit D)

If the developer/applicant wishes to utilize a form different than the FIN-105, the report provided must, at a minimum, include all the information requested on the FIN-105.

FIN-107 Developer Qualifications (Exhibit E)

The purpose of this form is to illustrate the financial and operational capacity of the developer.

Developer Financial Statements

Financial statements for the developer entity and its principals must be sent or delivered under separate cover to the attention of the Director of Rental Production prior to the applicable NOFA deadline. Submitted audited financial statements must have been issued in the last twelve (12) months. If the document provided is not an audited financial statement, it must be dated within the past ninety (90) days and must be accompanied by a certification executed by an authorized representative of the entity or the principal stating the statement is true and correct, to the best of their knowledge.

FIN-105 Experience for General Partner(s)

If there is a general partner that is not an affiliate of the developer, a FIN-105 for that entity is required.

Management Company Information

Experience Summary (FIN-105)

If the management company chooses to utilize a form different than the FIN-105, the report provided must, at a minimum, include all the information requested on the FIN-105.

MHDC staff will maintain a list of all MHDC Certified Property Management Agents, together with date of certification on the MHDC website at www.mhdc.com. Interested parties are encouraged to review the list to ensure that the chosen management agent is included, as the list may change periodically.

The Application Process –Feasibility and Viability Underwriting Standards

In order to conduct the Feasibility and Viability Determination and in accordance with Missouri state law, and other applicable federal laws, MHDC has created the underwriting standards listed below. The standards are based on National Council of State Housing Agencies best practices and MHDC’s own experience with the various affordable housing programs and developments. Due to the changing economic and market dynamics of the affordable housing industry, MHDC reserves the right to deviate from these standards when appropriate and reasonable. MHDC recognizes the unique nature of each Application and will consider a development’s individual situation but will not apply the standards in a capricious manner. The Underwriting Department’s evaluation, along with “Merits of the

Application,” carry the most weight when ranking HTF proposals. A more detailed explanation of how these factors are weighted in the review process can be found in the “Priority Factors” and “Priority Evaluation” sections.

Sources

When reviewing the sources contemplated by any application, MHDC will apply the following standards:

Debt

All sources of debt, with the exception of MHDC debt, must have a commitment letter. Please see the application exhibit section above for more information on what is required in the commitment letters.

1. Debt Service Coverage. All hard MHDC debt must show initial debt service coverage (“DSC”) between 1.20 and 2.00. If the DSC falls below 1.15 during the Compliance Period, the applicant must explain how deficits will be dealt with. For developments utilizing non-MHDC debt, MHDC will use the DSC ratio indicated by the lender in its preliminary financial commitment. If the DSC falls below the lender’s standard during the Compliance Period, the applicant or its lender must explain how deficits will be dealt with. MHDC reserves the right to underwrite to the standard for MHDC debt regardless of the source. If no explanation is provided for DSC ratios below the standards listed above, MHDC may underwrite a debt-service reserve into the development. If a development does not have a loan or only has cash-flow contingent loans, the development must demonstrate that the ratio between income and expenses is greater than 1.00 for the entire Compliance Period. MHDC staff will not recommend a development for funding if the DSC is below 1.00 at any point during the Compliance Period.

2. Interest Rate. For MHDC debt, the appropriate rate for the applicable funding source will be used. Please consult the latest MHDC term sheets for the appropriate rates on MHDC debt. For non-MHDC debt, the interest rate described in the lender’s preliminary commitment will be used. MHDC will not accept permanent loan interest rates that float or are reset at any point during the first eighteen (18) years of operations. MHDC debt terms may be changed during underwriting to better suit the needs of the development and MHDC.

Construction Loans

If the loan is an MHDC HTF loan or HOME Funds loan in second position during construction, the term will be equal to that of the first position construction loan. If the MHDC HTF loan or HOME Funds loan is the only construction loan, the term will be determined at Firm Commitment but will generally not exceed eighteen (18) months.

Applications must clearly state whether or not they are requesting a participation loan. Developments requesting MHDC Fund Balance participation loans must provide a preliminary commitment letter from such preferred lender which states (i) the lender is willing to take a co-first lien position with MHDC, and (ii) the lender is willing to accept the MHDC Participation Agreement. Otherwise, MHDC reserves the right to determine appropriate loan financing for the proposal. If the loan is an MHDC participation construction loan, the construction loan term will be eighteen (18) months. An application may request a participation construction loan term of twenty-four (24) months; provided, however, a twenty-four (24)-month term will increase the construction period interest rate. Such a request must be made in writing and is most appropriately made in the development’s narrative.

MHDC will require recourse on the entire construction loan during the construction period. Exceptions to this recourse may be granted for Nonprofit and CHDO applicants. If using tax-exempt bonds, the applicant must specify if they are draw down bonds.

Permanent Loans

MHDC hard permanent loans will feature a twenty (20)-year term, with the exception of loans for single-family homeownership developments, which will feature an eighteen (18)-year term. Soft loans from MHDC will generally have the same term as the hard first mortgage; if there is no hard first mortgage, it will have a thirty (30)-year term.

Non-MHDC debt will be underwritten with the term described in the preliminary commitment letter. MHDC will not accept any permanent loan term less than eighteen (18) years.

Amortization

Hard permanent loans from MHDC will amortize over thirty (30) years for all developments except single-family homeownership developments, which will amortize over twenty-five (25) years. Soft loans will not amortize, but will require an annual payment equal to 50% of available cash-flow unless MHDC staff determines there is not sufficient cash-flow available. The definition of “cash flow” and the priority of payment will be set forth in the Firm Commitment. Non-MHDC loans will be underwritten with the amortization described in the lender’s preliminary commitment letter.

Deferred Developer Fee

In cases where MHDC is providing a loan dependent on cash flow for repayment, deferred developer fee should be structured as a note and its position in the distribution of cash flow clearly indicated in the owner’s partnership agreement or operating agreement, as applicable. MHDC reserves the right to create, eliminate, or adjust the deferred developer fee to efficiently utilize resources and appropriately underwrite each deal. Deferred developer fee in excess of 50% of the total developer fee should be avoided and will be allowed only in rare circumstances. It must be demonstrated that the deferred developer fee can be paid back from cash flow. Preferably, this repayment will take place within the first ten (10) years.

Tax Credit Equity

Certain basis-eligible line items of the development budget may not be underwritten as 100% eligible. These line items include construction loan interest and bond-related costs. If 100% of these line items are included in eligible basis, a reason why or a calculation of how you arrived at 100% of the cost being eligible must be provided.

To calculate the maximum amount of credits for which the proposed development is eligible use the applicable percentage as detailed below:

- **9% Credit – New**– 9% fixed applicable percentage
- **4% Credit – New**- use IRS-issued 30% present value low-income housing credit applicable percentage in effect at the time of application.

MHDC staff has the right to adjust the applicable percentage to a rate in effect for subsequent months during the underwriting process. Please note that MHDC will allocate the credit amount based on the need of the project and not on eligible basis.

Developments located in a Qualified Census Tract or in a Difficult Development Area, as defined below, may be eligible to increase eligible basis by 30%.

- Qualified Census Tract. Developments located in areas designated by HUD as Qualified Census Tracts.
- Difficult Development Areas. Developments located in areas designated by HUD to be difficult to develop.
- State Designated Difficult Development Areas. Pursuant to §42(d)(5)(B)(v) of the Code, MHDC may establish criteria to designate additional properties approved for 9% Credits to be treated as located in a difficult development area For purposes of this Plan, to qualify for such an increase, properties must meet at least one (1) of the following criteria:
 - Be determined to meet the qualifications of the Special Needs Priority and demonstrate the property owner will incur direct costs in addition to costs covered by third parties in the provision of services to enhance the residential stability and independence of special needs residents;

- Be determined to meet the qualifications of the Service Enriched Priority;
- Be a family development located in a county whose median income is below the 2015 statewide median income, as established and published by HUD, and propose to set aside at least 20% of the total units to be occupied by households earning between 60% and 80% of the area median income (workforce units), calculated using the appropriate income limits; or
- Be part of a larger mixed-use economic development area. For a development to qualify as part of a mixed-use economic development area, it must:
 - Be part of a mixed-use economic development area that includes different housing types for different household income levels, new retail/office/light industrial space that creates new permanent jobs, and new public space or activity centers designed for users of the area; or
 - Be part of a Transit Oriented Development (“TOD”) plan. The TOD plan must be centered around and integrated with a transit stop and the proposal must be located within 1,750 feet of a transit stop. The TOD plan must be mixed-use, mixed-income, pedestrian friendly, and of appropriate density for a TOD.

MHDC will decide, in its sole discretion, what evidence and what types of development will qualify for an increase in eligible basis for mixed use economic development areas. An important factor is that the MHDC development is not the only development taking place and the MHDC development will enhance the overall plan, rather than be the overall plan. It is expected the plan, of which the MHDC development is a part of, contemplates the development of multiple buildings over an area of reasonable size. This will not apply to a singular structure, regardless of location.

Tax Credit Pricing

MHDC staff may use the price outlined in the preliminary financial commitment to underwrite the development, provided the price reasonably reflects current market conditions. However, MHDC staff reserves the right to underwrite developments at credit prices different than outlined in the preliminary financing commitment(s).

All developments must meet the MHDC-required minimum contribution of 10% of Federal LIHTC and State LIHTC equity invested at construction closing with at least another 10% of Federal LIHTC and State LIHTC equity invested at or before 50% construction completion. These thresholds must be met by both the Federal LIHTC and State LIHTC equity investors independently unless the Federal LIHTC investor and State LIHTC investor are the same entity. Only if the Federal LIHTC investor and State LIHTC investor are the same will the equity be considered in the aggregate. In no event may AHAP contributions count towards these required equity thresholds. If HUD is providing loan insurance, equity contributions must meet or exceed current HUD guidelines. Investors taking more than a de minimis share (i.e. 1% or greater) of ownership interest must provide a capital contribution (at the same price as the primary investor) in exchange for their share of Federal LIHTC.

Given the changing landscape of the Federal LIHTC equity market, MHDC will determine a reasonable net price floor for the Federal LIHTC at the time of application review and underwrite to that effect. MHDC reserves the right to adjust and update how equity pricing is underwritten.

MHDC staff may contact any person or entity providing a preliminary financing commitment for tax credit equity to discuss the development and/or its level of activity and/or interest in investing in Missouri.

Uses

All uses will be examined for their competitiveness and reasonableness and may be questioned during the Application review. Applicants should be able to explain how they arrived at any particular line item, but it will be in the sole discretion of MHDC whether to accept an explanation or the cost for any line item. Any costs incurred for submission of applications in years prior to the development being awarded MHDC funds shall be repayable to the developer only as part of the developer fee.

Maximum Income / Maximum Rents

MHDC no longer publishes the Maximum Income/Maximum Rent Schedule for Missouri counties. Income limits and maximum rent levels can be determined by accessing Novogradac & Company LLP's Rent & Income Limit Calculator©. The Rent & Income Limit Calculator© will calculate IRC §42(i)(3)(A) LIHTC rent and income limits for every Missouri county and MSA. For HOME and HTF units MHDC uses the HUD published income and rent limits. The determination of maximum income and rent limits is complex and the use of a compliance professional is highly recommended.

Operating Expenses

Because of the different types of developments and the variances in operating costs found in the different regions of Missouri, with the exception of replacement reserves, MHDC will not provide minimum or maximum operating expense requirements. Each development will undergo a detailed review and will be compared with existing developments of similar type, location, and design. MHDC is interested in funding proposals demonstrating feasible, yet competitive and reasonable, expenses that will assure long-term operating stability and quality. Annual replacement reserve requirements are \$300 per unit per year with an upfront deposit of \$600 per unit. The presence of a full-time manager is strongly encouraged.

The Application Process – Site Review

During the application review process, MHDC staff will visit each proposed site(s). Each proposed site location must have a sign posted on it. The sign must be at least 2' X 3', include the developer's name, and state it is a MHDC proposed project. The sign must face a road surrounding the site and the font size must be easily readable from the road. The site selected for the development is a critical component of the application. MHDC evaluates the following items:

1. Ingress and egress;
2. Visibility for marketing purposes;
3. Proximity to groceries, pharmacies, restaurants, public parks, etc.
4. Potential noise concerns from nearby highways, airports, etc.
5. Potential flood plain issues;
6. Existence of wetlands areas;
7. Potential habitat for endangered species; and
8. Competition with other housing developments in the immediate area.

These site considerations are not a substitute for an environmental report but are meant to alert MHDC staff to potential concerns, and the results play an important role in the Competitive Review. Vacant land presents a challenge in identifying the location of a proposed site, particularly in rural areas and pre-construction phase subdivisions. MHDC requires applicants place a sign on the property clearly marking the location. Subject to timing and availability, staff reserves the right to contact applicants to meet them at the site for a physical inspection. Contact with an applicant does not indicate either a favorable or negative response to the application or choice of a site.

Selection Criteria

While the housing priorities may give a development extra consideration, the selection criteria below indicate what factors are used in making funding recommendations. All submitted applications which successfully make it to the competitive review stage will be evaluated by MHDC staff using the selection criteria described below.

- Project location;
- Housing needs characteristics;
- Project characteristics, including whether the project involves the use of existing housing as part of a community revitalization plan;
- Tenant populations with special housing needs;
- Sponsor characteristics;
- Tenant populations of individuals with children;
- Public housing waiting lists; and
- Energy efficiency.

Where a development is located affects almost all of the other selection criteria. Important considerations for location include, but are not limited to:

- a) Proposals must not be located where the total of publicly subsidized housing units (as defined in the Market Study Guidelines) equal more than 20 percent of all units in the census tract where the development will be located.
 - 1) If the proposed development is located in the Kansas City or St. Louis Region, it shall not be located within a one (1) mile radius of any development that: (a) has been approved for State LIHTC, Federal LIHTC, HOME, or Fund Balance funding through MHDC within the previous two (2) fiscal-year funding cycles; and, (b) is less than 90 percent leased-up at the time of application submission.
 - 2) Exceptions to the previous two criteria may include, but are not limited to, applications proposing:
 - i. Mixed-income development;
 - ii. Development to replace existing public housing and/or subsidized housing;
 - iii. Development where at least 25 percent of the units are set aside as Special Needs housing units;
 - iv. Development that includes service enriched housing features;
 - v. Development that is part of a municipal redevelopment plan; or
 - vi. Senior housing development.
- b) Location in a qualified census tract that will contribute to a concerted community revitalization plan;
- c) Location in a community with demonstrated new employment opportunities and a proven need for workforce housing;
- d) Infill of existing stable neighborhoods; and
- e) MHDC staff designated targeted areas.

Developments must address the affordable housing needs of the state, region, and locality where they will be located. Important considerations regarding market need include:

- a) Number and growth of the population and intended tenant population in the market area;
- b) Presence, condition, occupancy, and comparability of other affordable housing developments in the market area;
- c) Presence, condition, occupancy, and comparability of market rate housing in the market area;
- d) Capture rate for the proposed development; and
- e) Housing needs of the special needs population in the market area.

No application proposing the delivery of new units will be approved if it is deemed by MHDC to adversely impact any existing MHDC development(s), exist in a questionable market, or create excessive concentration of multifamily units.

A site for newly constructed housing must meet the following site and neighborhood standards, as cited from 24 CFR 983.57(e)(2)

(2) The site must not be located in an area of minority concentration, except as permitted under paragraph (e)(3) of this section, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.

(3) A project may be located in an area of minority concentration only if:

(i) Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration (see paragraph (e)(3)(iii), (iv), and (v) of this section for further guidance on this criterion); or

(ii) The project is necessary to meet overriding housing needs that cannot be met in that housing market area (see paragraph (e) (3)(vi) of this section for further guidance on this criterion).

(iii) As used in paragraph (e)(3)(i) of this section, “sufficient” does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year, that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality’s population.

(iv) Units may be considered “comparable opportunities,” as used in paragraph (e)(3)(i) of this section, if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.

(v) Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:

(A) A significant number of assisted housing units are available outside areas of minority concentration.

(B) There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.

(C) There are racially integrated neighborhoods in the locality.

(D) Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.

(E) Minority families have benefited from local activities (*e.g.*, acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.

(F) A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.

(G) Comparable housing opportunities have been made available outside areas of minority concentration through other programs.

(vi) Application of the “overriding housing needs” criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”). An “overriding housing need,” however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites

outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

MHDC will give preference among selected developments to:

- Those serving the lowest income tenants; and
- Those serving qualified tenants for the longest period of time.

All MHDC-financed developments receiving HTF funding are required to:

1. Comply with the MHDC Design/Construction Compliance Guidelines (MHDC Form 1200) (Exhibit K), as may be amended from time-to-time.
2. Comply with all applicable local, state and federal ordinances and laws including, but not limited to:
 - a. Local zoning ordinances.
 - b. The construction code utilized by the local government unit where the development is located. In the absence of locally adopted codes, the International Building Code (2012), the International Plumbing Code (2012), the International Mechanical Code (2012), the National Electrical Code (2011), and/or the International Residential Code (2012) must be used.
 - c. The Fair Housing Act of 1968, as amended. In addition, proposals receiving federal, state, county, or municipal funding may be required to comply with the Architectural Barriers Act of 1968, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act, all as amended.
 - d. If applicable, the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“URA”) and/or Missouri Revised Statute 523.205.
 - e. If applicable, The Lead Paint Poisoning Prevention Act, HUD Guidelines for the Evaluation and Control of Lead Based Paint in Housing, and the MHDC Lead Based Paint Policy.
 - f. Improvement of property to mitigate the impact of potential disasters such as tornadoes.
3. All developments with twelve (12) or more units are required to have a minimum of 5 percent of the units (rounded up to the nearest whole number) designed in compliance with one of the nationally recognized standards for accessibility to wheelchair users and an additional 2 percent of the units (rounded up to the nearest whole number) usable by those with hearing or visual impairments.
4. All new construction projects, regardless of number of units, shall be designed and constructed in accordance with the principles of universal design, as detailed in MHDC Form 1200, Design/Construction Compliance Guidelines. This requirement is in addition to the requirement for accessibility of persons with mobility, hearing and/or visual impairments as outlined in item #3 above.
5. Provide facilities, amenities, and equipment appropriate for the population being served by the development.
6. Be designed to meet the established construction budget and utilize construction materials that extend the longevity of the building including materials, products, and equipment which are more durable than standard construction materials. Products must clearly reflect upgrades from UPC construction grades and be economical to maintain.
7. If the development involves new construction, utilize sustainable building techniques and materials to meet the current standards of one of the certification levels of the following green building rating systems: Enterprise Green Communities, any of the LEED rating systems, or the National Green Building Standard (ICC 700 or “NGBS”). In addition, to meet the sustainable housing requirement, the applicant must:
 - a. Demonstrate at the time of application, Firm Submission (as defined in the Developer’s Guide), and construction completion that the development will meet or has met the design and construction requirements for any certification level offered by the three accepted rating systems. The development is not required to receive formal certification, but must be designed and built in such a manner that it could receive formal certification. Green building criteria utilized must be clearly documented for MHDC staff’s review and confirmation.

- b. Have at least one development team member who is an accredited green building professional with proven experience in sustainable design and/or construction. The team member must be a LEED AP®, LEED Green Associate™ or a Certified Green Professional™. If the development is not being formally certified, the development team member must document the pledged green building standards with pictures, provide a signed and scored scoring tool, and a brief narrative during the construction process.
- 8. Pay at least federal prevailing wage to all laborers and mechanics employed in the construction of the development, as determined and posted by the United States Department of Labor for the locality of the development and current within ten (10) days of construction closing or as otherwise directed by MHDC. Developments consisting of buildings with four (4) or fewer floors must use the Davis-Bacon residential construction category and developments consisting of buildings with five (5) or more floors must use the Davis-Bacon building construction category or rates as otherwise directed by MHDC.
- 9. Have contracts that are both reasonable and competitively priced for both hard and soft costs.
- 10. Adhere to the contractor fee limitations.
- 11. Commit to contract with Section 3 businesses as may be dictated by regulations tied to federal funding sources and as more thoroughly set out in the Developer's Guide. A Section 3 Plan (as defined in the Developer's Guide) signed by the owner/developer and the general contractor must be reviewed and approved by MHDC staff prior to Firm Commitment issuance.
- 12. MBE/WBE Participation Standard is set at a minimum of 10 percent for MBEs and 5 percent for WBEs for both hard and soft costs. This applies to developments with more than six (6) units. The Participation Standard may be satisfied by MBE/WBE businesses providing comparable-quality and competitively-priced services/materials in the following categories:
 - a. Hard costs for the actual physical cost of construction, which include, but are not limited to, general contracting, grading, excavation, concrete, paving, framing, electrical, carpentry, roofing, masonry, plumbing, painting, asbestos removal, trucking and landscaping.
 - b. Soft costs, which include, but are not limited to, planning, architectural, relocation, legal, accounting, environmental, engineering, surveying, consulting fees, title company, disbursing company, market study, appraisal and soils report.

The calculation of participation rates shall include all line items for which services or materials are provided to the development; provided however, that developer fees may be, but are not required to be, included in the calculation of participation rates. Development costs that do not include actual services or materials, such as public sector financing fees, reserves, land acquisition, building acquisition, construction interest, construction period taxes, tax credit allocation fees, tax credit monitoring fees, and bond issuance cost, shall not be included in the calculation. Calculations are based on work actually performed by the contractor. When the MBE/WBE is not performing the work but is the named contractor, credit will be given for twenty percent (20%) of the contract amount.

A utilization plan, committing in detail, how the applicant intends to meet the Participation Standard MUST be signed by the owner/developer(s) and included in the application. MBE/WBE entities providing soft cost services must be identified at the time of application. Evidence of MBE/WBE proposals and certifications for hard costs will be required as part of the Firm Submission requirements or no later than five (5) days prior to construction loan closing. In the event there is also an award of other funds, there may be additional requirements that must be met to be in compliance with federal regulations.

Priority Factors

MHDC recognized the connection between HTF funds and Special Needs and Service Enriched priorities, therefore applications applying under the Special Needs and Service Enriched priorities will be encouraged to utilize HTF Funds. Pursuant to §91.220(5) and §91.220(5)(A) of the Interim Rule, MHDC has established the following housing priorities to encourage the development of housing utilizing HTF:

Merits of the Project

Merits of the Project is a list of MHDC's development priorities for the HTF. This category, along with the Underwriting Department's evaluation, have the most weight when considering final rankings. Each priority is evaluated based on the quality of the required documentation and how the priority improves the proposal and community it is intended to serve.

1. **Special Needs Priority**

Special Needs is an incentive for developers to build housing that is safe, decent, affordable, and targeted to the most vulnerable individuals and families. This is accomplished by providing a home for individuals and families with special needs combined with social services to stabilize them once in place. MHDC will prioritize applications that meet this goal.

Developments providing housing opportunities for persons with special needs are strongly encouraged. Developments committing to a special needs set-aside of no less than 10 percent of total units, will receive a preference in funding. A person with special needs is a person who is: (a) physically, emotionally or mentally impaired or suffers from mental illness; (b) developmentally disabled; (c) homeless, including survivors of domestic violence and sex trafficking; or (d) a youth aging out of foster care.

A development with a special needs set-aside cannot give preference to potential residents based upon having a particular disability or condition to the exclusion of persons with other disabilities or conditions. Applicants must submit documentation demonstrating they have obtained commitments from a Lead Referral Agency which will refer special needs households qualified to lease targeted units and from local service agencies which will provide a network of services capable of assisting each type of special needs population defined above. A "Lead Referral Agency" is a service provider agency that will provide tenants and services to the community through the end of the affordability period. The Lead Referral Agency should demonstrate the ability to serve the targeted special needs population.

Applications submitted with special needs units must include \$1,000 per special needs unit as a payment to the Special Needs Housing Reserve Fund which has been established by MHDC. This reserve will be funded by each development at construction completion when other reserve funds are normally funded. These funds will be held by MHDC and used, as necessary, to temporarily assist special needs properties that have experienced unforeseen operational issues (for example, the loss of rental assistance). Deposits to the Special Needs Housing Reserve Fund are intended for use for all MHDC special needs developments, including those not funded with HTF, commencing with 2014 approvals, and are intended to replace the need for each property to establish a separate special needs reserve. Guidelines for the application and use of reserve funds are posted on MHDC's website (Rental Production, General Forms and Other Resources).

Developments wanting to be considered for the Special Needs Priority must fully complete the applicable sections of the application and provide the following supplemental documentation with their application. The referral process must include soliciting and accepting referrals from service agencies that serve all types of special needs populations. Applicants should also detail how the marketing will reach all special needs populations:

- i. A draft referral and support agreement with the Lead Referral Agency;
- ii. Special Needs Marketing Plan Exhibit; and
- iii. Rental assistance commitment letters (if applicable).

2. **Service Enriched Housing Priority**

Service-Enriched Housing enhances the connection between affordable housing and supportive services. MHDC recognizes the advantages of supportive housing to individuals and communities. To encourage more comprehensive housing environments in all communities, applications offering significant services tailored to the tenant population will receive a preference in funding ("Service-Enriched Priority"). The desired outcomes of the Service Enriched priority are for tenants to stay housed, have social and community connections, improve their physical and mental health, increase their income and employment, and be satisfied with their quality of life.

Proposals offering significant services tailored to the tenant population will receive a preference in funding. Service enriched housing enhances the connection between affordable housing and supportive services. MHDC recognizes the advantages of supportive housing to individuals, communities and on public resources. To encourage more comprehensive housing environments for vulnerable populations, proposals offering significant

services tailored to the tenant population will receive a preference in funding. Developments which offer substantial services and a greater number of services increase the competitiveness of their application. Proposed services should take into account the unique characteristics of residents and help them to identify, access, and manage available resources. Other benefits of a well-planned and properly funded program may include reduced resident turnover, improved property appearance, and greater cooperation between residents and management.

To be considered under the Service Enriched Priority, a development must target a specific population. Examples include, but are not limited to:

- a) Senior households;
- b) Individuals with children;
- c) Formerly homeless individuals and families;
- d) Individuals with physical and/or developmental disabilities;
- e) Individuals diagnosed with mental illness; and
- f) Children of tenants.

The applicant should demonstrate it has experience with the population in question. If the applicant does not have experience with the specified population, it should have a commitment(s) from a service provider(s) who does have the necessary experience. Any commitments should run until the later of (i) the completion of the Compliance Period, or (ii) the completion of the affordability period connected to any MHDC loan on the development. Below are examples of services for both family and senior developments.

Family properties:

- a. Regularly-held resident meetings;
- b. After-school programs for children;
- c. Financial literacy courses for adults;
- d. Parents as Teachers program offered through the local school district;
- e. Credit and/or budget counseling;
- f. Life skills and employment services;
- g. Nutrition and cooking classes;
- h. Domestic violence survivor support and counseling;
- i. Computer lab or computer check-out program;
- j. Food pantry;
- k. Daycare services;
- l. College preparation counseling;
- m. Clothes closet;
- n. Library;
- o. Back to school programs;
- p. Youth sports activities;
- q. Teen support groups; and
- r. Good neighbor and tenant rights classes.

Senior Properties:

- a. Regularly-held resident meetings;
- b. Transportation to shopping and medical appointments;
- c. Nutrition and cooking classes;
- d. Enrichment classes such as seminars on health issues, prescription drugs, Medicare, internet;
- e. Coordination with agencies providing assistance with paying bills and balancing checkbooks;
- f. Periodic health screenings;
- g. Assistance preparing a Vial of Life;
- h. Exercise program such as the Arthritis Foundation Exercise Program;
- i. Monthly community activities (i.e., pot luck dinners, holiday events, bingo);
- j. Access to fitness equipment;
- k. Food pantry or access to a mobile food pantry if available;

- l. Housekeeping; and
- m. Computer lab or check-out program.

Developments wanting to be considered under the Service Enriched Priority must fully complete the applicable sections of the application and provide the following with their application:

- i. A detailed supportive services plan explaining the type of services to be provided, who will provide them, how they will be provided, and how they will be funded. The plan should include, but is not limited to, a description of how the development will meet the needs of the tenants, including access to supportive services, transportation, and proximity to community amenities. MHDC prefers the services be onsite or near the proposed development;
- ii. Letters of intent from service providers anticipated to participate in the development's services program; and
- iii. Service coordinator job description

3. **Minority-Owned Business Enterprise ("MBE")/Women-Owned Business Enterprises ("WBE") Priority**

MBE/WBE priority encourages the involvement and participation of businesses that are certified through state or local jurisdictions' certification programs as Minority Business Enterprises (MBE) and Women Business Enterprises (WBE).

The purpose of the MBE/WBE priority is:

1. To facilitate, promote, and achieve equal opportunity to participate in affordable housing development activities;
2. To monitor and assess the utilization of MBE/WBEs in rental property development activities;
3. To monitor and assess compliance by Owners/Developers and Contractors on all MHDC Developments;
4. To identify MBE/WBEs and to promote awareness of MHDC Developments;
5. To provide assistance and training to MBE/WBEs;
6. To ensure non-discrimination in the awarding of loan funds and/or tax credits from MHDC;
7. To provide a narrowly tailored program in accordance with applicable law.

For developments with more than six units, a preference in funding will be given to an application that reflects:

- a) A MBE/WBE Developer, a Developer group that includes a MBE/WBE, and/or a Developer Mentor/Protégé relationship; or
- b) MBE/WBE participation percentages significantly greater than the MBE/WBE Participation Standard of 10 percent for MBE and 5 percent for WBE for both hard and soft costs (as further detailed in the Developer's Guide).

The Mentor/Protégé Relationship shall be designed to support, promote, and develop the knowledge, skill and ability of the MBE/WBE protégé in a manner intended to assist in the growth and development of the MBE/WBE as a developer.

Applicants seeking the MBE/WBE Priority pursuant to a) above must provide a comprehensive Utilization Plan (as defined in the Developer's Guide) signed by the owner/developer detailing the role of, and functions to be performed by, the MBE/WBE. The roles and functions of the MBE/WBE must be those typically performed by the owner/developer. Applicants must also submit proof of MBE/WBE certification with the application. Applicants seeking the MBE/WBE Priority pursuant to b) above must provide a comprehensive Utilization Plan signed by the owner/developer detailing how the applicant intends to significantly exceed the MBE/WBE Participation Standard.

Applicants seeking the MBE/WBE Priority must include a history of MBE/WBE participation with the application including details of projected participation rates and actual participation rates on a project by project basis.

4. **Transit Oriented Development Priority**

The Transit Oriented Development (TOD) priority should reflect a development whose goal is to have a mixture of urban forms and land uses that closely integrate efficient, low-impact, and people-oriented urban travel modes: walking, cycling, and transit.

The following criteria will be considered in the determination of a development's ability to meet the definition of a TOD:

- a. The development must be located within 1,750 feet of a transit stop.
- b. The development must include a mix of transportation choices, including biking and walking.
- c. Transit service at the stop must be frequent (every 15-30 minutes).
- d. The transit service must offer increased mobility choices and good transit connections.
- e. The master development plan must include a balanced mix of uses, providing residents the ability to live, work, and shop in the same neighborhood.
- f. The master development must include significant retail development.
- g. The master development must include a mix of housing choices (rental and for-sale, affordable and market-rate).

5. **Redevelopment Plan Priority**

Applications that are a part of a redevelopment plan which has been approved/adopted by a local government will receive a preference in funding. The application must include a letter from the local authorizing official that the proposed development is a part of the redevelopment plan, a complete copy of the approved redevelopment plan, as well as thorough narrative detailing how the proposed project fits into the plan. The narrative must demonstrate understanding of the goals and purposes of the approved/adopted redevelopment plan, detail what other activities and efforts are currently in-progress to accomplish some of the elements of the redevelopment plan, and how the proposed application shall fit into and accomplish goals of the redevelopment plan. MHDC shall review the local redevelopment plan and the accompanying project narrative for scope, thoroughness, clarity of purpose, and shall take into consideration the status and progress of other elements of the Redevelopment Plan as well. If the applicant demonstrates the project is a key part (though not the sole part or lead element) of an approved/adopted redevelopment plan, and that its role and mission fits with the clearly-defined purpose of the redevelopment plan, the application shall receive a preference for funding.

6. **Opportunity Area Priority**

MHDC encourages affordable housing developments in high-opportunity areas by targeting communities that meet the following criteria: access to high-performing school systems, transportation and employment; as well as located in a census tract with 15% or lower poverty rate. **Family developments** that meet these criteria will receive a preference in funding. Family developments proposed in opportunity areas are required to include an affirmative marketing plan that proactively reaches out to families currently living in census tracts where the poverty rate exceeds 40%. The plan must include a Special Marketing Reserve to assist in initial relocation expenses for families with children. Note that the minimum unit size for a family development in an opportunity area is two-bedroom. Developments that apply under this priority must also apply under the Service Enriched Priority. MHDC will, on a case by case basis with reasonable and well documented justification, allow flexibility for meeting all four criteria for qualification. The application's Market Study must explain in detail, both statistically and through evidence, how the project meets the criteria for qualification. Except in cases of well-documented justification, as previously stated, only projects that demonstrate through their Market Study that they meet the criteria shall be given the Opportunity Area Preference. Please refer to the Market Study Guidelines which specifies how data on each of these criteria is to be collected. Below are examples of services for this type of family development:

- a. Regularly-held resident meetings
- b. After-school programs for children
- c. Financial literacy courses for adults
- d. Credit and/or budget counseling
- e. Life skills and employment services
- f. Computer lab or computer check-out program
- g. Daycare services
- h. College preparation counseling

- i. Library
- j. Back to school programs
- k. Youth sports activities
- l. Teen support groups
- m. Good neighbor and tenant rights classes

Priority Evaluation

There are stated preferences and priorities in the HTF Allocation Plan. MHDC's staff reviews the quality of each application's priority documentation considering the application's ability to affirmatively further fair housing. Not every development applies for the same priorities or serves the same population, and as a result, a priority is given additional weight and consideration. Every application received identifying a priority is given additional weight and consideration.

Rent Levels

This category is evaluated by the underwriter and MHDC's in-house Market Analyst using third party market studies and data from MHDC's housing portfolio. The proposed rents are considered when giving their final evaluation.

Rents must be appropriate for the market and affordable for the intended population. For at least one year after the last building of a development is placed in service, monthly rents cannot exceed the MHDC-approved rents reflected in the Firm Commitment.

Any increase in annual rents must be approved by MHDC. To receive a rent increase, properties must submit an annual budget and the annual budget must support the rent increase is justified. Proposed rents are compared to existing rents to ensure the property is charging previously approved rents. The property must remain in compliance with the rules and regulations of the programs and current occupancy must be at least 90% for consideration of an increase. Additionally, the proposed rents are compared to the maximum income/rent limits to ensure income and rent levels are not exceeded. All rent increase requests are capped at 7% of existing rents.

Rents must meet the requirements of the various financing sources in the application and, at a minimum, must meet the requirements of the HTF Interim Rule to be eligible for an allocation of HTF under this HTF Allocation Plan.

The HTF rent plus utilities of an extremely low-income tenant shall not exceed thirty percent of the income of a family whose annual income equals thirty percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit. HUD will publish the HTF rent limits on an annual basis. If the HTF unit received federal or state project-based rental subsidy, and the tenant pays as a contribution toward rent not more than 30 percent of the tenant's adjusted income, the maximum rent can be up to the rent allowable under the federal or state project-based rental subsidy program. A development with a committed Project Based Rental Assistance is preferred over a proposal without.

Geographic Distribution

Recommendations for geographic distribution are based on estimated population as reported by U.S. Census Bureau, poverty population, housing cost burden as reported by U.S. Census Bureau and Point-in-Time Count data as reported by each Missouri Continuum of Care. Due to the limited funding in the 2017 funding round, MHDC will focus on projects with the most impact. This category has the least weight in the Selection Criteria. It will be considered if more than one application receives the same total evaluation. MHDC will rank applications to award funds throughout the state.

Ability to Deploy Funds Quickly

A development team's experience with affordable housing, MHDC, and the type of development being proposed is important. The following development team members will be evaluated: Developer(s), General Partner(s), Management Agent, Syndicator(s)/Investor(s), Contractor, Architect, Sustainable Design Team, Consultant(s), Lead Referral Agency (for special needs housing), and the service provider for service-enriched housing. Each of these members are evaluated by various members of MHDC staff. For example, the Contractor is reviewed by MHDC's

architect, Mortgage Credit Department, and the MBE/WBE department. Each staff member reviews the team members for different reasons.

An applicant may become a recipient of HTF funding only if it is an organization, agency or other entity that will:

- a) Make acceptable assurances to MHDC that it has the capacity to comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities including the affordability period;
- b) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;
- c) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
- d) Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct, and manage and operate an affordable multifamily rental housing development.

MHDC will assess the applicant's experience, performance, financial strength and capacity to complete the proposed development in a timely and efficient manner. The proposed general partner, developer, and general contractor will be assessed for their capacity to successfully manage the pre-development, closing, construction, and lease-up of the proposed development in addition to previously approved developments currently in those stages of development.

Items considered will include, but are not limited to:

- i. Number of affordable developments completed;
- ii. Occupancy of developments owned and/or managed;
- iii. Number of developments in development stages;
- iv. Performance, quality, and condition of previously completed developments;
- v. Previous and outstanding compliance issues; and
- vi. Performance regarding MHDC deadlines for previous funding awards.

The number of affordable developments completed and the occupancy of developments owned and/or managed will be evaluated examining data presented by the developer on the FIN-105 (Experience Summary for Developer) which details previous affordable housing development by a developer and/or general partner. The number of developments in development stages will be evaluated examining data present by the developer on the FIN-107 (Developer Qualifications) which details all current developments a developer has in construction that have not completed lease up. The performance, quality and condition of previously completed developments and the previous and outstanding compliance issues will be evaluated by MHDC asset management compliance inspection reports. The performance regarding MHDC deadlines for previous funding awards will be evaluated using asset management compliance reports, previous development monthly progress reports, waiver requests and MHDC's past interaction with the developer and/or general partner. MHDC will also examine all developer/general partner/guarantor/key principle financial reports. If all things are materially equal in two applications, the application with the strongest experience, performance, financial strength and capacity will receive consideration for funding over the lesser application.

Development team members not in good standing with MHDC will not be approved for funding.

Affordability Period

The minimum period of affordability is 30 years.

Ability to Leverage Funds

A preference in funding will be extended to applicants proposing developments utilizing contributions or financial support from Owners, General Partners or otherwise derived from non-federal sources. Items that result in the reduction of development costs, reduced tenant rents and reduce the need for federal subsidy or funding such as donated cash, donated real estate, donated or reduced cost materials, abatement of local taxes and waiver of fees will be viewed favorably. Leveraging from non-federal contributions help make an application more competitive. Leveraging will be evaluated during underwriting. The overall HTF subsidy per unit, development cost per unit,

rent advantage compared to market and other affordable units, and rent paid by tenant will be compared to other HTF applications. This will affect ranking. The ability to reduce development costs and/or rents is more important than the type of leverage. However, similar proposals that show more leverage than others will be given preference.

The Application Process - Competitive Review

Once an application has gone through the Initial Review, Primary Documentation Review, Secondary Documentation Review, Feasibility and Viability Underwriting Standards Review, and Site Review and is considered complete to MHDC staff's satisfaction, it will undergo a Competitive Review ("Competitive Review"). MHDC does not use a numerical scoring process in assessing application. Instead there is a committee approach that involves participation from any department that evaluates any area of the application. When narrowing the applications, factors such as geographic distributions, funding sources and priority factors are discussed. The Competitive Review uses the established Housing Priorities, selection criteria, and underwriting standards to determine recommendations for funding. All factors are considered and those applications deemed, at the sole discretion of MHDC, to best meet the goals of MHDC will be recommended to the Commission for formal approval. MHDC is dedicated to strengthening communities through the financing, development and preservation of affordable housing.

During the application review, the following MHDC staff, who are trained in their respective fields, will evaluate all HTF applications as "Excellent," "Good," "Average," "Below Average," "Poor," and in some circumstances, "Disqualified." The individual evaluation will apply only to the appropriate section and will be weighted as detailed below.

- The Underwriting Department reviews all aspects of the application with concentration on financial feasibility. Underwriting will also review the "Transit Oriented Development," "Redevelopment Plan," and "Opportunity Area" priorities. Underwriting and the priorities have a high significance when determining the final evaluation. If an applicant does not submit the required documentation or the development is not financially feasible, Underwriting can also disqualify a proposal.
- Special Needs and Services Enriched reviews target population, services provided, Lead Referral Agency, service coordinator staffing and quality of overall plan. Staff determines the need for and reasonableness of the proposed services utilizing various data sets including U.S. Census Bureau, Point-in-Time Counts and others. These two priorities are evaluated by the Community Initiatives Department and carry a high significance when determining the final evaluation.
- The Asset Management Department reviews the operating budget and rents comparing application budgets to MHDC's portfolio. Applications are compared to projects of similar size, population served and location. Asset Management carries a medium significance, but can disqualify a proposal.
- The Architectural Department reviews the hard construction budget, project design utilizing MHDC's Construction Guidelines and Rehabilitation Standards and the development team members related to the construction of the project. Applications are compared to projects of similar size, type and location in regards to costs per square foot, costs per unit, architectural fees per unit, etc. Architecture carries a medium significance, but can disqualify a proposal.
- The Environmental Department reviews the location of the proposed development with regard to noise level, flood plains and wetlands, etc. Funding type impacts evaluation; for example, noise level requirements with HOME and HTF Funds. The Environmental department's review has a low significance, but can disqualify a proposal.
- MHDC's in-house Market Analyst reviews the market study to determine the need for the development in the proposed location and rent reasonableness. This review carries a medium significance.
- Site Reviews are conducted on each proposed site. MHDC staff visit each site to evaluate ingress and egress, visibility for marketing purposes, proximity to amenities, site and neighborhood characteristics, etc. Site reviews carry a medium significance, but can disqualify a proposal.
- The Policy Department reviews community support letters received and any public comments. This carries a low significance, but can disqualify a proposal.
- The Mortgage Credit Department reviews the credit reports on each developer, partner and project guarantor in relation to the development team's ability to complete a project in a timely manner and ensure the financial stability of the development team. If financials are deficient the application will not be approved. The Mortgage Credit review carries a low significance, but can disqualify a proposal.

- The MBE/WBE Department reviews the application utilization plan; at a minimum developers must meet MHDC’s stated minimum participation requirements. Past minority and women owned business utilization is evaluated. Proposals that choose to apply under the MBE/WBE priority will receive an evaluation that carries a high significance.

Once each department has reviewed their applicable sections of the proposal, each application will be given a final evaluation of “Excellent,” “Good,” “Average,” “Below Average,” “Poor,” or “Disqualified.” This cumulative evaluation will be based on the individual department evaluations and their assigned weight. Applications will then be ranked from “Excellent” at the top to “Poor” at the bottom. Applications that receive a “Disqualified” evaluation will not be ranked. Housing Trust Fund Applications will be recommended starting with the top ranked application until the statewide allocation has been expended, or until all viable applications have been considered.

- Geographic Diversity will be considered when compiling the final HTF ranking. For example, if three applications receive an “Excellent” cumulative evaluation, and two are in St. Louis and one is in Kansas City, a St. Louis application and a Kansas City application will be ranked one and two to ensure HTF funds are allocated throughout the state.
- Special Needs and/or Service Enriched proposals that earn an “Excellent” or “Good” evaluation in the corresponding priority and are also evaluated as “Good” or “Excellent” in cumulative evaluation will be given priority in ranking over non-Special Needs and non-Service Enriched applications.

The Application Process – Application Approval

Commission Approval

Staff will provide the Commissioners with available application data, staff review comments, and public hearing results. Staff will submit a list of Applications recommended for approval to the Commissioners no later than seven days prior to the regularly scheduled Commission meeting at which approvals are scheduled to be made. Recommendations may include the revision of budgets, unit counts, rents, and tax credit and loan amounts as a result of the underwriting process.

At the approval meeting, the Commissioners have the right to inquire further about the Applications, to approve the list as recommended, or remove Applications from the list. Following the Commission’s approval of the final list of applications for LIHTCs, HOME Funds, HTF Funds and/or other MHDC-administered financing, staff will proceed with the Conditional Reservation process.

When the potential for a conflict of interest or the appearance of a conflict of interest exists, MHDC Commissioners and staff will identify such situations, disclose the potential conflict, and take whatever steps may be warranted by the situation, up to and including recusing themselves from decision-making or action pertaining to the situation.

Non – Approved Applications

After the notice of approval is sent for the approved applications, notification is sent to applicants of non-recommended applications inviting them to meet with MHDC staff for feedback on why their application was not recommended for approval to the Commission. Our goal is to strengthen any non-recommended application, if possible, so if/when it is submitted again, the application is more competitive.

MHDC DEVELOPER'S GUIDE

For Multifamily Programs



Strength, Dignity, Quality of Life

MISSOURI HOUSING

DEVELOPMENT COMMISSION

2017

MHDC 2017 Developer’s Guide

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Introduction

This Developer's Guide to MHDC Multifamily Programs ("Developer's Guide") is a reference document for developers, owners, and all development team members. Missouri Housing Development Commission ("MHDC") staff has compiled general and administrative guidance on MHDC's multifamily programs throughout the application, reservation/commitment, construction loan closing, construction, carryover allocation, final allocation, permanent loan closing, and operational stages. The Developer's Guide is a complement to the Qualified Allocation Plan ("QAP") and may be updated from time-to-time, at MHDC's discretion. Any term not defined herein shall have the definition given in the QAP.

MHDC's Rental Production Multifamily Programs encompass financing tools for the development of affordable housing which include federal low-income housing tax credit ("Federal LIHTC") and state low-income housing tax credits ("State LIHTC" and, collectively with the Federal LIHTC, "LIHTC"), HOME loan and grant funds, National Housing Trust Fund loan and grant funds, MHDC Fund Balance loans, and Risk Share Insurance coupled with tax exempt bonds. Developers may also utilize other MHDC programs such as the Affordable Housing Assistance Program and Missouri Housing Trust Fund for financing a development.

All MHDC forms or documents referenced in this Developer's Guide can be accessed at http://www.mhdc.com/rental_production/index.htm. If you cannot find a form or document please contact the Director of Rental Production or Senior Underwriter.

Rental Production Cycle

Rental Production Multifamily Programs follow an annual funding cycle which starts with the issuance of the QAP. The QAP sets forth the program guidelines concerning the application review and approval process and the reservation and allocation of LIHTC. Following public hearings, the QAP is presented to the Commission for approval with a Notice of Funding Availability ("NOFA") which establishes the approximate amount of funding available for each program and the deadline for applications for such funding.

Applications received prior to the NOFA deadline are reviewed according to Primary and Secondary thresholds and selection criteria, as described in the QAP. Staff invites comment on each application through the notification of public officials soon after application receipt. Public hearings are held in four locations throughout the state. Evaluation criteria, underwriting review, and site inspection are utilized by staff to formulate a list of recommended applications. The Commission then reviews and approves a final list of proposals for funding.

Following Commission approval, an underwriter is assigned to each development and a Conditional Reservation for financing is issued within eight weeks of Commission approval ("Conditional Reservation") to establish the documentation required and timeline to proceed toward Firm Commitment. During this time, developers submit environmental reviews, finalize plans and specifications/scopes of work, receive construction bids, and prepare due diligence for MHDC staff's review and approval. Developers are encouraged to complete the Firm Submission process as early as possible to minimize the effects of inclement winter weather on construction progress. MHDC staff establishes a deadline for Firm Submission to assure the approved funding is being utilized and accessed in an expeditious manner. The Underwriting, Legal, Architecture, Mortgage Credit, Asset Management, HOME, Community Initiatives and Tax Credit teams examine the information submitted with Firm Submission

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and consolidate comments and requirements. Once a development has demonstrated firm and appropriate budgets, supplied all required documentation, showed a readiness to proceed, and received approval from each reviewing department, the underwriter issues a Firm Commitment and, if 9% Credits were awarded to the development, the tax credit department issues a Carryover Allocation Agreement. Once the Firm Commitment is fully executed, the development can proceed to closing. Pre-closing documentation is prepared and submitted by the development team. Upon the satisfaction of all MHDC closing requirements, the loan, tax credit, grant, and/or Risk Share Insurance documents, as applicable, are executed and the financing is closed.

During the construction phase, MHDC staff monitors construction progress through on-site reviews, the receipt of progress reports from developers, the receipt of architect field reports, and the processing of draw requests from developments receiving MHDC construction loan financing.

Developments receiving 9% Credits must complete certain steps to demonstrate progress and compliance with IRS-required deadlines. The Carryover Allocation process confirms the development continues to satisfy the requirements of Section 42 of the Internal Revenue Code ("Code") and can retain the reservation of 9% Credits. At the end of construction, all developments must file a cost certification with MHDC which certifies the actual costs of the development according to specific program guidelines. The certification is necessary to determine the final approved amounts of the Federal LIHTC, State LIHTC, and/or permanent MHDC financing. Developments with construction/permanent financing must submit final documentation to convert the loan from the construction phase to the permanent phase. Developments with a commitment for MHDC permanent-only financing must submit final documentation for approval and proceed to close on the permanent loan. Developments that received an allocation of tax credits must submit final documentation for approval to receive 8609(s) and Missouri Eligibility Statement(s), if applicable.

As lease-up commences and the construction phase transitions to the operating phase, each development begins a relationship with MHDC Asset Management. Critical to the long-term viability of a development is its success in leasing and retaining residents and complying with the various restrictions imposed by each financing program. At this point in the development stage, the Rental Production teams pass the oversight of the development to the Asset Management teams.

MHDC Funding Sources

Low Income Housing Tax Credits

The State of Missouri allocates two sources of LIHTC, State and Federal. There are two types of State LIHTC and Federal LIHTC available in Missouri, the "9% Credit" and the "4% Credit."

9% Credit

For purposes of this Developer's Guide and the QAP, the cumulative amount of both State and Federal 9% Credits MHDC can allocate for any calendar year shall be known as the "Annual 9% Credit Authority." Developments applying for an allocation under the Annual 9% Credit Authority receive what is commonly known as the 9% Credit. The 9% Credit includes any 70% present value credit and any 30% present value

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credit for qualified existing buildings which also will use the 70% present value credit.

The total amount of Federal 9% Credit available in any one year is specified by the Code in §42(h)(3)(C), and is known as the “State Housing Credit Ceiling.” The State Housing Credit Ceiling is generally equal to the sum of the following:

- i. Per Capita Credits. Calculated based on the state population and the per capita rate set by the IRS.
- ii. Carry Forward Credits. Should MHDC be unable to allocate all allotted 9% Credits in any one year, the unused credits will be carried forward for allocation in the succeeding year.
- iii. Returned Credits. Credits that are returned from developments that received an allocation in previous years may be made available for allocation in the year the credits are returned or the succeeding year if returned after September 30.
- iv. National Pool Credits. If MHDC is able to allocate the entire amount of Federal 9% Credits available in any one year, Missouri may receive additional credits from the pool of credits returned by other states (“National Pool”), if available.

The State LIHTC was established by the State Tax Relief Act (§135.350 et seq. of Chapter 135 of the Missouri Revised Statutes) (“State Tax Relief Act”) and provides that any development eligible for a Federal LIHTC allocation is eligible for a State LIHTC allocation. The amount of State LIHTC authorized for a development cannot exceed the Federal LIHTC amount and the amount of State LIHTC available in proportion to the Federal LIHTC available may be reduced by the state legislature, making any allocation subject to change in the authorizing statute. For any given development, MHDC, in its sole discretion, may choose not to allocate any State LIHTC or may choose to allocate State LIHTC in an amount up to the imposed statutory limit, as it deems necessary for the financial feasibility of the development.

The anticipated amount of the Annual 9% Credit Authority for Missouri will be announced in the NOFA to precede the application round.

4% Credit

Under §42(h)(4) of the Code, developments financed with tax-exempt private activity bond volume cap (“Bond Developments”) may be eligible to receive the “4% Credit.” The 4% Credit includes the 30% present value credit for federally subsidized buildings that feature eligible basis financed by any obligation, the interest on which is exempt from federal tax and any 30% present value credit for the qualified existing buildings of Bond Developments.

While the NOFA does not establish a ceiling or annual authority for the Federal 4% Credit, the amount of State 4% Credits available for Bond Developments is currently capped at \$6 million per fiscal year. Consistent with the 9% Credit, the amount of State 4% Credits may be reduced by the state legislature, making any allocation subject to change in the authorizing statute. MHDC, in its sole discretion, may choose to allocate no State 4% Credits or may choose to allocate State 4% Credits in an amount up to the imposed statutory limit, as it deems necessary for the financial feasibility of the development.

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HOME Loans and Grants

Each year, MHDC receives an allocation of federally funded HOME Funds which provide a financing source for several eligible activities that increase the supply of affordable housing for low and very low income persons ("HOME Funds"). These activities include the acquisition and rehabilitation or new construction of rental housing. As HOME Administrator for the State of Missouri, MHDC uses a portion of its annual HOME Funds allocation to finance rental production at a very low interest rate, which results in rents that are affordable to low-income families.

The amount of HOME Funds available for financing each year will be reflected in the NOFA that accompanies the QAP.

HUD published a Final Rule in the Federal Register on July 24, 2013 to amend the HOME Program regulations. These amendments to the HOME regulations represent the most significant changes to the HOME Program in seventeen (17) years. The Final Rule will be enforced on all MHDC projects funded with HOME funds as required by law. Information on the new HOME Rule can be found at: <https://www.onecpd.info/>. Additional guidance is on the MHDC website. Please refer to MHDC's HOME Program Guide for additional information.

National Housing Trust Fund Loans and Grants

MHDC anticipates its first allocation of National Housing Trust Fund (NHTF) for the 2017 funding year. These funds will provide a financing source for several eligible activities that increase the supply of affordable housing for extremely low income households. These activities include the acquisition and rehabilitation or new construction of rental housing.

The amount of NHTF funds available for financing will be reflected in the NOFA that accompanies the QAP.

Fund Balance Loans

MHDC, as part of its annual budgeting process, may allocate a portion of its Fund Balance to provide construction and permanent financing on tax credit developments ("Fund Balance"). The amount of Fund Balance available is determined annually and will be reflected in the NOFA that accompanies the QAP.

If Fund Balance is used as a loan, it must always be in a first position, have a minimum interest rate as reflected in the NOFA, and a 1% loan origination fee will be charged.

Risk Share Insurance

Section 542(c) of the Housing and Community Development Act of 1992 offers a partnership between the Department of Housing and Urban Development ("HUD") and Housing Finance Agencies ("HFAs") to provide affordable housing opportunities for the housing needs of various communities ("Risk Share Insurance"). This program provides new independent insurance authority that is not under the National Housing Act.

Under this program the HFA enters into a Risk-sharing Agreement with HUD by contracting to reimburse HUD for a portion of the loss from any defaults that occur while HUD insurance is in force.

There are three levels of HUD approvals for Risk-Sharing commitments (from HUD handbook 4590.01 Rev-1):

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Level I

Approval to originate, service, and dispose of multifamily mortgages where the HFA uses its own underwriting standards and loan terms and conditions, and assumes 50-90 percent of the risk (increments of 10 percent).

Level II

Approval to originate, service, and dispose of multifamily mortgages where the HFA uses underwriting standards and loan terms and conditions approved by HUD. There are two sub-levels under this level: one where the HFA assumes at least 25 percent of the risk, the other where the HFA assumes 10 percent or 25 percent, at the HFA's option, of the risk.

Combined Levels I/II

For HFAs that plan to use Level I and Level II processing, the underwriting standards and loan terms and conditions to be used on Level II loans must be approved by HUD, as described above.

MHDC has been approved by HUD at Level I with a 50/50 split of risk sharing for loss from any default.

The Risk-Share Insurance program provides credit enhancement to development proposals in a timelier manner than the regular Federal Housing Administration ("FHA") multifamily insurance programs. MHDC provides this program to Bond Development proposals, upon request, on a case-by-case basis after a review is made to determine the proposal's long term financial viability, among other salient factors.

If Risk-Share Insurance is used, such loan must always be in the first position. MHDC will charge a 1% loan origination fee on the entire construction loan amount and another 1% for the permanent loan amount. An upfront annual ½% Mortgage Insurance Premium ("MIP") per twelve (12) months of construction is due at initial loan closing. A ½% MIP is due on the outstanding mortgage balance after conversion and continuing throughout the term of the loan.

Tax-Exempt Bonds

Under §42(h)(4) of the Code, Bond Developments may be eligible to receive the 4% Credit. The development must have received an allocation of private activity bond cap pursuant to §146 of the Code and principal payments on the bonds must be applied within a reasonable period to redeem the bonds. 4% Credits are allowed for that portion of a development's eligible basis financed with tax-exempt bonds. If 50% or more of a development's aggregate basis is so financed, the development is entitled to 4% Credits for up to the full amount of the qualified basis.

There is no minimum or maximum amount of Federal 4% Credits available each year. However, Bond Developments are required by the Code to apply through the Housing Credit Agency for an allocation of 4% Credits and for a determination the development satisfies the requirements of the QAP. Although the proposal does not have to compete for credits from the State Housing Credit Ceiling, applicants must submit an application during the posted NOFA period, are required by Section 42(m)(1)(D) of the Code to satisfy the requirements for an allocation of Federal LIHTCs under the QAP, and are also subject to MHDC's compliance monitoring requirements.

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MHDC staff will review the application, determine whether the development is eligible and meets the requirements of the QAP, and make an initial determination of the development's 4% Credit amount. At the close of the NOFA period, the Commission will approve the recommendation and ranking of successful applications for priority in the consideration for a private activity bond allocation by the Missouri Department of Economic Development ("DED").

Affordable Housing Assistance Program

The Affordable Housing Assistance Program housing production tax credit ("AHAP Credit") is used as an incentive for Missouri businesses and/or individuals to participate in affordable housing production. This state tax credit is earned by an eligible donor for the donation of cash, equity, services, or real/personal property to a non-profit community-based organization for the purpose of providing affordable housing assistance activities or market rate housing in distressed communities. The AHAP Credit is governed by Missouri Revised Statutes 32.105, 32.111, 32.112, 32.115, 32.120, and 32.125.

The AHAP Credit is a one-time credit that can be allocated to an eligible donor for up to 55% of the total value of an eligible donation. There are two types of AHAP tax credits: (1) Production credits for donations related to construction, rehabilitation, and rental assistance activities, and (2) Operating Assistance credits for donations that help fund the operating costs of the non-profit organization. The program offers \$10 million in Production credits and \$1 million in Operating Assistance credits annually. The amount of the credits available may be reduced by Legislative action.

Community Initiatives Funding

The Community Initiatives Department is responsible for administering state and federal grant programs used for a variety of housing activities including, but not limited to, rental assistance, utility assistance, emergency assistance, operations, home repair and construction. Each program has its own unique eligibility criteria. For more information about how these programs can work collaboratively with affordable housing projects, please contact the Community Initiatives Manager.

Application Information

This section explains the application process for MHDC funding, including MHDC's review process, application of underwriting standards, and priorities for funding. This section should be reviewed closely when considering or completing an application for funding.

Notice of Funding Availability

There will be, at a minimum, one Notice of Funding Availability ("NOFA") for 2017. Any NOFA will indicate the funding types, funding amounts, and application deadlines for that particular round. The NOFA, the QAP, and this Developer's Guide describe and clarify the procedures, priorities and expectations for each application and applicant for MHDC funding. Should a question arise that cannot be answered by the NOFA, QAP, or Developer's Guide, please contact MHDC's Director of Rental Production or Chief Underwriter.

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The Application

An "Application" for purposes of this Developer's Guide and the NOFA is defined as: (1) the FIN-100, (2) one tabbed, three-ring binder with all required exhibits and original signatures, where required, (3) digital media with electronic exhibits, and (4) the appropriate application fee. The MHDC FIN-125 will identify exhibits to be submitted in the three-ring binder and exhibits to be submitted digitally. Three-ring binder and digital media exhibit names must match the FIN-125 exhibit names.

Applicants requesting tax credits must indicate whether they are seeking the 9% Credit or the 4% Credit (for Bond Developments). MHDC reserves the right to consider any Application for 4% Credits for a potential allocation of 9% Credits if the proposal meets the requirements and competes successfully with other 9% Credit Applications in the evaluation process and also reserves the right to evaluate a 9% Credit Application for 4% Credits. If you wish to have a proposal considered for both 9% Credits and 4% Credits, you must provide complete and separate Applications for each credit type, structured appropriately ("Dual Proposal"). A Dual Proposal is essentially a submission of two Applications for the same site(s). MHDC will not accept more than one Application for any site(s) utilizing the same type of tax credit. For example, a 9% Credit family proposal and a 9% Credit senior proposal for the same site(s) will not be considered. A 9% Credit senior proposal and a 4% Credit family proposal (or vice versa) will be considered. If more than one Application is received for a site or a collection of sites utilizing the same type of credit, the first Application received will be accepted and any subsequent applications will be rejected. For senior proposals, the Applicant must present a development that at all times complies with the requirements set forth under 42 U.S.C. § 3607 for housing intended for either (i) households where all residents are persons who are sixty-two (62) years of age or older ("62+ Developments") or (ii) households where at least one resident is a person who is fifty-five (55) years of age or older ("55+ Developments"). Applicants must select one test for a senior development. MHDC will not accept separate proposals for the same site to be utilized as a 55+ Development and a 62+ Development.

Application Deadline

The Application deadline for 2017 Round 1 is September 6, 2016 and is subject to change should the NOFA need to be revised or modified. Round 2, if available, will be announced at a later date by issuance of a new NOFA. Applications received after the applicable deadline will not be considered, no exceptions will be made.

Submitting an Application

The complete application and the required materials must be received at MHDC's Kansas City office located at 920 Main Street, Suite 1400, Kansas City, MO 64105 by the applicable NOFA deadline.

Due to the competitive nature of the funding programs, it is in the applicant's best interest to provide the most complete and accurate documentation possible. The Application gives staff a first impression of a proposed site. Poorly prepared Applications will not demonstrate a strong competitive proposal and may give staff reason to question the capacity or ability of the development team. Early submittals are encouraged but do not receive preferential treatment.

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Public Hearings

In compliance with program requirements, MHDC staff will send notification to the chief executive officer of the local jurisdiction, the state senator, and state representative for the district of the proposed development, and the executive director of the local public housing authority for all applications. Those notified will be given an opportunity to comment on the proposed development. MHDC staff will consider the comments and may contact the local jurisdiction for additional information.

MHDC staff will also publish a notice in a regional newspaper requesting public comment on each application. Public hearings will be held in St. Louis, Kansas City, Springfield, and Columbia to afford the public an opportunity to comment on proposed developments in a given region. Specific dates and times for such public hearings will be published in regional newspapers and on the MHDC website.

To be included in the evaluation process, all communication from the public must be received no later than the date of the final public hearing.

Housing Priorities

MHDC has created housing priorities to highlight and encourage the types of development that will best meet the Commission's mission. The priorities are not a substitute for the selection criteria and Applications that qualify for one or more of the priorities are not assured approval. Applications are reviewed as a complete package and all selection criteria and review stages are considered. Applications that meet one or more of the housing priorities will be given extra consideration and are encouraged, but qualifying for a housing priority cannot overcome other deficiencies in the Application, such as a weak market or poor feasibility.

Qualification for any of the housing priorities is at the sole discretion of MHDC. Submitting the proper documentation will qualify an Application for consideration for priority. However, the quality of that documentation will determine if the Application meets such housing priority.

Applications seeking a priority under one or more of the priorities listed below must still satisfy all other selection criteria and successfully compete against other Applications.

Nonprofit Involvement Set-aside Priority

Section 42(h)(5)(A) of the Code states that not more than 90% of the State Housing Credit Ceiling can be allocated to developments that do not involve a qualified nonprofit organization. This is commonly known as the "nonprofit set-aside" and applies only to the 9% Credit. MHDC will give priority to Applications that involve a qualified nonprofit until the 10% requirement has been met ("LIHTC Nonprofit Priority"). At its discretion, MHDC may continue to give priority to proposals that involve qualified nonprofits after the 10% requirement has been met.

Section 42(h)(5)(C) of the Code defines a qualified nonprofit organization as:

1. A 501(c)(3) or (c)(4) nonprofit organization;

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2. Having an expressed purpose of fostering low-income housing (this purpose must be expressed in the organization's articles of incorporation; if it is not, the Application will not be considered for this priority);
3. One that will own an interest in the development and materially participate in the development and operation of the development throughout the Compliance Period (material participation is defined in §469(h) of the Code as "involved in the operations of the activity on a basis which is regular, continuous and substantial."); and
4. Is not affiliated with, nor controlled by, a for-profit organization.

HOME regulations dictate that 15% of HOME Funds must be loaned or granted to qualified Community Housing Development Organizations ("CHDO") ("HOME Nonprofit Priority"; the LIHTC Nonprofit Priority and HOME Nonprofit Priority shall be referred to, collectively, as the "Nonprofit Priority"). Certain legal, organizational, and other requirements apply for a nonprofit organization to qualify for CHDO status (24 CFR Part 92.2). If the development is seeking HOME Funds under the CHDO set-aside, the nonprofit entity must be the sole general partner (in the case of a limited partnership) or sole managing member (in the case of a limited liability company) of the ownership entity to qualify.

Developments wanting to be considered for the Nonprofit Priority must fully complete the applicable Application sections and the FIN 100 Addendum and provide the following items with the Application:

1. Nonprofit organization's Certificate of Incorporation;
2. Articles of Incorporation and By-Laws, including all amendments (must describe the organization's purpose of fostering low-income housing);
3. Missouri Certificate of Good Standing dated within thirty (30) days of the application due date. An official certificate may be obtained from the Missouri Secretary of State web site for a nominal fee. A screen print of the search screen indicating the status of an entity is not a certification and is not an acceptable demonstration of good standing;
4. IRS letter evidencing nonprofit status;
5. MHDC Nonprofit Questionnaire completed, executed and including all relevant attachments, such as a list of the board members and the most recent audited financial statement; and
6. CHDO Recertification Form R-100 (if applying under the HOME Nonprofit Priority) with all attachments.

The nonprofit must be involved in the ownership as either a general partner or co-general partner and must materially participate (within the Internal Revenue Code Section 469(h)) in the development and operation of the housing development throughout the tax credit compliance period.

Special Needs Priority (eligible for up to 30% boost in eligible basis)

The special needs priority is an incentive for developers to develop housing that is safe, decent, affordable, and targeted to the most vulnerable individuals and families. This is accomplished by providing a home for individuals and families with special needs combined with social services to stabilize them once in place. The desired outcomes of the special

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needs housing priority are for tenants to stay housed, have social and community connections, improve their physical and mental health, increase their income and employment, and to be satisfied with the services and housing.¹

Developments providing housing opportunities for persons with special needs are strongly encouraged. Proposals committing to a special needs set-aside of no less than 10% of total units, up to a maximum of 100% of total units, will receive a preference in funding (“Special Needs Priority”). MHDC will endeavor to set aside 33% of Federal LIHTC and State LIHTC for 4% Credits and 9% Credits for developments containing units qualifying under the Special Needs Priority, outside of geographic region percentages, subject to the quality of the special needs proposals received and their ability to meet selection criteria and underwriting requirements described in the QAP. Please note that federal law requires that individuals with disabilities have access to housing that is truly integrated. This is of particular concern with respect to those developments electing a set-aside of 100% of total units in a proposed development, but may also impact those developments electing a smaller set-aside of special needs units. Developers are responsible for ensuring that any proposal complies with all applicable federal and state laws and regulations, particularly with respect to providing meaningful choice for individuals with disabilities. Developers with questions as to whether a proposal complies with applicable regulations are advised to seek independent counsel when preparing an application to MHDC.

Applications submitted with special needs units must include \$1,000 per special needs unit as a payment to the Special Needs Housing Reserve Fund which has been established by MHDC. This reserve will be funded at construction completion when other reserve funds are normally funded. These funds will be held by MHDC and used, as necessary, to temporarily assist special needs properties that have experienced unforeseen operational issues (for example, the loss of rental assistance). Deposits to the Special Needs Housing Reserve Fund are intended for use for all special needs properties and are intended to replace the need for each property to establish a separate special needs reserve. Guidelines for the Application and use of reserve funds are posted on the MHDC website.

A development with a special needs set-aside cannot give preference to potential residents based upon having a particular disability or condition to the exclusion of persons with other disabilities or conditions. Applicants must submit documentation demonstrating they have obtained commitments from a Lead Referral Agency which will refer special needs households qualified to lease targeted units and from local service agencies which will provide a network of services capable of assisting each type of special needs population defined below. A “Lead Referral Agency” is a service provider agency that will provide tenants and services to the community through the later of (i) the completion of the Compliance Period, (ii) the completion of the affordability period in conjunction with any MHDC loan (including any applicable HOME affordability periods). The Lead Referral Agency should demonstrate the ability to serve the targeted special needs population by offering services to stably house and enhance the lives of tenants of set aside units.

Developments wanting to be considered under the Special Needs Priority must fully complete the applicable Application sections and attach the following supplemental documentation with their Application:

¹ Corporation for Supportive Housing, *Dimensions of Quality Supportive Housing: 2-3*.

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1. A draft referral and support agreement with the Lead Referral Agency. The agreement must include:
 - a. number of targeted units
 - b. responsibilities of the owner property manager, and Lead Referral Agency
 - c. duration of the agreement
 - d. signatures of all parties involved in the agreement;
2. Special Needs Marketing Plan Exhibit
3. Rental assistance commitment letters. This is not required, but strongly encouraged. Letters must include:
 - a. type of rental assistance or voucher
 - a. Number of vouchers or number of units to be subsidized by assistance
 - b. duration of the commitment
 - c. signature of authorizing official for agency

Persons with Special Needs Definition

Persons with special needs are those whose condition or circumstances qualify under one of the following categories:

1. A person who has a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration, substantially impedes his or her ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions.
2. A person who suffers from mental illness.
3. A person who has a developmental disability, which is a severe, chronic disability that—
 - a. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - b. Is likely to continue indefinitely;
 - c. Results in substantial functional limitations in three or more of the following areas of a major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency; and
 - d. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment or other services which are of lifelong or of extended duration and are individually planned and coordinated.
4. A person who meets the HUD definition of homeless, including survivors of domestic violence and sex trafficking, which can be found on HUD's Homeless Assistance website (portal.hud.gov/hudportal/homeless).
5. A youth aging out of foster care at the age of eighteen (18) or older when their foster care case closes. Foster care placements include: licensed foster family homes, relative provider homes, group homes, emergency shelters,

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residential facilities, child care institutions, pre-adoptive placements, or independent living placements.

“Youth” is defined as someone between the ages of eighteen (18) and twenty-four (24) or a legally emancipated minor. This includes youth that are homeless, have run away, aged out of the foster care system, and/or exited the juvenile justice system.

The special needs resident can be either an adult or youth who is a member of the household.

Targeted Units Definition

Targeted units are those units set aside for tenancy by persons with special needs. Targeted units must be rented to households referred to the development by the Lead Referral Agency. In calculating the number of targeted units that must be made available, owners and managers must always round up to the next unit. Developments receiving a Conditional Reservation must submit and receive MHDC staff's approval of a final referral and support agreement and the Special Needs Marketing Plan with the Firm Submission process.

The Lead Referral Agency must be an agency that coordinates with a range of local social service agencies to develop a collective process for referring and making their services available to qualified residents. A Lead Referral Agency acts as the point of contact with property management through the later of (i) the completion of the Compliance Period, or (ii) the completion of the affordability period connected to any MHDC loan on the development, and represents the local services system in dealings with management of the development. The Lead Referral Agency might serve a particular special needs group but marketing and referrals must be inclusive of persons with all types of disabilities or special needs. The referral process must include soliciting and accepting referrals from service agencies that serve all types of special needs populations.

Lead Referral Agency Role

A Lead Referral Agency will:

1. Designate a point of contact to receive notices from the property management company when a targeted unit is available.
2. Maintain a level of communication with other service providers and property management to ensure that tenancy issues are handled and supportive services are available to tenants.
3. Maintain and regularly update a list of eligible special needs households interested in applying for targeted units.
4. Help arrange tenant-based rental assistance for eligible special needs households who do not already have assistance through their case management services.
5. Upon notification a reserved unit is available, select the household at the top of the list waiting for that unit type and communicate to their service provider a targeted unit is available.

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6. Submit a standard letter of referral to property management, which will then process the referred household's application for tenancy using the same screening criteria applied to all other residents of the development.

Development Owner Role

The development owner will:

1. Agree that any special needs housing commitment will be established, implemented, and kept in compliance with the Fair Housing Act, as amended, the Architectural Barriers Act of 1968, the Americans with Disabilities Act, and any other local, state, and federal nondiscrimination or accessibility laws, regulations, or requirements.
2. Agree that the targeted units will not be segregated within the property and that the targeted unit mix will depend on the needs of referred households.
3. Agree to provide reasonable accommodation for special needs households in the tenant application.
4. Assure that the targeted units remain available to eligible special needs persons through the referral process for the entirety of the compliance period.

Property Management Company Role

The property management company will:

1. Notify the Lead Referral Agency of available targeted units within a timely manner. At initial lease-up, this notification must occur the earlier of ninety (90 days prior to certificate of occupancy or when marketing begins. . During ongoing operations, the manager will notify the Lead Referral Agency upon receipt of notice of intent to vacate a targeted unit.
2. Work with the Lead Referral Agency to coordinate the first contact with the special needs household and their services provider to initiate the application process.
3. Collaborate with the referred household's services provider, as appropriate and applicable, to address the household's needs for assistance at application, accessibility accommodations, or assistance during tenancy.
4. Use the Lead Referral agency as their main point of contact to ensure community supports are made available to tenants in the targeted units, however, tenancy will not be contingent on participation in services.
5. Notify the Lead Referral Agency in a timely manner of issues or concerns that may adversely affect the tenancy of the household.

Although the development's property manager may agree to assist the household in other ways, it is intended the household renting a targeted unit has the same rights and responsibilities as every other resident in the development.

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Programmatic Requirements

Developments must meet the following criteria to be considered under the Special Needs Priority during Application evaluation and to maintain its commitment to special needs populations through the design, construction, and operations process:

1. The development cannot give preference to potential residents based on having a particular disability or condition to the exclusion of persons with other disabilities or conditions.
2. The development must meet the needs of targeted tenants through access to supportive services, transportation, proximity to community amenities, etc. If services are not provided on-site, transportation to off-site locations must be made available. Services must be provided and/or coordinated by local service agencies appropriate to the needs of persons with varied types of disabilities. Since service providers are often specialized, relationships should be cultivated with several types of agencies to ensure services will be available for the different types of special needs households that may reside at the property at one time. Service programs should be designed to stress residential stability and independence.
3. Special needs residents cannot be required to receive services from only one particular service provider nor can they be required to participate in supportive services as a condition of tenancy.
4. Special needs properties operated as transitional housing, nursing homes, life care facilities, or dormitories are not eligible for tax credits.
5. Developments meeting the criteria for the Special Needs Priority may be given "difficult development" status. This allows MHDC to increase the eligible basis by 30% if the developer can demonstrate that the property owner will provide services to enhance the residential stability and independence of special needs residents. The determination of the application's qualification to receive a boost will be determined in MHDC's sole discretion.
6. In mixed-population developments, targeted units cannot be segregated within the property or be distinguishable in any way from non-targeted units (beyond the presence of accessible features or assistive technology, if necessary).
7. The development is encouraged to include community space appropriate to the needs of the populations being served.
8. Rehabilitation developments with special needs set-aside units, the number of units designed and constructed in accordance with universal design principles must be equal to or greater than the percentage of special needs units.
9. In order for Rehabilitation developments with services already in place to qualify as a special needs development, the proposal must either demonstrate how services will be expanded and promote residential stability and independence or how the current services meet the needs of the Special Needs tenants

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10. Some special needs households may have disabilities that require an accessible unit, while others may have disabilities that are not physical in nature. Similarly, some households that are independent and apply for non-targeted units may need an accessible unit. Therefore, accessible units are not required to be held open during lease-up in mixed-population developments but should be made available whenever possible to any household requiring accessibility.
11. The roles of owner and property manager should be separated from the role of Lead Referral Agency/primary service provider, as each type of entity has an expertise relative to the LIHTC program in the case of the former and to the service of special needs populations in the case of the latter. However, entities that have an exemplary history of functioning in all three roles in the context of a similarly-situated LIHTC development may be considered by MHDC staff at their discretion.
12. Persons with special needs must be referred to the property by the Lead Referral Agency to be eligible to be qualified for a targeted unit. Such persons must have a relationship with the Lead Referral Agency at the time they apply for housing.
13. Rents should be as affordable as possible to special needs households. Affordability can be accomplished through project-based or tenant-based subsidies. Residents should pay no more than 30% of their income towards rent plus utilities or they will be considered rent burdened. The Lead Referral Agency is responsible for coordinating tenant-based rental assistance with service providers or governmental agencies, whenever necessary and possible. In the absence of project-based or tenant-based assistance, the owner should consider other methods to ensure rents are affordable to special needs households below 50% AMI. The proposal must identify the strategies that will ensure residents are not paying more than 30% of their income towards rent plus utilities.
14. A property with mixed populations must screen all referred special needs applicants using screening criteria established for all applicants at the development according to state and federal Fair Housing laws.
15. Leases for residents of LIHTC developments must meet the minimum lease period and other requirements prescribed by the LIHTC program and any other applicable federal or state funding programs. Leases for special needs residents in mixed-population developments cannot be more restrictive than leases executed with other residents of the same property.
16. During and after lease-up, Lead Referral Agency referrals must be moved in first regardless of chronological order of the general waiting list until all targeted units are occupied with referrals. Management cannot have a preference for referrals with a Section 8 voucher. During lease-up, properties which are not 100% special needs are required to hold the number of designated special needs units for a period of ninety (90) days for leases to persons with special needs. After the ninety (90) day period these units can be leased to the general population meeting the properties leasing criteria. As target units become vacant, they must be held open for a period of thirty (30)

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days or until the number of required special needs units have been leased. After the thirty (30) day period they may be leased to other qualified tenants.

17. For preservation properties and other developments occupied during construction, the owner is not required to displace any current residents but is required to comply with the targeted unit commitment as units turn over and become available for vacancy, so long as such compliance does not cause an event of noncompliance under other applicable laws or regulations under which a development is operated or is receiving federal subsidy.
18. The LIHTC LURA will incorporate the number of special needs units committed at application and will be reviewed for compliance throughout the later of (i) the completion of the Compliance Period, (ii) the completion of the affordability period connected to any MHDC loan on the development, (iii) the completion of the HOME affordability period (if applicable), (iv) the completion of the NHTF affordability period (if applicable).

Questions regarding a proposal's eligibility under the Special Needs Priority should be directed to the MHDC Director of Rental Production and MHDC Community Initiatives Manager prior to the application deadline.

Service-Enriched Housing Priority (eligible for up to 30% boost in eligible basis)

Service-Enriched Housing enhances the connection between affordable housing and supportive services. MHDC recognizes the advantages of supportive housing to individuals, communities and on public resources. To encourage more comprehensive housing environments for vulnerable populations, proposals offering significant services tailored to the tenant population will receive a preference in funding ("Service-Enriched Priority"). The desired outcomes of the service enriched priority are for tenants to stay housed, have social and community connections, improve their physical and mental health, increase their income and employment, and to be satisfied with the services and housing². To be considered under this priority, a development must target a specific population. Examples include, but are not limited to:

1. Senior households;
2. Individuals with children;
3. Formerly homeless individuals and families;
4. Individuals with physical and/or developmental disabilities;
5. Individuals diagnosed with mental illness: and/or
6. Children of Tenants.

The applicant should demonstrate it has extensive experience with providing social services for the population in question. If the applicant does not have experience with the specified population, it should have commitment(s) from a service provider(s) that does have the necessary experience. Any commitments should run until the later of (i) the completion of the Compliance Period, (ii) the completion of the affordability period connected to any MHDC

² Corporation for Supportive Housing, *Dimensions of Quality Supportive Housing: 2-3*.

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loan on the development (including any HOME and NHTF affordability periods). Failure to deliver on expectations will impact future funding decisions and could result in termination of reservations or commitments. If the owner determines a particular program offered as part of the committed services is not meeting the needs of the resident population, the owner must replace it with another appropriate service.

Developments wanting to be considered under this priority must fully complete the applicable Application sections in the FIN-100 and attach the following supplemental documents with the Application:

1. A detailed supportive services plan explaining the type of services to be provided, who will provide them, where they will be provided, how they will be accessed by tenants, and how they will be funded, signature of representative for primary service provider. The plan should also include, but is not limited to, a description of how the development will meet the needs of the tenants, including assessments, access to supportive services, transportation, and proximity to community amenities. It is preferable services be onsite or near the proposed development;
2. Letters of intent from service providers anticipated to participate in the development's services program. Letters should include:
 - a. Name of the service or program
 - b. The nature of the services or program
 - c. Service delivery plan
 - d. Duration of commitment
 - e. Primary contact person with signature
3. Service Coordinator job description

Depending on the population served, additional information may be required. MHDC reserves the right to request further documentation before determining if a particular application qualifies for the Service-Enriched Priority.

To qualify for the Service-Enriched Priority, a proposal must have a defined population, demonstrate the services are adequate for the population, and have a source of funding. Services need to be substantial and not typical of a standard development. For example, a senior development which offers transportation to residents for shopping once a week and a monthly potluck dinner is encouraged, but it is not sufficient to qualify for the priority. Proposals will be looked at more favorably if they offer an extensive menu of services that address the desired program outcomes previously mentioned.

The Service-Enriched Priority designation will be determined in the sole discretion of MHDC. The expectations and level of services necessary for qualification for the priority are high. However, MHDC encourages services be provided to tenants of all developments.

9% Credit developments that qualify for the Service-Enriched Priority are eligible for designation as a difficult-to-develop area. This designation allows an increase in eligible basis of 30%. The designation will only be made if necessary for financial feasibility and within all requirements of the QAP and the Code.

Applicants seeking designation under the Service-Enriched Priority must provide substantial resident services appropriate to the population served by the development. The property must employ staff dedicated to providing social services (service coordinator) or contract

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with a service agency to provide a service coordinator. The purpose of the service coordinator is to direct the service program, provide coordination of services with agencies and other service providers, and work with residents to identify programmatic needs. MHDC looks favorably at service coordinators that work at the property and have office hours available to meet the needs of the residents.

The supportive service plan, application and supplemental documentation must demonstrate the applicant's commitment to provide a significant number of services and activities appropriate to the resident population. The supportive service plan must detail the service delivery plan to specifically address how the applicant plans to engage the resident population in support services for the duration of the compliance period. All services must have an identified service provider evidenced by a commitment letter from that provider and must demonstrate how the property will continue to fund the service program through the Service Enriched Priority Term. Sources of funding in future years may include income from operations or verifiable public grants and funds. The services must be provided on site and on a regular schedule. Below are examples of services from which the developer can select. The more services provided that are tailored to the needs of the target population will reflect more favorably on the Application's supportive service commitment.

MHDC, in its sole discretion, will determine whether the number and type of services proposed are significant enough for the application to meet the requirements of the Service-Enriched Priority. Proposed services should address physical, mental, social, and overall well-being.

1. Family properties – example of services:
 - a. regularly-held resident meetings;
 - b. After-school programs for children;
 - c. Financial literacy courses for adults;
 - d. Parents as Teachers program offered through the local school district;
 - e. Credit and/or budget counseling;
 - f. Life skills and employment services;
 - g. Nutrition and cooking classes;
 - h. Domestic violence survivor support and counseling;
 - i. Computer lab or computer check-out program;
 - j. Food pantry;
 - k. Daycare services;
 - l. College preparation counseling;
 - m. Clothes closet;
 - n. Library;
 - o. Back to school programs;
 - p. Youth sports activities;
 - q. Teen support groups; and

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- r. Good neighbor and tenant rights classes.
2. Senior properties – example of services:
- a. regularly-held resident meetings;
 - b. transportation to shopping and medical appointments;
 - c. tenant rights and good neighbor classes;
 - d. nutrition and cooking classes;
 - e. enrichment classes such as seminars on health issues, prescription drugs, Medicare, the internet;
 - f. coordination with an agency that provides assistance with paying bills and balancing checkbooks;
 - g. monthly or annual health screenings;
 - h. assistance preparing a Vial of Life;
 - i. exercise program such as the Arthritis Foundation Exercise Program;
 - j. monthly community activities (i.e., pot luck dinners, holiday events, bingo);
 - k. access to fitness equipment;
 - l. food pantry or access to a mobile food pantry if available;
 - m. housekeeping;
 - n. grand parenting classes;
 - o. Volunteer opportunities; and
 - p. computer lab or check-out program.

Services provided to seniors must be mindful of the varied needs and desires of an independent senior population as compared to a more elderly and fragile population. Such services should also be tailored to reflect whether the senior development is intended to be a 55+ Development or a 62+ Development. Service providers should plan to evaluate tenant needs and interests on a regular basis as well as have a process in place to measure the impacts of the service plan.

The Application must include the proposed annual budget. MHDC staff will approve the annual budget at Firm Commitment.

Preservation Priority (eligible for up to 30% boost in eligible basis)

The preservation of existing affordable housing will receive a preference in funding (“Preservation Priority”).

To qualify for the Preservation Priority a development must meet at least one of the following and, if receiving Federal Historic Credits and/or State Historic Credits, must waive the right to opt out of the LIHTC program for an additional fifteen (15) years beyond the Compliance Period.

1. Have and continue to use, if possible, project-based rental assistance and/or operating subsidy;

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2. Have a loan made prior to 1985 from any of the following loan programs: HUD 202/811, 221(d)3 or (d)4, 236 or USDA RD 515;
3. Participate in HUD's Mark-to-Market restructuring program; or
4. Have a previous allocation of LIHTCs in which the first year of the Credit Period (as defined in §42(f)(1) of the Code) was 1999 or earlier and be in or have completed the final year of the Compliance Period for all buildings in the development.

To be considered under the Preservation Priority, the following must be included with the Application:

1. Copies of all loan notes and regulatory agreements encumbering the property, including any modifications thereto;
2. A copy of any project-based income or operating subsidy agreements and rent schedules, including both original and modified subsidy agreements or contracts;
3. Audited financial statements for the development covering the three most recent years;
4. If the development has HUD or MHDC financing or is subject to a LIHTC LURA or an MHDC Regulatory Agreement, a letter from HUD or MHDC indicating the need for preservation (If the proposed preservation development has a RD loan, please see '5.' below);
5. If the proposed development includes USDA-RD financing, the application must include a letter addressed to MHDC from the RD State Office stating (1) RD support for the proposal, and (2) that the applicant has met with either the RD State Office or Area Specialists prior to preparing/submitting the application to MHDC. The purpose of the meeting is to go over the entire structure of the proposal with RD, including, but not limited to, a discussion of the proposed scope of work, Capital Needs Assessment ("CNA"), financing structure, rents charged, operating budget, the potential amount of additional RD required Replacement Reserves, and any other unique feature or complexities pertaining to the development proposal. It is recommended that applicants supply RD with a copy of the "as-is" CNA prior to this meeting; and
6. A physical needs assessment (or for RD proposals, an "as-is" CNA that meets USDA-RD requirements).

If a development does not have a HUD or RD loan or project-based rental assistance and requires a letter from MHDC indicating the need for preservation, a letter will be granted only after an inspection of the property by MHDC. Requests for the letter and inspection must be made to the Director of Asset Management. Any applicant seeking a letter is encouraged to make the request as soon as possible in the application preparation process.

Developments not eligible for the Preservation Priority but that do contemplate the acquisition and rehabilitation of existing housing are encouraged and given extra consideration.

Minority-Owned Business Enterprise ("MBE")/Women-Owned Business Enterprises ("WBE") Priority

This priority is only available to developments with more than six units.

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A preference in funding (“MBE/WBE Priority”) will be given to an application that reflects:

- a) A MBE/WBE developer, a developer group that includes a MBE/WBE, and/or a Developer Mentor/Protégé relationship (as defined below); or
- b) MBE/WBE participation percentages significantly greater than the MBE/WBE Participation Standard (as defined below) for both hard and soft costs.

The Mentor/Protégé Relationship must be designed to support, promote, and develop the knowledge, skill, and ability of the MBE/WBE protégé in a manner intended to assist in the growth and development of the MBE/WBE as a developer.

Applicants seeking a preference under paragraph a) above must provide a comprehensive utilization plan signed by the owner/developer detailing the role of, and functions to be performed by, the MBE/WBE. The roles and functions of the MBE/WBE must be those typically performed by the owner/developer. Applicants must also submit proof of MBE/WBE certification with the application. Applicants seeking a preference under paragraph b) above must provide a comprehensive utilization plan signed by the owner/developer detailing how the applicant intends to significantly exceed the MBE/WBE Participation Standard.

Applicants seeking the MBE/WBE Priority must include a history of MBE/WBE participation with the Application.

Property Disposition Priority

Applicants may compete for the purchase of real estate owned by MHDC (“Property Disposition Priority”). The Application must propose an acquisition/rehabilitation transaction that will be evaluated on its merits according to the selection criteria and its ability to demonstrate potential long-term success as an affordable housing development. The Application serves as both the competitive bid to purchase the asset and the application for financing to fund the property’s acquisition and renovation. Therefore, multiple Applications for the same property may be submitted by different development teams competing for the opportunity to purchase it.

To qualify for the Property Disposition Priority, the property must be listed publicly by MHDC as real estate owned and available for competitive bid. Application fees and market study requirements will be waived for applicants submitting proposals under this priority.

To be considered under this priority, the following must be included with the Application:

1. A signed option contract representing the applicant’s offer to purchase the MHDC-held property on the MHDC option contract form. The MHDC form will be made available on the MHDC website in conjunction with any MHDC-owned real property that is publicly posted.
2. Any other certifications or documents required by MHDC and made available on the MHDC website in conjunction with the listing of any MHDC-owned real property.

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Compliance Period and Affordability Priority

MHDC encourages developments providing quality housing with low affordable rents for an extended period of time. As a result, a preference in funding will be given to applications that agree in advance to waive the right to opt out of the LIHTC program at the end of the fifteen (15)-year Compliance Period and maintain the development as affordable housing for a minimum of 30 years ("Extended Use Priority"). This priority is not available to developments with historic credits or single-family homes.

50% AMI Priority

A preference in funding will be given to applications that set aside at least 25% of total units to households earning less than or equal to 50% of area median income ("50% AMI Priority"). Rents for households earning less than or equal to 50% of area median income must be at least 15% less than rents actually charged to households earning up to 60% of area median income. This priority is not available to developments with project-based rental assistance.

Workforce Housing (eligible for 30% boost in eligible basis)

Developments in counties with a median income less than the 2015 statewide median income (as established and published by HUD) are eligible for the basis increase, provided that 20% of the total units in the development are set aside for households earning between 60% and 80% (workforce units) of the area median income. Rents in the 60%-80% units should be different than tax credit rents in the development. The intent is to capture the households that are just over the tax credit income limits but still have a need for quality affordable housing. The published income limits for each development's county still apply and must be used for determining resident eligibility.

Transit Oriented Development (TOD) (eligible for 30% boost in eligible basis)

The following criteria will be considered in the determination of a development's ability to meet the definition of a TOD:

- a. The development must be located within 1,750 feet of a transit stop.
- b. Transit service at the stop must be frequent (every 15-30 minutes).
- c. The transit service must offer increased mobility choices and good transit connections.
- d. The development must include a mix of transportation choices, including biking and walking
- e. The master development plan must include a balanced mix of uses, providing residents the ability to live, work, and shop in the same neighborhood.
- f. The master development must include significant retail development.
- g. The master development must include a mix of housing choices (rental and for-sale, affordable and market-rate).

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Redevelopment Plan

Applications which are a part of a redevelopment plan which has been approved/adopted by a local government will receive a preference in funding. The application must include a letter from the local authorizing official that development in the application is a part of the redevelopment plan.

Opportunity Area

MHDC encourages affordable housing developments in -opportunity areas by targeting communities that meet the following criteria: access to high-performing school systems, transportation and employment; as well as being located in a census tract with 15% or lower poverty rate. **Family developments** that meet these criteria will receive a preference in funding. Family developments proposed in opportunity areas are required to include an affirmative marketing plan that proactively reaches out to families currently living in census tracts where the poverty rate exceeds 40%. The plan must include a Special Marketing Reserve to assist in initial relocation expenses for families with children. Note that the minimum unit size for a family development in an opportunity area is two-bedroom. Developments that apply under this priority must also apply under the Service Enriched Priority. MHDC will, on a case by case basis with reasonable and well documented justification, allow flexibility for meeting all four criteria for qualification. Please refer to the Market Study Guidelines which specifies how data on each of these criteria is to be collected. Below are examples of services for this type of family development:

- a. Regularly-held resident meetings
- b. After-school programs for children
- c. Financial literacy courses for adults
- d. Credit and/or budget counseling
- e. Life skills and employment services
- f. Computer lab or computer check-out program
- g. Daycare services
- h. College preparation counseling
- i. Library
- j. Back to school programs
- k. Youth sports activities
- l. Teen support groups
- m. Good neighbor and tenant rights classes

Selection Criteria

While the housing priorities above list the types of developments that receive extra consideration, the selection criteria below indicate what factors are used in making funding recommendations. The selection criteria incorporate both MHDC priorities and the federal preferences and selection criteria described in §42(m)(1)(B)(ii) and §42(m)(1)(C) of the Code. Because not every development fits into the same category or serves the same population, certain characteristics have different meanings and have different influence on the overall evaluation of each proposal. Despite this inherent difficulty presented by the varied applications received, MHDC strives to apply the selection criteria in the most consistent and rational way possible.

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Geographic Region

An attempt will be made to allocate the State Housing Credit Ceiling across the state on a population proportionate basis adjusted annually, with the state divided into the following areas:

1. St. Louis Region - 33%: Jefferson, St. Charles, St. Louis City and St. Louis counties.
2. Kansas City Region - 19%: Cass, Clay, Jackson, Platte, and Ray counties.
3. Out State Region - 48%: All other counties.

MHDC will make its best effort to reserve LIHTCs in the above-listed manner, but given the needs of individual deals and the strength of applications in each region, it may not be feasible for final approvals to achieve the exact geographic distribution. MHDC is not obligated to approve 100% of the Federal LIHTCs available if it deems there are not enough worthy applications competing for the credits. Parts of the state officially declared a disaster area by the governor may be designated a Targeted Area, as determined on a case-by-case basis by the Commission, permitting MHDC to give special consideration to developments that assist in providing affordable housing to people affected by the disaster. In the event of such a determination by the Commission, a notice announcing the Targeted Area designation will be posted with the NOFA at www.mhdc.com.

The above percentages do not apply to Bond Developments.

Development Characteristics

The following characteristics will be reviewed closely:

Tenant Population

It is important MHDC fund developments offering quality affordable housing to the populations that need it in the locations where it is needed. Items given consideration with regard to the intended tenants include:

1. Tenant populations with special housing needs, such as persons with physical and/or developmental disabilities, homeless individuals and families, seniors, and other under-served and/or at-risk populations. This list is not an exhaustive list of special needs populations. Applicants that feel they are serving a special tenant population should explain so in the development narrative;
2. Individuals with mental illness;
3. Individuals on public housing waiting lists;
4. Individuals with children;
5. Youth aging out of foster care;
6. Developments serving the lowest-income tenants; and
7. The quantity, quality, and suitability of services provided or offered to the tenants. Services need to be population-appropriate, and applicants should make clear what services will be offered.

It is important the rest of the development's characteristics are appropriate for the intended tenant population. The intended population will impact how the other

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selection criteria are evaluated and should always be kept in mind when structuring any MHDC development.

Development Size

All applications submitted for consideration are limited to fifty (50) affordable units in a proposal. Exceptions may include, but are not limited to, applications proposing a:

1. Mixed-income development;
2. Development to replace existing public housing and/or subsidized housing
3. Development where at least 25% of the units are set aside as Special Needs housing units;
4. Development that includes serviced enriched housing features;
5. Development that preserves existing affordable housing;
6. Development that is part of a municipal redevelopment plan; or
7. Senior housing development (both 55+ Developments and 62+ Developments).

Type

The type of development being proposed is an important characteristic and affects how the other selection criteria are applied. Developments will be evaluated on how they contribute to the goal of the QAP and the mission of MHDC. Developments fall into at least one of the following types:

1. New construction;
2. Historic rehabilitation/adaptive reuse. Any development that will utilize the Federal and/or State Historic Rehabilitation Credit will be considered to be a historic deal. Developments that will use the historic credit and are currently being used as housing will be considered both historic deals and acquisition/rehabs. Developments that feature historic rehabilitation and some additional new construction will generally be considered historic deals but will be evaluated on a case-by-case basis;
3. Acquisition/rehabilitation of existing housing. Acquisition/rehabilitation includes both preservation developments and any other housing development that features existing tenants; or
4. Developments intended for eventual tenant ownership. For the purposes of this Developer's Guide and the 2017 NOFA, developments intended for eventual tenant ownership applies to single-family homes and duplexes with fire separation walls.

Regardless of type, developments obligating themselves to serve qualified tenants for the longest period of time are given extra consideration.

Site

Each site will be reviewed by MHDC staff to determine the overall suitability of the site for affordable housing and for the intended population. Site reviews will consider:

1. Marketability, or the likelihood that the site and improvements will be accepted by the target population;
2. Presence of environmental issues and concerns;

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3. Neighborhood characteristics and land uses;
4. Proximity to appropriate amenities and services;
5. Need for rehabilitation, if applicable; and
6. Access into and out of the site and parking.

A development may include multiple buildings if it has similarly constructed units, is located on the same or contiguous tracts of land, is owned by the same federal taxpayer and is financed pursuant to a common plan of financing. A development with multiple buildings that is proposing a mixed income structure must have low-income units in each building of the development. Scattered site buildings on noncontiguous tracts of land may also qualify if the development meets all of the other requirements described above and the development is 100 percent rent and income restricted, however, costs associated with the development of a separate community building may not be eligible for Tax Credits unless the building contains a residential rental unit.

Design

The design of each development will be examined closely to assess its appropriateness for the site, the market, and the population being served. The following will be taken into account when evaluating the application: Placement of buildings on the site;

1. Development amenities;
2. Type and quality of materials;
3. Energy efficiency and overall sustainability;
4. Condition and suitability of structures being reused;
5. Scope of work for rehabilitation or renovation;
6. Population appropriate design features (for example, interior and exterior common spaces, storage space, accessibility, adaptability, etc.);
7. Exterior design aesthetics that blend well with the surrounding area; and
8. Universal Design Features

Market Characteristics

It is important the development's characteristics are appropriate for the market in which it is located. Please refer to the Market Study Guidelines for further guidance. The following will be analyzed for each proposal:

Development Location

Where a development is located affects almost all of the other selection criteria. Important considerations for location include, but are not limited to:

1. New construction and conversion proposals must meet the following criteria:
 - a. The development shall not be located where the total of publically subsidized housing units (as defined in the Market Study Guidelines) equal more than 20% of all units located in the census tract where the

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development will be located. Note: The proposed units are not included in the 20% threshold only the units that presently exist;

- b. If the proposed development is located in the Kansas City or St. Louis Region, it shall not be located within a one (1) mile radius of any development that:
 - (a) has been approved for State LIHTC, Federal LIHTC, HOME, or Fund Balance funding through MHDC within the previous two (2) fiscal-year funding cycles; and (b) is less than 90% leased-up at the time of application submission.

Exceptions to the previous two criteria may include, but are not limited to, applications proposing a:

- Mixed-income development;
 - Development to replace existing public housing and/or subsidized housing;
 - Development where at least 25% of the units are set aside as Special Needs housing units;
 - Development that includes serviced enriched housing features;
 - Development that preserves existing affordable housing;
 - Development that is part of a municipal redevelopment plan; or
 - Senior housing development.
2. Location in a qualified census tract that will contribute to a concerted community revitalization plan;
 3. Whether existing housing is used as part of a community revitalization plan;
 4. Location in a community with demonstrated new employment opportunities and a proven need for workforce housing;
 5. Infill of existing stable neighborhoods; and
 6. Commission-designated Targeted Areas.

Housing Needs

Developments must address the affordable housing needs of the region and locality where they will be located. Important considerations regarding market need include:

1. Number and growth of the population and intended tenant population in the market area;
2. Comparability, condition, rents, and occupancy of other affordable housing developments in the market area;
3. Comparability, condition, rents, and occupancy, of market rate housing in the market area;
4. Capture rate for the proposed development, calculated by dividing the number of proposed units by the number of qualified households; and
5. Housing needs of the special needs population.

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No application proposing the delivery of new units will be approved if it is deemed by MHDC to adversely impact any existing MHDC development(s), exist in a questionable market, or create excessive concentration of multifamily units.

Development Team Characteristics

A development team's experience with affordable housing, MHDC, and the type of development being proposed are important. The following development team members will be evaluated: developer(s), general partner(s), management agent, syndicator(s)/investor(s), contractor, architect, sustainable design team, consultant(s), Lead Referral Agency for special needs housing, and service provider for service-enriched housing.

Evaluations will assess the experience, performance, financial strength, and capacity to complete the proposed development in a timely and efficient manner.

Items considered will include, but are not limited to:

1. Number of affordable developments completed;
2. Occupancy of developments owned and/or managed;
3. Number of developments in the planning and development stages;
4. Performance, quality, and condition of previously-completed developments; and
5. Previous and outstanding compliance issues.

The proposed general partner, developer, and general contractor will be assessed for their capacity to successfully manage the predevelopment, closing, construction, and lease-up of the proposed development, in addition to previously-approved developments currently in those stages of development.

Development team members not in good standing with MHDC or its programs will not be approved for funding. All identities of interest between members of the development team must be documented to MHDC's satisfaction. This includes, but is not limited to, identities of interest between any two or more development team members such as developer, general partner(s), syndicator(s), investor(s), lender(s), architect(s), general contractor, subcontractor(s), attorney(s), management agent, etc.

Financial Feasibility

Applications will be evaluated to determine financial feasibility and viability throughout the Compliance Period using the assumptions provided by the applicant ("Feasibility and Viability Determination"). MHDC will evaluate:

Sources

All developments must demonstrate sufficient sources are available to assure feasibility. For non-MHDC sources, a commitment letter from the proposed provider indicating the amount and terms of financing must be included with the application. The type of financing and the source of all financing will be taken into consideration.

Uses

Development costs must be reasonable and competitive for the type of development and location being proposed. Sources and uses must balance.

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Income

Rents must be appropriate for the market and affordable for the intended population. Rents must meet the requirements of the various financing sources proposed in the application and, at a minimum, must meet the requirements of the Code to be eligible for a LIHTC allocation under the QAP. Normally, tax credit rents should be at least 15% less than market rents for the same unit type. In rare instances, area market rents may be depressed due to deteriorating conditions. Therefore, area market rents could be less than tax credit rents. If a development includes both tax credit and market units, the tax credit unit rents must be at least 15% lower than market unit rents. This does not apply to special needs housing properties. Other sources of income that are undocumented may not be used to determine feasibility or the size of MHDC debt.

Expenses

Operating expenses must be adequate, reasonable, competitive, and appropriate for the market and type of development being proposed.

Long-Term Viability

Operating projections must indicate the development is viable for the greater of (i) the entire Compliance Period, or (ii) the term of any MHDC financing.

Timing

The timing of due diligence, financing commitments, and regulatory approvals will be considered when assessing an applicant's ability to proceed. Consideration will be given to applicants that demonstrate they can proceed in a time-frame consistent with the requirements of the Code or, for Bond Developments, the allocation process established by the Missouri Department of Economic Development.

Investment Potential

Proposals will be evaluated for their potential to attract investors to the Federal LIHTC and State LIHTC, if applicable, based on:

1. The potential amount of Federal LIHTC and State LIHTC, if applicable;
2. The size of the proposed development;
3. The market;
4. The experience and strength of the development team; and
5. Financial feasibility.

The strength and previous performance of all investors will be taken into consideration during the feasibility review.

MHDC will not allocate a credit amount exceeding the amount necessary to assure development feasibility. Guidance for what may be considered appropriate can be found in the underwriting standards below.

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Community Impact

MHDC seeks to allocate funding to developments that appropriately and efficiently improve their communities. Impact will be influenced by:

Elected Official and Community Support

Community support should highlight the importance of the development to the community and the impact it will have.

Catalytic Effect

Developments that will successfully encourage further development or redevelopment in the community are encouraged. This includes developments that are part of a larger community redevelopment effort or part of a concerted community revitalization plan.

Community Needs

How a proposal will address the needs of the population and community it intends to serve is important. The existing stock of affordable housing and demographic trends in the area will influence the needs of the community and ability of the proposal to meet those needs.

Application Review

Unless an application is rejected during one of the stages, applications submitted in response to a NOFA will undergo each of the five staff review stages described below. If an application is rejected during the Initial, Primary Documentation, or Secondary Documentation Review, a written explanation will be provided to the applicant. An application checklist, application forms, and program guides can be found at www.mhdc.com (through the Rental Production link).

Initial Review

The Initial Review will be conducted to determine if the applicant and its application meet the following requirements:

Organized Application

Each Application must be submitted in a three-ring binder and organized with tabs according to the MHDC FIN-125. Applications that are not organized will be eliminated from further consideration. A complete application consists of (1) a FIN-100, (2) one tabbed, three-ring binder with all required exhibits and original signatures, where required, (3) digital media containing electronic exhibits, and (4) the appropriate application fee. The MHDC FIN-125 will identify exhibits to be submitted in the three-ring binder and exhibits to be submitted digitally. Three-ring binder and digital media exhibit names must match the FIN-125 exhibit names. Acceptable forms of digital media include, but are not limited to, a CD-R, DVD, or a USB flash drive. MHDC staff has the right, in its sole discretion, to waive an exhibit requirement on a case-by-case basis upon the review of a formal waiver request submitted by an applicant prior to the applicable NOFA deadline.

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Good Standing with MHDC

Any member of the development team that is the owner or general partner of a LIHTC development currently in noncompliance due to site audits or a failure to comply with the owner's reporting requirements will be denied participation in the NOFA. In addition, any development team member not in compliance or good standing with any other MHDC program will be similarly denied participation. If MHDC learns that any principal involved with a proposed development has serious and/or repeated non-performance or non-compliance issues in Missouri or any other state before or after the time of application, the application will be rejected. Prior performance considered may include, but is not limited to, progress made with a previous Conditional Reservation Agreement, Firm Commitment, closing, cost certification, development compliance, payment of fees, and/or violation of the MHDC Workforce Eligibility Policy.

Please contact MHDC staff prior to submittal if you are unsure whether you or your development team members are in good standing.

Consistent with Code Requirements

The proposal must meet all the requirements set forth in the Code and all relevant U.S. Treasury regulations, notices, and rulings.

Consistent with Fair Housing Requirements

The submitted proposal must meet all the requirements of The Fair Housing Act of 1968, as amended.

Consistent with Internal Revenue Service Memorandum of Understanding

MHDC and the IRS have executed a Memorandum of Understanding ("IRS MOU") to improve the administration of the Federal LIHTC. Under the terms of this IRS MOU, all developers must complete IRS Form 8821 (Rev. 8-2008), Tax Information Authorization, as a condition of consideration for an allocation of 9% Credit or 4% Credit. An executed IRS Form 8821 for the developer and all key principals of the developer and general partnership must be included as part of the application.

Consistent with Tax Credit Accountability Act

Under the provisions of the Tax Credit Accountability Act (R.S.Mo. 135.800-135.830), all developers/applicants must complete all necessary forms and reporting requirements during the reservation process, the allocation process and for a period of three years following the issuance of State LIHTC by MHDC to comply with the provisions of the State Tax Relief Act. All developers must complete MDOR Form 8821 (Rev. 11-2007), Missouri Department of Revenue Authorization For Release of Confidential Information, as a consideration for the allocation of the State LIHTC. MHDC will obtain tax clearance for the developer/applicant from the Missouri Department of Revenue at the time of application. Should the developer, general partner, or any key principal be found to have outstanding tax liens or delinquent taxes, for federal or state taxes, the related application will be rejected.

The Initial Review will be performed in conjunction with the Primary and Secondary Documentation reviews (described below). If at a later date it is discovered that an

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application does not meet one of the Initial Review requirements, it will be rejected or, if funds have been reserved, that reservation may be terminated.

Primary Documentation Review

All primary documents must be complete, fully executed, and submitted by the applicable application deadline. An exact list of documents can be found on the MHDC FIN-125. A missing primary document, documents in draft form, or documents missing signatures will result in Application rejection.

MHDC may be forced to allow corrections to primary documentation but this will be allowed only in rare circumstances. Applicants should expect that if they turn in an Application missing primary documentation, it will be rejected.

Secondary Documentation Review

Secondary documentation must be submitted by the application deadline to receive further consideration. If six or more secondary review documents are missing or incomplete at the time the application is submitted, the application may be rejected. If five or fewer secondary documents are missing or incomplete at the time the application is submitted, the applicant will be notified in writing of deficient items and a date by which deficiencies must be cured ("Cure Date"). If the requested documents are not received by the Cure Date, the application will be rejected. The FIN-125 contains an exact list of the required documentation and the exhibit discussion below further explains the requirements.

It is expected, but not guaranteed, that notification regarding secondary documentation deficiencies and the Cure Date will be emailed within ten (10) business days of the application due date established in the applicable NOFA.

If the Initial, Primary Documentation, and Secondary Documentation reviews are successfully passed, an application is deemed complete and will be considered for further review.

Site Review

During the application review process, MHDC staff will conduct a review of each proposed site(s). Each proposed site location must have a sign posted on it. The sign must be at least 2' X 3', include the developer's name, and state it is a MHDC proposed project. The sign must face a road surrounding the site and the font size must be easily readable from the road. The site selected for the development is a critical component of the application. MHDC evaluates the following items:

1. Ingress and egress;
2. Visibility for marketing purposes;
3. Proximity to groceries, pharmacies, restaurants, public parks, etc.;
4. Potential noise concerns from nearby highways, airports, etc.;
5. Potential flood plain issues;
6. Existence of wetlands areas;
7. Potential habitat for endangered species;
8. Competition with other housing developments in the immediate area; and

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9. Need for rehabilitation, if applicable.

These site considerations are not a substitute for an environmental report but are meant to alert MHDC staff to potential concerns, and the results play an important role in the Competitive Review.

Vacant land presents a challenge in identifying the location of a proposed site, particularly in rural areas and pre-construction phase subdivisions. MHDC requires applicants place a sign on the property clearly marking the location. Subject to timing and availability, staff reserves the right to contact applicants to meet them at the site for a physical inspection. Contact with an applicant does not indicate either a favorable or negative response to the application or choice of a site.

If a rehabilitation proposal, MHDC staff expects to be able to enter existing buildings to inspect proposed scope of work.

Competitive Review

Once an application has gone through the Initial, Primary Documentation, Secondary Documentation, and Site Review stages and is considered complete to MHDC staff's satisfaction, it will undergo a Competitive Review ("Competitive Review"). The Competitive Review uses the established Housing Priorities, selection criteria, and underwriting standards to determine recommendations for funding. All factors are considered and those applications deemed, at the sole discretion of MHDC, to best meet the goals of MHDC will be recommended to the Commission for formal approval.

Application Forms, Exhibits, and Digital Media

Each applicant is required to submit the exhibits applicable to the type of development it is proposing. Questions as to whether an exhibit is applicable to a specific Application must be asked prior to the applicable NOFA deadline.

If you have questions about Application exhibits, especially if you are not sure whether an exhibit applies to your particular development, please contact the Director of Rental Production or Chief Underwriter. Any item that may serve to satisfy the requirements of multiple exhibits should be copied and included in each applicable exhibit tab. For example, a letter of support from the city that also confirms the zoning for an application must be included both in the Public Official Contact Verification and Support Letters exhibit and the Zoning Letter exhibit.

If an exhibit is required but you feel there is a reason it should not be applicable for your application, you may request a waiver of that exhibit requirement. Please note, waiver requests must be submitted on the MHDC waiver form and submitted and approved prior to the Application due date. Waivers will only be granted in rare circumstances with a rational explanation and proper justification.

A completed and executed FIN-100 with appropriate certifications and elections made, digital media, application fee, development narrative and questionnaire, site review information, applicant site control, market study, and financing commitments constitute the Primary Documentation. Acceptable forms of digital media include, but are not limited to, a CD-R, DVD, or a USB flash drive. All remaining exhibits listed on the FIN-125 constitute the Secondary Documentation. MHDC staff may contact applicants for clarification or questions

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regarding any submitted exhibit. However, such contact does not indicate anything other than a request for information.

The MHDC FIN-125 will identify which exhibits the digital media must contain. Digital media exhibit names must match the MHDC FIN-125. The MHDC FIN-125 specifies exhibit format.

The required digital media documents are important in the application review process and must be included with the Application. Please test the digital media after loading the documents to ensure the files open properly and every required document is included in the required format.

Rental Housing Programs Application

FIN-100

The FIN-100 must be filled out completely, accurately and must be executed in the appropriate places. The FIN-100 in the original binder must have original signatures. Please utilize the FIN-100 provided for the 2017 NOFA round. Submitting the application on a previous FIN-100 form will not be acceptable, as changes are made from years-to-year to reflect QAP revisions and new MHDC requirements.

FIN-100-Addendum

The FIN-100-Addendum must be filled out completely and accurately with the certification executed by all reporting parties. The FIN-100-Addendum in the original binder must have original signatures. If you have any questions when completing the FIN-100-Addendum, please contact MHDC staff.

Application Fee

The check for the applicable application fee must be included in the binder and the development name must be written on the check submitted.

Nonprofit Priority Application Fee

Proposals that qualify for the Nonprofit Priority and request consideration under that priority owe a \$750 application fee. This does not include Bond Developments, which must pay the standard application fee.

Standard Application Fee

All applications that do not qualify for the Nonprofit Priority owe a \$2,000 application fee.

Exception: Applicants submitting proposals under the Property Disposition Priority for a property listed publicly by MHDC as real estate owned and available for public bid are not required to submit an application fee.

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Project Description

Narrative Description

The narrative description should present any information you feel is necessary to understand your development and is not adequately described in the rest of the Application. The narrative is your opportunity to argue for and convince MHDC why your development is important and why it should be funded. The narrative should include a brief description of the following items:

1. **Development Characteristics:** describe the type of development, population served, amenities, and services of the development.
2. **Market Characteristics:** describe the rent structure and how those rents compare with other affordable and market rate properties in the area. Also discuss how the Application will address the relevant housing needs.
3. **Development Team Characteristics:** explain the key development team members and highlight experience with similar development types.
4. **Financial Feasibility:** provide a description of anything unusual regarding feasibility that may not be obvious from looking at the rest of the submitted information.
5. **Community Impact:** explanations of the level of local support, catalytic effect and how the Application will address the needs of the community.
6. **Other Salient Information:** provide any information or description of the development that explains any unique or important characteristics that would help MHDC better understand what you are trying to accomplish.

The development narrative is intended to be the applicant's chance to address MHDC's selection criteria. Any information that can help illuminate and distinguish an application is encouraged. Please be clear and concise when creating the narrative and keep the stated purpose in mind.

Development Questionnaire

The questionnaire must be completed. The questionnaire is a complement to the narrative description and the narrative description need not cover items discussed in the questionnaire.

Exhibit A to Form 2013

Applicants should utilize the Exhibit A to provide more information on costs or circumstances related to the project that is important to evaluation of the project, which is not otherwise captured in the Application.

Furniture, Fixtures & Equipment (FF&E)

If costs in excess of \$30,000 have been submitted for the FF&E line item, a breakout of the items and costs that comprise the FF&E must be provided in the Exhibit A to Form 2013.

30% Basis Boost

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If applicant will be utilizing a Basis Boost, an explanation on why the additional tax credits are necessary should be included.

Site Review Information

MHDC's site reviewers use the information in the site review exhibit to properly evaluate the proposed site and proposal. The following site review information must be included in the Application:

Development Location Maps

Two maps must be submitted: (i) a community-wide map clearly identifying the site with respect to the town as a whole or, for large metropolitan areas, its proximity to the intersection of two major thoroughfares; and (ii) a more detailed map showing the property within the context of a five- to ten-block area with site boundaries clearly demarcated. Please provide an appropriate amount of information so a person completely unfamiliar with the community can find the property based on the maps provided, including clearly marked street names. Detailed directions are welcome, especially with respect to vacant ground.

Site Photographs

Color photos of the site, including landmarks and surrounding properties.

Site Plan or Subdivision Map

If a proposal is for single-family homes in a subdivision, a subdivision map with the lots for the application. All other proposals are required to provide a site plan that identifies the footprint of the building(s) and site amenities. Please include distances from the property perimeter to the building locations or other references that will assist site inspectors in identifying the proposed footprint on vacant ground.

FEMA Flood Map

A copy of the FEMA flood map panel that covers the application site. Clearly mark the subject property boundaries. Include the panel number if it is not printed on the maps. FEMA maps can be found at: <https://msc.fema.gov/portal>.

Market Study

Existing Reports

The market study must be dated within six months of application and address the property in question. If the market study is dated within eighteen (18) months of the application due date, an update letter must be provided. No market study older than eighteen (18) months will be accepted.

Form 1300

This must be completed by the market analyst and included as both an exhibit on its own and as part of the narrative market study. When submitted as part of the application, this Form must be a separate document.

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Market Study Narrative

A favorable statement of conclusions about the strength of the market for the proposed development does not vest in an applicant or development any right to a reservation or an allocation of MHDC financing (including, but not limited to, LIHTC) in any amount.

The market study must:

1. Be prepared by an experienced market analyst shown on MHDC's approved provider list (not an affiliated company), who is an independent third party and completely unaffiliated with the developer and/or owner of the proposed development.
2. Contain a statement by the analyst that:
 - a. The report is in full compliance with MHDC's Market Study Guidelines. The MHDC Market Study Guidelines can be found at http://www.mhdc.com/rental_production/market_study/index.htm.
 - b. The information included is accurate and the report can be relied on by MHDC as a true assessment of the affordable housing rental market in the area of the proposed development.
 - c. The document is assignable to lenders and/or syndicators that are parties to the development's financial structure.
 - d. Acknowledges and agrees the market study will be shared with other parties that will assist MHDC in the analysis of the market study.
 - e. Lists the support, if any, that may justify the need for the proposed units by type, size, number, and location.
 - f. The analyst has compared the proposed rents to those found in the subject's PMA, and
 - g. The analyst's opinion of the market's need, if any, for the proposed development.

Nonprofit entities applying for HOME CHDO funds to develop eight or fewer units can submit a self-prepared market analysis in lieu of engaging a market analyst to perform a full market study. Applicants seeking approval under the Property Disposition Priority are not required to submit a market study.

Preliminary Financing Commitments

All non-MHDC sources of debt and equity must be evidenced by a commitment or acceptable documentation in lieu of a commitment. All preliminary commitment letters must include the information required by the MHDC Guidelines for Preliminary Financing Commitments which can be found at www.mhdc.com. At a minimum, there should be commitments for the following types of funds, where applicable:

1. Federal LIHTC Equity. If one syndicator/investor is purchasing all housing and historic tax credits, one commitment meeting the requirements for each type of credit is acceptable. If the syndicator/investor is also providing a bridge loan, that commitment can be included in the equity commitment if it contains all of the terms of the bridge loan.

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2. State LIHTC Equity
3. Federal Historic Rehab Credit Equity
4. State Historic Rehab Credit Equity
5. Other Non-MHDC Financing. All debt and grant financing must have a commitment letter included with the application, including any construction loans.

If the application involves rehabilitation with existing tenants, include an income from operations during construction calculation.

If the application involves rehabilitation, identify whether the seller or buyer receives the replacement reserve balance at closing.

All commitment letters must include the contact information for the person writing the commitment. MHDC may contact the author of a commitment to discuss the development and their commitment.

MHDC requires a preliminary commitment letter at the time of Application for all non-MHDC sources of financing. Updated commitment letters are required at the time of Firm Submission for approved applications.

Debt/Grant Commitments

1. Any debt or grant funds that will be part of the development's financing must have a commitment letter or a letter stating an application has been received for the source in question. Commitment letters must indicate the following:
 - a. Loan or grant amount. If using tax-exempt bonds, specify if bonds are draw down bonds.
 - b. Loan term and amortization. The minimum acceptable term for permanent loans is eighteen (18) years.
 - c. Interest rate. Permanent loans must have a fixed interest rate throughout the loan term.
 - d. Fees associated with the loan or grant.
 - e. Reserve requirements.
 - f. Lien position of the loan.
 - g. Relevant requirements that may affect other financing sources or the operations of the property.
 - h. Contact information for the person providing the commitment and to whom MHDC's questions can be directed.

Commitment letters are required for both construction and permanent sources.

If a loan is going to be assumed or an existing loan is to be restructured, include a copy of the note, current note balance, and a letter from the lender stating the loan can be assumed and details of the terms and conditions of any assumed or restructured note. This is of particular applicability to HUD- and RD-financed developments being preserved.

If a loan/grant has been applied for or will be applied for from a competitive source (e.g., city funds, Federal Home Loan Bank), a letter is required that either

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acknowledges the funds have been applied for or verifies a funding round is coming up and the applicant is eligible to apply. The letter should indicate the amount of funds requested and the timing for funding decisions. Applicants should be prepared to explain alternative plans if not successful in any non-MHDC competitive funding rounds.

An updated commitment letter must be provided with the Firm Submission and should update the information from any commitment(s) provided at Application.

Equity Commitments

If all the various types of tax credit equity are to be provided by the same syndicator, one commitment letter meeting all the requirements below will be sufficient.

Any development with tax credit equity listed as a source must include a preliminary commitment letter or letter of interest stating:

1. The ownership percentage and amount of annual credits to be purchased by the equity provider.
2. The price per dollar of annual credit purchased. Investors taking more than a de minimis share (i.e. 1% or greater) of ownership interest must provide a capital contribution (at the same price as the primary investor) in exchange for their share of Federal LIHTC.
3. The total amount of capital contributions.
4. The amount of equity paid during the construction period.
5. Any fees, such as an asset management fee, that must be paid during the Compliance Period.
6. Any reserve requirements.
7. For historic rehabilitation tax credit equity, the eligible basis calculated for both the State and Federal Historic Tax Credits.
8. For developments committing to special needs housing units, evidence the investor(s) is aware of the special needs housing commitment being proposed.
9. Contact information for the person providing the commitment and to whom MHDC's questions can be directed.

At Firm Submission (defined hereinafter), commitments for tax credit equity must update all the information provided with the Application and also include the following:

1. Capital contribution timing and amounts, including the dates or milestones when equity will be contributed to the partnership. MHDC requires a minimum contribution of 10% of Federal LIHTC and State LIHTC equity invested at construction closing with at least another 10% of Federal LIHTC and State LIHTC equity invested by 50% construction completion.
2. Description of development costs attributed to the limited partner, including syndication costs.

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If a bridge loan is to be provided by the equity investor, the terms and conditions of that loan can be included with the equity commitment and do not need to be presented in a separate commitment letter.

Timing Requirements

All equity commitments must be signed by the provider of the commitment and dated within forty-five (45) days of the Application deadline or Firm Submission date, as applicable.

Site Control

Seller Site Control

The applicant must demonstrate seller site control in the form of:

1. A vesting deed (e.g. a warranty deed); or
2. Title policy that clearly indicates the current owner.

For transactions in which there is an identity of interest between the seller and the buyer or between the seller and a member of the development team, the applicant must include a copy of the seller's contract or settlement statement from the last arm's length transaction if the transaction took place within the last fifty (50) years. If an identity of interest relationship exists between the buyer and seller of real estate a limitation of developer fee will result. Please see the Developer Fee + Consultant Fee section for more information.

Applicant Site Control

Evidence of applicant site control must clearly link the current owner to the eventual ownership entity and be in the form of:

1. Executed purchase option agreement. MHDC will not accept a purchase contract;
2. Executed long-term land lease or option on a long-term lease; or
3. Other commitments/agreements approved by staff prior to the Application deadline.

Applicants that already own the ground as evidenced by a vesting deed need only provide a copy of that recorded deed for the applicant site control. Applicants will also need to provide the identity of interest transaction information in the seller site control section described above. Due to certain restrictions ("Choice Limiting Actions") imposed by HUD on all developments requesting HOME Funds or other HUD financing, all applications requesting HOME Funds must have 100% site control of all application sites and the form of site control document must be a purchase option, not a real estate contract. All developments not requesting HOME Funds or other HUD financing must demonstrate proper site control for at least 50% of the sites listed in the Application. For developments that do not evidence 100% site control, a description of how site control will be obtained is mandatory. Failure to provide such description will result in Application rejection. The use of eminent domain to obtain site control of any sites not under control at the time of Application may be deemed acceptable by MHDC if at least 50% of the total parcels making up the

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development site are under control at the time of Application. Applicants who do not clearly have acceptable site control should contact MHDC prior to the Application deadline. MHDC approval of site control prior to the Application is advisable.

FIN 305: Seller Certification

The FIN-305 is required for every application with existing tenants and/or requesting a loan from MHDC. If no loan is requested but MHDC ultimately awards a loan, the FIN-305 must be completed and submitted prior to the execution of any Conditional Reservation.

Legal Description

A legal description of the proposed development site must be included as a separate exhibit. The legal description must match what is included in the site control section. If the site(s) being purchased is larger than the development site(s), a narrative description of how much of the site is for the development and a breakdown of the costs attributable to the development's site is required. For multiple-parcel single-family proposals, clearly label the legal descriptions, contracts/options, and any other documentation related to the various sites so staff can match the documentation to the proposed parcels.

Public Official Contact Verification or Support Letters

Public officials should be contacted via certified mail or some other manner that can be proven to have been received by the official. Public official contact letters must include the population being served, the number of units proposed, and any other relevant information demonstrating the official has received a sufficient description of the proposed development. The following public officials must be contacted prior to Application submission:

1. Chief Elected Official. Provide evidence the local legislative body (for example, city council members) and chief elected official of the local jurisdiction (for example, mayor) have been informed the applicant is submitting an application to MHDC.
2. State Senator
3. State Representative
4. City Councilperson or Alderman
5. Public Housing Authority Executive Director or local Community Action Agency (if applicable)
6. School Superintendent (new construction and historic conversion family developments only)
7. Head of Local Law Enforcement
8. City Council or County Board Resolution of Support, if possible

Scattered site developments must contact public officials for each locality/jurisdiction in which the sites are located.

You must submit either (a) a copy of the letter sent to the official and evidence the letter was received, or (b) a copy of a letter of support from the official. MHDC recommends using certified mail and obtaining the returned receipt card to prove the letter was received, but other proof is acceptable if discussed in advance with MHDC staff. MHDC strongly encourages

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letters of support from public officials required to be contacted. Letters should clearly reference the development being supported. Resolutions of support from municipal or county boards are not required but strongly encouraged. All letters and resolutions should be included.

The Commission places great importance on the demonstration of need for the proposed development and a key indicator of its potential and perception may be found in the opinions expressed by the public officials. In municipalities and counties from which MHDC has received multiple applications, staff reserves the right to contact mayors and county executives to request a prioritization of the applications.

While support letters are not required from other officials, community groups, neighborhood partners, current residents, or citizens at the time of application, all correspondence is welcome. Letters may be included in the application or sent directly to MHDC (c/o Rental Production).

Statutorily Required Documentation

Various federal and state regulations require applicants provide certain information at the time of application. The following required documents must be filled out properly and executed.

IRS Form 8821

In accordance with the IRS MOU, IRS Form 8821, Tax Information Authorization, must be submitted for the developer, all key principals of the developer and ownership entity, and all general partners that are not affiliates of the developer. Please fill out only Section 1 and sign Section 7.

Missouri Form 8821

In accordance with the Tax Credit Accountability Act, MDOR Form 8821, Authorization for Release of Confidential Information, must be submitted for the developer, all key principals of the developer and ownership entity, and all general partners that are not affiliates of the developer. Please fill out only the top section and sign the authorization below.

FIN-109 Legal Employment Practices Certification

In accordance with § 285.025, RSMo, MHDC requires all applicants to certify they do not employ illegal aliens/undocumented workers in compliance with federal, state, and local hiring laws.

Evidence of Consistency with Consolidated Plan

Developments requesting financing from MHDC and located in a jurisdiction with a consolidated plan filed with HUD are required to provide certification the proposed development is in compliance with such plan. If a jurisdiction does not have a consolidated plan, a certification the proposed development is consistent with the comprehensive plan must be submitted.

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Housing Priority Documentation

Applications requesting consideration under one or more of the established Housing Priorities must include the applicable required documentation with the Application (please see the discussion of the required documentation in the Housing Priorities section above). If the required documentation is missing or does not fulfill the applicable requirement(s), the Application will not be considered for the desired priority, but it will still be considered for funding.

Zoning Letter

The zoning letter submitted must be an original, on the letterhead of the local governmental unit responsible for zoning, and must clearly indicate:

1. The zoning designation with a brief description of such designation;
2. Density requirements/limits; and
3. Description of any conditional use restrictions or overlay regulations that further restrict the property.

If the site is not properly zoned, include a letter from the appropriate governmental body describing what needs to be done to be in compliance and the time frame for achieving such compliance.

If there is no zoning in a jurisdiction, a letter from the locality stating no zoning exists is acceptable in lieu of a zoning letter.

Architectural Items

Elevations, floor, and unit plans included as exhibits in the Application cannot be larger than 11" x 17" and must be drawn to scale when possible. The following architectural items must be included with each Application:

Elevations (new construction) or Photos (rehabilitation/conversion)

You must provide color photos instead of schematic elevations for existing buildings being rehabbed or converted.

Floor Plans

You must provide floor plans for each floor. If one or more floors have identical plans, it is acceptable to show one plan with the number of each floor with that plan highlighted.

Unit Plans

You must provide a plan for each unit type being proposed. In the case of historic conversions, at a minimum one plan for each bedroom number category being proposed is required. If there are large square footage differences within a bedroom number category, include an example near the extremes and a typical unit in that category. Unit plans must have the square footage for the unit listed.

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Development Characteristics Worksheet

The Development Characteristics Worksheet must be filled out and fully executed. The development characteristics described or chosen must be adhered to by the owner. Failure to do so may result in the termination of any Conditional Reservation or Firm Commitment.

Scope of Work

For rehabilitation developments, provide a detailed scope of work describing what is being contemplated/completed by the project architect or general contractor. The scope of work should be in narrative form or a list broken down by Construction Specification Institute (CSI) divisions or another easily understood indexing system for organizing construction data with sufficient detail to comprehend what will be done.

Physical Needs Assessment or Capital Needs Assessment

For rehabilitation developments, provide a Physical Needs Assessment ("PNA"). The PNA must follow the requirements found in MHDC Form 1201, Physical Needs Assessment Guidelines. The Assessment should not be performed by an entity that has an Identity of Interest with the developer or contractor.

For applications that include both MHDC and USDA-RD financing, a CNA prepared within six months of the application deadline according to USDA guidelines is required. Applicants must follow the USDA requirements for an "as-is" CNA and should contact the state USDA office for more details.

Applicants proposing a gut rehab of the building(s) are not required to provide a PNA but an assessment of the structural condition of the building is required, as detailed below.

Structural Letter

For historic developments that involve a gut rehab of the building, a letter from a third-party structural engineer or equally qualified professional unrelated to the developer certifying the building has been inspected and is structurally sound for the intended use must be submitted in lieu of a PNA.

Historic Approval

For proposals structured with historic tax credits, include the status of the Federal and State Historic Tax Credit review. Required information includes:

1. Historic Designation. Either (a) the Federal Register publication demonstrating the property is listed individually on the National Register of Historic Places, (b) the Part 1 approval confirming the property continues to be certified as contributing to the significance of a certified historic district listed on the National Register of Historic Places, or (c) the Eligibility Assessment performed by the State Historic Preservation Officer, accompanied by a timeline for the review and approval of the nomination for national register designation by the Missouri Advisory Council on Historic Preservation and the National Park Service.

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2. State Historic Tax Credit Approval. A copy of correspondence or other documentation showing the developer has discussed with the Missouri Department of Economic Development the submission of the development for approval of state historic tax credits.

MHDC reserves the right to contact the Missouri Department of Economic Development regarding the status of historic tax credit applications.

Sustainable Housing Information

All new construction proposals must meet the current standards for the certification level of choice for one of the following green building rating systems: Enterprise Green Communities, any of the LEED rating systems, or the National Green Building Standard. Any certification level of these systems is acceptable, but the development team must indicate in the Development Characteristics Worksheet the rating system and certification level to which they are committing. All new construction Applications must provide documentation demonstrating how the development team and property will achieve and maintain the selected green building standard. New construction applications must also include:

1. The criteria and features being incorporated from the chosen green building rating system accompanied by the applicable checklist:
 - a. Enterprise Green Communities – Green Communities Criteria Checklist;
 - b. LEED – LEED Checklist;
 - c. National Green Building Standard – Designer's Report from the Green Building Scoring Tool;
2. Resumes for development team members with sustainable development experience, proof at least one team member is a LEED AP®, LEED Green Associate™ or a Certified Green Professional™, and a description of the development(s) they have worked on and their role in the process. If the development is not being formally certified, the development team member must document the pledged green building standards with pictures, a signed and scored scoring tool, and brief narrative during the construction process; and

New construction developments must demonstrate at Application, Firm Submission, and construction completion that the development has been designed and built to meet certification under the chosen system. Formal certification by a certified third-party is welcome but not required. Failure to provide the sustainable housing promised at the time of Application may result in the recapture of funding and will reflect poorly on future applications. For rehabilitation proposals, the green building requirement is highly encouraged but optional; however, rehabilitation developments that will achieve and maintain a green building standard should also provide the aforementioned documentation.

If a development contains more than twelve (12) units and involves rehabilitation, applicants are required to conduct pre-development testing and energy audits of existing buildings to identify energy savings opportunities. The minimum standard for energy audits is ASHRAE Level 1. The analysis can be a stand-alone document, or incorporated in either the Physical or Capital Needs Assessment reports provided it is in a separate section by itself, and must be prepared by an assessor/rater certified through the Building Performance Institute (BPI), Residential Energy Services Network Home Energy Ratings Systems (RESNET), or ENERGY STAR. The energy audit will be submitted with the initial application for the project.

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Relocation and Existing Multifamily Operations Data

For developments requesting HOME Funds and requiring temporary or permanent relocation of existing residential or commercial tenants, the owner must comply with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended ("URA"). For developments requesting all other types of MHDC financing and requiring temporary and permanent relocation of existing residential or commercial tenants, the owner must comply with the requirements of § 523.205, RSMo. Each of the exhibits below is required, regardless of the type of financing.

Current Tenant List

Tenant list must include the names of the leaseholder, the number of persons in each household, the start date of each lease, the amount of rent charged, the amount of rent paid, income of each household, and race/ethnicity information. Subsidies being provided to residents should be noted. For properties that are currently market-rate, if household income cannot be provided, indicate to the best of your knowledge which households may be permanently displaced by the proposed financing restrictions.

Relocation Plan

The relocation plan must include the following: (i) a brief description of the type of relocation anticipated and how it will be handled, (ii) a list of all buildings (with addresses) currently occupied by renters or owner-occupants of residential or commercial buildings being renovated or demolished as a part of the proposed development, (iii) a breakdown of the relocation expenses expected to be incurred (which reflect the number used in the development budget), (iv) a description of services provided during the relocation period, (v) how records will be maintained, and (vi) a relocation timeline. If an identity of interest exists between a member of the development team and the firm hired to perform the relocation planning and execution, the profit for relocating tenants will be limited to a maximum of 20% of the relocation costs.

MHDC reserves the right to require a cost certification of relocation costs for any development that has a relocation expense. MHDC is likely to exercise this right when an identity of interest exists, as described above.

General Information Notice (GIN)

A copy of the General Information Notice (GIN) required by the Uniform Relocation Act (URA) for application purposes must be provided. At minimum, this must include a copy of the proposed GIN to be distributed to tenants if MHDC funding is approved.

Acceptance of MHDC Relocation Policy

You must provide a signed statement acknowledging you have read and accepted the MHDC Relocation Policy (available at www.mhdc.com).

Annual Financial Statements

You must provide a copy of the property's annual financial statements for the last three years. If the applicant is related to the current ownership entity, any unaudited financial statements must be accompanied by a certification from an authorized

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representative of the owner the information is true and accurate to the best of their knowledge.

Homeownership Plan

For developers proposing the construction of single-family homes and duplexes for purchase by the residents following the completion of the Compliance Period, a homeownership plan detailing the timeline, proposed sale prices, tenant discounts, and resident homeownership training must be provided. Duplexes, with fire separation walls, may also be proposed as homes for purchase by the residents following the completion of the Compliance Period. The proposed homeownership plan is expected to mirror the structures described in the MHDC Homeownership Policy (available at www.mhdc.com). Developers proposing homeownership are required to waive the right to opt out after the Compliance Period for an additional fifteen (15) years.

PHA Approved Utility Allowances

Provide the most current utility allowance schedule from the local public housing authority. The utility allowance used in the application should match the PHA-approved allowance for the property type. If using less than or more than the PHA amount, an explanation of the difference must be provided. On the utility allowance schedule circle or highlight the appropriate utility amounts. The utility allowance schedule must be dated within twelve (12) months of the applicable NOFA deadline. If the provided schedule is more than twelve (12) months old, a letter from the issuing authority stating the included allowance is the most recent must be included.

Developer and General Partner Information

The following exhibits, if applicable, must be included for the developer. If the developer and general partner are unaffiliated entities, information for each entity must be provided. If a developer is a newly-formed entity made up of principals from other companies/individuals with housing experience, the information must be provided for each entity/individual.

FIN-105 Experience Summary for Developer(s)

If the developer/applicant wishes to utilize a form different than the FIN-105, the report provided must, at a minimum, include all the information requested on the FIN-105.

FIN-107 Developer Qualifications

The purpose of this form is to illustrate the financial and operational capacity of the developer.

Developer Financial Statements

Financial statements for the developer entity and its principals must be sent or delivered under separate cover to the attention of the Director of Rental Production prior to the applicable NOFA deadline. Submitted audited financial statements must have been issued in the last twelve (12) months. If the document provided is not an audited financial statement, it must be dated within the past ninety (90) days and must be accompanied by a certification executed by an authorized representative of

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the entity or the principal stating the statement is true and correct, to the best of their knowledge.

FIN-105 Experience for General Partner(s)

If there is a general partner that is not an affiliate of the developer, a FIN-105 for that entity is required.

Management Company Information

Experience Summary (FIN-105)

If the management company chooses to utilize a form different than the FIN-105, the report provided must, at a minimum, include all the information requested on the FIN-105.

Management Company Certification

Management Company Certification Process:

All existing and/or new management companies seeking to manage properties in Missouri are required to submit an application to be approved as a "Certified Property Management Agent." The application addresses a number of items relative to the management agent, its principals, the company's operations, the qualifications of its management staff; and agent's performance in managing multifamily properties.

Once a management company is approved as an MHDC "Certified Management Agent," MHDC staff will indicate the length of time for the certification, and will place the property on an approved "Certified Property Management Agent" list that will be made available on MHDC's website at www.mhdc.com. Certifications will be valid for up to a three-year period. Actual certification period length will be determined by MHDC's Asset Management Committee. Certified Agents must reapply prior to their existing agreement expiring to be considered and approved for re-certification.

All management companies applying to manage properties in Missouri for the first time will be restricted to a one-year certification. After the first year, the management company must reapply prior to their existing agreement expiring to be considered and approved for re-certification; and if approved, approval is conditional annually for the next two years. The management company will receive full certification after its second conditional year.

All properties must be managed by an agent listed on MHDC's Certified Property Management Agent Listing. A full description of the management certification process and relevant forms are located at www.mhdc.com.

MHDC staff will maintain a list of all MHDC Certified Property Management Agents, together with date of certification on the MHDC website at www.mhdc.com. Interested parties are encouraged to review the list to ensure that the chosen management agent is included, as the list may change periodically.

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Application Underwriting Standards

In order to conduct the Feasibility and Viability Determination described above and in accordance with the QAP, the Code, Missouri state law, and other applicable federal laws, MHDC has created the underwriting standards listed below. The standards are based on recognized underwriting practices and MHDC's own experience with the various affordable housing programs and developments. Due to the changing economic and market dynamics of the affordable housing industry, MHDC reserves the right to deviate from these standards when appropriate and reasonable. MHDC recognizes the unique nature of each Application and will consider a development's individual situation but will not apply the standards in a capricious manner.

Sources

When reviewing the sources contemplated by any application, MHDC will apply the following standards:

Debt

All sources of debt, with the exception of MHDC debt, must have a commitment letter. Please see the application exhibit section above for more information on what is required in the commitment letters.

1. **Debt Service Coverage.** All hard MHDC debt must show initial debt service coverage ("DSC") between 1.20 and 2.00. If the DSC falls below 1.15 during the Compliance Period, the applicant must explain how deficits will be dealt with. For developments utilizing non-MHDC debt, MHDC will use the DSC ratio indicated by the lender in its preliminary financial commitment. If the DSC falls below the lender's standard during the Compliance Period, the applicant or its lender must explain how deficits will be dealt with. MHDC reserves the right to underwrite to the standard for MHDC debt regardless of the source. If no explanation is provided for DSC ratios below the standards listed above, MHDC may underwrite a debt-service reserve into the development. If a development does not have a loan or only has cash-flow contingent loans, the development must demonstrate that the ratio between income and expenses is greater than 1.00 for the entire Compliance Period. MHDC staff will not recommend a development for funding if the DSC is below 1.00 at any point during the Compliance Period.
2. **Interest Rate.** For MHDC debt, the appropriate rate for the applicable funding source will be used. Please consult the latest MHDC term sheets for the appropriate rates on MHDC debt. For non-MHDC debt, the interest rate described in the lender's preliminary commitment will be used. MHDC will not accept permanent loan interest rates that float or are reset at any point during the first eighteen (18) years of operations.

MHDC debt terms may be changed during underwriting to better suit the needs of the development and MHDC.

Construction Loans

If the loan is an MHDC HOME Funds loan in second position during construction, the term will be equal to that of the first position construction loan. If the MHDC

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HOME Funds loan is the only construction loan, the term will be determined at Firm Commitment but will generally not exceed eighteen (18) months.

Applications must clearly state whether or not they are requesting a participation loan. Developments requesting MHDC Fund Balance participation loans must provide a preliminary commitment letter from such preferred lender which states (i) the lender is willing to take a co-first lien position with MHDC, and (ii) the lender is willing to accept the MHDC Participation Agreement. Otherwise, MHDC reserves the right to determine appropriate loan financing for the proposal. If the loan is an MHDC participation construction loan, the construction loan term will be eighteen (18) months. An application may request a participation construction loan term of twenty-four (24) months; provided, however, a twenty-four (24)-month term will increase the construction period interest rate. Such a request must be made in writing and is most appropriately made in the development's narrative.

MHDC will require recourse on the entire construction loan during the construction period. Exceptions to this recourse may be granted for Nonprofit and CHDO applicants.

If using tax-exempt bonds, the applicant must specify if they are draw down bonds.

Permanent Loans

MHDC hard permanent loans will feature a twenty (20)-year term, with the exception of loans for single-family homeownership developments, which will feature an eighteen (18)-year term. Soft loans from MHDC will generally have the same term as the hard first mortgage; if there is no hard first mortgage, it will have a thirty (30)-year term.

Non-MHDC debt will be underwritten with the term described in the preliminary commitment letter. MHDC will not accept any permanent loan term less than eighteen (18) years.

Amortization

Hard permanent loans from MHDC will amortize over thirty (30) years for all developments except single-family homeownership developments, which will amortize over twenty-five (25) years. Soft loans will not amortize, but will require an annual payment equal to 50% of available cash-flow unless MHDC staff determines there is not sufficient cash-flow available. The definition of "cash flow" and the priority of payment will be set forth in the Firm Commitment. Non-MHDC loans will be underwritten with the amortization described in the lender's preliminary commitment letter.

Deferred Developer Fee

In cases where MHDC is providing a loan dependent on cash flow for repayment, deferred developer fee should be structured as a note and its position in the distribution of cash flow clearly indicated in the owner's partnership agreement or operating agreement, as applicable. MHDC reserves the right to create, eliminate, or adjust the deferred developer fee to efficiently utilize resources and appropriately underwrite each deal. Deferred developer fee in excess of 50% of

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the total developer fee should be avoided and will be allowed only in rare circumstances. It must be demonstrated that the deferred developer fee can be paid back from cash flow. Preferably, this repayment will take place within the first ten (10) years.

Income from Operations during Construction

Income from operations during construction must be included as a source of funds.

Equity

Eligible Basis

Certain basis-eligible line items of the development budget may not be underwritten as 100% eligible. These line items include construction loan interest and bond-related costs. If 100% of these line items are included in eligible basis, a reason why or a calculation of how you arrived at 100% of the cost being eligible must be provided.

To calculate the maximum amount of credits for which the proposed development is eligible use the applicable percentage as detailed below:

- **9% Credit - New and Rehabilitation** - 9% fixed applicable percentage.
- **9% Credit - Acquisition** - use IRS-issued 30% present value low-income housing credit applicable percentage in effect at the time of application.
- **4% Credit - New, Rehabilitation and Acquisition** - use IRS-issued 30% present value low-income housing credit applicable percentage in effect at the time of application.

MHDC staff has the right to adjust the applicable percentage to a rate in effect for subsequent months during the underwriting process. Please note that MHDC will allocate the credit amount based on the need of the project and not on eligible basis.

Developments located in a Qualified Census Tract or in a Difficult Development Area, as defined below, may be eligible to increase eligible basis by 30%.

- Qualified Census Tract. Developments located in areas designated by HUD as Qualified Census Tracts.
- Difficult Development Areas. Developments located in areas designated by HUD to be difficult to develop.
- State Designated Difficult Development Areas. Pursuant to §42(d)(5)(B)(v) of the Code, MHDC may establish criteria to designate additional properties approved for 9% Credits to be treated as located in a difficult development area. For purposes of this Plan, to qualify for such an increase, properties must meet at least one (1) of the following criteria:
 - Be determined to meet the qualifications of the Preservation Priority;

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- Be determined to meet the qualifications of the Special Needs Priority and demonstrate the property owner will incur direct costs in addition to costs covered by third parties in the provision of services to enhance the residential stability and independence of special needs residents;
- Be determined to meet the qualifications of the Service Enriched Priority;
- Be a family development located in a county whose median income is below the 2015 statewide median income, as established and published by HUD, and propose to set aside at least 20% of the total units to be occupied by households earning between 60% and 80% of the area median income (workforce units), calculated using the appropriate income limits; or
- Be part of a larger mixed-use economic development area. For a development to qualify as part of a mixed-use economic development area, it must:
 - Be part of a mixed-use economic development area that includes different housing types for different household income levels, new retail/office/light industrial space that creates new permanent jobs, and new public space or activity centers designed for users of the area; or
 - Be part of a Transit Oriented Development (“TOD”) plan. The TOD plan must be centered around and integrated with a transit stop and the proposal must be located within 1,750 feet of a transit stop. The TOD plan must be mixed-use, mixed-income, pedestrian friendly, and of appropriate density for a TOD.
- MHDC will decide, in its sole discretion, what evidence and what types of development will qualify for an increase in eligible basis for mixed-use economic development areas. An important factor is that the MHDC development is not the only development taking place and the MHDC development will enhance the overall plan, rather than be the overall plan. It is expected the plan, of which the MHDC development is a part of, contemplates the development of multiple buildings over an area of reasonable size. This will not apply to a singular structure, regardless of location.

Credit Pricing

MHDC staff may use the price outlined in the preliminary financial commitment to underwrite the development, provided the price reasonably reflects current market conditions. However, MHDC staff reserves the right to underwrite developments at credit prices different than outlined in the preliminary financing commitment(s).

All developments must meet the MHDC-required minimum contribution of 10% of Federal LIHTC and State LIHTC equity invested at construction closing with at least another 10% of Federal LIHTC and State LIHTC equity invested at or before

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50% construction completion. These thresholds must be met by both the Federal LIHTC and State LIHTC equity investors independently unless the Federal LIHTC investor and State LIHTC investor are the same entity or are controlled by the same entity. Only if the Federal LIHTC investor and State LIHTC investor are the same entity (or controlled by the same entity) will the equity be considered in the aggregate. In no event may AHAP contributions count towards these required equity thresholds. If HUD is providing loan insurance, equity contributions must meet or exceed current HUD guidelines. Investors taking more than a de minimis share (i.e. 1% or greater) of ownership interest must provide a capital contribution (at the same price as the primary investor) in exchange for their share of Federal LIHTC.

Given the changing landscape of the Federal and State LIHTC equity market, MHDC will determine a reasonable net price floor for the Federal and State LIHTC at the time of application review. MHDC reserves the right to adjust and update how equity pricing is underwritten.

MHDC staff may contact any person or entity providing a preliminary financing commitment for tax credit equity to discuss the development and/or its level of activity and/or interest in investing in Missouri.

Historic Credits

Please indicate in the application whether a master tenant/lease pass-through structure will be utilized on historic developments. Failure to indicate such will result in MHDC staff assuming no such structure is being utilized, and the historic credit will be deducted from eligible basis. The pricing and amount of historic credit equity listed in the application must be the net amount provided to the ownership entity, excluding special reserves and costs taken from the gross price for put and call options, syndicator bridge financing, etc.

AHAP Credits

If an applicant is planning to use the AHAP credit, be sure to indicate whether the donation will be structured as a loan, an equity contribution, or some other method. If it will be a loan, the terms must be detailed in the commitment letter.

Uses

The standards listed below should be used when determining appropriate numbers for development budget line items.

Maximum Development Cost

The maximum total development cost for a development cannot exceed the current Maximum Development Cost Limits published on the MHDC website. Maximum Development Cost Limits are determined using the HUD method of calculating the 221(d)(3) total replacement cost limits. MHDC reserves the right, on rare occasion, to allow exceptions to the cost limit on a case-by-case basis if unique development characteristics that meet or exceed the standards and goals of the QAP are incorporated into the proposal.

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Contractor Fees

MHDC will limit contractor fees to the following:

1. Aggregate Contractor Fees (defined as builder's profit, builder's overhead and general requirements) cannot exceed 14% of total construction contract costs, minus builder's profit, overhead, and general requirements. General requirements must include the cost of builder's risk insurance.
2. Builder's profit may not exceed 6% of total construction contract costs minus builder's profit, overhead, and general requirements.

Bonding costs and permit costs shall not be included in the calculation of contractor fee limits for general requirements, overhead, and builder's profit.

All general requirement items in the FIN-115 must be included in the calculation of the maximum amount for general requirements, regardless of the party who pays for the items.

Developer + Consultant Fees

MHDC will limit the fee paid to the developer and to consultants performing work typically completed by the developer. The following expenses must be paid through the developer fee:

1. Developer overhead including, but not limited to, postage, copying costs, staff travel to site, and meals;
2. Developer profit;
3. Costs incurred for the submission of applications in years prior to the round in which tax credits or loans were awarded;
4. Consultant fees, including, but not limited to, the following types of consultants: development and/or credit, application, historic, MBE/WBE, and Section 3 consultants;
5. Real estate brokerage fees and loan brokerage fees paid to a related party; and
6. Compensation for any construction management oversight provided by the developer.

The Conditional Reservation Agreement approved developer fee cannot be increased without Commission approval.

Development costs paid for by a previous owner are not considered when calculating developer fee, even if the cost of the previous work is included in the sales/purchase contract.

The developer fee + consultant fee for new construction developments is limited to the lesser of: (a) 15% of the first \$4,000,000 of total replacement costs plus 10% of any total replacement costs over \$4,000,000; or (b) the per-unit calculation from the chart below. Only 25% of the developer fee (excluding deferred amounts) may be payable at closing, with an additional 25% permitted at 50% completion. MHDC staff reserves the right to further restrict the amount of developer fee payable during construction.

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The developer fee + consultant fee for acquisition/rehab and historic preservation developments is limited to the lesser of: (a) the sum of 8% of acquisition costs for the first \$2,000,000 of acquisition costs, 6% of any additional acquisition costs, 15% of the first \$4,000,000 of non-acquisition total replacement costs and 10% of any additional non-acquisition total replacement costs, or (b) the per-unit calculation from the chart below.

- i. The developer + consultant fee for acquisition/rehab development where an identity of interest relationship exists between the seller and the buyer of real estate is limited to the lesser of: (a) the sum of 3% of acquisition costs, 15% of the first \$4,000,000 of non-acquisition total replacement costs and 10% of any additional non-acquisition total replacement costs, or (b) the per-unit calculation from the chart below. NOTE: This does not apply to entities or individuals who meet either one of the following criteria: (1) the developer has owned the property for less than four (4) years; or (2) the developer has submitted an unsuccessful LIHTC rehabilitation application for the property within four (4) years of acquisition and has not owned the property for more than six (6) years.

Total Units	Per Unit Limit
First 40 Units	\$20,000
Units 41-100	\$17,500*
Units 101-150	\$15,000*
Units 151+	\$12,500*

* Please see the Development Characteristics section under Selection Criteria for additional information on developments which contain more than fifty (50) affordable units.

ii. An identity of interest is defined as, any relationship which give(s) or would give the owner or its agent control or influence over the price paid to an individual or business supplying goods and/or services to the project. An identity of interest is construed to exist when any of the situations listed below exist:

(a) When (1) the Development owner or their agent; or (2) any officer or director of the Development owner or their agent; or (3) any person who directly or indirectly controls 10 percent or more of the voting rights, or directly or indirectly owns 10 percent or more of the Development owner or their agent; is also (1) the syndicator, architect, attorney, contractor, subcontractor, supplier or materialman; or (2) a person who directly or indirectly controls 10 percent or more of the syndicator's, architect's, attorney's, contractor's, subcontractor's, supplier's or materialman's voting rights, or directly or indirectly owns 10 percent or more of the syndicator, architect, attorney, contractor, subcontractor, supplier or materialman; or,

(b) When (1) the Development owner; or (2) any officer or director of the Development owner; or (3) any person who directly or indirectly controls 10 percent or more of the voting rights, or directly or indirectly owns 10 percent or more of the Development owner; is also (1) an officer or director of the management agent; or (2) a person who directly or indirectly controls 10 percent or more of the management agent's voting rights or directly or indirectly owns 10 percent or more of the management agent.

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For purposes of this definition, the term "person" includes any individual, partnership, corporation, or other business entity. Any ownership, control or interest held or possessed by a person's spouse, parent, child, grandchild, brother or sister shall be attributed to such person.

Example 1:

A fifty (50)-unit new construction deal with total replacement costs of \$8,250,000 would be eligible for the lesser of:

$$\text{Per Unit} = (40 \times \$20,000) + (10 \times \$17,500) = \$975,000$$

$$\text{Cost Calculation} = \$4,000,000 \times 15\% = \$600,000 + (\$4,250,000 \times 10\% = \$425,000) = \$1,025,000$$

Therefore, the maximum allowable developer + consulting fee = \$975,000

Example 2:

A 120-unit rehab deal with acquisition costs of \$3,000,000 and non-acquisition total replacement costs of \$4,200,000 would be eligible for the lesser of:

$$\text{Per Unit} = (40 \times \$20,000) + (60 \times \$17,500) + (20 \times \$15,000) = \$2,150,000$$

$$\text{Cost Calculation} = (\$2,000,000 \times 8\%) + (\$1,000,000 \times 6\%) + (\$4,000,000 \times 15\%) + (\$200,000 \times 10\%) = \$840,000$$

Therefore, the maximum eligible developer + consulting fee = \$840,000

Example 3 (Identity of Interest):

Developer A, who has owned Project X for 10 years and is the GP, brings in an application for Project X to MHDC for acquisition / rehab using LIHTCs. The purposed new ownership of Project X has Developer A as the GP. The developer fee would be limited to the above guidelines.

Example 4 (Identity of Interest):

Developer A, who has owned Project X for 3 years and is the GP, brings in an application for Project X to MHDC for acquisition / rehab using LIHTCs. The purposed new ownership of Project X has Developer A as the GP. Their developer fee would not be limited to the above guidelines.

Example 5 (Identity of Interest):

Developer A, has owned Project X for 5 years and is the GP. Developer A, 1 year after originally acquiring Project X, submitted an application to MHDC for acquisition / rehab using LIHTCs. The purposed new ownership of Project X has Developer A as the GP. Developer A and was not approved for funding at that time. Developer A, 4 years later (5 years after originally acquiring Project X), brings in an application again for Project X to MHDC for acquisition / rehab using LIHTCs. The purposed new ownership of Project X has Developer A as the GP. The developer fee would not be limited to the above guidelines.

Example 6 (Identity of Interest):

Developer A, has owned Project X for 7 years and is the GP. Developer A, 1 year after originally acquiring Project X, submitted an application to MHDC for acquisition /

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rehab using LIHTCs. The purposed new ownership of Project X has Developer A as the GP. Developer A was not approved for funding at that time. Developer A, 6 years later (7 years after originally acquiring Project X), brings in an application again for Project X to MHDC for acquisition / rehab using LIHTCs. The purposed new ownership of Project X has Developer A as the GP. The developer fee would be limited to the above guidelines.

MHDC Loan Fees

MHDC fees vary by the type of loan being issued; the following is a rough estimate, subject to change.

MHDC Fund Balance Construction and Permanent Loans: 1% of principal amount

HOME Loans: No fee is charged

NHTF: No fee is charged

Participation Loans - Construction: 0.75% of principal amount

Participation Loans - Permanent: 0.5% of principal amount

Risk Share (Tax-Exempt Bonds Only) 1% of principal amount

*Please see above for further information on a development which contains more than fifty (50) affordable units.

Construction Inspection Fee

MHDC will charge a fee of \$10,000 to perform, or hire a third-party to perform, periodic inspections of the construction progress for all developments ("Construction Inspection Fee").

Appraisal

MHDC will require an appraisal on all developments to confirm, at a minimum, the market value of the land and improvements at acquisition (without consideration of any value contribution that may be created by the proposed tax credits or favorable financing); the market value at project completion and stabilization using both market rents and restricted rents; and the contributory value of the proposed LIHTCs, if any. If the proposed purchase price is not supported by the MHDC appraisal, the purchase price may be reduced to the appraised value. MHDC will order the appraisal and assess a fee of \$6,500 from the development at Conditional Reservation. The appraisal fee is non-refundable.

If the subject is an operating Section 8 property MHDC appraisal guidelines will require the as-is value to be based on market rents and expenses per HUD Multifamily Accelerated Processing (MAP) underwriting guidelines. Any value created by Section 8 rents that exceed market rents ('overage' or 'overhang') will not be considered.

Construction Cost Analysis

MHDC will assess a fee of \$5,000 for an independent third party report to provide an upfront construction cost analysis for all approved developments in excess of six units. This fee will be due with the Firm Submission. If a third party analysis is also

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required by a lender or investor on the property, MHDC staff will endeavor to work with that party to avoid duplicate costs.

If applicable, this analysis would be performed after the Firm Submission documents (plans and specs) have been submitted. The purpose of any such analysis would be to have a third party review the proposed costs and the plans and specs. If it is determined the costs submitted are either excessive or deficient, MHDC may adjust the amount of LIHTCs or loan funds allocated to the development. This review would also include a replacement reserve analysis for all proposed rehab, preservation, or conversions (except for RD properties).

Construction Labor Costs

Owners are required to pay at least federal prevailing wage to all laborers and mechanics employed in the construction of the development, as determined and posted by the United States Department of Labor for the locality of the site and current within ten days of construction closing. The construction budget submitted with the Application must utilize the appropriate Davis-Bacon wage determination in effect at the time of the Application. For properties with four or fewer floors, use the "residential" decision. For properties with five or more floors, use the "building" decision. Wage determinations can be found at <http://www.wdol.gov/>.

Construction Loan Interest

The amount of construction loan interest calculated and the amount included in eligible basis should be carefully considered and you should be able to explain how you arrived at each amount. MHDC staff may underwrite a reasonable construction loan into any application that shows LIHTC equity as its only significant source during construction.

Contingency

Contingency should be 4%-7.5% of the total construction costs for new construction and 6.5% to 10% for acquisition/rehabs. Numbers outside of those ranges require an explanation. MHDC does not distinguish between hard cost contingency and soft cost contingency.

Tax Credit Fee

The fee will be equal to 7% of the annual Federal LIHTC amount awarded to the development.

Tax Credit Monitoring Fee

The fee is equal to \$300 per tax credit unit (including employee units) and workforce housing unit (occupied by households between 60% and 80% of the area median income).

AHAP Fee

The AHAP fee is equal to 0.5% of the AHAP credit amount, plus the \$100 application fee.

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Syndication Costs

The fees paid by the developer for syndication-related expenses will be reviewed for competitiveness. Investor due diligence including architectural review, bridge loan fees, and interest should not be reflected in the development budget. Syndication cost must be explained in the Application.

Operating Reserve

The operating reserve must reflect at least six months of operating expenses and debt service. Amounts less than six months must be accompanied by an explanation.

Replacement Reserve

The initial replacement reserve should be \$600 per unit. Any other amount will require an explanation.

Debt-Service Reserve

If the development cannot maintain the DSC described above, a debt-service reserve, in addition to the operating reserve, may be required.

Other Uses

All uses will be examined for their competitiveness and reasonableness and may be questioned during the Application review. Developers should be able to explain how they arrived at any particular line item, but it will be in the sole discretion of MHDC whether to accept an explanation or the cost for any line item. Any costs incurred for submission of applications in years prior to the development being awarded MHDC funds shall be repayable to the developer only as part of the developer fee.

Project Income

The following standards should be considered when structuring the development and completing the Application.

Rents

The proposed rents must be reasonable for the population being served and appropriate for the market in which the development is located. Rents must meet the requirements of the various financing sources in the Application and, at a minimum, must meet the requirements of the Code to be eligible for a LIHTC allocation under the QAP. Tax credit rents should be at least 15% less than market rents. In rare instances, area market rate rents may be depressed due to deteriorating conditions. Therefore, area market rate rents could be less than tax credit unit rents. If a development includes both tax credit and market rate units, the market rate unit rents must be at least 15% higher than tax credit rents. This does not apply to special needs housing properties.

Other/Commercial Income

All other income must be fully explained. MHDC staff, in its sole discretion, will determine the amount of other/commercial income that will be recognized.

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Other/commercial income may or may not be recognized for LIHTC amount and/or loan sizing purposes.

Income Trending

For purposes of the fifteen (15)-year pro forma, MHDC staff will use a 2% inflation factor for all sources of income.

Vacancy

Family developments will be underwritten with a rental income vacancy factor of 7%. Both 55+ Developments and 62+ Developments will use a rental income vacancy factor of 5%. Recognized commercial income may use a lower or higher vacancy rate depending on the type of income. MHDC staff will also look at how higher vacancy rates affect the development and what is the break-even vacancy rate. MHDC staff reserves the right to use different vacancy rates than those shown above based on actual vacancy rates in the market.

Maximum Income / Maximum Rents

MHDC no longer publishes the Maximum Income/Maximum Rent Schedule for Missouri counties. Income limits and maximum rent levels can be determined by accessing Novogradac & Company LLP's Rent & Income Limit Calculator©. The [Rent & Income Limit Calculator©](#) will calculate IRC §42(i)(3)(A) LIHTC rent and income limits for every Missouri county and MSA. The determination of maximum income and rent limits is complex and the use of a compliance professional is highly recommended.

Operating Expenses

Because of the different types of developments and the variances in operating costs found in the different regions of Missouri, with the exception of replacement reserves, MHDC will not provide minimum or maximum operating expense requirements. Each development will undergo a detailed review and will be compared with existing developments of similar type, location, and design. MHDC is interested in funding proposals demonstrating feasible, yet competitive and reasonable, expenses that will assure long-term operating stability and quality. The presence of a full-time manager is strongly encouraged.

Expense Trending

For purposes of the fifteen (15)-year pro forma, MHDC staff will use a 3% inflation factor for annual increases in operating expenses.

Replacement Reserves

MHDC requires all developments to fund an annual replacement reserve equal to \$300 per unit, increased annually by 3%. If a different amount is required by a lender or syndicator, please clearly indicate that in the Application. However, such indication will not necessarily result in MHDC waiving its stated policy.

Security

For development proposals in areas where the market study reports a crime index above two times the current state index of 8.86 as reported in the

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neighborhoodscout.com data, such proposals must address security needs in the development and operating budgets, or provide a detailed explanation why such measures will not be necessary.

NOTE: The state and local factors from neighborhoodscout.com change annually in the late fall of each year; therefore any market study update submitted for consideration must include updated crime statistics.

Application Approval

Standards of Conduct

The MHDC Standards of Conduct, adopted on July 31, 2009, contains the following requirements concerning contact with commissioners and staff during the application process:

Definitions:

Commissioner

All appointed and ex officio members of MHDC, including all proper designees of any member which are authorized to vote on behalf of the member they represent.

Competitive Matter

Any matter which shall be put to the Commission for a vote where two or more Interested Parties could benefit from an outcome of the vote including, but not limited to, the award of any MHDC controlled or administered resources and any Commission approved contracts for services.

Director

The Executive Director of MHDC.

Disclosure Period

The period of time after an Interested Party submits a proposal, application, bid or response in a Competitive Matter.

Employee

The Director and all employees of MHDC.

Interested Party

Any person or entity (or anyone acting at their direction or on their behalf) whom submits a proposal, application, bid or response to a solicitation, request, notice or invitation to do so vis-à-vis a Competitive Matter.

Quiet Period

The period consisting of seven days prior to a scheduled vote by the Commission on a Competitive Matter.

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Commissioners and Employees may at any time and for any legal purpose initiate contact with anyone, including Interested Parties or agents of Interested Parties, in the course of investigating any Competitive Matter.

If an Interested Party initiates communication, in any form, with a Commissioner or Employee regarding a Competitive Matter following submission of the Interested Party's proposal, application, bid or response, the Interested Party shall follow the following disclosure procedure:

Within twenty-four (24) hours of contacting a Commissioner or Employee, the Interested Party must file a written notice of the contact with MHDC staff. The written notice will include a written description of any oral communication from the Interested Party to the Commissioner or Employee, and the written notice will include copies of any written or recorded materials provided to the Commissioner or Employee. In addition, within twenty-four (24) hours of filing the notice of contact with MHDC, the MHDC staff will deliver, either in person, by facsimile, or electronic mail or through overnight courier, a copy of the notice (including any attachments) to each and every other Interested Party.

During the Quiet Period, Interested Parties shall not initiate contact with Commissioners or Employees.

Failure to honor the provisions set forth herein regarding the Disclosure Period and/or Quiet Period shall result in the disqualification of the Interested Party's proposal, application, bid or response.

The complete version of the Standards of Conduct may be found on the MHDC website.

Commission Approval

Staff will provide the Commissioners with available application data, staff review comments, and public hearing results. Staff will submit a list of Applications recommended for approval to the Commissioners no later than seven days prior to the regularly scheduled Commission meeting at which approvals are scheduled to be made. Recommendations may include the revision of budgets, unit counts, rents, and tax credit and loan amounts as a result of the underwriting process.

At the approval meeting, the Commissioners have the right to inquire further about the Applications, to approve the list as recommended, or to add Applications to or delete Applications from the list. Following the Commission's approval of the final list of applications for LIHTCs, HOME Funds, and/or other MHDC-administered financing, staff will proceed with the Conditional Reservation process.

When the potential for a conflict of interest or the appearance of a conflict of interest exists, MHDC Commissioners and staff will identify such situations, disclose the potential conflict, and take whatever steps may be warranted by the situation, up to and including recusing themselves from decision-making or action pertaining to the situation.

Pre-Conditional Reservation

Approval letters are generally sent to developers of all approved proposals the week after Commission approval. The approval letter identifies the stages of underwriting from environmental submission/review through Firm Commitment and identifies the underwriter

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assigned to each development. Attached to this letter, and provided below, is a generic checklist of documents needed to prepare the Conditional Reservation Agreement (“Pre-Conditional Reservation Items”):

Ownership Entity Organizational Documents:

1. A copy of the letter from the Department of the Treasury or other documentation demonstrating the Employee Identification Number assigned to the ownership entity.
2. A copy of the certificate of limited partnership, certificate of organization, or certificate of incorporation, as applicable, from the Missouri Secretary of State's office. NOTE: The owner entity must be organized in the state of Missouri. The only instance in which MHDC will consider a waiver of this requirement is if the owner entity has presented a compelling reason that precludes it from being organized in Missouri and only when the owner entity is receiving only low-income housing tax credits and no loan funds from MHDC. Any such waiver request will be considered on a case-by-case basis.
3. A copy of the initial limited partnership agreement or operating agreement, or for nonprofit organizations, a copy of the bylaws.
4. A Missouri certificate of good standing for the entity if it has been in existence for more than one year. A certificate may be obtained electronically at the Secretary of State's website for a nominal fee. A screen print of the search screen with a description of the entity's standing is not acceptable.
5. A draft of the signature block for the ownership entity. Please note, if the development was approved for 9% Credits from the nonprofit set-aside, the nonprofit entity must be one of the signers, even if it is not the sole general partner or member.
6. A resolution authorizing the individual, general partner, manager, or managing member to sign on behalf of the owner entity.

General Partner/Member Organizational Documents

Please provide for every tier of the general partner or member entities that are not individuals.

1. A copy of the letter from the Department of the Treasury or other documentation demonstrating the Employee Identification Number assigned to the general partner/member entity(ies).
2. A copy of the certificate of limited partnership, certificate and articles of organization, or certificate and articles of incorporation from the Missouri Secretary of State's office. If the general partner entity is not a Missouri entity, MHDC staff will also require a certificate of foreign registration evidencing that the general partner is registered to do business in Missouri.
3. A copy of the initial limited partnership agreement, operating agreement, or bylaws.
4. A resolution authorizing the individual to sign on behalf of the general partner or member entity(ies).
5. A Missouri certificate of good standing for the entity if it has been in existence for more than one year. A certificate may be obtained electronically at the Secretary of

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State's web site for a nominal fee. A screen print of the search screen with a description of the entity's standing is not acceptable.

Property Information

1. A site plan accurately identifying the land which comprises the development which includes the following detail:
 - a. Each building numbered (1, 2, 3, etc.). MHDC staff will utilize the numbers to create the building identification numbers.
 - b. The names of the streets which border the property.
 - c. The boundaries of the property clearly marked.

Conditional Reservation

All applications receiving approval from the Commission will be awarded a conditional reservation agreement ("Conditional Reservation") shortly after MHDC staff receives, reviews, and approves the Pre-Conditional Reservation Items. The Conditional Reservation will describe the type, amount(s), terms and requirements applicable to the development. Conditional Reservations will be subject to the requirements MHDC staff determines necessary or appropriate.

All developments receiving a Conditional Reservation must submit a Firm Submission package no later than the date established in the Conditional Reservation.

A Conditional Reservation is subject to rescission should the development fail to comply in a timely manner with the conditions thereof. This includes, but is not limited to, failure to provide evidence satisfactory to MHDC staff of financial feasibility or sufficient progress toward Firm Submission, closing, and placement in service.

Firm Commitment

All applications awarded a Conditional Reservation must be issued an MHDC Firm Commitment ("Firm Commitment") for construction closing to occur. The Conditional Reservation includes a deadline for submission of the Firm Commitment review checklist items and this deadline must be met to receive a Firm Commitment. All Firm Submission items must be sent to the attention of the assigned underwriter.

For HOME and federally-insured developments, Vapor Encroachment Conditions (VEC) must be addressed using ASTM E 2600-10 Standard Guide for Vapor Encroachment Screening on Property Involved in Real Estate Transactions. If a Tier 1 Screening identifies potential VEC problems, these must be investigated to determine if they are a recognized environmental condition (REC). Developments not requiring a Phase I Environmental Report developed by an environmental professional (EP) must engage an EP to conduct a vapor encroachment investigation.

Initial monthly rents cannot exceed the rents reflected in the Firm Commitment unless MHDC staff determines, in its sole discretion, a different rent is necessary and appropriate. Initial monthly rents cannot increase until at least one (1) year after the last unit is placed in service.

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Firm Commitment Exhibits

Each approved development is required to submit a firm submission package ("Firm Submission"). The firm submission will include: (1) an electronic version of the Firm Submission (a link will be provided on MHDC's website), (2) one tabbed three-ring binder with required exhibits, and (3) digital media with required electronic exhibits. Depending on the type of financing, some individual exhibits may not be applicable but all developments must submit a Firm Submission package. Questions as to whether an exhibit is applicable to a specific development must be asked prior to the Firm Submission deadline.

If you have questions about Firm Submission exhibits, especially if you are not sure whether an exhibit applies to your particular development, please contact the Director of Rental Production or the Chief Underwriter. Any item that may serve to satisfy the requirements of multiple exhibits should be copied and included in each applicable exhibit tab.

If an exhibit is required for your type of development but you feel there is a reason it is not applicable, you may request a waiver of that exhibit. Waiver requests must be submitted on the MHDC waiver form and submitted and approved prior to the Firm Submission due date. Waivers will only be granted in rare circumstances with a rational explanation and proper justification.

A Firm Commitment will be issued after a review of the Firm Submission package has been completed and it is clear to MHDC staff all MHDC requirements have been or will be met prior to closing. Developments with reservations of HOME Funds or Risk Share Insurance will not receive a Firm Commitment until HUD's Authorization to Release Grant Funds has been received by MHDC staff.

If the Firm Submission package reflects changes to the numbers and assumptions from what was in the Conditional Reservation, the amount of financing committed to the development may change. MHDC staff reserves the right to terminate any Conditional Reservation and/or require a development to go back before the Commission for reconsideration at a regularly-scheduled meeting if the changes presented materially affect MHDC's understanding of the development.

Digital Media

The Firm Submission checklist will identify exhibits to be submitted in the three-ring binder and exhibits to be submitted digitally. Digital media must include the required electronic documents in the proper form. Each document should be properly labeled and should be checked to make sure it opens properly. Do not put files into subfolders.

MHDC Form FIN-101: Identity of Parties

The FIN-101 must be filled out with contact information for the listed members of the development team. The FIN-101 will be an exhibit to the Firm Commitment and must be as accurate as possible.

Signature Blocks

Signature blocks must be provided for the architect, general contractor, title company, and Federal LIHTC and State LIHTC investors in the forms in which they should appear in any MHDC legal documents. If there has been any change to the ownership entity signature block since Conditional Reservation, an updated version

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must be submitted. It is highly recommended that the developer's attorney help to prepare and/or review the signature blocks before sending them to MHDC staff.

If the project does not have an MHDC loan, only the signature block for the ownership entity must be provided.

Organizational Documents

Those documents that were already submitted for the Conditional Reservation do not need to be provided again.

Ownership entity:

Provide a Certificate of Limited Partnership or Certificate of Limited Liability Company, as applicable (must be a Missouri entity, unless there is no MHDC loan and the development has obtained a waiver from MHDC);

Provide a draft Amended and Restated Limited Partnership Agreement (including MHDC-required limited partnership agreement language) or Amended and Restated Operating Agreement (including MHDC-required operating agreement language), as appropriate for the owner entity's type of legal structure. The most current Partnership/Operating Agreement language required by MHDC may be obtained at http://www.mhdc.com/rental_production/2016_fy_items/legal_department_for_ms/index.htm.

General Partner(s) or Managing Member:

Provide a Certificate of Incorporation or Certificate of Limited Liability Company, as applicable;

Provide an Operating Agreement or Articles of Incorporation and Bylaws, as appropriate for the type of legal structure.

Federal and State LIHTC Syndicator or Investor:

Provide a Certificate of Incorporation or Certificate of Limited Liability Company;

Provide a Limited Partnership Agreement, Operating Agreement, or Articles of Incorporation and Bylaws, as appropriate for the type of legal structure.

Financial Statements

Financial statements for the below entities must be provided. Audited financial statements submitted must have been issued in the last twelve (12) months. If the document provided is not an audited financial statement, it must be dated within ninety (90) days, and must be accompanied by a certification executed by an authorized representative of the entity stating the statement is true and correct to the best of their knowledge.

1. Developer entity. If the entity is a newly-created and/or single-purpose entity, the financial statement for the parent company is also required.
2. General partner/member entity (unless it is the same entity as the developer). If the entity is a newly-created and/or single-purpose entity, the financial statement for the parent company is also required.

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3. Federal LIHTC and State LIHTC syndicator and investor entity(ies).

Financial statements for all entities/individuals **must** contain a complete listing of all contingent liabilities.

Certificates of Good Standing

A Missouri certificate of good standing must be provided for the following development team entities: architect, general contractor, title company, management company, surveyor, and environmental firm. A certificate may be obtained electronically at the Missouri Secretary of State's web site for a nominal fee. A screen print of the search screen with a description of the entity's standing is not acceptable.

Site Control

Evidence of valid site control by the ownership entity must be included. Any initial options and all subsequent amendments or extensions, if applicable must be provided. A purchase option will not provide sufficient evidence of site control if the date by which the option must be exercised, or by which the closing must occur, has already lapsed or will lapse on a date before which a closing can realistically be expected to occur. Therefore, all such documentation for site control provided with the Firm Submission must allow for at least sixty days to close from the date the Firm Submission is submitted to MHDC staff.

Title Commitment

A lender's title commitment is required to be provided for every development. The commitment must be on form 2006 ALTA Loan Policy (6/17/06) and MHDC must appear as the proposed insured, with the amount of the MHDC loan, if any, on Schedule A. All title commitments and pro forma title policies must be signed by a representative of the title company and the legal description must be identical to the legal description shown on the survey. Full and complete guidance regarding MHDC's policies on acceptable title insurers, title commitments and pro forma title policy requirements may be accessed on MHDC's web site (http://www.mhdc.com/rental_production/2017_fy_items/legal_department_forms/index.htm). Each developer is encouraged to access and share this information with its respective title company in order to adequately ensure that all MHDC title policy requirements are satisfied.

For developments requesting a loan from MHDC, copies of exception documents relating to all exceptions reflected on Schedule B of the title commitment must also be provided.

Survey

A full-size draft of the survey and surveyor's report, Form HUD 92457 A-M, must be submitted. Although a draft survey is required for Firm Commitment consideration, the final survey must be updated within ninety (90) days of closing and the surveyor's report must be updated within thirty (30) days of the closing. The legal description must be identical to the legal description shown in the title commitment/pro forma policy. Full and complete guidance regarding MHDC's policies for surveys and survey reports may be accessed on MHDC's web site (http://www.mhdc.com/rental_production/2017_fy_items/legal_department_forms

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/index.htm). Each developer is strongly encouraged to access and share this information with its respective surveyor in order to adequately ensure that all MHDC survey requirements are satisfied. Please note that the HUD surveyor's report has recently changed. The current form is included in MHDC's survey requirements.

MHDC Form 3345: Plan Review Worksheet

An executed plan review worksheet that accurately breaks down the unit information by building must be submitted. The unit and square footage data must agree with the firm submission and the plans and specifications. Please provide both the Excel workbook and a PDF copy with signatures on the digital media.

Plans and Specifications

A complete set of construction drawings and specifications (or project manual) must be provided. For detailed requirements, see MHDC Form 1200, Design/Construction Compliance Guidelines dated August 1, 2009, as may be amended from time-to-time.

Plans:

An e-file and two full-size paper copies of architectural /engineering drawings, including a schedule of units and square footage must be included.

Specifications:

Two sets must be submitted. Please note, (a) HOME-financed developments with twelve (12) or more HOME-assisted units must include the current edition of the "General Conditions of the Contract for Construction" (AIA Document A201-2007), as amended, and the "Federal Labor Standards Provisions" (form HUD-4010); and (b) developments receiving Risk Share Insurance must include the current edition of the "General Conditions of the Contract for Construction" (AIA Document A201-2007), as amended, and the "Supplementary Conditions of the Contract for Construction" (form HUD-2554).

Development Characteristics Worksheet

A new Development Characteristics Worksheet with original signatures from the developer, owner, and architect must be provided. If no information has changed since the original submitted with the Application, reprint the original Excel file and execute with updated signatures. This worksheet codifies the development team's commitment to provide the amenities described. Any revisions during the design and construction process must receive the approval of MHDC staff.

Sustainable Housing Documentation

All new construction developments must provide detailed information regarding what features and techniques have been incorporated into the design of the development. This information should be in the form of the checklist or scoring system associated with the chosen green building program. Rehabilitation developments obtaining green building certification must submit the documents listed in the Sustainable Housing Information section above.

Termite Inspection Report or MHDC Termite Certification

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If the development consists of existing buildings, a termite inspection report must be provided by a licensed Pest Control Company. If termite infestation is found in the report, the scope of work must include what steps will be taken to eliminate the problem. The scope of work must be updated during construction if additional damage is found.

All developments must execute and submit the MHDC Termite Certification form.

Owner-Architect Agreement

A copy of the Owner-Architect Agreement (AIA B108-2009 with executed MHDC Amendment indicating the number of site visits per month) must be submitted. If this agreement does not include all required architectural and engineering disciplines, then copies of all consulting contracts should be also be included. All amendments to the standard AIA form must be clearly and conspicuously reflected within the body of the agreement and will be subject to approval by MHDC staff. An Additions and Deletions Report should also be submitted.

Contractor Due Diligence

The following contractor due diligence items must be provided:

1. Contractor's Qualification Statement (AIA A305);
2. Contractor's Audited Financial Statement;
3. MHDC Form FIN-116, Credit Summary with contractor's tax I.D. number;
4. MHDC Form FIN-105, Experience Summary and a company resume; and
5. Construction Contract (if MHDC is not the first lien position lender). If using the AIA form of construction contract, you must use the AIA A102. The A102 must be amended to incorporate all MHDC required language for the construction contract. This required language may be obtained at: (http://www.mhdc.com/rental_production/2016_fy_items/legal_department_forms/index.htm). Further, all amendments to the standard AIA form must be clearly and conspicuously reflected within the body of the agreement and will be subject to approval by MHDC staff. If MHDC is the first lien position lender, the MHDC form construction contract must be used, and will be circulated with the MHDC loan documents.

Equal Employment Certification (HUD Form 92010)

Include an executed Equal Employment Opportunity Certification (HUD Form 92010) for the owner (for developments with HOME Funds) or the general contractor (other financing).

This exhibit is not required for tax-credit only developments.

MHDC Form FIN-115: Contractor's/Mortgagor's Cost Breakdown

The cost breakdown properly completed with the division of labor and materials on form FIN-115, executed by both the owner and contractor, must be provided. The FIN-115 will be updated prior to construction closing to reflect any changes in the closing plans and specifications.

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MHDC Form FIN-150: Construction Draw Schedule

Only developments with a construction loan from MHDC must complete and provide Form FIN-150. Questions regarding the FIN-150 should be directed to the assigned MHDC project underwriter.

Updated Financing Commitments

Debt/Grant Commitments:

All construction and permanent debt/grant sources of financing listed in the Firm Submission, other than those provided by MHDC, must have a commitment letter from the financing provider. If a commitment letter was previously provided, an updated letter must be given at Firm Submission. The commitment letter(s) must include the terms and fees associated with the financing. Permanent loan terms must be at least eighteen (18) years. If reserves are being assumed, a letter from the current lender must be provided indicating the reserves can be assumed by the new ownership entity. MHDC also requires a statement indicating the current balance of such reserves. For acquisition/rehabilitation proposals with existing tenants, construction period income must be included as a source and a calculation of construction period income should also be included.

Equity Commitments:

All sources of tax-credit equity listed must have a commitment letter. If a commitment letter was previously provided, an updated letter must be given at Firm Submission. The commitment letter(s) must include the amounts, timing of capital contributions, reserve requirements, terms, and fees associated with equity contributions. MHDC requires a minimum of 10% of Federal LIHTC and State LIHTC equity be invested in the development at closing and again by 50% of construction completion.

Management Agent Documentation

The following management company documentation, executed with original signatures, as applicable, must be submitted. All properties must be managed by an agent listed on MHDC's Certified Property Management Agent Listing. A full description of the management certification process and relevant forms are located at www.mhdc.com.

MHDC staff will maintain a list of all MHDC Certified Property Management Agents, together with date of certification on the MHDC website at www.mhdc.com. Interested parties are encouraged to review the list to ensure that the chosen management agent is included, as the list may change periodically.

If you are unable to fill out all the documents in their entirety for a new construction development, please indicate that. Any incomplete or missing documents will be required to be submitted to MHDC Asset Management immediately once the management company and site staff are in place.

1. Articles of incorporation.
2. MHDC Form FIN-116, Credit Summary including tax I.D. number.
3. Audited financial statement.

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4. MHDC Form FIN-105, Experience Summary and company resume. If the development will receive Risk Share Insurance, also include Form HUD-2530, as filed electronically with HUD.
5. Exhibit A-2: Project Owner's Management Agent Certification.
6. Exhibit A-5, Certified Property Management Application. If a management company is an MHDC certified management company a copy of the approval letter will suffice.
7. Exhibit J, Authorized Representative Designation.
8. Exhibit J-1, Management Authorized Representative Designation.
9. Exhibit L, Property Information Sheet.

Affirmative Fair Housing Marketing Plan

Provide an executed and complete HUD Form 935.2A (Multifamily)/ HUD Form 935.2B (Single Family) Affirmative Fair Housing Marketing Plan.

PHA Approved Utility Allowance Information

Provide the most recent utility allowance schedule from the local housing authority available for the development type and geographic area in question. On the utility allowance schedule, circle or highlight the appropriate utility amounts. If the schedule provided has an effective date that does not use the current year, a statement from the housing authority which says the estimate is still valid must be provided.

Management/Maintenance Plan

A management/maintenance plan that describes, in detail, the operation, management, and maintenance of the development must be submitted. The plan should be customized to meet the needs of the development.

Proposed Lease Agreement

A copy of the proposed lease agreement to be used by the development, accompanied by the appropriate HOME and/or LIHTC lease addendum must be provided.

Lease-Up Narrative and Budget

Narrative:

A lease-up narrative describing, in detail, the marketing plan and lease-up projections for the development must be provided.

Budget:

MHDC Form FIN-117 should be used to show occupancy and expense projections for the lease-up period.

Service-Enriched Housing Documentation

If you indicated you would be providing social services in the Application or if you plan to include them as the development goes forward, an executed supportive

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services plan and finalized service provider letters of intent must be submitted for approval.

Special Needs Housing Documentation

If you indicated you would be providing housing opportunities for persons with special needs, an executed referral and support agreement, marketing plan and final rental assistance commitment letters must be submitted for approval.

Relocation Documents

All developments subject to MHDC's Relocation Policy are required to submit the stage 2 documentation applicable to its type of financing.

Section 3 Plan

Developments subject to the Section 3 Requirement (as defined below) are required to provide a signed Section 3 plan for their development. Please see the Section 3 guidelines below for details.

Tax Abatement/PILOT Information

Any development receiving tax abatement or entering into a PILOT agreement must provide a detailed description of the percentage, length, and terms granted to the development. A copy of any agreement or ordinance granting the tax relief must be included. If that document covers more than the development in question, a description of what is applicable to the MHDC-financed development is required. If the tax relief does not cover the entire Compliance Period, a description of what steps will be taken to cover the cost of full taxes must be provided.

Homeownership Plan

Developments that have indicated they will offer single-family homes for sale to qualified residents at the end of the Compliance Period must provide a homeownership plan that details such intent. The plan must reflect the structure required in the MHDC Homeownership Policy (available on the MHDC website). Developments must waive the right to opt out of the LIHTC program for an additional fifteen (15) years beyond the Compliance Period.

Legal Description

Provide the legal description in Microsoft Word format.

MBE/WBE Utilization Plan

Provide the updated and signed Utilization Plan (as defined below) and updated Schedule of Participation. The plan should also include a detailed listing of MBE/WBE firms to be utilized.

Once a complete Firm Submission package is received by MHDC staff, loan closing requirements and a closing checklist will be forwarded to the developer. A closing date will not be determined until a Firm Commitment is issued. Tax-credit only developments are also required to provide information to MHDC staff prior to closing.

If the development necessitates the assignment of a HAP contract, the developer must receive the paperwork from the seller required for such assignment at least six weeks prior to

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closing. This should allow adequate time for MHDC contract administration staff and HUD to review and approve any transfer.

Carryover Allocation

9% Credit developments that receive a conditional reservation of tax credits must sign a Carryover Allocation Agreement ("Carryover Allocation") to allow the development an additional two years to complete construction and/or rehab and place the development in service, otherwise the development must be completed, placed in service, and receive 8609s no later than December 31 of the year the Conditional Reservation is received. The Carryover Allocation will be prepared and issued in conjunction with the Firm Commitment. As a requirement of the Carryover Allocation, a 10% Test (as defined below) must be completed and submitted to MHDC staff.

Carryover Allocation Agreement

The owner should carefully review the Carryover Allocation.

Applicable Credit Percentage

The applicable credit percentage for New Construction and Rehabilitation credits is permanently fixed at 9%. For Acquisition credits, IRC Section 42(b)(A) requires the developer choose when the applicable credit percentage will be established. The choices are:

1. The month of allocation (the effective date of the Carryover Allocation); or
2. The month the building is placed in service.

The owner will indicate its preference in Section 8 of the Carryover Allocation.

Owner Signature

The owner needs to sign the Carryover Allocation in blue ink, have it notarized, and return to MHDC, Attn: LIHTC Department, 920 Main Street, Suite 1400, Kansas City, Missouri 64105.

Deadlines

The Carryover Allocation must be in the office of MHDC at least five business days before the end of the month in which the owner signed the Carryover Allocation. The Carryover Allocation must also be signed by MHDC in the same month if the applicable credit percentage is for the month of allocation.

If a Carryover Allocation is not signed by the owner and MHDC within the same calendar year of the Conditional Reservation, the owner must place the buildings in service, cost certify, and receive the 8609s within the calendar year of the Conditional Reservation.

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10% Test

The owner must complete the 10% test no later than twelve (12) months after the date of the Carryover Allocation or the LIHTCs will be returned to MHDC ("10% Test"). The 10% Test should be submitted as soon as the test has been met. The 10% Test is not required if a development is able to place the development in service, provide the cost certification to MHDC, and receive 8609(s) in the same year the Conditional Reservation is received.

10% Test Required Documentation

- Original MHDC Form 3341, Development Financing Certification;
- Original MHDC Form 3342, Exhibit B with supporting documentation;
- Original MHDC Form 3343, Carryover Allocation 10% Letter;
- Electronic (non-pdf) version of MHDC form 3342, Exhibit B;
- A copy of the recorded warranty deed/lease;
- A copy of the signed amended and restated partnership agreement, or amended and restated operating agreement, as applicable; and
- A copy of the note(s) and copies of recorded deed of trust(s) for all non-MHDC loans.

Scan and email the above to lihtc@mhdc.com (or include on a CD/flash drive and submit with the required original documents).

10% Test Deadline

The 10% Test must be met no later than twelve (12) months after the effective date of the Carryover Allocation. All documentation evidencing the 10% Test has been met must be submitted to MHDC staff by the end of the 13th month after the Carryover Allocation effective date. Early submission is encouraged.

Construction Loan Closing Guidance

MHDC's legal department is charged with the role of overseeing and coordinating closings on all developments receiving loan funds and/or LIHTCs from MHDC. This process includes the receipt and review of all required due diligence items, drafting and negotiation of all MHDC loan and/or tax credit documents, review of all loan documents from other lenders, if any, providing loan funds to the transaction, as well as reviewing and approving all other collateral documentation germane to the development. This section provides an overview of MHDC's construction loan closing process, including certain specific requirements to be fulfilled and key timing issues relevant to the process.

Key Milestones in the Construction Loan Closing Process

Within MHDC's construction loan closing process there are eight notable stages.

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Firm Submission

While there are multiple steps that occur with regard to underwriting and environmental requirements prior to a borrower providing a Firm Submission to MHDC staff, the Firm Submission itself is the first key milestone in the loan closing process. When the Firm Submission documentation is provided to MHDC staff, MHDC's legal department will assign a closing attorney to spearhead the transaction on behalf of MHDC. This is the initial point at which MHDC's legal department generally becomes involved in a development. Once MHDC's legal department has assigned a closing attorney, the borrower should begin including MHDC's attorney in all conference calls and correspondence related to the development.

Review of Firm Submission Due Diligence

All appropriate departments within MHDC involved in the Firm Submission review process will conduct reviews of their respective due diligence items from the Firm Submission. Upon completion of their respective reviews, each department will identify all comments or concerns related to its respective items from the Firm Submission due diligence items and will prepare a memorandum to MHDC's underwriting department listing all issues each respective department has identified in the Firm Submission materials which must be addressed by the developer. The Firm Commitment cannot be issued until all reviewing departments are satisfied with the Firm Submission materials. The lone exception is the MHDC legal department, which will provide its comments in the form of a closing due diligence checklist which will be circulated to the developer under separate cover.

Firm Submission Comments and Closing Checklist Circulated

Upon completion of all departmental reviews, the Firm Submission review memorandums will be compiled by the MHDC underwriter and attached to the firm commitment. In addition, with respect to the MHDC legal department review, the closing attorney will circulate comments to pertinent Firm Submission items, along with MHDC's complete construction loan closing due diligence checklist. This checklist provides a projected comprehensive list of all items which the borrower will be required to submit and which MHDC staff will have to approve before the construction loan closing can occur. However, the content of the loan closing due diligence checklist is subject to change throughout the course of the due diligence process as facts and circumstances evolve which may require the addition or modification of requirements reflected on the initial closing checklist. If the borrower has not already started including the MHDC closing attorney on all conference calls and correspondence prior to this stage, it is imperative that the borrower immediately begin including MHDC's attorney at this point. Failure to do so is likely to cause several issues which will inevitably slow down the closing process, such as failure to properly submit or correct issues with required items on MHDC's loan closing checklist.

On-Going Loan Closing Due Diligence Submission and Review

Once all MHDC departments have circulated comments to the Firm Submission items and a copy of MHDC's closing checklist has been sent out, it is incumbent upon the borrower to work diligently to submit all items on the closing checklist for MHDC staff's review and approval. As items are received, MHDC staff will review due

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diligence and provide comments on any deficiencies, as necessary. It is the borrower's responsibility to address such deficiencies in a timely manner.

Issuance of Firm Commitment

The Firm Commitment issued to the owner by MHDC staff contains all of the key terms of the business deal being agreed to between MHDC and the owner as it pertains to the loan funds and/or tax credits being issued by MHDC. Once the Firm Commitment is issued, MHDC's closing attorney can begin drafting MHDC documents and working with the owner to establish a closing timeline and projected closing date.

Draft and Circulation of MHDC Loan Documents

After the Firm Commitment has been issued, MHDC's closing attorney will draft proposed documents and will then circulate draft documents to all necessary parties for review.

Finalization of Loan Closing Due Diligence and MHDC Loan Documents

Subsequent to the MHDC documents being circulated, in addition to continuing to receive and review due diligence items from MHDC's closing checklist, MHDC's closing attorney will field and review any comments to MHDC's documents. It is important to note that, while MHDC attempts to be reasonable in addressing legitimate concerns or requested changes to MHDC's documents to properly and accurately reflect the business deal MHDC has agreed to, MHDC generally will not make material changes to its documents.

Execution of MHDC Documents and Release of Funds

Once all items on MHDC's closing checklist have been submitted to MHDC staff and approved by the appropriate parties, and all parties to the transaction have approved the MHDC documents, the transaction will be cleared to close and fund. MHDC staff generally requires all due diligence be submitted in final form and approved by MHDC staff at least seven days prior to the scheduled closing date. Likewise, MHDC staff generally requires all MHDC documents be fully negotiated and agreed to at least three days prior to the scheduled closing date. Unless MHDC's closing attorney specifically approves an alternative arrangement, MHDC will require the closing of an MHDC loan take place in MHDC's Kansas City office.

Loan Closing Checklist Due Diligence Requirements

All MHDC legal and closing forms can be accessed on MHDC's website.

MHDC's closing checklist indicates all due diligence which must be submitted to and approved by MHDC staff before closing on an MHDC loan. MHDC will not close on or fund a construction loan prior to the satisfaction of all items on the MHDC loan closing checklist. The purpose of this section is to highlight some of the key due diligence issues which should be top of mind to all borrowers when working toward a closing on an MHDC loan. However, please note this is not an all-inclusive list of required items. Also, in reviewing that checklist, please keep in mind every loan closing involves a unique set of facts and circumstances. Therefore, depending on the specifics of a given development, some items noted on the form checklist may be rendered inapplicable and additional items not shown on the checklist may be added.

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Title Insurance Requirements

For all developments receiving an MHDC loan, MHDC will require a lender's title insurance policy be provided. The title insurer issuing the lender's policy must have an acceptable A.M. Best or Demotech rating for the policy to be acceptable. MHDC requires the title insurer issue to MHDC a pro forma lender's title policy prior to the closing date. This pro forma policy should be in a final form, acceptable to MHDC staff at least seven days prior to the date on which the MHDC loan is scheduled to close. A full explanation of MHDC's title insurance requirements may be obtained at: http://www.mhdc.com/rental_production/other_resources.htm.

Organizational Documents

MHDC requires all pertinent organizational documents be submitted to MHDC staff for each tier of the ownership entity. Among the pertinent organizational documents which must be submitted are all documents required to be filed with the Missouri Secretary of State to validly organize the entity, any governing documents of the entity which may not be filed with the Secretary of State (e.g., Operating Agreements, Partnership Agreements, By-Laws, etc.), and a Certificate of Good Standing for each entity dated within thirty (30) days of the date of closing the MHDC loan.

In order to ensure project closing is not unduly delayed, MHDC recommends including your MHDC closing attorney in all discussions and negotiations regarding the ownership entity's Amended and Restated Limited Partnership/Operating Agreement at the earliest possible juncture. MHDC staff reviews this document in depth to ensure the business agreement between the general partner/manager and the investors comports with the business terms as underwritten by MHDC staff. Among the specific requirements MHDC imposes on the Amended and Restated Limited Partnership/Operating Agreement ("A&R LPA/OA") are the following:

1. All equity pricing and pay in amounts must match the amounts set out in MHDC's Firm Commitment.
2. In the event that more credits are delivered than amount set forth in MHDC's Firm Commitment, the pricing on the upward adjuster must be greater than or equal the credit pricing at Firm Commitment.
3. For developments with an MHDC loan, at least ten percent of the Federal LIHTC and State LIHTC equity must be paid in at closing and at least an additional ten percent of Federal LIHTC and State LIHTC equity must be paid in by fifty percent completion of the development. AHAP donations will not count towards these thresholds and each investor must independently meet this requirement unless the investors are related parties, in which case the amounts may be aggregated.
4. Any partner/member receiving one percent or more of the Federal LIHTC and/or State LIHTCs must pay for its respective share of such LIHTCs at the same pricing as the federal and/or state investor, as applicable.
5. The amounts and timing of all equity installments must be sufficient to adequately fund all escrows/reserves and pay down all construction loan debt when due.
6. MHDC's required language must be incorporated into the A&R LPA/OA verbatim, along with the partner/member information schedule (this

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language may be obtained on MHDC's web site at http://www.mhdc.com/rental_production/2016_fy_items/legal_department_forms/index.htm).

Survey Requirements

All developments receiving a MHDC loan are required to submit a survey in form and substance acceptable to MHDC staff. Each survey must follow the ALTA/ACSM 2011 Minimum Standard Detail Requirements and must further comport with all MHDC survey requirements. In addition, the surveyor must provide a completed Surveyor's Report on form HUD-92457 A-M. The full explanation of MHDC's survey and survey report requirements can be found on MHDC's website at http://www.mhdc.com/rental_production/2016_fy_items/legal_department_forms/index.htm

Site Control Documents

The site control documents provided to MHDC staff must adequately document the transfer of the development from the current owner of record to the anticipated ownership entity. The conveyance documents must convey an unencumbered fee or leasehold estate. No reversionary interests or reverter clauses contained in the conveyance documents will be acceptable. To the extent any such clauses exist, they must be expressly subordinate to any MHDC loans on the property. In the event the estate being conveyed to the anticipated ownership entity is a leasehold estate, the ground lease must be for a term of at least fifty-five (55) years and must meet all MHDC requirements.

Completion Assurance Requirements

As a condition of providing loan funds to a development, MHDC requires the general contractor to provide adequate completion assurance. The completion assurance is allowed to take one of two forms: (i) the general contractor can provide a deposit in the form of cash or an unconditional, irrevocable, non-documentary letter of credit for an amount equal to 15% of the value of the construction contract, or (ii) the general contractor may provide a performance and payment bond for 100% of the value of the construction contract.

MHDC Loan Documents

MHDC generally requires the same set of loan documents for all developments in which it holds a loan (though the contents of the documents may vary depending on the type of loan funds involved). However, in instances where MHDC is to hold a first position loan during the construction phase of the development, there are certain notable documents which MHDC requires, including:

1. MHDC form Construction Contract-Cost Plus (in lieu of the AIA A102 form construction contract);
2. If a payment and performance bond is being used for completion assurance, MHDC form Performance and Payment Bond (in lieu of the AIA form of bond); and
3. Assignment of Capital Contributions.

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The Assignment of Capital Contributions is intended to secure MHDC's ability to enforce the investor partners'/members' obligations to make capital contributions when due to the extent necessary to pay down the MHDC construction loan to the permanent loan amount. This requirement is imposed on all investors and cannot be waived. However, in the event an investor prefers not to execute the assignment document, MHDC will accept alternative security in the form of an unencumbered first position security interest in the investor's interest in the owner entity, including its interest in the LIHTCs to be generated by the development.

Where MHDC is in a subordinate loan position during the construction phase of the development, the Assignment of Capital Contributions is not required and MHDC will allow the owner entity to utilize the standard AIA forms for construction contracts and performance and payment bonds provided that all MHDC requirements with regard to the content in each of these documents are met. Outside of these exceptions, all other MHDC loan documents are required regardless of the priority of MHDC's loan.

In all instances where MHDC is providing a loan to a development (other than a risk share loan), the general partner entity and its underlying principals will be required to execute a Guaranty Agreement to MHDC in relation to such loan personally guaranteeing the repayment of the loan during the construction phase of the development. This Guaranty Agreement will only be in effect during the construction phase, with such guaranty terminating and the MHDC loan shifting to a non-recourse loan upon conversion of the MHDC loan to a permanent loan. In instances where the borrower is utilizing Risk Share Insurance with MHDC as the bond issuer, an unconditional, irrevocable, non-documentary letter of credit for the full amount of the buy down amount of the bonds at conversion is required in lieu of a guaranty.

With the exception of changes to MHDC's loan documents necessary to adequately reflect the deal terms agreed to by MHDC staff and the ownership entity, MHDC generally will not make material changes to its form loan documents. However, MHDC staff will attempt to accommodate reasonable requests where possible, provided the MHDC loan documents should be in final form and not subject to any further comment (outside of corrections for errors) at least three days prior to the scheduled closing date of the MHDC loan.

Construction Phase

The Construction Phase of a property development begins with a Notice to Proceed, issued by the architect to the general contractor, indicating all the pre-construction requirements have been met by the development team. A copy of the properly executed Notice to Proceed must be provided to the MHDC-designated construction inspector.

Construction shall be in accordance with the approved drawings and specifications which have been prepared by the development's architect of record and approved by MHDC staff and any local governing agencies. The drawings and specifications and subsequent work must always comply with local building codes, zoning ordinances, and other government regulations. Copies of permits the contractor has obtained must be provided to MHDC staff.

Any changes in the construction requirements of these documents must be presented for consideration on an AIA Document G701 ("Change Order"). After review of the proposed changes, this Change Order must be signed by the architect, the contractor, and the owner before it will be considered a Contract Change in Cost or Time. Absolutely no work to which

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a Change Order pertains will be allowed to begin prior to the proper execution and approval of that particular Change Order.

Any changes in the line items of the schedule of values as they appear on FIN 115 must also be accompanied by a properly executed Change Order, showing how each and every line item will be changed if the Change Order is approved. Because this type of Change Order does not affect the total cost of the project, it is referred to as a "Zero Cost Change Order." This request may be submitted as a part of any other Change Order or as a standalone document, but it must be approved and executed by the four parties as with a Change Order for cost increases/decrease or time increases/decreases.

During the course of construction, everyone entering or working on the development work site must strictly adhere to the standards set by the Occupational Safety and Health Act ("OSHA") and its latest revisions (see section "Worksite Safety and OSHA Training" below). Everyone performing work on the job must have an OSHA-10 card showing successful completion of a ten (10)-hour training program.

Pre-Construction Conferences

Before any actual physical work can be performed on the development, MHDC requires a Pre-Construction Conference take place. Although certain elements of the construction phase are requirements of MHDC and should be included on the agenda, Pre-Construction Conferences are guided and scheduled by the general contractor.

Construction Loan Disbursements

Requesting the Initial Advance of Mortgage Proceeds

The initial Advance of Mortgage Proceeds must be submitted to the MHDC Construction Disbursement Department at least seven working days prior to the date of the initial loan closing, and should include the following:

1. two originals of the Application for Advance of Mortgage Proceeds (MHDC Form 2420 or, if bond financing, MHDC Form 2420-2);
2. two originals of the Application and Certification for Payment (AIA Document G702-1992™);
3. two originals of the Continuation Sheet (AIA Document G703-1992™) which must match the FIN-115 submitted with firm submission;
4. copies of all paid receipts and/or invoices to support the request;
5. contractor list (MHDC Form 2502) with all appropriate columns completed;
6. copies of all subcontracts, if any have been signed as of request submission date; and
7. copies of all bids, if not previously submitted.

All documentation to support the requested disbursement must be included. All documents must be complete and be signed in blue ink. Incomplete documents may be returned to the mortgagor for completion.

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Requesting Advance of Mortgage Proceeds during Construction

The Advance of Mortgage Proceeds must be submitted to the MHDC Construction Disbursement department and should include the following:

1. two originals of the Application for Advance of Mortgage Proceeds (MHDC Form 2420 or if bond financing, MHDC Form 2420-2);
2. updated construction Disbursement Schedule (MHDC Form 2430) reflecting the current actual costs along with any revised projects of future payment requests, including the architect fee for supervision;
3. two originals of the approved Contractor's Advance Form 2440 reflecting the builder's overhead, general conditions, and profit in an amount not to exceed the percentage of completion;
4. two originals of the Application and Certification for Payment (AIA Document G702-1992™);
5. two originals of the Continuation Sheet (AIA Document G703-1992™) which must match the Contractor's/Mortgagor's Cost Breakdown (MHDC Form FIN-115) submitted with Firm Submission;
6. two originals of the Change Order (AIA Document G701-2001™);
7. copies of all paid receipts and/or invoices to support the request;
8. contractor's Prevailing Wage Certificate (MHDC Form 2450);
9. contractor list (MHDC Form 2502), with all appropriate columns completed;
10. copies of any subcontracts not previously submitted; and
11. copy of a current Certificate of Good Standing issued by the Missouri Secretary of State's office for the general contractor and all subcontractors (one-time submission for subcontractors).

All documents must be complete and be signed in blue ink. Incomplete documents may be returned to the mortgagor for completion. MHDC will not release any funds until the MHDC construction inspector has approved the request.

Processing the Advance of Mortgage Proceeds during Construction

If the draw request and all supporting documentation are complete, MHDC staff will begin its review. Once MHDC staff approves the draw request, it will fund the draw. MHDC staff strives to disburse all draws within five working days from the date the complete request package is received. In the event HOME Funds or loan funds from a participating lender are being disbursed, it could take up to seven to ten working days to complete the disbursement. MHDC staff will send the disbursement package to the title company which will include the following:

1. Letter of instructions;
2. Application of Mortgage Proceeds (Form 2420) approved by MHDC staff;
3. Disbursement Schedule (Form 2430) approved by MHDC staff;
4. Contractor's Advance (Form 2440) approved by MHDC staff;

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5. Supporting documentation; and
6. MHDC's funding check or documentation showing information for a wire transfer of funds

MHDC staff will also send a copy of items 1-4 above to the owner, general contractor, and the architect.

Construction Retainage

Subject to the approval of MHDC staff, the contractor shall be entitled to payment of an amount equal to the total value of classes of work acceptably completed, plus, the value of materials and equipment incorporated in the work, less a 5% holdback or "retainage" (or acceptable substitute security, as required by §436.306-309, RSMo) and less prior payments. The remainder of the retainage will be released upon MHDC staff's receipt and approval of all required due diligence to convert construction loan to permanent status and issue 8609s, if applicable.

Stored Materials

Stored materials must be approved by MHDC staff. Stored materials must be stored in a secure, bonded warehouse or on-site trailer within a twenty-five (25) mile radius of the development. The stored materials must have the appropriate insurance and security. A copy of the material invoices and the Certificate of Insurance shall be provided.

Change Orders

Any adjustments made to previously approved Contractor's/Mortgagor's Cost Breakdown (Form 115), the construction contract, or line items must be made by a Change Order. Two Change Orders with original signatures in blue ink, along with copies of drawings, specifications or other supporting documentation must be submitted to MHDC staff.

Savings in line items after the final advance of mortgage proceeds is calculated will not be advanced to the owner. At the discretion of MHDC staff, any savings in line items may result in a reduction of LIHTCs or the mortgage note amount. HOME program regulations require any undisbursed funds be returned to HUD.

Escrows

Releases from escrows held by MHDC require the submission of a Request for Release of Escrow Funds (Form 2460). Please submit two original copies of Form 2460 (with original signatures) in blue ink with any supporting documentation to substantiate release from the escrow.

Requesting the Final Advance of Mortgage Proceeds

The final Advance of Mortgage Proceeds must be submitted to the MDHC Construction Disbursement department and should include the following:

1. two originals of the Application for Advance of Mortgage Proceeds (MHDC Form 2420 or if bond financing, MHDC Form 2420-2);
2. application and Certification for Payment (AIA Document G702-1992™);
3. continuation Sheet (AIA Document G703-1992™);

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4. copies of all paid receipts and/or invoices to support the request; and
5. escrow funds.

Please include all documentation to support the requested disbursement. All documents must be complete and signed in blue ink. Incomplete documents may be returned to the mortgagor for completion.

Latent Defects

MHDC requires the general contractor escrow a sum equal to 2.5% of the construction contract amount for a period of time to ensure any faulty construction will be cured. This can be accomplished by (a) submitting a letter of credit for said sum, or (b) reducing an existing letter of credit placed in escrow for completion assurance to 2.5% at the time the MHDC construction loan converts to permanent status. The latent defect escrow will be held for fifteen (15) months from the date of substantial completion, which date is established by the architect, owner, and general contractor and approved by MHDC staff. In the first nine (9) months of the fifteen (15) month period, an MHDC inspector will visit the property and any findings will be reported in writing. If there are no findings, the inspector will authorize the release of the latent defect escrow. A fee of \$50/hour will be charged if the inspector must return to verify unrepaired deficiencies discovered during a Latent Defect Inspection. Please refer to the Design/Construction Compliance Guidelines (MHDC Form 1200, Exhibit F) for additional information pertaining to the latent defect period.

Conversion/Permanent Loan Closing

All of the forms and documents referenced in this section can be accessed on MHDC's website.

Just as MHDC's legal department is in charge of overseeing and coordinating MHDC construction closings on all developments receiving construction loans and/or tax credits from MHDC, it is equally responsible for overseeing and coordinating the conversion of all MHDC construction loans to permanent status and the closing of all permanent MHDC loan financing. This section provides an overview of the requirements which must be met to convert an MHDC construction loan to permanent status. In addition, this section provides an overview of the permanent loan closing process, including certain specific requirements to be fulfilled and key timing issues relevant to the process.

PLEASE NOTE: For developments receiving only tax credits and no loan funds from MHDC, MHDC's legal department is not involved in the conversion of those developments. As such, the conversion of tax credit only developments is not covered in this section.

Conversion Requirements

MHDC requires all of its construction loans be converted to permanent status by the date specified in the MHDC loan documents. In order to convert a construction loan to permanent status, the owner must fulfill all requirements set forth on MHDC's conversion checklist. The purpose of this section is to highlight some of the key requirements which must be fulfilled prior to MHDC staff approving final conversion of its construction loan. However, please note that this is not an all-inclusive list of required items. Also, in reviewing that checklist, please keep in mind, that every loan closing involves a unique set of facts and circumstances. In any given construction loan closing, there may be outstanding issues which cannot be addressed prior to the beginning of construction (e.g., relocation of easements based on movement of

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utility lines, removal of existing encroachments, etc.). All such items of this nature will be required to be completed as part of the conversion checklist upon closing the MHDC construction loan and must be finalized in order for conversion to occur and 8609s to be issued, if applicable.

There are key due diligence items which all ownership entities receiving MHDC construction loans should be mindful of when working toward the conversion of the construction loan to permanent status. One requirement for conversion is submission of a chattel list that lists all chattel in each unit. This chattel list is compared to the Development Characteristics Worksheet submitted prior to construction. MHDC expects that the chattel list reviewed at conversion will match exactly what was set forth in the Development Characteristics Worksheet. Please note that if MHDC grants a development permission to deviate at all from the Development Characteristics Worksheet that a revised Development Characteristics Worksheet should be submitted as part of the conversion process. Also, before an MHDC construction loan can be converted to permanent status, the title insurer must provide MHDC staff with a final original date-down endorsement increasing the insured amount under MHDC's lender policy to the full amount of MHDC's construction loan, evidencing that no unapproved exceptions have been added to MHDC's lender policy, and otherwise meeting all requirements for MHDC title policies. In the event the MHDC construction loan was fully disbursed prior to the final disbursement of funds for construction, MHDC will still require a date down endorsement to the date of the final disbursement evidencing that no unapproved exceptions have been added to MHDC's lender policy since the date of the last disbursement of MHDC loan funds. In addition, the title insurer must provide the final ALTA 3.1 endorsement to MHDC's lender policy. MHDC staff must be provided with a final ALTA/ACSM survey meeting all MHDC requirements. If the development is a rehab of an existing development, an "as-built" survey may be provided in lieu of an ALTA survey provided (i) the building footprint has not changed, and (ii) no new easements need to be shown on the survey. Finally, the cost certification documenting the actual costs of construction of the development must be fully completed and approved by MHDC staff.

Permanent Loan Closing Process and Requirements

Where MHDC is providing only permanent financing to a development and no construction period financing, the MHDC loan is closed subsequent to completion of the development. However, while the MHDC staff loan closing itself does not take place until after construction completion, MHDC must be included in the construction loan closing process. MHDC staff must review and approve much of the same due diligence prior to the closing of the construction loan closing as it would were it providing the construction financing itself. The due diligence items MHDC staff must review and approve prior to the closing of the construction loan include the status of the title, all conveyance documents, construction.

Final Allocation/Cost Certification

For any development receiving funding from Missouri Housing Development Commission ("MHDC"), the owner must complete the Development and Contractor's Cost Certification ("Cost Certification") as detailed below. Funding means any loan or Low-Income Housing Tax Credits ("LIHTC"). MHDC must review and approve the Cost Certification prior to:

1. Loan conversion;
2. Permanent loan closing; and/or
3. Issuance of 8609(s) and Missouri Eligibility Statement(s) (if applicable).

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MHDC will evaluate all funding sources and costs and determine the maximum mortgage amount (if receiving an MHDC mortgage), and will evaluate the reasonableness of costs and uses before determining the final amount of LIHTCs, if applicable. MHDC reserves the right to ask for additional information to provide clarification to the Cost Certification submitted.

Please refer to the Qualified Allocation Plan in the fiscal-year the development was approved in for limits on contractor fees, developer fees, or other requirements.

The forms posted on MHDC's website are the most up-to-date forms. A revision may be made to correct any errors in the form or to make changes to comply with regulatory, statutory, or any other necessary changes. Any forms revised will be posted with a revision date. Developments are required to use the most up-to-date version when preparing the Cost Certification.

Required Final Allocation Documentation

DEVELOPMENTS WITH MHDC LOAN ONLY (NO LIHTC), provide the following:

1. Contractor Cost Certification (two original hard copies):
 - a. Contractor's Certificate of Actual Cost Independent Auditor's Report
 - b. Contractor's Cost Certification Workbook (Submit completed Excel workbook to: costcert.questions@mhdc.com):
 - i. 3320, Contractor's Certificate of Actual Costs
 - ii. 3320-I, Itemized List of all Contractor's cost with subtotals
 - iii. 3320-A, Identity of Interest Worksheet
 - iv. 3320-II, Itemized List of Contractor with Identity of Interest
2. Development Cost Certification (two original hard copies):
 - a. Development Cost Certification Independent Auditor's Report – MHDC Loan
 - b. Development Cost Certification Workbook (Submit below completed Excel workbook to: costcert.questions@mhdc.com):
 - i. 3335, Development Cost Certification
 - ii. 3335-A, Itemized Cost Detail
 - iii. 3335-E, Owner Certification
 - c. Financial Statements (compilation acceptable) Balance Sheet and Income Statement

DEVELOPMENTS WITH LIHTC provide two originals hard copies of each Cost Certification and email electronic versions of the noted documents of the following:

1. Contractor Cost Certification (two original hard copies):
 - a. Contractor's Certificate of Actual Cost Independent Auditor's Report
 - b. 3320, Contractor's Certificate of Actual Costs
 - c. 3320-I, Itemized List of all Contractor's cost with subtotals
 - d. 3320-A, Identity of Interest Worksheet
 - e. 3320-II, Itemized List of Contractor with Identity of Interest
2. Development Cost Certification (two original hard copies):
 - a. Development Cost Certification Independent Auditor's Report – Tax Credit
 - b. Development Cost Certification Workbook (submit completed Excel workbook to: LIHTC@mhdc.com):
 - i. 3335, Development Cost Certification
 - ii. 3335-A, Itemized Cost Detail

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- iii. 3335-B, Applicable Fraction – Building Detail
 - iv. 3335-C, Qualified Basis and Maximum Credit Calculation
 - v. 3335-C Supplement, Allocated Credit Amount Basis Reduction
 - vi. 3335-D, Contact Information
 - vii. 3335-E, Owner Certification
 - viii. 3341, Low-Income Housing Tax Credit Development Financing Certification
 - c. 3345, Plan Review Worksheet – Updated (submit updated version in Excel to LIHTC@mhdc.com)
3. HTC-E (two copies) If development is receiving historic tax credits in addition to LIHTCs.
 4. Tax-Exempt Bond Developments In addition please submit the below additional documentation:
 - a. Recorded Warranty Deeds (submitted hard-copy or at LIHTC@mhdc.com)
 - b. Note(s) and recorded Deed(s) of Trust for non-MHDC loans

When to submit

The cost certification should be submitted to MHDC no later than the last day of the second full month following the date of substantial completion for the last building in the development.

For example, if substantial completion of the last building is May 15, the cost certification should be submitted no later than July 31.

Where to submit

If MHDC is providing any type of permanent financing, submit the hard-copy Cost Certification package to:

MHDC
Legal Department
920 Main Street, Suite 1400
Kansas City, MO 64105

If MHDC is not providing any type of permanent financing, submit the hard-copy Cost Certification package to:

MHDC
Tax Credit Department
920 Main Street, Suite 1400
Kansas City, MO 64105

Compliance Reporting

Annual Reporting

All compliance and asset management forms and documents referenced in this section can be accessed at www.mhdc.com/docs/compliance.

Annual reporting allows MHDC to monitor compliance issues and verify adherence to the program requirements associated with development operations. These requirements are unique to the programs in use at the given development. MHDC Asset Management staff has

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compiled general and administrative guidance on compliance reporting that includes program information and the type of reporting required of each program.

The Tax Credit Program

Congress has delegated LIHTC administration to state housing agencies to assure good, quality housing will be available where it is most needed. This is the role MHDC fulfills. MHDC is charged not only with the allocation of LIHTC, but also with assuring compliance with the regulations. This includes the performance of a physical inspection of the property and a review of management and occupancy procedures during the Compliance Period and the Extended Use Period.

Under the provisions of the Tax Credit Accountability Act, all developers/applicants must complete all necessary forms and reporting required during the Application and allocation process and for a period of three years following the issuance of State LIHTCs by MHDC.

Tax Credit Program Reporting Requirements

LIHTC reporting requirements consist of Certification On-Line Reporting ("COL") and submission of the Owner's Certificate of Continuing Program Compliance (Exhibit A). COL is an internet-based data-tracking system that has been designed for owners, agents, and managers to upload annual tenant activity on-line. Owners must establish a username and password. Information regarding occupancy, rent and income limits, utility allowances, and applicable fractions is entered and various reports can be compiled from entered data.

The owner's Certificate of Continuing Program Compliance must be printed from COL, signed by the owner, notarized and mailed to MHDC. Upon submission, this specific Exhibit A is stored virtually at MHDC and is used thereafter for all pertinent business.

The HOME Program

MHDC Asset Management is responsible for ensuring the ongoing compliance of rental housing that has been financed by MHDC using HOME Funds. This includes ensuring owners of such housing are complying with the income limits, rent restrictions, physical condition standards, and other compliance issues specified by federal HOME guidelines to meet the housing needs of low and very low income Missouri households.

HOME Program Reporting Requirements

The Home Program reporting requirements for rental housing financed with only HOME Funds differ from the requirements of a property financed with both HOME Funds and LIHTCs.

For developments financed with HOME Funds without LIHTCs, the reporting consists of submission of the Annual Certification of Continuing Program Compliance (Exhibit K) and the Annual Occupancy Report (Exhibit H). A hard copy of Exhibit H must be submitted to MHDC each year no later than close of business on March 31. In addition, an accurate, current utility allowance is required to be updated and submitted to MHDC on an annual basis in conjunction with these annual reports.

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The annual reporting requirement for developments financed with HOME Funds and LIHTC must be done through COL, in accordance with the Seasonal Reporting Schedule which is based on the year the last building is placed-in-service. The original, executed copy of the Annual Certification of Continuing Program Compliance (Exhibit K) must still be provided in the hard copy format along with an accurate, current utility allowance.

(Seasonal Reporting Schedule)

SEASONAL REPORTING SCHEDULE			
Placed-In-Service Date	Activity Period Covered	COL Report Due Date	Exhibit A & K Due Date
1990, 1991, 1992, 1993, 2006, 2010, 2014, 2018	April 1 – March 31	April 15	April 30
1994, 1995, 1996, 1997, 2007, 2011, 2015, 2019	July 1 – June 30	July 15	July 31
1998, 1999, 2000, 2001, 2008, 2012, 2016	October 1 – September 30	October 15	October 31
2002, 2003, 2004, 2005, 2009, 2013, 2017	January 1 – December 31	January 15	January 31

In some instances, this could cause reporting for a partial year in order to catch up to the appropriate schedule.

Asset Management

MHDC administers a wide array of affordable housing programs and monitors these developments for compliance from inception, through the Compliance Period, including the Extended Use Period. As administrator of the affordable housing programs for Missouri, MHDC is your direct source for assistance and guidance regarding specific program requirements and obligations.

As a function of monitoring compliance with our programs, Asset Management will ensure all parties are aware of and in compliance with the Suspension/Debarment Guidelines (4 CSR 170 8.010-8.160, as may be amended from time-to-time).

Suspension and debarment actions protect MHDC from doing business with individuals and companies who pose a business risk to the integrity and resources of the programs MHDC administers. All applicants and participants must be in good standing and compliant with all MHDC requirements. In making suspension and debarment decisions, MHDC relies on information provided by and on behalf of the applicant, portfolio reviews, and physical and file inspections. MHDC staff's review of documents, assurances and certifications will be submitted in connection with the suspension and debarment process.

Events that will result in suspension/debarment recommendations:

1. General partner/managing member/sole stockholder that has been removed from the ownership entity of a previous development due to poor performance/malfeasance. Subject to verification of circumstances surrounding removal.

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2. Uncured event of default per section 1602 of Tax Credit Assistance Program.
3. Fair Housing Act violations involving a finding of discrimination by an adverse final decision from a federal court or a judgment enforcing the terms of a consent decree.
4. Civil Rights Act violations involving a finding of discrimination by an adverse final decision from a federal court or a judgment enforcing the terms of a consent decree.
5. Foreclosure involving loss of units to the affordable housing stock or failure to notify MHDC of foreclosure (including deed in lieu of foreclosure transaction).
6. Claiming tax credits by submitting falsified IRS Form(s) 8609 to the IRS.
7. Misrepresentation of eligibility items.
8. Failure to fulfill commitments made in the initial application.
9. A pattern of uncorrected 8823s based on a review of the portfolio for the participant and the timeframe of the issuance of the 8823s
10. Portfolio has a history over the past three years of occupancy below 85%.
11. Portfolio has a history over the past three years of unacceptable inspection ratings.
12. General partner/managing member/sole stockholder is on HUD's debarred list or has received a limited denial of participation in the past five years.
13. General partner/managing member/sole stockholder is currently or has been on any state housing agency's debarred list in the past five years.

The initial set-up for each development is a very important aspect of ensuring compliance for participating owner/agent entities. Proper set-up allows for open and direct communications with MHDC and ensures information regarding the property's compliance and program obligations can be relayed and maintained. The following outlines the steps for initial property set-ups.

Lease Up

Providing accurate and current contact information for your development and owner/management entity along with filing the various required authorization forms allowing MHDC to request and conduct business is vital. Once initial authorization forms are submitted, the initial lease-up information must be submitted. This information allows MHDC staff to establish the timeframe for monitoring compliance moving forward.

Credit Period Start Date

In order to claim the LIHTC, all developments receiving a LIHTC allocation since 1987 must comply with all eligibility requirements for the Compliance Period which begins with the first taxable year of a building's Credit Period. The Credit Period for a building begins in either the year it is placed in service or the first year after, as declared in Part II of the IRS Form 8609.

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8609 Requirement Date

To enable MHDC staff to determine a property's final year of LIHTC program compliance, MHDC staff must be provided with a copy of the First Year Certification Part II of IRS Form 8609, as executed by the owner and filed with the IRS. MHDC staff must also be provided with a copy of the First Year Certification Part II of the Missouri Eligibility Statement. If these documents are not provided, MHDC will require the development to remain in the program through December 31st of the sixteenth year, for credit allocations made in 1990 and thereafter.

Establish Username and Password for MHDC Asset Management Reporting Systems (AMRS)

The MHDC Asset Management Reporting System is a monitoring tool that is designed to determine if the development is in compliance with federal and state regulations and with MHDC policies. Once lease up commences, the property must request a username and password. All properties will receive an occupancy and financial username and password.

Latent Defect Inspections

Each new construction and substantial rehabilitation development with an MHDC construction loan is subject to Latent Defect Inspection ("LDI") upon completion of construction. MHDC staff will establish an LDI date and notify all parties. The LDI will be performed by MHDC representatives in conjunction with the architect, general contractor, and property manager. The owner/management agent entity will be responsible for notifying residents with the proper inspection notifications, per program guidelines. The LDI inspection has the specific parameters as set forth below.

Timeframe for LDI Inspections

Each development must be inspected for latent defects within nine months from the reported final construction date. Any alterations to this date must be properly reported to MHDC so alterations in the LDI timeframes can equally reflect those changes. Failure to report and verify changes are the responsibility of the owner/agent and their general contractor. Prior to a representative's visit, MHDC staff will provide official notice of the LDI via the Latent Defect Inspection Appointment Letter (Exhibit D).

Deficiency Resolutions and Penalties for Non-Compliance

The LDI will be conducted with respect to the scope of the project and all construction rehabilitation requirements established in the original Application. Any defects observed during the LDI will be reported in detail and supported by photographs by the architect and provided to the owner/agent of record, with copies provided to the general contractor, as applicable. From the date of the inspection report, the owner/agent or designated representative has forty-five (45) days to return certification and documentation supporting the mitigation of the deficient items or conditions cited in the LDI report. Failure to submit proper documentation supporting correction of each item cited will result in the issuance of a Form 8823 to the IRS reporting an action of non-compliance by the owner/agent in question.

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Program Compliance Inspections

All program compliance forms and documents referenced in this section can be accessed at www.mhdc.com/docs/compliance.

MHDC is responsible for conducting operational management audits and physical inspections for our participating developments. These assignments consist of occupancy reviews, tenant file management (for initial participant eligibility and continued eligibility), physical asset management, and general program compliance.

The physical inspections component is based on the UPCS Code, as provided by HUD and the application of federal, state, and local building code enforcement. Inspection cycles vary depending on the programs in effect. MHDC must conduct these assessments adherent to the most restrictive program in effect at a given development. The inspection cycle frequency may be increased, depending on the conditions of the physical asset and overall program compliance as observed during the site review.

Frequency of the Required Inspection and Management Reviews

For developments layered with several affordable housing programs MHDC must conduct the inspection consistent with the most restrictive regulations applicable to the development.

1. Mixed MHDC Fund Balance or HOME Funds (25 units or more) with LIHTCs – inspections are conducted annually.
2. HOME Funds (5-24 units) with LIHTCs – inspections are conducted every two years.
3. HOME Funds (1-4 units) with LIHTCs – inspections are conducted every three years.
4. LIHTC-only – inspections are conducted every three years.
5. Developments with Special Needs Units – inspections are conducted annually.

AHAP Program Inspections

Prior to the inspection, a MHDC Compliance Officer will provide the owner/agent a document package which includes an Appointment Letter-Exhibit (AHAP-1). This package will also contain Exhibits C-3A, C-4, C-5, and information regarding the inspection process. Owners/agents participating in the AHAP program should complete all forms and information, and return to MHDC staff ten (10) days prior to the inspection date shown on the Appointment Letter. Once the inspection is complete, MHDC staff will provide the owner/agent the audit report within thirty (30) days via Exhibit AHAP-12 (Physical Inspection and Management Review Form). The owner/agent then has thirty (30) days to respond to all findings cited in the report. Once verification has been received, MHDC staff will provide the owner/agent an AHAP C-28 Form closing the inspection process for that period.

HOME Program Inspections

Prior to the inspection, an MHDC Compliance Officer will provide the owner/agent a document package which includes an Appointment Letter (Exhibit HOME C-1A). This package will also contain Exhibits C-3A; C-4, C-5, and information regarding the inspection process.

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Additionally, HOME program regulations require a HUD Form 9834 Addendum B Part A be completed for each development. This form collects data regarding demographics. Once the inspection is complete, MHDC staff will provide the owner/agent the audit report within thirty (30) days via Exhibit C-12 (Physical Inspection and Management Review Form). The owner/agent then has thirty (30) days to respond to all findings cited on the report. Once verification has been received by, MHDC staff will provide the owner/agent a C-28 Form closing the inspection process for that period.

LIHTC, TCR, and TCAP Program Inspections

Prior to the inspection, a MHDC Compliance Officer will provide the owner/agent a document package which includes an Appointment Letter (Exhibit C-1 LIHTC). This package will also contain Exhibits C-3A; C-4, C-5, C-15, C-16 (as applicable), and information regarding the inspection process. Once the inspection is complete, MHDC staff will provide the owner/agent the audit report within thirty (30) days via Exhibit C-12 (Physical Inspection and Management Review Form). The owner/agent then has thirty (30) days to respond to all findings cited on the report. Once verification has been received, MHDC staff will provide the owner/agent a C-28 Form officially closing the inspection process for that period.

Deficiency Resolutions and Penalties for Non-Compliance

Failure to submit proper documentation supporting correction of each finding cited in the Physical Inspection and Management Review Form may result in the issuance of a Form 8823 to the IRS reporting an action of non-compliance by the owner/agent in question. In addition, MHDC reserves the right to assess a monetary penalty for noncompliance.

Non-Compliance Fees

A non-compliance fee will be assessed for the period of time a property, specific building, unit, or management agent is failing to satisfy program requirements. The amount of the fee varies based on the type of non-compliance. Instances of non-compliance include, but are not limited to, physical and/or file deficiencies, failure to submit required documentation, change in partnership or management agent without prior approval from MHDC, failure to submit a timely Certified Management Agent application, and failure to report casualties in a timely manner. The detailed non-compliance fee notice is located at www.mhdc.com.

Affordable Housing Assistance Program (AHAP)

All AHAP forms and documents can be accessed at www.mhdc.com/docs/AHAP.

The AHAP Credit is a Missouri state tax credit codified in §§32.105-32.115 and 32.120-32.125, RSMo, as amended (“AHAP Statutes”), authorized by MHDC, and issued to business firms that engage in providing affordable housing assistance contributions to non-profit neighborhood organizations. Terms not defined in this section shall have the meaning given to them in the AHAP Statutes.

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AHAP Operating Assistance Credits

Operating Assistance credits are allocated to donors who provide eligible donations to agencies for general operating assistance. The agency must specify the projected use of the donation with respect to its operating expenses and demonstrate both need for the donation and leverage with additional sources. Qualified operating expenses include salaries, office supplies/equipment, office rent/mortgage payments, utilities, taxes, insurance, maintenance/repairs, and professional services incurred by the agency. Donations may be received from one or multiple donors.

AHAP Production Credits – Multi Family Rental Properties

Production credits are allocated to donors who provide eligible donations to agencies for the following affordable housing assistance activities: acquisition, acquisition/rehabilitation, rehabilitation only, new construction, new construction/rehabilitation, and rental assistance.

Annual Reporting

AHAP program regulations require the owner/agent provide certain information annually for a ten year period (“AHAP Restriction Period”). This information must be provided on the specific forms outlined below.

AHAP-355 - Owner's Certificate of Continuing Compliance

Owner/agents must provide MHDC staff with the Owner's Certificate of Continuing Program Compliance within ninety (90) days of the end of the calendar year.

AHAP-356 - Occupancy Report

Owner/agents must provide MHDC staff with the Annual Occupancy Report within ninety (90) days of the end of the calendar year.

AHAP-350 - Agency Affordable Housing Activities Reporting

Emergency shelters/transitional housing developments must submit reports of affordable housing assistance activities and actual count and composition of population served (listed by month) annually for each year of operation during the AHAP Restriction Period.

AHAP 370 - Homebuyer Income Certification

Individuals applying to purchase an AHAP home should be advised early in their initial visit to the property that there are maximum income limits that apply to the units. Management should explain to the qualified AHAP buyers that the prior income of all persons expected to occupy the unit must be verified and included on an application and income certification form prior to occupancy.

AHAP-371 -Home Sale Certification

Owner must submit this form certifying to MHDC that the cost of the unit (mortgage payment, mortgage and casualty insurance, and property taxes) is

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projected to be in compliance with the corresponding rent limits for the household.

[AHAP-372 - Single Family Notice of Change of Ownership](#)

[AHAP Production Credit – Rental Assistance](#)

As part of the monitoring requirements, MHDC's accounting department reviews the records of payments for assistance compared to occupancy reports that denote the amount of assistance granted to each resident.

[AHAP-320 - Rental Assistance Calculation Worksheet](#)

Owners of developments outside MSAs must complete this form for each resident receiving rental assistance when they first begin receiving assistance and at re-certification each year thereafter.

[AHAP-325 - Rental Assistance Annual Review](#)

Owners of AHAP developments in MSAs must submit documentation to MHDC staff no later than March 31 annually (for as long as funds are available) to confirm or adjust the amount of rental assistance based on the property's operating budget and current market conditions.

[AHAP-330 - Schedule of Rental Assistance Payments Due](#)

Copies are due thirty (30) days from the end of each quarter. This includes escrow agreement with the property receiving assistance, annual income certifications of residents receiving assistance, monthly requests for payment, and monthly bank statements detailing account activity.

[AHAP-350 - Agency Affordable Housing Activities Annual Reporting Form](#)

For emergency shelters/transitional housing, reports of available affordable housing assistance activities and actual count and composition of population served (listed by month) for each year of operation during the AHAP Restriction Period must be submitted.

[Management Company Set-up at Application/Firm Commitment](#)

All management company/compliance forms can be accessed on MHDC's website.

The initial step for participation in one or more of the affordable housing programs administered by MHDC is providing specific contact, communication, and owner authorization information so MHDC staff can begin an assessment of the proposed owner/management company. MHDC requires certain documentation be submitted. The documentation required is dependent on the MHDC-administered program(s).

[Ownership Change/Transfer of Physical Assets \(TPA\)](#)

Changes to the development as submitted in the Application require written notification to and approval of MHDC staff. These changes may include changes in ownership, general partner, and/or limited partner. The forms required to be submitted in requesting approval

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of a change in ownership, general partner, and/or limited partner can be obtained at www.mhdc.com/docs/compliance.

Two Primary Types of TPA Transfers:

1. Modified TPA Transfers

A modified TPA is a change in either a general partner or limited partner from what was represented in the final organization documents of the ownership entity at the time of closing on the loan and/or LIHTCs with MHDC. Such transfers require written notification to and approval by MHDC staff prior to the occurrence of the transfer. Transfers of this nature generally require a review time of 15-30 days from the date all documentation required by MHDC is submitted in a form acceptable to MHDC staff. However, in instances where the modified TPA is being requested on a development in which MHDC has an existing loan that is not being paid off in conjunction with the transfer, the review time may be thirty (30) days. Any party seeking approval of a modified TPA request should allow for a sufficient review period by MHDC staff in determining when to submit its request for approval.

2. Full TPA Transfers

A full TPA is a change in the actual ownership entity from what was represented in the final organizational documents of the ownership entity at the time of closing on the loan and/or LIHTCs with MHDC. Such transfers require written notification to and approval of MHDC staff prior to the transfer. Transfers of this nature generally require a review time of forty-five (45) days from the date all documentation required by MHDC is submitted in a form acceptable to MHDC staff. However, in instances where the full TPA is being requested on a property in which MHDC has an existing loan that is not being paid off in conjunction with the transfer, the review time may be 30-45 days. Any party seeking approval of a full TPA request should allow for a sufficient review period by MHDC staff in determining when to submit its request for approval. **NOTE: In instances where a full TPA is being requested for a development where MHDC has an existing loan that is not being paid off in conjunction with the transfer, the entity assuming ownership of the property must satisfy all requirements necessary to qualify as an "Approved Mortgagor" under 4 CSR 170-3 (including, but not limited to, the requirement the ownership constitute a single purpose, single asset entity).**

Year End TPAs

MHDC understands that in some instances approvals of modified or full TPAs are desired prior to the end of a given calendar year for various tax or other business purposes. MHDC staff makes every effort to process and approve all TPA requests to meet any such deadlines. However, in order to ensure complete review of a TPA request prior to the end of a specific calendar year, that TPA must be submitted to MHDC no later than November 1 of the year in which the approval is sought. Provided a TPA request needing approval prior to the end of a calendar year is submitted on or prior to November 1 of the year in question, it will receive top priority for processing, and provided further that all requisite documentation subsequently requested by MHDC staff is provided in a form acceptable to MHDC staff in a timely manner, all such transfers submitted on or prior to the November 1 deadline will be fully reviewed prior to the end of that calendar year. If, however, an

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owner misses the November 1 deadline, its TPA request will be placed behind all TPA requests meeting the November 1 deadline and MHDC cannot guarantee that such TPA will be fully reviewed prior to the end of that calendar year.

Management Company Change

MHDC must be notified of any management changes. However, prior approval is not needed if the prospective management company is a certified MHDC management company. Failure to use a certified MHDC management company may lead to MHDC staff denying the change, and ownership having to make another change and possible assessment of non-compliance fees. The forms for submission of a management change can be accessed at www.mhdc.com/docs/compliance. The following Exhibits for a management change must be submitted Exhibit L: Property Information Sheet

Exhibit J: Authorized Representative Designation

Exhibit J-1: Management Authorized Representative Designation

Exhibit A-2: Project Owner's Management Agent Certification

HUD 935-2A: AFHMP (Multifamily)

HUD 935-2B: AFHMP (Single Family)

Management Company Fee Increase

Requests for management fee increases must be submitted between October 1 – December 31. Increases are not automatic. Decisions are based on overall property financial health, management compliance, and inspection ratings. The forms for submission can be accessed at www.mhdc.com/docs/compliance.

Occupancy Data Submission Guidelines

MHDC is required to collect data regarding the development's occupancy for monitoring on a monthly basis. Owner/agents are required to submit their monthly occupancy activity through MHDC's AMRS system by the tenth of each month.

Annual Financial Statement Submission Guidelines

Annual financial statements are due within ninety (90) days of each property's fiscal year-end. All developments with ten (10) units or more are required to submit their financial statements through MHDC's AMRS system. Financial statements must be prepared using MHDC's Chart of Accounts and must include all schedules required by MHDC. Developments with twenty-four (24) or more units must file audited financial statements that follow Generally Accepted Auditing Standards and Government Auditing Standards (only if HUD, RD, or HOME assistance is received). Development's with 10 – 23 units may file reviewed or compiled financial statements that follow the Statement on Standards for Accounting and Review Services.

Budget Submission Guidelines

Budgets are required for all MHDC-financed and LIHTC developments with thirteen (10) units or more (excluding developments mostly covered by a Project Based HAP contract). Developments are required to submit their budgets through MHDC's AMRS system annually by November 15.

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Rent Increase Guidelines

MHDC staff sets the rents for all developments involved in the MHDC Fund Balance, LIHTC, and HOME programs. The window for submitting a rent increase each year is October 1 – December 31. All rent increase requests submitted outside this window are not processed. MHDC staff does not accept mailed rent increase requests unless the development contains twelve (12) or less units. Rent increase requests must be submitted online through MHDC's AMRS system which is accessible at <https://amrs.mhdc.com>. A user name and password is required to access this system. It is important to note that a rent increase request cannot be submitted until the development has successfully submitted the annual budget. The effective date of a proposed rent increase must be at least one year after the effective date of the development's last approved rent increase. Existing residents must be given a thirty (30) day notice before implementing any rent increase. The owner/management is required to post for public viewing MHDC Exhibit A-21 (Notice to Residents of Management's Intention to Submit a Rent Increase to MHDC staff for approval) prior to submitting the rent increase request to MHDC. The Exhibit A-21 notice should have a thirty (30) day comment period for residents to respond to MHDC.

The maximum rent increase allowed for a family designated development is 7%, and the maximum rent increase allowed for 55+ Developments and 62+ Developments is the previous year Social Security COLA adjustment. All MHDC-approved rent increases are issued on Form Schedule II.

Budget-Based Rent Increases

All developments that have more than a LIHTC-only relationship with MHDC (i.e. MHDC or HOME loan) have their rent increases tied to an MHDC-approved budget. Since rents are tied to the budget, it is imperative the development submit a realistic, itemized operating income and expense budget. MHDC staff analyzes the revenue proposed under the rent increase and compares it to expenses approved in the budget to determine if the development is projecting a surplus/shortfall. The two main performance indicators MHDC looks at when approving rent increases are cash flow and Debt Service Coverage Ratio (DCR). MHDC considers a healthy development one that maintains a 1.20 DCR. Developments that project a DCR that exceeds a 1.20 may have the rent increase request reduced or denied. Higher DCRs may be allowed for developments to achieve agreed upon owner distributions, to re-pay surplus cash notes, and/or to pay remaining deferred developer fees. In any event, MHDC staff will not approve an increase that is more than 7% of the current approved rent or the previous year's Social Security COLA adjustment, as applicable.

Required Items for a Budget-Based Rent Increase:

1. Financial Statement and Budget
2. Current Rent Roll
3. Three comparable rents in the area for each bedroom type
4. Current Utility Allowance
5. Occupancy at the development for the past six (6) months

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6. Indication current residents have been notified of a proposed rent increase

Tax Credit Only Rent Increases

MHDC staff's approval for LIHTC-only rent increases is not based on the development's approved budget. LIHTC-only rent increase approvals are compliance based. To approve the request, MHDC staff ensures the development is in good standing (i.e., inspections are closed, noncompliance issues are resolved, etc.), the request does not exceed 7% of the current approved rent or the previous year's Social Security COLA adjustment, as applicable, the increase meets Code requirements, and at least twelve (12) months have passed since the last rent increase.

Required Items for a LIHTC-Only Rent Increase:

1. Current Utility Allowance
2. Indication current residents have been notified of the proposed rent increase
3. Current Rent Roll

Workforce Eligibility

Policy

The MHDC Workforce Eligibility policy was adopted by the Board of Commissioners on September 17, 2010, and reads as follows:

The Missouri Housing Development Commission ("MHDC") hereby establishes a workforce eligibility policy. This policy replaces any and all prior MHDC policies regarding workforce eligibility, including the Workforce Eligibility Policy (passed on March 17, 2006), the Policy for Bond Financed Multifamily Developments (passed on May 2, 2006), the Workforce Eligibility Policy clarification memorandum (passed on November 17, 2007) and all Workforce Compliance Handbooks.

This policy is applicable to all business entities who receive funding from the MHDC in the form of a grant, tax-credit(s) or loan(s) for the purpose of developing rental housing developments (collectively "Resources"). This policy does not extend to the Missouri Housing Trust Fund, any single family program and the affordable housing assistance program.

Any Business Entity receiving Resources shall:

- a) Provide MHDC with an original sworn affidavit which affirms, under penalty of perjury, that the Business Entity is enrolled and actively participating in a federal work authorization program and that the Business Entity does not knowingly employ any person who is an Unauthorized Alien in connection with the contracted services;
- b) Require their General Contractor to provide MHDC with an original sworn affidavit which affirms, under penalty of perjury, that the General Contractor is enrolled and actively participating in a federal work authorization program, that the General Contractor does not knowingly employ any person who is an Unauthorized Alien in connection with the contracted services, and that the General Contractor's employees are lawfully present in the United States;

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- c) Require that their General Contractor obtain, and make available for inspection by MHDC, from each subcontractor of any tier, an original sworn affidavit which affirms, under penalty of perjury, that the subcontractor is enrolled and actively participating in a federal work authorization program, that the subcontractor does not knowingly employ any person who is an Unauthorized Alien in connection with the contracted services, and that the subcontractor's employees are lawfully present in the United States;
- d) Provide MHDC with documentation which shows to the satisfaction of MHDC that the Business Entity and their General Contractor have enrolled in a federal work authorization program. An example of a provision of documentation which meets this requirement is a copy of the E-Verify memorandum of understanding;
- e) Require their General Contractor to obtain, make available for inspection by MHDC, and provide copies as requested, from each subcontractor of any tier, documentation which shows to the satisfaction of MHDC that the subcontractor has enrolled in a Federal Work Authorization program.
- f) Require a provision which stipulates that "the Contractor shall comply with all applicable federal, state and local labor laws and is not Knowingly in violation of §285.530(1), RSMo, and shall not henceforth be in such violation" to appear in its contract with the general contractor, in contracts between the general contractor and subcontractors, and contracts between subcontractors of any tier.
- g) Require a provision which stipulates that the Contractor shall comply with §285.230, §285.233, §285.234, §285.500 – 285.515, and §285.550, RSMo.
- h) Require a provision which stipulates that the Contractor for the purposes of construction of an MHDC project and any subcontractor to such contractor shall provide a ten-hour Occupational Safety and Health Administration (OSHA) construction safety program for their on-site employees which includes a course in construction safety and health approved by OSHA or a similar program approved by the department which is at least as stringent as an approved OSHA program, unless such employees have previously completed the required program. All employees who have not previously completed the program are required to complete the program within sixty (60) days of beginning work on such construction project.

The terms capitalized herein shall have the following meaning:

Business Entity - any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood. The term "business entity" shall include but not be limited to self-employed individuals, partnerships, corporations, contractors, and subcontractors. The term "business entity" shall include any business entity that possesses a business permit, license, or tax certificate issued by the state, any business entity that is exempt by law from obtaining such a business permit, and any business entity that is operating unlawfully without such a business permit. The term "business entity" shall not include a self-employed individual with no employees or entities utilizing the services of direct sellers as defined in subdivision (17) of subsection 12 of section 288.034, RSMo.

Contractor - a person, employer, or business entity that enters into an agreement to perform any service or work or to provide a certain product in exchange for valuable consideration. This definition shall include but not be limited to a general contractor, subcontractor,

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independent contractor, contract employee, project manager, or a recruiting or staffing entity.

Employees - any person performing work or service of any kind or character for hire within the state of Missouri.

Federal Work Authorization Program - any of the electronic verification of work authorization programs operated by the United States Department of Homeland Security or an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, under the Immigration Reform and Control Act of 1986 (IRCA), P.L.99-603.

Knowingly - a person acts knowingly or with knowledge.

Unauthorized Alien - an alien who does not have the legal right or authorization under federal law to work in the United States, as defined in 8 U.S.C. 1324a(h)(3).

Compliance Guidance

On September 17, 2010, MHDC passed a Workforce Eligibility policy. The purpose of the Workforce Eligibility Compliance Handbook (WECH) is to provide guidance for Contracting Parties in connection with MHDC funded developments.

MHDC requires that all Contracting Parties adhere to all applicable labor laws and specifically prohibits the use of undocumented workers in the construction of any MHDC-approved Development. In addition, MHDC requires that all Contracting Parties compel all subcontractors, mechanics, third party contractors, agents or other parties providing construction related labor on a development to likewise adhere to all applicable labor laws and requirements set forth by MHDC. Noncompliance with the requirements set forth may result in very serious sanctions including but not limited to suspension and revocation of funding, rescission of tax credits, and suspension and debarment from MHDC programs.

MHDC encourages the submission of required documentation in an electronic format via email or CD-R. All documentation should be in PDF format. The CD-R or emailed files should be clearly labeled with the development name and development number assigned by MHDC. In the event it is impossible or impractical to submit documentation in an electronic format, hard copies may be submitted. Email submissions should be sent to tbeer@mhdc.com. All CD-R or hard copy submissions should be mailed to MHDC's Kansas City office and clearly labeled "Workforce Eligibility."

Audits of construction sites will be conducted on a periodic basis. Each construction site must have present at all times an individual designated to assist with the audit process.

Compliance Requirements

Contract Language Required

Specific language is required for all construction contracts executed in conjunction with MHDC-approved developments. The specific language required is included in the following section and is available in electronic Word or PDF format. The required language must be included verbatim in every contract with Contracting Parties.

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Use of E-Verify

Each Contracting Party who has or will have employees that perform labor on site must enroll and actively participate in E-Verify.

Workforce Eligibility Affidavit

Prior to commencing work or providing labor in connection with any MHDC-approved Development, each contracting party must complete and submit Form MHDC-2507, Workforce Eligibility Affidavit. The Affidavit and proof of E-Verify are submitted with the certified payrolls.

Proof of Using E-Verify

All employers must submit a copy of the employer's Department of Homeland Security Memorandum of Understanding as proof of enrollment in E-Verify.

Compliance with Missouri Statutes and Transient Employers.

Each contracting party must comply with all applicable federal, state and local labor laws including but not limited to §285.530(1), 285.233, 285.234, 285.500 – 285.515, and 285.550, RSMo.

OSHA training.

Within sixty (60) days of commencing work, any person performing construction labor on any MHDC-approved Development must have completed an OSHA construction safety training program or the equivalent of such program as detailed in the Workforce Eligibility Policy. Proof of completion of such training must be made available on site during periodic audits conducted by MHDC.

Contract Language

The following language shall be included in all construction contracts and subcontracts including, but not limited to, those between the Owners, Contractors, Subcontractors, or independent contractors in conjunction with projects which benefit from any Missouri Housing Development Commission (MHDC) administered funding sources including, but not limited to, loans, MHDC issued bonds, and Low Income Housing Tax Credits:

“The contracting parties acknowledge and agree to be bound by the MHDC Workforce Eligibility Policy. If there is a violation of the MHDC Workforce Eligibility Policy, as may be amended from time to time, the contracting parties are subject to sanctions by MHDC. The imposition of sanctions will include, but is not limited to, suspension or revocation of funding provided by MHDC, rescission of credits, and suspension and debarment of the contracting parties.

The contracting parties agree that in order to adhere to the MHDC Workforce Eligibility Policy, each party to this agreement shall comply with the following:

The contracting parties agree that all contracts and subcontracts and down the line contracts and subcontracts entered into as a part of this development shall include the language of this Exhibit 1 verbatim.

The contracting parties agree to enroll and actively participate in the Department of Homeland Security's E-Verify program (E-Verify) for the purpose of verifying the

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workforce eligibility of employees and to provide a sworn affidavit affirming that the party is enrolled in and actively participating in E-Verify, that the party's employees are lawfully present in the United States, and that the party does not knowingly employ any person who is an unauthorized alien. The parties further agree to provide written documentation showing proof of enrollment in E-Verify in a form acceptable to MHDC such as a copy of the Memorandum of Understanding entered into with Department of Homeland Security. In the event a contracting party is not an employer and is therefore unable to use E-Verify, such party, in lieu of enrolling and participating in E-Verify and providing the above listed documentation, shall provide a sworn affidavit stating that the party is unable to participate in E-Verify because the party is not an employer and does not have employees, that all independent contractors paid by such party are properly classified as independent contractors and should not be classified as employees, that all such independent contractors are lawfully present in the United States, and that any such independent contractors are not unauthorized aliens.

The contracting parties shall comply with all applicable federal, state and local laws, including but not limited to, RSMo §285.530(1), 285.230, 285.233, 285.234, 285.500-285.515, and 285.550.

The contracting parties shall require participation in or provide a ten-hour Occupational Safety and Health Administration (OSHA) construction safety program for their on-site employees and independent contractors which includes a course in construction safety and health approved by OSHA or a similar program approved by the department which is at least as stringent as an approved OSHA program, unless such employees have previously completed the required program. All employees and independent contractors are required to complete the program within sixty days of beginning work and shall make documentation proving completion of the program available for inspection.

The contracting parties agree to permit site access to MHDC for the purpose of conducting Workforce Eligibility Policy compliance reviews and shall cooperate in providing requested documentation congruent with the terms of this agreement.”

Worksite Safety and OSHA Training

Safety on construction sites is of the utmost importance. Management commitment is the key factor to success of any safety program and adherence to safety standards must be modeled and enforced by the general contractor.

Pursuant to the Workforce Eligibility policy, any person performing construction labor on any MHDC-approved development must have completed an OSHA construction safety training program or the equivalent of such program within sixty (60) days of commencing work. Proof of completion of such training must be made available on site during periodic audits conducted by MHDC.

MHDC staff provides periodic OSHA training. MHDC provided training is available to any person who is or will be performing labor on an MHDC-approved development free of charge, except for a nominal charge for training materials. The cost of materials may be waived for non-profit organizations and small emerging businesses including MBE/WBE/DBE and Section 3 businesses. Contact MHDC staff to request a waiver of the materials fee.

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Transient Employer Requirements

MHDC's Workforce Eligibility policy requires compliance with transient employer laws. Transient employer means an out-of-state employer, as defined by the Missouri statutes. Out-of-state employers who temporarily transact any business within the state of Missouri are defined as transient employers and are required to register, file a bond, and remit withholding tax to the Missouri Department of Revenue.

Some out-of-state employers are exempt from the transient employer bonding requirement. Employers who meet all three of the following criteria are not required to file a bond with the Missouri Department of Revenue:

- a) The principal place of business of the out-of-state employer must be in a county which borders the state of Missouri; and
- b) The employer must have been under contract to perform work in the state of Missouri for at least sixty (60) days each year for the past two calendar years; and
- c) The employer must obtain a tax clearance issued by the department stating that the employer has complied with the tax laws of this state and with the provisions.

Employers required to comply with the transient employer bond requirements must submit proof of compliance prior to commencing work on an MHDC approved development.

Prevailing Wage

Introduction

The Davis-Bacon Act of 1931 and additional laws known as the Related Acts are a collection of United States federal laws which established the requirement for paying prevailing wage on certain public works or publicly funded projects. These laws require all contractors and subcontractors pay some of their employees particular wage rates depending on the type of work each employee performs.

Davis-Bacon laws do not apply to all developments. Only certain circumstances will trigger the applicability of Davis-Bacon such as the use of HOME Funds for twelve (12) or more units.

While Davis-Bacon only applies to some developments, the MHDC 2017 QAP includes a provision requiring payment of prevailing wage on all MHDC approved developments, regardless of whether Davis-Bacon is required by law. Because of this provision, MHDC requires weekly certified payrolls be submitted for all developments.

Workers

Prevailing wage will apply to any person performing construction labor on the construction site. Persons performing construction labor are listed as laborers and mechanics and contractors are required to pay those laborers and mechanics a minimum of the locally prevailing wage rates and fringe benefits paid on projects of a similar character.

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Working Foremen

Foreman or supervisors that regularly spend more than 20% of their time performing construction work must be paid prevailing wage under the corresponding worker classification.

Wage Rates and Payroll Processing

Wage rates are set by following the wage determinations published by the Department of Labor for Davis-Bacon. Under Davis-Bacon laws, all contractors and subcontractors must pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects within the area.

Wage Determinations

The Wage and Hour Division of the Department of Labor ("Division") issues communications known as Wage Determinations (sometimes referred to as Wage Decisions). A Wage Determination is a listing of wage rates and fringe benefit rates for different classifications of laborers and mechanics in a given area for a particular type of construction.

The Division issues its Wage Determinations by publication of a notice in the Federal Register. Wage Determinations are effective from the date of notice and have no expiration date. Wage Determinations are continually updated and change frequently. However, only one Wage Determination will be applicable to a development. The Wage Determination that will apply to a development will be the Wage Determination in effect on the date the construction loan documents are signed. The Wage Determination of that date is "locked in" and subsequent updates or modifications to Wage Determinations will not affect the wage rates on the development.

In the event a development uses construction financing through a source other than MHDC, the developer is required to notify MHDC staff within ten (10) days of the construction loan closing date and provide a copy of the executed construction contract to MHDC.

Within the body of each Wage Determination a listing of classifications (laborers and mechanics) will be found. Accompanying those classifications will be basic hourly wage rates and fringe benefit rates that have been determined to be prevailing for the same type of construction within the geographic area covered by the Wage Determination.

Classifications

Some classifications may include a subclass or group number. Common examples include Operator, Truck Driver, and Painter. Subclasses or groups may have different pay rate requirements so detailing the subclass on the certified payrolls is important.

Wage Amounts

All developments with buildings that are four or fewer stories will be required to comply with the "Residential" Wage Determinations. All developments that have

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buildings with five or more stories must comply with the "Building" Wage Determinations.

Wage rates are based on classification of the worker. The classification is determined based on the type of work actually being performed by the worker during the pay period. It is important to note, the prevailing wage for each classification must be paid to a worker in the classification regardless of the worker's skill level. For example, if a worker is performing duties normally performed by a carpenter, that worker must be paid prevailing wage for the classification of carpenter, even if the contractor does not consider the worker to be fully trained.

In the event a worker performs duties in more than one classification, the employer may pay wage rates separately provided the employer maintains accurate time records showing the amount of time spent in each classification of work. If time records are not available, the employer must pay the worker the higher of the wage rate of the classifications for the duties performed.

Wages can be calculated by various methods such as piecework. Regardless of the method used to calculate wages, the total wages must be converted to an hourly rate for submission on the certified payroll reports and such hourly rate must meet the minimum prevailing wage rates.

Apprentice Rates

Apprentices may be paid less than the Wage Determination rate, provided the person employed is individually registered in a bona fide apprenticeship program registered with the Department of Labor.

Usually, the apprentice wage rate is expressed as a series of percentages tied to the amount of time spent in the program. Documentation detailing the wages rates should be submitted to MHDC staff. For example, an apprentice of less than six months would receive 65% of the journeyman's wage rate, while an apprentice who has been in the program between six months and one year would receive 70%, etc.

An apprenticeship certification from the Department of Labor's Office of Apprenticeship must be provided to MHDC staff. If no apprenticeship certification is provided, the worker must be paid the prevailing wage for his or her classification. An approved apprenticeship program will regulate the ratio of apprentices to journeymen. The maximum number of apprentices on the development cannot exceed the ratio allowed in the approved program. MHDC requires submission of a copy of the apprenticeship ratios schedule for each class of apprentice performing labor on the site. If no ratio information is available, MHDC staff will default to a 1:1 ratio.

Payroll

All workers must be paid weekly.

Overtime must be paid to all covered workers who work in excess of forty (40) hours during a work week. The overtime rate must be at least 150% of the Wage Determination basic rate plus 100% of any applicable fringe benefit rate.

Fringe benefits are included in some Wage Determinations and usually are listed as an hourly fringe rate. If the Wage Determination includes a fringe benefit rate for a classification, the fringe benefit rate must be added to the basic hourly rate unless the

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employer provides bona fide fringe benefits for employees. Fringe benefits can include health insurance premiums, retirement contributions, life insurance, vacation and other paid leave, as well as contributions to training funds. Fringe benefits do not include employer payments for contributions required by Federal, State, or local laws such as the employer's contribution to FICA.

The total hourly wage rates may be no less than the total of the basic wage plus the fringe benefit wage. If the value of provided fringe benefits is less than the fringe benefit rate stated in the Wage Determination, the difference must be added to the basic wage rate. Likewise, if an employer provides fringe benefits with a value higher than required, the employer may offset the excess amount against the basic rate. Employers should submit additional documentation in this case.

When a lower basic rate is paid due to an offset of fringe benefits, the overtime rate must be calculated based on the basic rate as stated on the Wage Determination and not on the basic rate actually paid. Based upon the previous example, when the Wage Determination requires a basic wage of \$15/hour and a fringe rate of \$5/hour, the total wage rate including overtime would be \$27.50/hour ($\$15 \times 150\%$) + ($\$5 \times 100\%$). In the event the employer provides fringe benefits valued at \$7/hour and, therefore, pays a basic rate of \$13/hour, the employer must nevertheless calculate overtime based on the Wage Determination rate of \$15/hour rather than the \$13/hour that is actually paid.

Reporting

MHDC requires the submission of certified payroll on a weekly basis. Each certified payroll report submitted must be the original report with an original signature. Photocopies will not be accepted.

Form

Use of Form WH-347 (published by the Division) is recommended. Form WH-347 and accompanying instructions may be obtained at <http://www.dol.gov/whd/forms>. It is also available on MHDC's website. Use of the most recent revision of the form is important.

Reports are not required to be submitted on Form WH-347 and many software packages produce certified payroll reports. Substitute forms are acceptable, provided the substitute form includes all of the information required by Form WH-347, including the certification language and signatures. In the event a substitute form is used, the proper certification language must be attached. The certification language is available for download on MHDC's website.

Contents

Regardless of which form is used, certified payrolls must be complete, legible, properly executed, and dated. The certified payroll reports should contain the name of the development and the name of the contractor or subcontractor for identification purposes.

If fringe benefits are included in the Wage Determination, paragraph (4) of the certification must be completed by checking box (a) to indicate fringe benefits are paid into an approved plan or by checking box (b) to indicate fringe benefits are paid

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in cash. If the employer offsets part of the basic wage due to the value of fringe benefits, MHDC requires a letter from the employer itemizing the benefit plans with the respective amounts paid to each plan and certifying fringe benefits were paid on behalf of the employees.

All deductions not required by law or are part of a collective bargaining agreement must be authorized in writing by the employee. The written authorization for the deductions should be included with the first payroll. For court-ordered deductions, MHDC will accept the court ordered letter.

Numbering

Certified payroll reports should be numbered sequentially. The sequential numbering of reports helps MHDC staff identify whether any reports are missing and relieves the contractor from having to submit reports when no work was performed on the site. The last report to be filed should be labeled "Final Payroll".

A separate certified payroll report with the accompanying payroll certification must be submitted for each payroll for each weekly pay period. Providing one certification for multiple pay periods is prohibited.

Classifications

A job classification must be listed for each worker on each payroll submitted. The job classification listed must show the current classification for the type of work the person is actually performing during the pay period. Only classifications listed on the applicable Wage Determination can be used. If an additional classification is required, contact MHDC staff for assistance in determining which classification to request.

If a job classification has an associated subclass or group number, such subclass and group number should be included on the report.

Owner Operated Subcontractors

When a company is operated only by its owner(s), the workers must be listed on the certified payroll of the "upper-tier" contractor.

When an owner of a company works with his or her employees, the owner is only required to list his or her name and work classification, along with a notation of "Owner" and the total hours worked. Owners are not required to report the amount of pay.

Inspections

MHDC will conduct periodic on-site inspections which will include interviews with persons performing labor on the construction site. Interviews with workers are confidential and MHDC will attempt to conduct the interviews in a manner causing as little disruption as possible.

Postings

A copy of the Wage Determination must be displayed at the site of the work in a prominent and accessible place where it can be easily seen by employees.

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Records

Employers are required to maintain payroll records, including back up documentation such as timecards, for a minimum period of three years after the construction development is completed. General contractors must maintain a copy of the records of all subcontractors for the same period of time.

Underpayments and Corrections

In the event MHDC staff discovers any prevailing wage compliance deficiencies, the contractor will be notified immediately. The general contractor is responsible for ensuring all underpayments are corrected within thirty (30) days. The general contractor must provide MHDC staff with:

- a) An amended certified payroll report showing the corrections and labeled as "Restitution Payroll", and
- b) A copy of the check(s) making the restitution, and
- c) A signed statement from each of the underpaid worker(s) stating they have received the required restitution without threat of repercussions.

Additional Information and Guidance

Additional information about Davis-Bacon and the Related Acts may be obtained at the United States Department of Labor website.

The following documents are used or provide additional information:

- a) Davis-Bacon Labor Standards – This HUD publication provides guidance that specifically relates to Davis-Bacon. MHDC Prevailing Wage requirements mirror Davis-Bacon.
- b) Form WH-347 – The certified payroll form provided by the Department of Labor. This form is available in a fillable pdf format and can be downloaded from the website of the Department of Labor.
- c) Form WH-347 Instructions – Guidance provided by the Department of Labor with specific instructions for completing Form WH-347.
- d) HUD-4010 – Information provided by HUD regarding Labor Standards (the terms and conditions of this form must be incorporated into the construction contract).
- e) LR-96-01 – This letter ruling issued by HUD provides clarification regarding how prevailing wage applies to owners.
- f) Form WH-1321 – The employee rights poster provided by the Department of Labor.
- g) Form WH-1321-SP – The Spanish version of the employee rights poster provided by the Department of Labor.
- h) Payroll Deduction Authorization – This form should be completed by the employee to verify that deductions are authorized.
- i) Form HUD-2554 – This document must be used when the development includes Risk Share financing.

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Homeownership

MHDC is dedicated to strengthening communities and the lives of Missourians through the financing, development, and preservation of affordable housing. Section 42 of the IRS Code supports homeownership opportunities for residents of single-family homes and duplexes with a fire separation wall developments by allowing the owners to sell the homes to the residents following the completion of the Compliance Period. Converting LIHTC rental properties into single-family homeownership properties can prove to be beneficial to both resident and owner. The opportunity of homeownership has proven to be a major incentive to residents. This incentive allows the resident the potential of homeownership which might otherwise be out of reach, as well as encouraging them to remain in place, adhere to the lease, and care for the condition of their future home. MHDC has established the Homeownership Policy to guide developers and owners in the planning, development, and eventual conversion of rental/homeownership developments ("Homeownership Policy").

This section details the rules that must be adhered to when converting LIHTC rental properties into single family homeownership properties at the end of the Compliance Period. Additional restrictions may apply depending on what other type(s) of financing is involved in the development. Developers and owners of affordable, single-family rental developments who want to convert the properties into homeownership opportunities for the residents must establish a plan for the timing and terms of sales to residents and qualified low-income households at the end of the Compliance Period ("Homeownership Commitment"). Every Homeownership Commitment will differ. MHDC realizes there are many options for determining the sales price besides what are outlined in this section and encourages the use of creativity within the Homeownership Commitment. Above all, a Homeownership Commitment must remain true to the LIHTC program by ensuring the opportunity for homeownership is directed at low-income households at an affordable price. The Homeownership Commitment must be proposed at Application, approved by MHDC staff at Firm Commitment, and attached to each resident lease.

The following issues apply to and must be addressed in each Homeownership Commitment, in the implementation of the conversion for all single-family rental/homeownership developments proposed with the FY2008 NOFA and thereafter, and all Homeownership Commitments filed.

1. Any development submitted to MHDC and reviewed as a single family homeownership development must waive the right to opt out of the LIHTC program for an additional fifteen (15) years beyond the Compliance Period. In other words, the owner will not be allowed to "opt-out" of the LIHTC program at the end of the Compliance Period. This period is assigned on a building-by-building basis and begins with the first year that the credits are claimed. The LIHTC Initial Compliance Period ends on December 31 of the 15th year of the period for that particular building.
2. Before offering a Right of First Refusal ("RFR") to any resident, the development must have fully completed the Compliance Period on ALL units. This will avoid confusion by allowing the owner, residents, and MHDC staff to all be on the same time table.
3. Owners must ensure the purchase price of each home complies with the minimum purchase price required in Section 42(i)(7)(B) of the Code ("Minimum Price"). This is defined as an amount equal to the sum of the principal amount of outstanding indebtedness secured by the building (other than indebtedness incurred within the

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- five (5)-year period ending on the date of the sale to the residents) and all federal, state, and local taxes attributable to such sale.
4. To preserve affordability, MHDC sets the maximum sales price at an amount such that the monthly housing payment of principal, interest, property taxes, and property and mortgage insurance ("PITI") plus tenant-paid utilities does not exceed the maximum LIHTC rent based on bedroom size (assuming a 95% mortgage, thirty (30)-year amortization, interest rate equivalent to MHDC's First Place loan program, and typical insurance premium available to low-income households) less a 1% discount for each year the resident has leased the unit ("Maximum Price").
 5. The sales price can be determined by a number of methods, but it must be crafted with the intention of being affordable to low-income households at the time of conversion. A discount off the sales prices for years of tenancy is highly encouraged. The chosen method must be established in the Homeownership Commitment and must result in a sales price not less than the Minimum Price and not more than the Maximum Price. Several illustrative methods for setting the sales price are described below.
 6. The owner will offer the RFR within twelve (12) months of the end of the Compliance Period. This will be a set date and cannot be changed because of market conditions, high interest rates, or other factors which affect the salability of the houses. MHDC will call this date the "Conversion Date".
 7. Each lease will contain an addendum which contains a copy of the Homeownership Commitment. Because it is important for the residents to be aware of the Conversion Date so they know when the houses will be offered for sale to them, the Conversion Date must be referenced in the lease addendum. The Homeownership Commitment should also define the term "Right of First Refusal" and because homes will only be offered to residents in good standing, the Homeownership Commitment should also define the term "good standing." The owner does not have to outline specific discounts that will be offered to the resident as related to the sales price of the homes. However, they should, in general terms, indicate the plan for pricing the homes. The addendum should also state the homes cannot be sold at a price lower than the minimum sales price as set forth in §42(i)(7)(B) of the Code.
 8. The owner must provide information about homeownership training to the resident by way of a notice or a brochure five (5) years before the Conversion Date. The developer will have an agent or plan with a homebuyer credit counselor (this will usually be in the form of a nonprofit agency). This information must be provided to the resident in an addendum to the lease for all properties leased after the date which is five (5) years prior to the Conversion Date.
 9. The owner should address the issue of how potential homeowners will be educated concerning home maintenance. Some suggestions are: have the property maintenance person work with potential homeowners while doing routine maintenance and minor repairs to units, and enlist the help of nonprofit organizations which promote homeownership opportunities.
 10. One year before the offering of the RFR, the owner must distribute to all residents information detailing the dates, timeline, and information contained within the Homeownership Commitment.

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11. Each resident will be given up to six (6) months after the Conversion Date to decide whether to accept the RFR offer from the owner. Any resident who is in “good standing” at the time of the offering of the RFR shall have the right to exercise the RFR. The resident will exercise its RFR by tendering an offer to buy the property. Within this offer there should be a date set for closing.
12. After the six month period mentioned in #11 above, the owner has several options in reference to any unsold units:
 - a. The owner can choose to sell the remaining units in the development to a nonprofit partner or another entity that will continue to operate the units as affordable housing in accordance with the LIHTC LURA. The sale must include 100% of the remaining rental units, not a portion thereof.
 - b. The owner can choose to maintain the remaining units in the development as rental units, adhering to all MHDC Extended Use Period guidelines. The remaining units after this initial six month selling period may at any time be offered for sale to the current or subsequent qualified residents.
 - c. The owner can offer vacant units for sale to a buyer whose household income does not exceed 80% of the area median income. A potential purchaser who qualifies under this income restriction is not required to lease the unit before they purchase it.
13. At the sale of each home, MHDC staff will execute a partial release of the LIHTC LURA for that particular unit.
14. If MHDC holds a mortgage on the development, the owner must contact MHDC's Loan Servicing department just prior to the Conversion Date to determine the payoff amount for the sale of each home. The required payoff will be calculated over 75% of the homes in the development to accelerate the pay down and potentially ease the burden on any remaining unsold homes. The owner can then utilize this figure in calculating the Minimum Price of the home.
15. The payoff amount for each home will be equal to the principal balance of the loan as of the Conversion Date divided by .75 divided by the number of homes in the development. The title company assisting in the transaction must contact MHDC's Loan Servicing department for the payoff prior to the sale of the home and transfer the payoff to MHDC as part of the closing transaction. The loan will be re-amortized following each pay down. An example would be:
 - a. The principal balance of a loan on the Conversion Date of a development is \$500,000. There are thirty (30) homes in the development. The required payoff per home sold would be \$22,222.22 ($\$500,000 / .75 / 30$). If the owner sells and closes on 12 homes in the 5th month following the initial RFR, MHDC will receive a total pay down of \$266,666.64 ($12 \times \$22,222.22$) from the 12 closing transactions. The loan will then be re-amortized based upon the \$266,666.64 pay down. If then in the 10th month following the initial RFR, the owner closes on 3 more homes, MHDC shall receive a total pay down in the amount of \$66,666.66 ($3 \times \$22,222.22$) and re-amortize the mortgage accordingly.
16. As each home sells and contributes the required pay down of the mortgage, MHDC staff will execute a partial release of the deed of trust for that home. If full repayment of the loan occurs, the deed of trust will be released for all remaining unsold homes.

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17. Each house to be sold to a resident under the RFR must pass a Housing Quality Standards (“HQS”) inspection. It must also undergo a physical needs assessment performed by an MHDC-approved inspector following MHDC prescribed standards. Any deficiencies described in the physical needs assessment must be addressed by the owner before the Conversion Date. The HQS inspection and/or physical needs assessment cannot be used in place of subsequent inspections.
18. The owner should address the issue of replacement reserves in the Homeownership Commitment. MHDC intends that any excess reserves after repairs and replacements, as determined on a pro rata portion for the unit(s) at the time of sale, will benefit the development and the new homeowner. Some suggestions are to put the unused pro rata portion of the reserves into an account to be used by the neighborhood homeowner’s association, use the unused pro rata portion of the reserves for additional down payment assistance to the homeowner, discount the sales price by an amount equal to the unused pro rata portion of the reserve amount, and establish a reserve account for the new homeowner from the pro rata portion of the reserve amount.
19. The purchaser must agree to occupy the home as their principal residence.
20. If the current resident refuses to buy the property or is unable to buy the property, they cannot be asked at any time to vacate the property except for reasons specified in the lease.
21. A resident in good standing cannot be relocated or evicted to expedite the sale of a unit. When renting a unit, a potential resident may not be discriminated against because they do not wish to purchase the unit they are requesting tenancy in.
22. If a household has had an increase in income since moving into the development, this will not disqualify them from buying the property. If a household qualifies to move into the unit as a resident, they are income-qualified as a potential buyer (an exception to this occurs if HOME Funds are involved – see below).
23. To ensure all parties are prepared to begin selling the homes as outlined in the Homeownership Commitment, the owner will meet with staff at MHDC in the 14th compliance year to discuss the above items along with any other topics deemed necessary. The owner must contact MHDC’s Asset Management department to begin this process.
24. The ownership entity may offer the first right of refusal to the nonprofit partner at the end of the Compliance Period, with the nonprofit commencing sales of the units to the residents and qualified buyers thereafter if the following requirements have been met:
 - a. The limited partnership agreement or operating agreement, as applicable, governing the ownership entity has granted a first right of refusal to the nonprofit partner or member;
 - b. The nonprofit entity is a qualified nonprofit for purposes of the LIHTC. That is, it is a tax-exempt organization formed with the express purpose of fostering affordable housing, is not controlled by a for-profit entity or subsidiary, and has been materially involved in the operations of the development;

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- c. The nonprofit has filed a Homeownership Commitment that has been approved by MHDC staff and attached to resident leases; and
- d. The nonprofit transacts the sales of the homes under the terms of the MHDC-approved Homeownership Commitment and follows all MHDC rules and guidelines applicable to homeownership conversion when the right of first refusal is offered to the residents.

Determining Sales Price

To extend the opportunity for homeownership to existing LIHTC residents, the houses must be affordable for people who are at or below 60% of median income for the area.

Residents who buy the houses should replace their rent payment with a house payment comparable to what they were paying in rent. This is considered the "Equivalency Principle". To achieve maximum affordability, the monthly mortgage payment including principal, interest, property taxes, property and mortgage insurance (PITI) should not significantly exceed the monthly rents in year fifteen (15). As stated previously, the sales price of the homes to existing residents or qualified buyers must fall between the Minimum Price and Maximum Price.

Discussed below are three possible options for determining the sales price of the property at the Conversion Date.

Existing Obligation plus Profit

Section 42(i)(7)(B) of the Code defines the minimum purchase price for a LIHTC property at the end of its Compliance Period to be the sum of (i) the principal amount of outstanding indebtedness secured by the building (other than indebtedness incurred within the five (5)-year period ending on the date of sale), and (ii) all federal, state, and local taxes attributable to such sale. We also understand the property will need to have repairs done to it before it is sold and the developer will desire a profit from each sale.

MHDC has taken the above into consideration and suggest the property be sold for the following amount: [(((the payoff of the entire note) + Exit Taxes + Amount to make any and all repairs deemed necessary to bring the building up to excellent condition)/# of units in the project) + (An amount of profit the owner chooses to add for the sale of each home)]. The resident will then receive a discount off the sales price for each year they have occupied the property within the development, specified by the owner.

Sample assumptions:

Fifteen (15)-home development

Remaining mortgage of \$200,000

Exit taxes estimated by limited partner at \$150,000

Repairs necessary = \$180,000 (in addition to replacement reserves)

Profit requested by owner = \$20,000/home

Resident discount = 1% per year of tenancy

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A resident who has rented the home for 7 years would pay a purchase price of \$51,460 or $((\$200,000 + \$150,000 + \$180,000)/15) + \$20,000) \times 93\%$

Equivalency Principle Approach

The following procedure will occur on the Conversion Date and will be used to decide the sales price for the houses. This price will be used as the sales price for all the houses until all the houses are sold, regardless of the income level of the buyer. The sales price will be determined using the following guidelines based on a monthly housing payment equal to the current rent being charged for the units assuming a 95% mortgage, 30-year amortization, and an interest rate equal to that used by the MHDC First Place program. Existing residents are offered a 1% discount for each year of tenancy.

1. Current monthly rent = \$550
2. For argument sake, insurance and taxes = \$150 per month
3. Mortgage payment is then = \$400 per month
4. Using an estimated MHDC MRB interest rate = 6.3%, the mortgage amount would be \$64,623
5. Assuming a 95% mortgage, the sales price would be \$68,024
6. If the resident leased the unit for four years, a 4% discount would reduce the sales price to \$65,303

Maximum Price Approach

The following application of the Maximum Price calculation will be based on the maximum LIHTC rent in affect at the time the home is sold, regardless of the income level of the buyer. The sales price will be determined using an amount such that the monthly PITI payment plus tenant-paid utilities does not exceed the maximum LIHTC rent based on bedroom size (assuming a 95% mortgage, thirty (30)-year amortization, interest rate equivalent to MHDC's First Place loan program, and typical insurance premium available to low-income households) less a 1% discount for each year the resident has leased the unit.

An example would be:

1. Current maximum LIHTC rent for a 3-bedroom house in Springfield = \$801
2. For argument sake, insurance and taxes = \$150.00 per month; tenant-paid utilities = \$125 per month
3. This allows for a total of \$526 P&I that this family can afford/qualify per month for a house payment with a thirty (30)-year term
4. First place program MRB rate is 6.3%
5. The maximum loan amount would then be \$84,980
6. Assuming a 95% mortgage, the sales price would be \$89,452
7. If the buyer happens to be a resident who has lived in the project for four (4) years, they would receive a 4% discount off the \$89,452 figure for a sales price of \$85,874.

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Additional HOME Rules

HOME Funds utilized for new construction rental housing carry an affordability period of twenty (20) years ("HOME Affordability Period"). The HOME Affordability Period includes income and rent restrictions set forth in the HOME Regulatory Agreement encumbering the development ("HOME Regulatory Agreement"). HOME regulations allow for rental units to be sold during the HOME Affordability Period but the following rules apply for units designated as HOME-assisted units. These are in addition to the homeownership rules listed above:

1. During the HOME Affordability Period, all purchasers of HOME-assisted units must have a household income at or below 80% of area median income. This includes both resident purchasers and any subsequent purchasers involved in a resale transaction. The actual income limit is dependent on the household size and the area in which the property is located.
2. For the term of the HOME Affordability Period, some type of deed restriction will need to be recorded against the property to help assure the new homeowner adheres to HOME rules throughout the HOME Affordability Period. This will be put in place by the original owner. This document will expire on the date the original HOME Affordability Period for the development ends. This deed restriction should address resale provisions associated with the unit(s). Although the resident purchaser must adhere to these deed restrictions, the original owner is ultimately responsible for compliance with the HOME rules and regulations. The deed restrictions may outline repayment terms by the resident purchaser if the home is sold to someone who does not income-qualify under HOME rules. Violations of affordability restrictions may result in recapture of a pro rata portion of the funds by HUD, at which time MHDC will look to the seller's repayment and the original owner to provide the amount of recapture requested.
3. The owner must be involved with future resale of the units, specifically in qualifying the incomes of subsequent purchasers and reporting to MHDC compliance with regulations regarding the resale of units occurring during the HOME Affordability Period.
4. The housing must be considered modest in that the purchase price for the type of single-family housing does not exceed 95% of the median purchase price for the area.
5. The sales price must be affordable to the purchaser. MHDC defines affordability as a transaction in which no more 35% of the purchaser's income can be used to pay monthly PITI payments.
6. The initial homeowner who sells the unit during the HOME Affordability Period must receive a "fair return" which is defined by MHDC as the return of the homeowner's initial investment.
7. The buyer(s) must occupy the property as its principal residence and must occupy such property as its principal residence for no less than eleven (11) months of each calendar year. The property cannot be rented during the HOME Affordability Period.
8. The only exception to the twenty (20)-year term of the HOME Affordability Period is if the homebuyer receives HOME Funds directly as down payment assistance or subordinate financing. In that case, the affordability period associated with the direct subsidy to the homebuyer commences and the twenty (20)-year period associated with the development subsidy (from the initial construction of the property) is

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terminated. MHDC does not currently offer HOME Funds for purchase assistance and if it did, it cannot be targeted only to residents of specific developments. The owner may wish to help its residents obtain direct HOME subsidies from Participating Jurisdictions to ease the restrictions on the homebuyer, but the availability of funds in the future cannot be completely assured.

Community Housing Development Organizations

Pursuant to 24 C.F.R. §92.2, HUD has established specific criteria an entity must satisfy to qualify as a Community Housing Development Organization ("CHDO"). These criteria generally fall into three categories: (i) the entity's formation and structure, (ii) the entity's relationship (if any) to for-profit entities, and (iii) the entity's capacity to comply with and perform under HUD's HOME program.

Formation and Structure

In order to qualify for CHDO status, an entity must be validly incorporated under applicable state and/or local laws, and must be a non-profit corporation holding a tax exemption ruling from the Internal Revenue Service pursuant to either §501(c)(3) or (4) of the Code. In addition, it must meet all of the following requirements, all of which must be clearly set forth in the entity's organizational documents:

1. No part of the non-profit corporation's net earnings may inure to the benefit of any of its members, founders, contributors, or individuals related to the non-profit corporation.
2. The non-profit corporation must have among its stated purposes set forth in its Articles of Incorporation the "provision of safe, decent, affordable housing to low-income and moderate-income persons."
3. At least 1/3 of the non-profit corporation's Board of Directors must be comprised of residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations.
4. No more than 1/3 of the non-profit corporation's Board of Directors may be comprised of public sector officials/employees and/or appointed by board members who are public sector officials/employees.
5. The non-profit corporation must provide a formal process which allows low-income program beneficiaries to advise the corporation on its decisions regarding the design, siting, development, and management of affordable housing projects. The non-profit corporation's organizational documents should not only note the existence of such a process, but also provide a description of the process itself.

Relationship to For-Profit Entities

A CHDO may be sponsored or created by a for-profit entity. However, HUD places certain restrictions on the relationship that can exist between the non-profit corporation and the related for-profit entity. Specifically, the following restrictions apply:

1. The non-profit corporation must not be controlled by, nor under the direction of, any individual or entity that seeks to attain monetary profit or any other gain from the non-profit corporation.

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2. The for-profit entity must not have among its stated purposes the development or management of housing. Therefore, non-profit corporations sponsored or created by entities such as contractors, housing developers, and real estate management firms would not qualify for CHDO status.
3. The for-profit entity cannot have the power to appoint more than 1/3 of the non-profit corporation's Board of Directors and the directors appointed by the for-profit entity are prohibited from having the authority to appoint any of the director positions comprising the other 2/3 of the board of the non-profit corporation.
4. The non-profit corporation must be completely free to contract for goods and services from vendors of its own choosing.

Capacity/Compliance

In order to qualify as a CHDO, the non-profit corporation must be able to demonstrate its ability to comply with all HOME rules, as well as the capacity to successfully develop low-income housing. Specifically, there are three components each non-profit corporation must be able to demonstrate:

1. The non-profit corporation must be able to demonstrate a general capacity to carry out activities for which the HOME program was created. Under the FY 2013 HUD Appropriations Law, CHDO's must have staff with demonstrated development experience. Engaging a consultant will no longer suffice.
2. The non-profit corporation must demonstrate has a history of serving the community in which it intends to develop housing assisted with HOME Funds. Usually, the non-profit corporation must show it has served the community in question for at least one year before HOME Funds will be allocated to it.
3. The non-profit corporation must demonstrate it utilizes appropriate accounting methods and controls. Specifically, the non-profit corporation's standards of financial accountability must conform to those set forth in 24 C.F.R. §84.21.

MHDC Certification Requirements

In order to obtain certification as a CHDO from MHDC, a non-profit corporation must submit a CHDO application to MHDC staff for review. The application package must include a completed original of the MHDC CHDO Certification/Recertification Form (Form CHDO R100) with all of the following supporting documentation:

1. A copy of the Articles of Incorporation for the non-profit corporation. The copy provided should be a copy of the fully executed Articles filed with the Missouri Secretary of State.
2. A copy of the non-profits By-Laws. The copy provided should be signed by the non-profit corporation's Secretary and certified as being the most current version of the By-Laws approved by the non-profit corporation's Board of Directors.
3. A Certificate of Good Standing from the Missouri Secretary of State for the non-profit corporation. The Certificate of Good Standing must be dated within thirty (30) days of the date the CHDO application was submitted to MHDC staff.

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4. A copy of the non-profit corporation's tax exemption ruling from the IRS (i.e., letter from the IRS evidencing the non-profit's 501(c)(3) or 501(c)(4) status).
5. Copies of the non-profit corporation's most current financial documentation, including:
 - a. Its current annual operating and capital budget;
 - b. Its current statement of income and expenses;
 - c. Its current budget variance report; and
 - d. Its most current annual audit(s) (if the non-profit applying for CHDO status is a first time applicant or more than two years has lapsed since the non-profit last applied for and received CHDO designation, the non-profit must provide copies of its most recent three (3) years of annual audits; however, if the non-profit has applied for and received CHDO status from MHDC within the last two fiscal years, the non-profit need only supply its most recent annual audit).
6. Evidence the non-profit corporation's accounting processes and procedures maintain compliance with the requirements set forth under 24 C.F.R. §84.21. The evidence of such compliance may consist of either of the following:
 - a. A letter from the Certified Public Accountant performing the non-profit corporation's audit which certifies the non-profit corporation is in compliance with 24 C.F.R. §84.21; or
 - b. A signed and notarized statement from the President, Executive Director, or Chief Financial Officer of the non-profit corporation attesting his/her belief the non-profit corporation complies with the rules and requirements of 24 C.F.R. §84.21, and a completed financial questionnaire in the form required by MHDC. If this form of evidencing compliance with 24 C.F.R. §84.21 is utilized, MHDC staff will review the questionnaire and all supporting documentation and will determine, in its sole discretion, whether the non-profit corporation has adequately evidenced its compliance with 24 C.F.R. §84.21.
7. A copy of the non-profit corporation's current organizational chart.
8. A copy of the non-profit corporation's current list of Board Members (clearly noting the sector each Board Member represents).
9. A list of all paid staff members of the non-profit corporation.
10. Copies of resumes and job descriptions describing the experience of all key staff members of the non-profit corporation.
11. A copy of the non-profit corporation's most recent strategic plan.

Once MHDC staff has reviewed all required documentation, the applying non-profit corporation will be notified by MHDC staff as to whether it has successfully qualified for CHDO designation or whether there are inadequacies in its application. No loans or LIHTCs allocated by MHDC to a development, which allocation is predicated on the non-profit corporation's ability to qualify as a CHDO, may be closed or funded until MHDC staff has designated the non-profit corporation as a valid CHDO.

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MBE/WBE Initiative

MHDC has established a MBE/WBE Initiative to encourage the involvement of businesses that are Minority-Owned Business Enterprises (“MBE”) and/or Women-Owned Business Enterprises (“WBE”) (“MBE/WBE Initiative”).

This section is the guidance for MHDC’s administration and supervision of the process and its components that are paramount to MHDC’s effort to achieve diversity, to increase support, and to sustain MBE/WBE involvement in MHDC rental property production.

The MBE/WBE Initiative is applicable to all developments with more than six (6) units.

MBE/WBE Definitions

Bid - A written quotation, proposal, or offer by a bidder or contractor to perform or provide labor, materials, equipment, supplies, or services for a price submitted in response to a competitive bidding solicitation.

Business Enterprise – A legal entity existing for the purpose of engaging in business including, but not limited to, a corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private, legally recognized entity.

Certification – The process by which MBE/WBEs verify their status to be considered an MBE or WBE certified company.

Certifying Agency – The Office of Equal Opportunity for the State of Missouri (OEO) or other certifying agency, as deemed appropriate by MHDC in consultation with the OEO.

Commercially Useful Function – Real and actual service in the discharge of any contractual endeavor, including the execution of an element of work by actually performing work, in accordance with normal business practices, when the entity receives compensation for the work performed and such work performed is bona fide real and actual services necessary and a part of the development.

Compliance – The condition or status of an owner/developer that demonstrates it complies with the goals of the Participation Standard or MBE/WBE Priority.

Contract – Any and all agreements, regardless of what they may be titled, for the procurement of supplies, services, or construction in connection with the development of affordable housing.

Contractor – Any business enterprise that has entered into a contract in connection with construction of a development funded or approved by MHDC, including general contractors and sub-contractors.

Excluded Costs – These are costs associated with a development not used in calculations to determine rates of MBE/WBE participation such as the cost of permits, licenses, public sector financing, bond issuance costs, construction interest, and similar costs.

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Hard Costs – Costs associated with a development for the actual, physical costs of construction including, but not limited to, general contracting, grading, excavation, concrete, paving, framing, electrical, carpentry, roofing, masonry, plumbing, painting, asbestos removal, trucking, landscaping, and similar activities or services.

Mentor/Protégé Relationship – A relationship in which a more experienced or more knowledgeable non-MBE/WBE developer (the Mentor) helps a less experienced or less knowledgeable MBE/WBE (the Protégé) designed to support, promote and develop the knowledge, skill, and ability of the Protégé as a developer. The Protégé must perform a Commercially Useful Function.

Minority Business Enterprises (MBE) – A business which is at least 51% owned by one or more minority members; or, in the case of a publicly-owned business, one which has at least 51% of its voting stock owned by one or more minority group members, and whose management and daily business operations are controlled one or more such individuals. Minority group members include, but are not limited to, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and Asian Indian Americans. The term “minority worker” shall include representations of all the previously stated minority groups.

MBE/WBE Initiative Coordinator –MHDC official assigned the responsibility for managing, implementing, evaluating, and promoting the MBE/WBE Initiative.

Non-Compliance – The status of an owner/developer that fails to comply with the MBE/WBE Initiative.

Optional Costs – Costs associated with a development that can be used, but are not required to be used, in calculations to determine rates of MBE/WBE participation, such as developer fee.

Owner/Developer – The individual or entity submitting an Application for the award of MHDC-owned or controlled resources or that receives approval for an award of MHDC-owned or controlled resources, including LIHTC, loans, or other funding through a competitive application process, including each general partner, member or other type of ownership interest within the owner/developer entity reduced to the principal level irrespective of the number of entity layers which may be present for any entity.

Participation Standard – 10% participation of MBEs in hard costs, 10% participation of MBEs in soft costs, 5% participation of WBEs in hard costs, and 5% participation of WBEs in soft costs.

Participation Rate – The actual percentage of MBE/WBE participation in costs associated with a development.

Principal – Any human being who has any interest in an entity identified as an owner/developer.

Professional Services – Services which involve predominantly mental or intellectual labor and skills including, but not limited to, architects, engineers, surveyors, attorneys, and accountants.

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Schedule of Participation – A document reflecting how the Participation Standard will be achieved, including a list of all MBE/WBEs proposed to perform work for the development.

Soft Costs – Costs associated with a development for planning, architectural, relocation, legal, accounting, environmental, engineering, surveying, consulting fees, title company, disbursing company, market study, appraisal, soils report, and similar activities or services.

Utilization Plan – The document showing the plan to meet the Participation Standard or justify a Priority.

Women Business Enterprise (WBE)--- a business which is at least 51% owned by one or more women members; or in the case of a publicly owned business, one which at least has 51% of its voting stock owned by one or more women members, and whose management and daily business operations are controlled by one or more of such individuals.

Purpose

The MBE/WBE Initiative is created and administered for the following purposes:

1. To facilitate, promote, and achieve equal opportunity to participate in rental property development activities;
2. To monitor and assess the utilization of MBE/WBE in rental property development activities;
3. To monitor and assess compliance by owners/developers and contractors on all MHDC-funded rental property developments;
4. To identify MBE/WBE and promote awareness of MHDC rental property;
5. To provide assistance and training to MBE/WBE;
6. To ensure non-discrimination in the awarding of MHDC funds; and
7. To provide a narrowly-tailored program in accordance with applicable laws.

Summary of Program

The MBE/WBE Initiative consists of two components: (a) Participation Standard; and (b) MBE/WBE Priority. Applications disqualified due to an incomplete submittal will not be reviewed for compliance with the Participation Standard or qualification for the MBE/WBE Priority.

Participation Standard

MHDC's Participation Standard is 10% hard costs and 10% soft costs for MBE, and 5% hard costs and 5% soft costs for WBE. Applications submitted under 9% Credit and 4% Credit NOFA(s) are expected to meet the Participation Standard.

An MBE/WBE must be certified to count toward the Participation Standard. A Utilization Plan signed by the owner/developer must be submitted with the application indicating the plan for MBE/WBE participation, including the scope of work and compensation. All certifications for MBE/WBEs performing soft cost items must be included in the Application and certification for MBE/WBEs providing hard cost items must be provided no later than Firm Submission. An outreach plan for successfully securing MBE/WBEs to provide hard cost and soft cost items must be submitted with the Application.

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The final Utilization Plan signed by the owner/developer and the general contractor with all certifications must be submitted to MHDC staff prior to construction loan closing. The Participation Standard can be satisfied by MBE/WBEs providing competitively-priced services and/or materials in the following categories:

1. Hard costs for the actual physical costs of construction which include, but are not limited to, general contracting, grading, excavation, concrete, paving, framing, electrical, carpentry, roofing, masonry, plumbing, painting, asbestos removal, trucking, and landscaping. Extensive environmental abatement services may be considered hard costs. When calculating hard costs, general requirements, overhead, bond costs, permits, and contractors profit should be excluded. Calculations are based on the contractor who actually performs the scope of work as required.
2. Soft costs which include, but are not limited to, planning, architectural, relocation, legal, accounting, environmental study, engineering, surveying, developer fee, consulting fees, title company, disbursing company, market study, appraisal, and soils report. In the calculation of soft costs, the developer fees may be, but are not required to be, included in the calculation of participation levels. Calculations are based on the contractor who actually performs the scope of work as required.

Additionally, development costs that do not include actual services or materials, such as public sector financing fees, reserves, and land acquisition shall not be included in the calculation.

MBE/WBE Priority

A preference in funding will be given to applications that reflect:

- a. A MBE/WBE developer, a developer group that includes a MBE/WBE, and/or a Developer Mentor/Protégé relationship; or
- b. MBE/WBE participation percentages significantly greater than the Participation Standard for both hard and soft costs.

Applicants seeking the MBE/WBE Priority under paragraph (a) above must provide a comprehensive Utilization Plan signed by the owner/developer detailing the role of, and functions to be performed by, the MBE/WBE. Such roles and functions of the MBE/WBE must be those typically performed by a developer. A Mentor/Protégé Relationship shall be designed to support, promote, and develop the knowledge, skill and ability of the MBE/WBE protégé in a manner intended to assist in the growth and development of the MBE/WBE as a developer.

Applicants seeking a preference under paragraph (b) above must provide a comprehensive Utilization Plan signed by the owner/developer detailing how the applicant intends to significantly exceed the Participation Standard.

Applicants seeking the MBE/WBE Priority must include in the Application a history of MBE/WBE participation, as well as evidence of MBE/WBE certification.

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Certification/Definition of MBE/WBE Companies

Each MBE/WBE must be certified by the State of Missouri or other certifying agency, as deemed appropriate by MHDC in consultation with the Office of Equal Opportunity for the State of Missouri (OEO).

Application for MHDC Funding

A Utilization Plan signed by the owner/developer detailing how the applicant intends to meet the Participation Standard must be included in the Application. Evidence of MBE/WBE participation and certification for soft cost firms will be required at application. Evidence of MBE and WBE proposals and certifications for hard cost firms will be required as part of the Firm Submission.

Firm Submission

When submitting the Firm Submission package, the signed Utilization Plan with any updated information, copies of any contracts or proposals entered into with MBE/WBE along with copies of the MBE/WBE certification must be included. Early submittal of the MBE/WBE package is encouraged.

As you receive and accept proposals from MBE/WBEs after the Firm Submission has been delivered to MHDC, please forward to MHDC staff for review. MHDC staff must perform a complete review of the proposed Utilization Plan, and all supporting documentation, contracts, proposals, bids, and certifications prior to the closing of the construction loan.

Good Faith Efforts

All efforts to include MBE/WBE must allow sufficient time for the MBE/WBE to effectively and professionally participate in the bidding process. It is important for the contractor to have evidence of meetings held, written notifications by email or facsimile, or certified letters so the contractor has proof of outreach. To achieve maximum effectiveness, outreach to MBE/WBE should be done at the time of Application for firms performing soft cost work and during submission/approval of architect drawings for hard costs. Good faith efforts to achieve the Participation Standard must be demonstrated by the general contractor. Examples of such efforts include, but are not limited to, the following:

1. Efforts made to select portions of the work proposed to be performed by MBE/WBEs to increase the likelihood of achieving the Participation Standard, including the breaking down of contracts into economically feasible subcontracts to facilitate MBE/WBE participation. When soliciting an MBE/WBE, you should be specific regarding scope of work.
2. Giving written notification at least fourteen (14) calendar days prior to the opening of bids soliciting MBE/WBE as a subcontractor or a supplier. This should also include agencies and organizations providing assistance in recruitment and placement of MBE/WBEs.
3. Providing equal access to plans and specifications to all prospective contractors, including MBE/WBE contractors.
4. Advertising bidding opportunities in general circulation media, trade and professional association publications, small and minority business media, and minority and women's business organizations.

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5. Efforts made to negotiate with MBE/WBEs for specific work shall include evidence of the following:
 - a. Names, addresses, telephone numbers of the MBE/WBEs contacted, the dates of initial contact, and whether initial solicitations of interest were followed-up on by contacting the MBE/WBE to determine, with certainty, whether the MBE/WBE is interested,
 - b. A description of the information provided the MBE/WBE regarding the plans and specifications and estimated quantities for portions of the work to be performed,
 - c. A statement why additional agreements with MBE/WBE were not reached, and
 - d. Documentation of each MBE/WBE contacted but rejected, and the reasons for the rejection.
6. Efforts made to assist an MBE/WBE needing assistance in obtaining bonding, insurance, or lines of credit required by the contractor.
7. Documentation indicating a qualified MBE/WBE is not available or not interested in bidding.
8. Attendance at meetings scheduled by MHDC staff or other agencies or organizations to encourage better contractor-subcontractor relationships and MBE/WBE utilization opportunities (pre-bid conferences, workshops, etc.).
9. Efforts to effectively use the services of available community organizations, contractor's groups and other organizations and agencies providing assistance in recruitment and placement of MBE/WBEs.
10. Sending information to certifying agencies for distribution of bidding opportunities to MBE/WBEs on their listing.

Calculation of Participation Rate

The method by which the MBE/WBE Initiative Coordinator will calculate the Participation Standard shall include the following:

1. Any tier of MBE/WBE contractors and subcontractors to be utilized in connection with a development shall be counted.
2. Any owner/developer who is an MBE/WBE can count contractor work or professional services performed by the owner/developer, including developer fees.
3. Any contractor who is an MBE/WBE can count contractor work or services actually performed by the contractor, including general requirements, builder profit, and overhead. NOTE: When the MBE/WBE is not performing the work but is the named contractor, credit will be given for twenty percent (20%) of the contract amount.
4. The MBE/WBE must perform a Commercially Useful Function.
5. Calculation of the Participation Standard shall be completed for both hard and soft costs as follows:
 - a. Total costs associated with the development will be reduced by any Excluded Costs; then
 - b. Total costs associated with the development may be, but are not required to be, reduced by any Optional Costs; then

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- c. Remaining total costs shall be separated into Hard Costs and Soft Costs; then
 - i. The total dollar value of the amount expended as payment to the MBE/WBE for work or services performed pursuant to the Firm Submission and Firm Commitment in connection with Hard Costs will be divided by the total dollar amount of funds expended in connection with all Hard Costs for each classification; and
 - ii. The total dollar value of the amount expended as payment to an MBE/WBE for work or services performed pursuant to the Firm Submission and Firm Commitment in connection with Soft Costs will be divided by the total dollar amount of funds expended in connection with all Soft Costs for each classification.

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Cost Categories

The following items shall be considered Hard Costs:

1. Earthwork
2. Site Utilities
3. Roads and Walks
4. Off-Site Work
5. Concrete
6. Masonry
7. Structural Metals
8. Rough Carpentry
9. Finish Carpentry
10. Cabinets
11. Waterproofing
12. Insulation
13. Roofing Systems
14. Siding
15. Gutters & Downspouts
16. Doors & Hardware
17. Windows
18. Drywall
19. Flooring
20. Carpet
21. Painting
22. Signage
23. Bathroom & Closet Accessories
24. Appliances
25. Window Coverings
26. Plumbing
27. Fire Sprinklers
28. HVAC
29. Electrical
30. Fire Alarm Systems
31. Special Equipment
32. Landscaping
33. Accessory Building
34. Demolition
35. Sheet Metal
36. Site Work
37. Extensive Environmental Abatement

The following items shall be considered Soft Costs:

1. Architect & Engineering Fee-Design
2. Architect Fee – Supervision
3. Soils Report
4. Survey
5. Engineering
6. Environmental Study
7. Market Study
8. Appraisal
9. Title, Recording & Disbursing
10. Title, Recording & Disb (Permanent)
11. Legal Fees (Construction)
12. Legal Fees (Permanent)
13. Legal Fees (Organization)
14. Legal Fees (Acquisition and Recording)
15. Cost Certification
16. Accountant Fees
17. Relocation
18. Furniture, Fixtures and Equipment
19. Third Party Inspection
20. Historic consultant
21. Green or NGBS Certification Consultant
22. Consultant Fee
23. Construction Period Insurance

The following items shall be considered Optional Costs:

1. Developer Fee (calculated as a Soft Cost when included)
2. General Requirements (calculated as a Hard Cost when included)
3. Builder Overhead (calculated as a Hard Cost when included)
4. Builder Profit (calculated as a Hard Cost when included)
5. Consultant Fee included in Developer Fee (calculated as a Soft Cost when included)

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The following items shall be considered Excluded Costs

1. MHDC Approved Impact Fees
2. Construction Loan Interest
3. Construction Period R.E. Taxes
4. MHDC Rental Production Application Fee
5. MHDC Construction Loan Fee
6. MHDC Construction Inspection Fee
7. Other Construction Inspection Fee
8. MHDC Permanent Financing Fee
9. Other Permanent Financing Fee
10. Prepaid MIP
11. Contingency *
12. Historic Credit Fees
13. Land Acquisition and Recording Fees
14. Acquisition Costs of Buildings
15. Land Lease
16. Tax Credit Allocation Fee
17. Tax Credit Monitoring Fee
18. AHAP Application and Reservation Fee
19. Bond Related Costs
20. Debt Service Reserves (escrow)
21. Syndication Costs
22. Operating Reserves (escrow)
23. Replacement Reserves (escrow)
24. Social Services Reserves (escrow)
25. Lease up and Marketing**

*Based on how contingency is expended, it may be included in the costs at the time of certification.

**Lease-up or marketing related to lease-up can be considered an eligible cost if performed by a MBE/WBE not associated with the management company and under separate contract assisting in the lease-up/marketing of the property.

MBE/WBE Compliance Responsibilities

The owner has the compliance responsibility for each development approved by MHDC. The owner may direct, as necessary, the responsibility of compliance to other team members (i.e., contractors or consultants) however, the ultimate responsibility for compliance is with the owner.

1. Throughout the construction or rehabilitation, MHDC staff will monitor the cumulative Participation Standard for each development. The owner must review the Schedule of Participation each month and report to MHDC staff any actual or perceived deficiencies in participation dollar amounts and the Participation Standard.
2. At construction loan closing, all Soft Cost payments will be reviewed against contracts signed. If Soft Costs are provided throughout construction, the payments will be monitored for compliance with the contract until the end of the construction period. Hard Cost contracts will be reviewed against the Schedule of Participation, the general contractor's vendor payment listings, and other documents, as MHDC staff deems necessary, to ensure timely payment to MBE/WBEs. The owner must provide all contracts or intent to perform documents to MHDC staff.
3. If the contract is awarded on less than the full Participation Standard, such award will not relieve the owner of the responsibility to continue reasonable good faith efforts to provide participation opportunities to MBE/WBEs throughout the life of the contract. The owner will be required to document good faith effort to utilize MBE/WBE subcontractors and/or suppliers prior to entering into a contract with a non-MBE/WBE.
4. When the owner is awarded funds through MHDC, it will be required to sign the Conditional Reservation which indicates its commitment to reach the

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stated Participation Standard outlined in its Utilization Plan. At construction completion, both the contractor and owner will certify the percentage and the amount of MBE/WBE participation, along with a listing of those MBE/WBE companies utilized during the development process.

5. The owner must designate an individual who will be responsible for the administration of the MBE/WBE Utilization Program.
6. The contractor must enter into subcontracts or written agreements with the MBE/WBE identified on the Schedule of Participation for the scope of work and amount specified. In the event a MBE/WBE indicated in the development's Utilization Plan cannot be secured, the owner must notify MHDC staff.
7. If at any point during development construction it appears the scheduled amount of MBE/WBE participation may not be achieved, the owner must provide evidence to MHDC staff demonstrating how the Participation Standard will be met.
8. During the disbursement process, MHDC staff will compare the MBE/WBE listed in the Schedule of Participation to the payment request and payroll documents to ensure compliance with the documents submitted. To facilitate this review, the owner/contractor must provide a listing of payments and completion records of MBE/WBE companies and copies of contracts.

Record Keeping

The owner must keep records to enable MHDC staff to determine compliance with the MBE/WBE Initiative. These records should include the names and contract information of all MBE/WBEs, scope of work, contracts, cancelled checks and paid invoices verifying payment for work, services, and procurement, and documentation of all correspondence, telephone calls, and other efforts to obtain the services of MBE/WBE contractors. Upon request, the owner shall submit all contracts and documentation to MHDC staff.

Reporting

The owner must submit monthly reports on MBE/WBE involvement in a manner designated by MHDC staff, even if no MBE/WBE performance activity occurred during the monthly reporting period. Reports will be required until all contractor performance activity is complete and the development is substantially completed. If MHDC staff is processing/reviewing construction draws, the reports can be included with each monthly draw request package. LIHTC-only developments will be required to submit monthly since MHDC staff does not process/review construction draws on these developments.

If the Participation Standard is not met, documentation supporting good faith efforts must be submitted with the monthly report. Failure to submit the monthly report may result in the delay of processing draws and/or issuance of 8609s.

Non-Compliance

An owner shall be considered to be in a state of non-compliance when the owner, developer, or any contractor associated with the development:

1. Fails to adequately document compliance; or

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2. Fails to diligently pursue participation of MBE/WBEs; or
3. Fails to comply with the elements set forth in the final Utilization Plan in connection with the Participation Standard or MBE/WBE Priority; or
4. Eliminates or reduces the Commercially Useful Functions to be performed by an MBE/WBE after such MBE/WBE was named in the final Utilization Plan, unless the developer demonstrates a change was reasonably necessary and notifies the MBE/WBE Initiative Coordinator; or
5. Fails to comply with any element or provision of the MBE/WBE Initiative.

Section 3

Introduction

The Section 3 guidelines set forth in this section have been prepared to provide information and guidance to those developers/owners with an award of Section 3 covered assistance, and should not be treated as a comprehensive recitation of the Section 3 Act and Section 3 Regulations. This section is a summary of the pertinent provisions of the Section 3 Act and Section 3 Regulations, and focuses on the Section 3 requirements imposed on the developer/owner, general contractor, and subcontractor receiving the requisite amount of Section 3 Covered Assistance. MHDC reminds each developer/owner, general contractor, and subcontractor that each bears the responsibility to familiarize itself with the Section 3 Act and Section 3 Regulations prior to accepting Section 3 covered assistance from MHDC.

Section 3 is required for developments awarded MHDC HOME Funds in excess of \$200,000.

Definitions

General Contractor (Section 3) – Any entity awarded a construction contract of \$100,000 or more by an owner/developer to provide general contractor services, generated by the expenditure of Section 3 Covered Assistance or in connection with a Section 3 Covered Project.

Employment Opportunities – All employment opportunities arising in connection with a Section 3 Covered Project, as described in 135.3(a)(2), including management and administrative jobs. Management and administrative jobs include architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups, and jobs directly related to administrative support of these activities (e.g., construction manager, relocation specialists, payroll clerk, etc.)

Housing and Community Development Assistance – Any financial assistance provided or otherwise made available through a HUD housing or community development program, through any grant, loan, loan guarantee, cooperative agreement, or contract, including community development funds in the form of community development block grants, and loans guaranteed under Section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.

Low-income person – Defined in the definition of “Section 3 Resident” herein.

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Metropolitan Area – A MSA, as established by the Office of Management and Budget.

Neighborhood Area or Section 3 Area – For HUD housing programs, a geographical location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in ordinances or other local documents as a neighborhood, village, or similar geographical designation.

New Hires – Full-time employees for permanent, temporary, or seasonal employment opportunities.

Non-Metropolitan Area – Any area outside of a MSA.

Owner/Developer – Any entity engaged in the business of development of affordable housing which is an applicant for Section 3 Covered Assistance or has been awarded Section 3 Covered Assistance in excess of \$200,000 by MHDC.

Public and Indian Housing Assistance includes funds used for:

1. Development assistance provided pursuant to Section 5 of the U.S. Housing Act of 1937 (the “1937 Act”);
2. Operating Assistance provided pursuant to Section 9 of the 1937 Act; and
3. Modernization Assistance provided pursuant to Section 14 of the 1937 Act.

Recipient – Any entity receiving Section 3 Covered Assistance directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, PHA, IHA, Indian Tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee, or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

Section 3 Business Concern – A company:

1. That is 51% or more owned by Section 3 Residents; or
2. Whose permanent, full-time employees include persons, at least 30% of whom are currently Section 3 Residents, or within three (3) years of the date of first employment with the Business Concern were Section 3 residents; or
3. That provides evidence of a commitment to contract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of “Section 3 Business Concern.”

Section 3 Clause – The contract provisions set forth in 24 CFR 135.38 and available at www.mhdc.com.

Section 3 Covered Contract – A contract or subcontract (including a professional service contract) awarded by a Recipient, Owner, Developer, General Contractor, or Subcontractor for work generated by the expenditure of Section 3 Covered Assistance of \$100,000 or more, or for work in like amount, arising in connection with a Section 3 Project. Section 3 Covered

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Contract does not include any contracts for the purchase of supplies or materials, unless the contract includes the installation of the supplies or materials.

Section 3 Covered Project – The construction, reconstruction, conversion, or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), or other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 Regulations – The regulations found at 24 CFR Part 135, as amended, which govern the application of the Section 3 Act.

Section 3 Requirements – The employment, training and contracting opportunities imposed by the Section 3 Act upon Recipients and Covered Contractors.

Section 3 Resident – (1) A public housing resident; or (2) an individual who resides in the Metropolitan Area or Non-metropolitan Area in which the Section 3 Covered Assistance is expended, and who is:

1. A low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)), which is families (including single persons) whose incomes do not exceed 80% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except HUD can establish income ceilings higher or lower than 80% of the median for the area on the basis of the HUD's findings such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families; or
2. A very low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)), which is families (including single persons) whose incomes do not exceed 50% of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except HUD can establish income ceilings higher or lower than 50% of the median for the area on the basis of HUD's findings such variations are necessary because of unusually high or low family incomes.

Subcontractor – Any entity awarded a Section 3 Covered Contract of \$100,000 or more by a General Contractor.

Section 3 Purpose

The Section 3 Act was enacted by HUD (12 U.S.C. 1701u), as amended, to ensure certain employment and economic opportunities generated by certain HUD-funded Section 3 Covered Assistance are, to the greatest extent feasible, directed to Section 3 Residents and Section 3 Business Concerns. Therefore, upon receipt of the requisite amount of Section 3 Covered Assistance and awards of Section 3 Covered Contracts, the Developer, General Contractor and Subcontractor must comply with the Section 3 Requirements.

MHDC Policy Statement

MHDC is a body corporate and politic of the state of Missouri and its purpose is to provide financing to developers of affordable housing throughout the state of Missouri. A portion of this financing consists of HOME Funds. In addition, MHDC serves as the Section 8 contract administrator for HUD, and participates in HUD's Risk-Sharing program. As a result, MHDC is

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a Recipient of Section 3 Covered Assistance exceeding the \$200,000 threshold and is obligated to comply with the Section 3 Act and the Section 3 Regulations. MHDC is committed to this purpose, and will work to ensure to the greatest extent feasible, and consistent with Federal, State, and local laws and regulations, each Developer, General Contractor, and Subcontractor to which it awards Section 3 Covered Assistance comply with the Section 3 Act and Section 3 Regulations through the utilization of these guidelines.

Successful compliance with the Section 3 Act and the Section 3 Regulations by the Owner/Developer and General Contractor will be a factor in determining future awards of Section 3 Covered Assistance.

According to the Section 3 Regulations (24 CFR Part 135), Section 3 Covered Assistance Recipients are required to provide employment, training, and contracting opportunities to Section 3 Residents or Section 3 Business Concerns. However, the Section 3 Requirements are not imposed on a recipient that does not engage in the hiring or training of persons, but instead awards contracts to Owners/Developers and General Contractors that hire and train in connection with Section 3 Covered Projects. According to the Section 3 Regulations, these recipients can comply with Section 3 by ensuring the Owners/Developers, General Contractors and Subcontractors receiving Section 3 Covered Assistance comply with the Section 3 Act. To the extent MHDC utilizes a small portion of its HOME Funds to pay the salary of persons directly related to the HOME program and other HOME relates expenditures, MHDC will comply with the employment, training and contracting opportunities requirements of Section 3.

Section 3 Coordinator

MHDC has a Section 3 Coordinator, who will serve as the immediate point of contact for the Owner/Developer, General Contractor, and Subcontractor, and is available to assist in meeting each development's Section 3 Requirements ("Section 3 Coordinator"). In addition, the MHDC Section 3 Coordinator will provide the Owner/Developer, General Contractor, and Subcontractor with Section 3 materials, including the Section 3 Act, Section 3 Regulations, and these MHDC Section 3 guidelines and is available to provide technical assistance to the Owner/Developer, General Contractor, and Subcontractor. Technical assistance may consist of help in understanding the Section 3 Regulations, identifying employment opportunities and training programs available to Section 3 Residents, and information on outreach to Section 3 Residents and Section 3 Business Concerns. The MHDC Section 3 Coordinator may also develop Section 3 forums and make presentations at seminars and panel discussions on Section 3.

The MHDC Section 3 Coordinator may engage additional MHDC staff who will assist the MHDC Section 3 Coordinator in the acquisition, assemblage, review, and analysis of reports submitted by the Owner/Developer, General Contractor, and Subcontractor. MHDC staff may also conduct random on-site reviews of the Section 3 Covered Project to assess compliance with the Section 3 Act.

The Owner/Developer, General Contractor, and Subcontractor will each appoint a Section 3 coordinator and provide the name, address, telephone number and email address of such individual to the MHDC Section 3 Coordinator. This person will be the direct point of contact with the MHDC Section 3 Coordinator and advise the Owner/Developer, General Contractor, Subcontractor personnel and staff on Section 3 compliance. In addition, the coordinator will be responsible for the submission of all required Section 3 reports to the MHDC Section 3 Coordinator and will serve as the point of contact for Section 3 complaints and as the on-site

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monitor of the Owner/Developer, General Contractor, and Subcontractor implementation of its respective Section 3 Plan.

Section 3 Meeting

Once MHDC has awarded the Section 3 Covered Assistance, it will schedule a meeting with the Owners/Developer(s) to discuss the Section 3 Requirements. Attendees will include the MHDC Section 3 Coordinator, General Contractors, and the Owner's/Developer's Section 3 Coordinator and the General Contractor's Section 3 Coordinator, if selected. The purpose of the meeting is to address any questions the attendees may have regarding compliance with Section 3 Regulations. All attendees will be provided with a copy of the MHDC Section 3 Guidelines, the Section 3 Act and the Section 3 Regulations. Each Owner/Developer and General Contractor will also be required to submit a statement to the MHDC Section 3 Coordinator acknowledging its receipt of the foregoing documents as well as its understanding the Section 3 Regulations apply to the specific Section 3 Covered Project, and its commitment to submit a Section 3 Plan in accordance with the deadlines set out in the Conditional Reservation.

Section 3 Contracting Opportunity Goals

Owners/Developers, General Contractors, and Subcontractors with Section 3 Covered Contracts must establish certain contracting opportunity goals for Section 3 Business Concerns in connection with the Section 3 Covered Project. These numerical goals apply to contracts awarded by the Developer, General Contractor, or Subcontractor. These goals can be met by achieving the following benchmarks:

1. At least 10% of the total dollar amount of all Section 3 Covered Contracts for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and
2. At least 3% of the total dollar amount of all other Section 3 Covered Contracts (professional services).

Employment and Training Opportunity Goals

The Section 3 Act requires the Owner/Developer, General Contractor, and Subcontractor to utilize Section 3 Residents and Section 3 Business Concerns in the development of Section 3 projects, to the greatest extent feasible. Specifically, the Owner/Developer, General Contractor, and Subcontractor must establish certain Section 3 goals for each Section 3 Project.

All Section 3 employment and training goals must be explicitly set forth in all Section 3 Plans as follows:

"The numerical goal for Employment for this Section 3 Covered Project is ___% of new hires.

The numerical goal for Training for this Section 3 Covered Project is ___% of residents hired."

Employment and training goals can be met by either directly providing the employment or training or by facilitating the employment or training. That is, the Owner/Developer, General Contractor, or Subcontractor can satisfy the Section 3 employment and training goals by arranging for the employment or training of Section 3 Residents in connection with: a) the

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Owner's/Developer's Section 3 Covered Projects; b) the Owner's/Developer's non-Section 3 projects; or c) other non-Section 3 Projects.

The MHDC Section 3 Coordinator is available to provide technical assistance to meet these employment and training goals.

The Owner/Developer, General Contractor, and Subcontractor must provide in its Section 3 Plan a breakdown of job categories and positions needed for the Section 3 Covered Project, including positions occupied by permanent employees.

If the Owner/Developer, General Contractor, or Subcontractor does not have any employment or training opportunities available in connection with the Section 3 Covered Project, this must be reflected in its Section 3 Plan.

Formal Section 3 Plan

After the General Contractor has been selected, the Owner/Developer must submit a comprehensive Section 3 Plan, signed by the Owner/Developer and the General Contractor, to the MHDC Section 3 Coordinator for review and approval, in accordance with the deadlines set forth in the Conditional Reservation. The Section 3 Plan will include the Section 3 goals of the Owner/Developer and the General Contractor.

Upon submission of the Section 3 Plan, the MHDC Section 3 Coordinator will review and either approve it, conditionally approve it with suggested modifications, or disapprove the plan. MHDC staff will not issue a Firm Commitment for the development until the Section 3 Plan has been approved. After the Section 3 Plan has been approved, the MHDC Section 3 Coordinator will review and monitor it regularly to assess its implementation and the attainment of the Section 3 goals.

As subcontracts in excess of \$100,000 are awarded, such Subcontractors will be required to submit their own Section 3 Plan to the MHDC Section 3 Coordinator for review and approval.

Copies of all bid documents that are received and all contracts that are awarded must also be submitted to MHDC staff. These documents should be submitted electronically and in pdf format.

Components of a Section 3 Plan

The Section 3 Plan must include specific information including, but not limited to, the following:

1. Owner/Developer, General Contractor, or Subcontractor's statement certifying it intends to comply with the Section 3 Act and Section 3 Regulations, as well as the MHDC Section 3 Guidelines;
2. Owner/Developer, General Contractor, or Subcontractor's statement certifying each is aware of the employment, training, and contracting goals and agrees to work together to meet these goals;
3. Name and contact information of the Owner/Developer, General Contractor, or Subcontractor's Section 3 coordinator;
4. Identification of the Section 3 Area (see definition of Neighborhood Area);
5. Owner/Developer, General Contractor, or Subcontractor's current workforce;

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6. Owner/Developer, General Contractor, or Subcontractor's Contractor's workforce necessitated by the Section 3 Covered Project;
7. Owner/Developer, General Contractor, or Subcontractor's Section 3 employment, training, and contracting opportunity goals;
8. Specific strategies for notifying Section 3 Residents of Section 3 employment and training goals;
9. Specific strategies for notifying Section 3 Business Concerns of Section 3 contracting opportunities;
10. Commitment to inform all Subcontractors of its Section 3 Plan;
11. Owner's/Developer's commitment to prepare and submit monthly Section 3 reports to the MHDC Section 3 Coordinator;
12. General Contractor's commitment to prepare and submit monthly reports to its Section 3 coordinator;
13. Commitment of Owner/Developer, General Contractor, and Subcontractor to include the Section 3 Clause in all construction contracts and subcontracts exceeding \$100,000.00 awarded as a result of the Section 3 Covered Assistance.
14. Commitment to provide employment agencies and local public housing authorities of possible employment, training, and contracting opportunities.
15. Commitment by Owner/Developer, General Contractor, and Subcontractor to conduct aggressive outreach and notification campaign to Section 3 Residents and Section 3 Business Concerns regarding its Section 3 goals, including the usage of site signage, flyers, etc.
16. Inclusion of other strategies which facilitate the achievement of the Section 3 goals established by the Owner/Developer, General Contractor, and Subcontractor.

Implementation Strategies

To comply with the Section 3 Act and the Section 3 Regulations, the Owner/Developer, General Contractor, or Subcontractor, as applicable, must implement an aggressive campaign to encourage participation of Section 3 Residents and Section 3 Business Concerns. Some strategies to implement this campaign include the following:

1. Publish in a local newspaper a notice of the potential employment and training opportunities for Section 3 Residents and potential contracting opportunities for Section 3 Business Concerns. Written notice must be provided in sufficient time to enable business concerns the opportunity to respond to the bid invitation.
2. Post in a prominent location at the Section 3 Covered Project site notice of the potential employment and training opportunities for Section 3 Residents, and potential contracting opportunities for Section 3 Business Concerns.
3. Submit letters or flyers to the residents of the Section 3 Covered Project advising them of the employment, training and contracting opportunities for the Section 3 Covered Project (applies to rehabilitation when there are existing residents);
4. Provide the residents of the Section 3 Covered Project and the surrounding area with information on how to get certified as a Section 3 Resident or a Section 3 Business Concern;

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5. Provide the local public housing authority with flyers, notices and other information related to the Section 3 employment, training and contracting opportunities for the Section 3 Covered Project;
6. Provide information to residents of a Section 3 Covered Project and the surrounding area regarding established job training programs located within the Section 3 Area;
7. Provide minority and women-focused labor and trade organizations with notice of Section 3 employment, training, and business opportunity goals;
8. Provide minority and women-focused labor and trade organizations with notice of when and where plans and specifications for bid review will be distributed;
9. Establish public forums regarding Section 3 Covered Projects being developed within the Section 3 Area, in which the Owner/Developer, General Contractor, and Subcontractor will participate;
10. Utilize other strategies set forth in Appendix "A" of the Section 3 Regulations; and
11. Seek out referral sources to ensure job readiness for public housing residents through on-the-job-training (OJT) and mentoring to obtain necessary skills that will transfer into the external labor market.

Certification of Section 3 Residents

Individuals seeking to participate in Section 3 Covered Projects must first be determined as Section 3 eligible by the municipality in which they reside or by the local public housing agency. If the municipality or local public housing agency does not provide this service, the individual must complete the form entitled "Resident Employment Opportunity Data" found at the HUD Website at: <http://portal.hud.gov/hudportal/section3>. The form can also be obtained by contacting the MHDC Section 3 Coordinator. The completed form and all required documentation should then be submitted to the Owner/Developer, the General Contractor, or the Subcontractor, who in turn will provide a copy to the MHDC Section 3 Coordinator. For further explanation on eligibility, please refer to the definition of a Section 3 Resident found earlier in this section.

Certification of Section 3 Business Concerns

Any business seeking to participate in Section 3 Covered Projects must first be determined as Section 3 eligible by the municipality in which the business is located or by the local public housing agency. If the municipality or local public housing agency does not provide this service, a principal from the business must complete the form entitled "Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstration of Capability" found at the HUD Website at: <http://portal.hud.gov/hudportal/section3>. This form can also be obtained from the MHDC Section 3 Coordinator. The completed form and all required documentation should then be submitted to the Owner/Developer, the General Contractor or the Subcontractor, who in turn will provide a copy to the MHDC Section 3 Coordinator. For further explanation on eligibility, please refer to the definition of a Section 3 Business Concern found earlier in this section.

MHDC 2017 Developer's Guide

Technical Support and Monitoring

The MHDC Section 3 Coordinator is available to provide technical support to Owners/Developers, General Contractors, and Subcontractors participating in the development of Section 3 Covered Projects.

Owners/Developers, General Contractors, and Subcontractors are required to submit copies to the MHDC Section 3 Coordinator of all outreach attempts, copies of all responses to notices published in the paper and posted other places, copies of all responses to bid invitations, and any other documentation helpful in monitoring compliance with the approved Section 3 Plan.

The MHDC Section 3 Coordinator requires reports submitted by the Owner/Developer, General Contractor, or Subcontractor to assess compliance with the Section 3 Act and the Section 3 Regulations. Reports are due no later than the 20th of each month. When the Section 3 Covered Project is completed, a final report will be due along with other customary due diligence documentation. The HUD Form 60002 shall be used for the final report.

The MHDC Section 3 Coordinator or MHDC staff may conduct on-site random reviews of the Section 3 Covered Project to determine whether the Owner/Developer, General Contractor, or Subcontractor are complying with its approved Section 3 Plan.

In the event the MHDC Section 3 Coordinator determines the Owner/Developer, General Contractor, or Subcontractor is not meeting its employment, training or contracting opportunity goals set out in the approved Section 3 Plan, he/she will provide the respective party with written notice of non-compliance. The notice will require the non-complying party to meet with the MHDC Section 3 Coordinator to determine if the non-complying party used its best efforts to meet Section 3 requirements and if further outreach attempts would result in goals being successfully met.

I. General Information

Exhibit B

Date: Current Funding Round: FY2017 Funding Round 1 MHDC Project Number:

Is this a competitive application under the NOFA?

This application will be used as: Is this a Milestone? No

Will this project utilize Tax Exempt Bond Financing?

Development Name:

Address:

City: Zip: County: Region: #N/A

Census Tract: Are you eligible for an increase in basis for up to 30%?

[Census Tract Lookup](#) (If application is TE 4% LIHTC, only choose QCT or DDA boost)

Nearby Existing Address:

School District: 0 Is the site located within the city limits?

Elementary School: Middle School: High School:

Charter School: Is Charter School Free?

State of Missouri Senate District:

State of Missouri House District:

United States Congressional District:

Government Lookup

GPS co-ordinates Lookup

For ALL PROJECTS, provide GPS co-ordinates

Latitude

Longitude

MHDC must collect expected job creation information on proposed projects. In the space below, please estimate the number of construction jobs and non-construction jobs (property management jobs) that will be created if this project as proposed is funded. Estimate the number of construction jobs created based upon the assumption that 6 jobs are created for each \$1 million of construction activity (based upon the construction contract).

	<u>Construction Jobs</u>	<u>Non-Construction Jobs</u>
Part-time permanent jobs created	<input type="text"/>	<input type="text"/>
Full-time permanent jobs created	<input type="text"/>	<input type="text"/>

Is the development part of an organized community development, neighborhood preservation or area revitalization plan?

If you answered "Yes" to the question above, what is the date of the adoption of the plan?

Type of development activities planned:

Is this a conversion proposal? Previous use:

Type of planned occupancy:

Type of rental structure:

Requests for Federal Tax Credits / State Tax Credits

Federal Housing Tax Credit Request (Annual Amt):
(This Tax Credit request is for 9% credits.)

State Housing Tax Credit Request (Annual Amt):
(This Tax Credit request is for 9% credits.)

Requests for AHAP Credits / Missouri Housing Trust Fund

AHAP Credit & Missouri Housing Trust Fund (Loan or Grant)

Please **DO NOT** use this form if you are **ONLY** applying for AHAP Credits or Missouri Housing Trust Funds.

Affordable Housing Assistance Program Tax Credits:

Missouri Housing Trust Fund:

MISSOURI HOUSING DEVELOPMENT COMMISSION ENCOURAGES PROPOSALS FROM MINORITY-OWNED & WOMEN-OWNED BUSINESSES.

II. Developer Information

Will this development be developed by a Missouri individual, partnership or corporation?

Select

Entity Type (Previous participation / experience summary - required)

Developer Name:

Phone:

Address:

Fax:

City:

State:

Zip Code +4:

Authorized Signatory:

Authorized Signatory Email:

Project Contact:

Project Contact Email:

Date of Formation:

MBE / WBE:

Does the Developer or any principal of the Developer have any outstanding 8823s with any state housing finance agency, including MHDC?

Select

If so, please identify the state HFA(s) that issued the 8823's.

Has the Developer or any principal of the Developer ever had an 8823 filed by any state housing finance agency which resulted in action by the IRS?

Select

If so, identify the property, briefly describe the violation and the IRS action.

Has the Developer or any principal of the Developer been flagged by HUD for a violation or performance issue?

Select

If so, has the flag been resolved?

If so, identify the property, briefly describe the flag, and explain how the flag was resolved, if applicable.

General Partner(s)/Member(s)

General Partner/Member Name

Phone Number

Email Address

III. Proposed Ownership Entity

Ownership Entity Name: _____

Ownership Entity Type: Phone: _____

Address: _____ Fax: _____

City: _____ State: Zip Code +4: _____

Date of Formation: _____

Managing General Partner/Member

MGP/Mem Name: _____ Phone: _____

Address: _____ Fax: _____

City: _____ State: Zip Code +4: _____

Email Address: _____ Percentage of ownership entity interest: _____

Authorized Signatory: _____ Authorized Signatory Email: _____

Project Contact: _____ Project Contact Email: _____

Project Guarantor: _____ Trust: Name of Trust: _____

Does the Managing General Partner/Member or any principal of the Managing General Partner/Member have any outstanding 8823s with any state housing finance agency, including MHDC?

If so, please identify the state HFA(s) that issued the 8823's. _____

Has the Managing General Partner/Member or any principal of the Managing General Partner/Member ever had an 8823 filed by any state housing finance agency which resulted in action by the IRS?

If so, identify the property, briefly describe the violation and the IRS action. _____

Has the Managing General Partner/Member or any principal of the Managing General Partner/Member been flagged by HUD for a violation or performance issue?

If so, has the flag been resolved?

If so, identify the property, briefly describe the flag, and explain how the flag was resolved, if applicable. _____

Key Principal(s)

Name: _____

Years of experience in affordable housing development: _____ Years of experience in housing development: _____

Percentage of MGP/Member ownership interest: _____

Name: _____

Years of experience in affordable housing development: _____ Years of experience in housing development: _____

Percentage of MGP/Member ownership interest: _____

Name: _____

Years of experience in affordable housing development: _____ Years of experience in housing development: _____

Percentage of MGP/Member ownership interest: _____

Name: _____

Years of experience in affordable housing development: _____ Years of experience in housing development: _____

Percentage of MGP/Member ownership interest: _____

Other General Partner/Member

Phone Number Email Address

IV. Development Team Information (Name, Address, Phone Number & E-Mail)

a) Contractor:
 Street Address:
 City, State, Zip: City State Zip Code + 4
 Phone / Fax : Phone Fax
 Contact/Email:
 Contact email address

MBE or WBE

Employees assigned to project

b) Property Manager:
 Street Address:
 City, State, Zip: City State Zip Code + 4
 Phone / Fax : Phone Fax
 Contact/Email:
 Contact email address

MBE or WBE

Employees assigned to project

c) Consultant:
 Street Address:
 City, State, Zip: City State Zip Code + 4
 Phone / Fax : Phone Fax
 Contact/Email:
 Contact email address

MBE or WBE

Employees assigned to project

d) Attorney:
 Street Address:
 City, State, Zip: City State Zip Code + 4
 Phone / Fax : Phone Fax
 Contact/Email:
 Contact email address

MBE or WBE

Employees assigned to project

e) Accountant:
 Street Address:
 City, State, Zip: City State Zip Code + 4
 Phone / Fax : Phone Fax
 Contact/Email:
 Contact email address

MBE or WBE

Employees assigned to project

f) Architect:
 Street Address:
 City, State, Zip: City State Zip Code + 4
 Phone / Fax : Phone Fax
 Contact/Email:
 Contact email address

MBE or WBE

Employees assigned to project

g) Title Company:
 Street Address:
 City, State, Zip: City State Zip Code + 4
 Phone / Fax : Phone Fax
 Contact/Email:
 Contact email address

MBE or WBE

Employees assigned to project

h) Surveyor:
 Street Address:
 City, State, Zip: City State Zip Code + 4
 Phone / Fax : Phone Fax
 Contact/Email:
 Contact email address

MBE or WBE

Employees assigned to project

i) Physical Needs Firm:
 Street Address:
 City, State, Zip: City State Select Zip Code + 4
 Phone / Fax : Phone Fax
 Contact/Email:
 Contact email address

MBE or WBE

Employees assigned to project

j) Environmental Firm:
 Street Address:
 City, State, Zip: City State Zip Code + 4
 Phone / Fax : Phone Fax
 Contact/Email:
 Contact email address

MBE or WBE

Employees assigned to project

Does the developer or owner hold a direct or indirect financial interest in any development team member listed above?

All identities of interest between the developer/sponsor, directly or indirectly, with any member(s) of the development team must be disclosed. If the developer has an identity of interest with anyone from the development team, please place a "X" in the box associated with that entity.

Contractor
 Attorney
 Architect
 Property Manager
 Physical Needs Firm
 Consultant
 Accountant
 Surveyor
 Title Company
 Environmental Firm
 Other (Explain)

MHDC ENCOURAGES PARTICIPATION BY MINORITY-OWNED AND WOMEN-OWNED BUSINESSES AS PART OF THE DEVELOPMENT TEAM

V. Non-Profit Determination

Will a Non-Profit Organization be involved in the project?

Name:

Address:

City: State: Zip:

Phone: Fax: Email Address:

Executive Director:

Contact: Title:

Non-Profit Status

IRC 501 (a) IRC 501 (c) (3) IRC 501 (c) (4) IRC 905

Is "fostering low-income housing" listed among the purposes of the non-profit in its Articles of Incorporation? List Article #

Non-Profit's Capacity in the Project

Developer Management Sponsor General Partner Contractor

Explain the role of the non-profit sponsor in the construction, ownership and management of the development.

CHDO Information (if applicable)

Is your Non-Profit organization a certified CHDO? With MHDC? Date of MHDC Designation:

With a local PJ? Date of local PJ Designation:

Is your CHDO Recertification Packet attached to this application?

CHDO Set-Aside

For the project to qualify for **HOME Set-Aside**, the non-profit (CHDO) **MUST** have effective control during the affordability period. To have a controlling interest in the ownership entity, the non-profit organization must serve as the sole general partner, the managing general partner or the majority owner. They must materially participate in the development and operation of the project throughout its affordability period. Within the meaning of IRC Section 469 (h), "a non-profit shall be treated as materially participating in an activity **ONLY** if the non-profit is involved on a basis that is regular, continuous and substantial."

Are you requesting funds from the HOME/CHDO set-aside for this project? With MHDC?

With a local PJ?

HOME/CHDO Operation Expense Grant Request

MHDC has the option to allocate Operating Expense Grants to designated CHDO organizations that are in the process of developing a CHDO eligible project during the current funding year. Operating Expense Grant funds can only be used for reasonable and necessary costs of the operation of the CHDO organization itself (not project costs).

HOME Operating Expense Program Request (Grant)

Low Income Housing Tax Credit Set-Aside

To qualify for the **LIHTC Set-Aside**, a non-profit applicant **MUST** own (directly or indirectly) an interest in the development and materially participate in the development process and operation of the development throughout the compliance period. Non-profit organizations affiliated with for-profit entities will also be reviewed for compliance with section 42(h)(5)(C)(II). MHDC requires the signature of the Non-Profit on all Tax Credit documents and agreements.

Are you requesting Low Income Housing Tax Credits from the non-profit set-aside for this project?

VI. Site Information

Will the project receive any form of tax abatement?

If the project will receive some form of tax abatement, please describe below the terms of the abatement.

Acquisition of Existing Buildings

If this is/was a prior development, what is/was the property name:

How many buildings will be acquired for the development?

If the project contains multiple sites, are the sites contiguous?

* Please visit <http://itouchmap.com/latlong.html>
if you need help determining the co-ordinates of your project.

Are all building currently under your control?

Buildings for this development have been, or will be, acquired from:

Buyer's Basis in buildings acquired for this development to be determined

Are any of the existing buildings eligible for tax credits using one of the exceptions to the 10-Year Rule in IRC 42(d)(6)?

If yes, which exception are you claiming?

Building Information (Buildings Only, this is not for additional Sites)

Name of Building Address of Building

Site Information (Site Only, this is not for additional Buildings)

Seller's Name Address of Site

VII. Development Plan

Type of Project: If Rehabilitation, enter the current occupancy rate within the development

Year(s) built:

Conversion: Previous Use:

Types of Buildings (place an "x" in all boxes that apply to the project, and complete the appropriate information)

<input type="checkbox"/>	Single Family Detached Units	<input type="checkbox"/>	Number of Buildings	<input type="text" value=""/>					
<input type="checkbox"/>	Two Story Row (Townhouse) Units	<input type="checkbox"/>	Number of Buildings	<input type="text" value=""/>					
<input type="checkbox"/>	Duplexes with Party Wall	<input type="checkbox"/>	Number of Buildings	<input type="text" value=""/>					
<input type="checkbox"/>	Single Story Row Units	<input type="checkbox"/>	Number of Buildings	<input type="text" value=""/>					
<input type="checkbox"/>	Walk Up Apartments	<input type="checkbox"/>	Number of Buildings	<input type="text" value=""/>	<input type="text" value=""/>	Number of Stories			
<input type="checkbox"/>	Elevator Building	<input type="checkbox"/>	Number of Buildings	<input type="text" value=""/>	<input type="text" value=""/>	Number of Stories	<input type="text" value=""/>	<input type="text" value=""/>	Number of Elevators

Unit / Sq Ft Information:

# of Residential Buildings	<input type="text" value="0"/>	# of Rehab Units	<input type="text" value="0"/>	Sq Ft of Residential Living Area	<input type="text" value=""/>
# of Non-Residential Buildings	<input type="text" value="0"/>	# of New Units	<input type="text" value="0"/>	Sq Ft of Net Rentable Commercial Area	<input type="text" value=""/>
# of Mixed Use Buildings (Res/Commercial)	<input type="text" value="0"/>	# of Res Units	<input type="text" value="0"/>	Sq Ft of Community Bldg	<input type="text" value=""/>
# of Buildings (Total)	<input type="text" value="0"/>			Total Sq Ft of Floor Area	<input type="text" value=""/>
					(Exterior dimensions of all bldgs including community bldg)

Enter complete Sq Ft info on project. If N/A, enter 0.

Handicapped Accessible Units

Studio 1 BR 2 BR 3 BR 4 BR Other Total Handicapped Accessible Units

Parking Information

Number of total on-site parking spaces

Monthly Utility Allowances UTILITY ALLOWANCES FOR BOTH TENANT AND OWNER MUST BE COMPLETED BELOW

Complete the following table of allowances for utilities. Attach PHA, HUD, RD or Sec. 8 Existing Housing allowances in Exhibit 19 (Required).

Expense Item	Elec / Gas	To Be Paid By	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
Heating	<input type="text" value="Select"/>	<input type="text" value="Select"/>	<input type="text" value=""/>					
Cooking	<input type="text" value="Select"/>	<input type="text" value="Select"/>	<input type="text" value=""/>					
Hot Water	<input type="text" value="Select"/>	<input type="text" value="Select"/>	<input type="text" value=""/>					
Lighting	<input type="text" value="Electric"/>	<input type="text" value="Select"/>	<input type="text" value=""/>					
Air Conditioning	<input type="text" value="Select"/>	<input type="text" value="Select"/>	<input type="text" value=""/>					
Water		<input type="text" value="Select"/>	<input type="text" value=""/>					
Sewer		<input type="text" value="Select"/>	<input type="text" value=""/>					
Trash		<input type="text" value="Select"/>	<input type="text" value=""/>					
Other (Describe)	<input type="text" value=""/>	<input type="text" value="Select"/>	<input type="text" value=""/>					
TOTALS:			<input type="text" value="0"/>					
Source of utility allowance data: <input type="text" value="Select"/>		<input type="text" value=""/>						
		Name of PHA						
Effective date of source information: <input type="text" value=""/>								
		(Date mm/dd/YYYY)						

The rent to be charged is one of the most important parts of the application because of the competitive process for selection of developments. The rent is also a critical factor in determining development feasibility and affordability.

In completing the rental information on this page, the sponsor should anticipate the rents that will be in effect as of the date the units will be completed and available for occupancy. Developments will be limited to the rents as approved by MHDC for a period of one year from the month the last building is placed in service. After this 1 year period, rent increases will be allowed only as approved by MHDC. The proposed rents cannot exceed the current (as of the date of this application) rents published by HUD.

The amount of rent to be charged is considered to be the total cash expected to be received from the tenants or any other source on behalf of the tenants.

Summary of Units (will populate from worksheet below)					
<u>Affordable</u>			<u>Market</u>		
Units	Rent Range	Units	Rent Range		
0 BR	-	0 BR	-		
1 BR	-	1 BR	-		
2 BR	-	2 BR	-		
3 BR	-	3 BR	-		
4 BR	-	4 BR	-		
5 BR +	-	5 BR +	-		
Total Monthly Gross Rent			\$0		

You have indicated within the 'Rental Unit Worksheet' below that there are 0 Affordable Units & 0 Market Units in the project, for a total of 0 units.

Rental Unit Worksheet

PLEASE LIST ONLY 1 UNIT PER LINE

(Unit List will grow as you add units)

Unit #	Bldg #	Unit Type	Type of Assistance	Number Bedroom(s)	Number Bathroom(s)	Square Feet	Monthly Net Rent	Monthly Utility Allowance	Monthly Gross Rent	Additional Unit Information
1		Select	Select							

VIII. Development Budget

TOTAL DEVELOPMENT COSTS

Itemized Cost	Total Development \$	4% Acquisition Adjusted Basis	4% Adjusted Basis	9% Adjusted Basis	Fed Historic Adjusted Basis
1) Site Work	\$0	N/A	\$0	\$0	\$0
2) Off-Site Improvement	\$0	N/A	N/A	N/A	\$0
3) Building Demolition	\$0	N/A	N/A	N/A	\$0
4) Interior Demolition	\$0	N/A	\$0	\$0	\$0
5) New Construction	\$0	N/A	\$0	\$0	\$0
6) Rehabilitation	\$0	N/A	\$0	\$0	\$0
7) Accessory Building	\$0	N/A	\$0	\$0	\$0
8) Bonding	\$0	N/A	\$0	\$0	\$0
9) Permits	\$0	N/A	\$0	\$0	\$0
10) General Requirements	\$0	N/A	\$0	\$0	\$0
11) Builder's Overhead	\$0	N/A	\$0	\$0	\$0
12) Builder's Profit	\$0	N/A	\$0	\$0	\$0
13) Total Construction Contract Cost (1-12)	\$0	\$0	\$0	\$0	\$0
14) Paid by owner-Construction Costs (Describe)					
14a)		N/A			
14b)		N/A			
15) Total Construction Cost (13-14)	\$0	\$0	\$0	\$0	\$0
16) Architect & Engineering Fee-Design		N/A			
17) Architect Fee - Supervision		N/A			
18) Soils Report		N/A			
19) Survey		N/A			
20) Engineering		N/A			
21) Total for all Improvements (lines 15-20)	\$0	\$0	\$0	\$0	\$0
22) Construction Loan Interest		N/A			
23) Construction Period R.E.Taxes		N/A			
24) Construction Period Insurance		N/A			
25) MHDC Rental Production Application Fee		N/A	N/A	N/A	N/A
26) MHDC Construction Loan Fee		N/A			
27) Other Construction Loan Fee		N/A			
28) MHDC Construction Inspection Fee		N/A			
29) Other Construction Inspection Fee		N/A			
30) MHDC Permanent Financing Fee		N/A	N/A	N/A	N/A
31) Other Permanent Financing Fee		N/A	N/A	N/A	N/A
32) Environmental Study		N/A			
33) Market Study		N/A			
34) Appraisal		N/A			
35) Title Recording & Disbursing (Construction Loan)		N/A			
36) Title Recording & Disbursing (Permanent Loan)		N/A	N/A	N/A	
37) Legal (Construction)		N/A			
38) Legal (Permanent)		N/A	N/A	N/A	
39) Organization (Legal/Fees)		N/A	N/A	N/A	
40) Cost Certification		N/A			
41) Accountant's Fee		N/A			
42) Prepaid MIP (Risk Share only)		N/A	N/A	N/A	
43) Contingency		N/A			
44) Environmental Abatement		N/A			
45) Historic Credit Fees		N/A			
46) Relocation		N/A			
47) FF & E		N/A			N/A
48) Other:(Describe)		N/A			
49) Other:(Describe)		N/A			
50) Other:(Describe)		N/A			
51) Other:(Describe)		N/A			
52) Other:(Describe)		N/A			
53) Replacement Cost w/o Acq (lines 21-52)	\$0	\$0	\$0	\$0	\$0
54) Legal Acquisition & Recording			N/A	N/A	N/A
55) Acquisition Cost of Buildings			N/A	N/A	N/A
56) Other Acquisition Related Costs			N/A	N/A	N/A
57) Land		N/A	N/A	N/A	N/A
58) Acquisition Cost (lines 54-57)	\$0	\$0	\$0	\$0	\$0
59) Total Replacement Cost (lines 53-57)	\$0	\$0	\$0	\$0	\$0
60) Consultant's Fee (Before Completion)					
61) Consultant's Fee (At/After Completion)					
62) Developer's Fee (Before Completion)					
63) Developer's Fee (At/After Completion)					
64) Tax Credit Allocation Fee (7%)	\$0	N/A	N/A	N/A	N/A
65) Tax Credit Monitoring Fee	\$0	N/A	N/A	N/A	N/A
66) AHAP Application & Reservation Fee		N/A	N/A	N/A	N/A
67) Other:(Describe)					
68) Other:(Describe)					
69) Other:(Describe)					
70) Other:(Describe)					
71) Other:(Describe)					
72) Bond Related Costs (see Tab XII)	\$0	N/A			
73) Syndication Costs (see Tab IX)	\$0	N/A	N/A	N/A	N/A
74) Lease-up/Marketing (From FIN-117)		N/A	N/A	N/A	N/A
75) Operating Reserve (cash escrow)		N/A	N/A	N/A	N/A
76) Replacement Reserve (cash escrow)	\$0	N/A	N/A	N/A	N/A
77) Other Escrow(s):		N/A	N/A	N/A	N/A
78) Other Escrow(s):		N/A	N/A	N/A	N/A
79) Other Escrow(s):		N/A	N/A	N/A	N/A
80) Other Escrow(s):		N/A	N/A	N/A	N/A
81) Other Escrow(s):		N/A	N/A	N/A	N/A
82) Total Development Costs (lines 59-82)	\$0	\$0	\$0	\$0	\$0
Less federal grants which finance development costs	(N/A)	(N/A)	()	()	()
Less federal subsidies which finance development costs	(N/A)	(N/A)	()	()	()
Less Historic Tax Credit (Residential Portion Only)	()	()	()	()	()
Subtotal Eligible Basis	\$0	\$0	\$0	\$0	\$0
QCT, DDA or State Designated Increase (30%)	N/A	\$0	\$0	\$0	
Total Eligible Basis	\$0	\$0	\$0	\$0	
Multiplied by the Applicable Fraction	100.00%	100.00%	100.00%	100.00%	
Total Qualified Basis	\$0	\$0	\$0	\$0	\$0
Multiplied by the Applicable Percentage	3.16%	3.16%	9.00%		
MAXIMUM ELIGIBLE TAX CREDIT AMOUNT	\$0	\$0	\$0	\$0	
TOTAL ELIGIBLE TAX CREDIT AMOUNT (ACQUISITION CREDITS + 4% CREDITS + 9% CREDITS)	\$0	\$0	\$0	\$0	\$0

IX. Tax Credit Addendum

Partnership Name: _____ MHDC Project Number: _____ 0
 Developer's (Sponsor) Name: _____

General Information

Application Type:

Type of LIHTC Requested:

Subsidy Choices for TC Requested:

Is this request for a tax-exempt bond financed development that is requesting approval of an amount of tax credit outside of the state tax credit authority?

Select one of the following set-aside options:

Land Use Restrictions are in place for a minimum of 30 years. After the initial 15-year Compliance Period, unless extended by an Additional Compliance Period, as designated below, a request with all required documentation may be submitted to MHDC to present a qualified contract. MHDC has 1 year to present the qualified contract. If MHDC is unable to present a qualified contract, the LURA is released. If the owner designates an Additional Compliance Period that is less than fifteen (15) taxable years, the Owner shall continue to comply with the occupancy requirements at all times during the remaining term of the Extended Use Period. The Extended Use Period begins on the first day of the compliance period and ends fifteen years after the close of the initial Compliance Period, unless the Additional Compliance Period is greater than fifteen years. All single family home developments and developments receiving historic credits are required to waive the right to opt out at the end of the 15 year Compliance Period.

Does the owner choose the right to opt-out at the end of the 15 year "Compliance Period"?

If "No", the owner chooses to extend the "Compliance Period" by _____ years beyond the 15 year "Compliance Period." This is called the "Additional Compliance Period."

Total Eligible Tax Credit Amount:	\$0
Federal Credits Requested from MHDC:	\$0
State Credits Requested from MHDC:	\$0

Syndication Information

Is the federal or state LIHTC investor's percent of ownership is less than 99.98%? (If yes, please explain the reason below)

Low Income Housing Tax Credits

	Annual Credit Amount	Price In Cents	Ownership Percentage	Total Proceeds
Expected net proceeds from Federal Housing Tax Credits:	X	X	X	=
Expected net proceeds from State Housing Tax Credits:	X	X	X	=

Historic Tax Credits

Are you using a master lease structure?

	Annual Credit Amount	Price In Cents	Ownership Percentage	Total Proceeds
Expected net proceeds from Federal Historic Rehab Tax Credits:	X	X	X	=
Expected net proceeds from State Historic Rehab Tax Credits:	X	X	X	=

Syndication Cost Paid by Development

Description	Amount
1.)	
2.)	
3.)	
4.)	
Total Syndication Costs	

Note: Investor due diligence, fund bridge loan fees and interest are not allowable development costs.

Syndicator Information

LIHTC Federal Syndicator:

Name of Fund: _____
 Name of Syndicator: _____
 Address: _____
 City: _____ State: Zip: _____
 Phone: _____ Fax: _____ Email: _____
 Contact: _____

LIHTC State Syndicator:

Name of Fund: _____
 Name of Syndicator: _____
 Address: _____
 City: _____ State: Zip: _____
 Phone: _____ Fax: _____ Email: _____
 Contact: _____

Historic Federal Syndicator:

Name of Fund: _____
 Name of Syndicator: _____
 Address: _____
 City: _____ State: Zip: _____
 Phone: _____ Fax: _____ Email: _____
 Contact: _____

Historic State Syndicator:

Name of Fund: _____
 Name of Syndicator: _____
 Address: _____
 City: _____ State: Zip: _____
 Phone: _____ Fax: _____ Email: _____
 Contact: _____

Gross Rent Floor Election

In accordance with Revenue Procedure 94-57, the Internal Revenue Service (IRS) will treat the gross rent floor in I.R.C. 42(g)(2)(A) as taking effect on the date the commission initially allocates tax credits to the development by carryover or determination letter (42m letter). However, the IRS will treat the gross rent floor as taking effect on the building's place-in-service date if the owner designates the placed-in-service date instead and **so informs the commission in writing prior to the placed-in-service date of the first building in the development**. For a definition of placed-in-service, please review IRS Notice 88-116.

The undersigned owner(s) hereby make the following election with respect to the Gross Rent Floor Effective Date for each building in the development designated below:

* If the proposed development is tax-exempt bond financed (as defined by the IRC), the IRS will treat the Gross Rent Floor as taking effect on the date the Commission initially issues a determination letter unless the owner designates that the place-in-service date should be used.

X. Annual Operating Expense Budget

It is important to fully complete the payroll information. This information will be used to populate all payroll fields within the Operating Budget.

<u>Employee Type</u>		<u>Hourly/Salary Employee Information</u>						<u>Contract Information</u>	<u>Total Payroll Information</u>
Type Of Employee(s)	# Emp	Full Part Time	Number of Hours Worked per Week	Average Hourly Wage	Benefits & Taxes as % of Pay	Total Yearly Pay w/Benefits	Total Yearly Amount of Contract	Total Yearly Payroll Hourly/Salary + Contract	
Example	Hourly/Contract	2	Full & Part	40	\$10.25	10.00%	\$23,452	\$5,000	\$28,452
Property Manager	Select		Select		\$0.00	0.00%			
Office	Select		Select		\$0.00	0.00%			
Leasing	Select		Select		\$0.00	0.00%			
Maintenance	Select		Select		\$0.00	0.00%			
Janitorial/Cleaning	Select		Select		\$0.00	0.00%			
Grounds	Select		Select		\$0.00	0.00%			
Security	Select		Select		\$0.00	0.00%			

Administrative

Audit Expenses (Accounting)	#6350						Advertising & Marketing	#6210	
Legal Expenses (Project)	#6340						Leased Furniture	#6340	
Management Fees	#6320	\$0					Property Manager and Leasing Salaries	#6330	\$0
Fee per Unit							Administrative Rent Free Unit	#6331	
Office Salaries	#6310	\$0					Office Expenses, Supplies & Postage	#6311	
Office or Model Apartment Rent	#6312						Telephone	#6360	
Bad Debts	#6370						Conventions & Meetings	#6203	
Management Consultants	#6204								
Other Renting Expenses (Explain Below)	#6250						Miscellaneous Administrative Expenses (Explain Below)	#6390	
							Total Administrative Expenses		\$0

Utilities

Electricity	#6450						Water	#6451	
Sewer	#6453						Gas	#6452	
							Cable T.V. / Internet Access	#6454	
							Total Utilities Expenses		\$0

Operating & Maintenance (O & M)

Elevator Maintenance	#6520						O & M Rent Free Unit	#6521	
Exterminating	#6515						Pool (Supplies, Maintenance, Contracts)	#6520	
Salaries - Less Contracts (Maintenance/Janitorial/Grounds)	#6510	\$0					Vacant Unit Prep (Carpets, Painting, etc.)	#6580	
Tools & Equipment	#6571						Security Rent Free Unit	#6531	
Snow Removal (Supplies, Contracts)	#6548						Heating/Cooling repair Contracts	#6546	
Garbage and Trash	#6525						O & M Supplies (not listed in other O & M line items)	#6515	
Security Salaries and Contracts	#6530	\$0					O & M Contracts	#6520	\$0
Miscellaneous Operating & Maintenance Expense (Explain Below)	#6590						Grounds	\$0	
							Janitorial/Cleaning	\$0	
							Decorating		
							Repairs (not including Heating/Cooling)		
							Total Maintenance Expenses		\$0

Fixed

Real Estate Taxes	#6710						Other Tax Assessments (describe below)	#6790	
Property & Liability Insurance	#6720						MIP Insurance	#6850	
Fidelity Bond	#6721						Health Insurance	#6723	
Other (Explain Below)									
							Workers Comp	#6722	
							Total Fixed Expenses		\$0

Total Number of Units Planned	0						Per Unit #DIV/0!	Total \$0
							Annual Replacement Reserve Contribution	(\$300 PUPA) \$0
							Total Annual Operating Expenses & Reserve Payments	#DIV/0! \$0

XI. Proposed Sources of Funds

Construction Financing / Bridge Loans / Equity proceeds during construction (DO NOT include deferred developer's fee)

Lender / Source	Amount	Interest Rate	Term (Months)
MHDC			
Enter Non MHDC Construction Funding Below:			
Tax Credit Equity Paid During Construction		N/A	N/A
TOTAL	\$0		

Permanent Financing (Select order of lien position)

Lender/Source	Position	Amount	Interest Rate	Amort. Period (Months)	Loan Term (Months)	Debt Type	Annual Debt Service
MHDC Select	Select					N/A	\$0.00
MHDC Select	Select					N/A	\$0.00
MHDC Select	Select					N/A	\$0.00
MHDC Select	Select					N/A	\$0.00
	Select					N/A	\$0.00
	Select					N/A	\$0.00
	Select					N/A	\$0.00
	Select					N/A	\$0.00
	Select					N/A	\$0.00
	Select					N/A	\$0.00

AHAP Credit & Missouri Housing Trust Fund (Loan or Grant)

Please **DO NOT** use this form if you are **ONLY** applying for AHAP Credits or Missouri Housing Trust Funds.

AHAP Credit amount \$0 / 0.55 = \$0 (AHAP donation)

Will the AHAP donation be provided to the development as a loan or grant?

(If provided as a loan, complete the financing information below)

	Amount	Interest Rate	Amort. Period (Months)	Loan Term (Months)	Annual Debt Service
AHAP Donation	\$0				\$0.00
Missouri Housing Trust Fund	\$0	Grant	Grant	Grant	\$0.00

Sources Recap

Source	Amount
Permanent Financing Proceeds	\$0
Federal LIHTC Equity Proceeds	\$0
State LIHTC Equity Proceeds	\$0
Federal Historic TC Equity Proceeds	\$0
State Historic TC Equity Proceeds	\$0
AHAP Donation Loan/Grant	\$0
Missouri Housing Trust Fund Proceeds	\$0
General Partner Equity	\$0
Deferred Developer's Fee	\$0
Total Sources:	\$0

XII. Tax-Exempt Bond Financing

Will this project be financed with tax-exempt bonds?

Select one of the following set-aside options:

Will you be using Draw-Down bonds?

Type of Bonds	Amount	Interest Rate	Term (Months)	<u>Costs of Issuance Paid by Borrower</u>	
Series A Tax Exempt Bonds	<input type="text"/>	<input type="text"/>	<input type="text"/>	Due Diligence Fee	<input type="text"/>
Series B Tax Exempt Bonds	<input type="text"/>	<input type="text"/>	<input type="text"/>	Lender Legal	<input type="text"/>
Taxable Bond Issuance	<input type="text"/>	<input type="text"/>	<input type="text"/>	Loan Origination	<input type="text"/>
Total TE Bond Issuance	<u>\$0</u>			Loan Commitment Fee	<input type="text"/>
				Lender Inspection	<input type="text"/>
Project Replacement Costs plus Developer Fee			<u>\$0</u>	Issuer Fee	<input type="text"/>
% of Projects Costs financed with TE Bond Proceeds			<u>0.00%</u>	Issuer Counsel	<input type="text"/>
				Bond Counsel	<input type="text"/>
				Co-Bond Counsel	<input type="text"/>
				Trustee Fee	<input type="text"/>
				Trustee Counsel	<input type="text"/>
				Borrower Counsel (Bond Portion)	<input type="text"/>
				Financial Advisor/consultant Fee	<input type="text"/>
				Underwriter's Fee	<input type="text"/>
				Transaction Expenses	<input type="text"/>
				Other Bond Related Expenses	<input type="text"/>
				Total Bond Expenses	<u>\$0</u>

Who will issue the bonds? Name:
 Address:
 City: State: Zip:
 Phone: Fax: Email:
 Contact:

Are you requesting Risk Share?
 Has the issuer applied to DED for Private Activity Bond Allocation?
 Has the tax-exempt bond authority been allocated by the Missouri Department of Economic Development?
 Will the tax-exempt bonds be credit enhanced?
 How will the bonds be credit-enhanced?

Who will credit enhance the bonds? Name:
 Address:
 City: State: Zip:
 Phone: Fax: Email:
 Contact:

What is the name of the bond underwriter? Name:
 Address:
 City: State: Zip:
 Phone: Fax: Email:
 Contact:

What is the name of the bond counsel? Name:
 Address:
 City: State: Zip:
 Phone: Fax: Email:
 Contact:

XIII. Existing or Expected Subsidies or Regulatory Requirements

Does your development plan include acquisition of units with existing subsidies or regulatory requirements?

Will the existing subsidies restrict the tax credits to the 4% credit?

Is the development in a QCT? If yes, will the subsidy affect the QCT boost?

Please describe the existing subsidy or regulatory requirement below.

HUD Program
Program Description

R.D. Program
Program Description

AHAP Program
Program Description

Other Program
Program Description

Project Based Rental Assistance Information

Do you expect to receive or are you currently receiving any rental subsidies for this development?

If you expect to receive or are receiving rental subsidies for this project, please indicated with an "X" the type of subsidy expected:

<input type="checkbox"/> Section 8 Project Based Vouchers	<input type="checkbox"/> RD Rental Assistance
Voucher Provider: <input type="text"/>	<input type="checkbox"/> 236 Decoupling (Attach copy of 236 contract showing remaining term)
<input type="checkbox"/> Section 8 Project Based Assistance	<input type="checkbox"/> Other: <input type="text"/>
Contract Expiration Date: <input type="text"/>	Subsidy Provider: <input type="text"/>
Renewal Option: <input type="text"/>	
Date of Last Renewal: <input type="text"/>	
Date of RCS: <input type="text"/>	
# of units expected to receive assistance: <input type="text"/>	

		Minimum Amount	Maximum Amount
Rents for existing units receiving rental assistance:	0 Bdrm	<input type="text"/>	<input type="text"/>
	1 Bdrm	<input type="text"/>	<input type="text"/>
	2 Bdrm	<input type="text"/>	<input type="text"/>
	3 Bdrm	<input type="text"/>	<input type="text"/>
	4 Bdrm	<input type="text"/>	<input type="text"/>
Proposed rents for units that will receive rental assistance:	0 Bdrm	<input type="text"/>	<input type="text"/>
	1 Bdrm	<input type="text"/>	<input type="text"/>
	2 Bdrm	<input type="text"/>	<input type="text"/>
	3 Bdrm	<input type="text"/>	<input type="text"/>
	4 Bdrm	<input type="text"/>	<input type="text"/>

Does your development plan seek to preserve federally-assisted low-income housing which would otherwise convert to market rate?

Does your development plan seek to convert assisted low-income housing to market rate?

Describe any other subsidy or assistance:

Does your development have any Land Use Restriction Agreements (LURA) or Use Agreement currently placed upon it?

If "Yes", please describe:

XIV. Relocation Information

(This section applies to all Rehab projects.)

Relocation is the moving of residential or commercial tenants from their original leased space.

Will your development plans require any tenants to move temporarily?

Will your development plans require any tenants to move permanently?

Will your development plans require any tenants to move off site?

Has a General Information Notice (GIN) been sent to the tenants?
(applicable to HOME-financed developments only)

After rehabilitation will rents be increased above what they currently are?

If you answered yes to any of the above questions, you must also submit a relocation plan. Developments utilizing HOME funds or other federal sources must follow URA guidelines. Developments utilizing other types of financing must provide relocation assistance for any residential or commercial occupant permanently displaced according to the guidelines of Missouri's statute 523.205.

Was the Universal Relocation Act (URA) used to formulate the relocation plan?

Will you contract with a consultant to provide relocation assistance to the tenants?

If yes, please identify the consultant and indicate whether there is an identity of interest with any member of the development team.

Is there an identity of interest between the developer and the relocation company?

If yes, please identify the relocation company and describe the developer and the relocation company are related.

Please describe your methodology behind relocation costs listed in the Development Budget, tab IX.

For all rehab projects, you must include in this application the most current rent roll for the project detailing family name, unit address, number in household, rental assistance (if any), and gross annual income.

If the project will be using HOME funds or if any occupant is being permanently displaced, please provide MHDC with a copy of the General Information Notice that was sent to the tenants.

You must have written proof that each tenant did receive the notice.

If the project will be using HOME funds, you must include as exhibit 16 a signed "Acceptance of MHDC Relocation Policy" found at the web-s

**Please visit [_MHDC Relocation Guidelines](#)
for a full description of MHDC's relocation guidelines, forms and a checklist of documentation needed throughout the life of the application process.**

XV. Housing Priorities

Non-Profit Involvement Priority

- Do you qualify for the Non-Profit Priority as described in the QAP?
 Yes No
- Will the organization "materially participate" in the development as defined in Section 469(h) of the Internal Revenue Code?
 Yes No

Service-Enriched Housing Priority

- Do you qualify for the Service-Enriched Housing Priority as described in the QAP?
 Yes No
- What population will be served? _____
- Who will provide services to the targeted population? _____
- Please explain their experience with the targeted population:

Special Needs Priority

- Do you qualify for the Special Needs Priority as described in the QAP?
 Yes No
- How many Special Need Units will the development contain? _____
- How many Non-Special Need Units will the development contain? _____
- Percent of Special Need Units is equal to: N/A

Preservation Priority

- Do you qualify for the Preservation Priority as described in the QAP?
 Yes No
- How does your development qualify for the Preservation Priority?

Extended Compliance Period Priority

- Do you wish to waive the right to opt out of the LIHTC LURA at the end of the Compliance Period and maintain the development as affordable housing for a minimum of thirty (30) years ("Extended Use Priority")?
 Yes No (You have selected extended compliance priority, please set compliance period to a minimum of 15 years)

MBE/WBE Preference Priority

- Do you wish to be considered under the MBE/WBE Preference Priority?
 Yes No
- Answer yes to one or more of the items below that represent which Preference(s) you are applying for:
- MBE/WBE participation that exceeds significantly participation goals of 10% for MBE and 5% for WBE for both hard and soft costs.
- A MBE/WBE Developer, a Developer group that includes a MBE/WBE and/or a Developer Mentor/Protégé relationship.

50% AMI Priority

- Do you wish to be considered under the 50% AMI Priority as described in the QAP?
 Yes No
- How many 50% or less AMI Units will the development contain? _____
- How many non-50% or less AMI Units will the development contain? _____
- Percent of 50% or less AMI Units is equal to: N/A

Workforce Priority

- Do you wish to be considered under the Workforce Priority as described in the QAP?
 Yes No
- How many Workforce Units will the development contain? _____
- How many non-Workforce Units will the development contain? _____
- Percent of Workforce Units is equal to: N/A

Opportunity Area

- Do you qualify for the MHDC defined area of High Opportunity as described in the QAP?
 Yes No
- How does your development qualify for the High Opportunity Priority?

Redevelopment Plan

- Do you wish to be considered under the Redevelopment Plan priority as described in the QAP?
 (The development must be part of a redevelopment plan that has been approved/adopted by the local government)
 Yes No

XVa. Service Enriched

Target Population

What is the target population? (Select all that apply)

- Children of tenants
 Elderly households
 Formerly homeless individuals and families
 Individuals with physical and/or developmental disabilities
 Individuals diagnosed with mental illness
 Individuals with children
 Other: _____

Property Type: Total Number of Units:

Provide local data to support the need for services (i.e. Point-in-Time Count numbers, Veterans, disabled numbers high)

Is this development a later phase or rehabilitation of an existing site?

Services Provided:

1. What services will be offered to Residents? (Please give us at least one per category)

Type: **Housing Stability**

Service	Frequency	Details

Type: **Increased Income and/or Employment**

Service	Frequency	Details

Type: **Physical and/or Mental Health**

Service	Frequency	Details

Type: **Quality of Life**

Service	Frequency	Details

Type: **Social and Community Connections**

Service	Frequency	Details

2. How will the residents be informed of the services at entry to development?

3. How will the residents be informed of the services throughout their residency?

4. Will services be offered on-site?
5. Are fees charged to residents for any services provided?
6. Are services including case management a condition of housing?

Service Coordinator:

1. Will a Service Coordinator office be on-site? How many hours a week?
2. Will the Service Coordinator work on more than one service enriched site?
3. How will the Service Coordinator salary be paid? _____
4. Will the Property Manager act as Service Coordinator in addition to managing the property?
5. Will the Service Coordinator be hired by property management?
6. Will the service coordinator be an employee of a community service provider?

7. Approximately what percentage of clients are served by the Primary Provider:
 (When added together, the following percentages may not equal 100%)

Chronically homeless
 Disabled
 Elderly
 Ex-offenders
 Homeless
 Severely mentally ill
 Substance abuse
 Unaccompanied minors
 Veterans
 Youth aging out of foster care
 Survivors of domestic violence, stalking, or sex trafficking

How many years has the primary service provider worked with the target population?

List the mission statement of the primary service provider:

What are the proposed positive impacts for residents related to the following Service Enriched features?
 (Check all that apply and describe the action steps and how you will know the actions are successful)

- Housing Stability _____
 Increased Income and/or Employment _____
 Physical and/or Mental Health _____
 Quality of Life _____
 Social and Community Connections _____

8. Is the primary service provider a primary provider on any other MHDC approved service enriched development?

9. Describe how the Primary Service Provider or Service Coordinator will collaborate with other community providers:

XVa. Special Needs

Target Population

What is the Target Population? (Select all that apply)

- Developmentally Disabled Homeless, including survivors of domestic violence and sex trafficking
 Mentally ill Physically, Emotionally or Mentally Impaired Youth aging out of foster care

Property Type: Select Total Number of Units: 0 Set Aside Units: 0

Provide local data to support the need for services (i.e. Point-in-Time Count numbers, Veterans, disabled numbers high)

Is this development a later phase or rehabilitation of an existing site? Select

Lead Referral Agency

1. Lead Referral Agency:

Primary Contact: Phone:

Email Address:

2. Approximately what percentage of clients currently serviced by the LRA are:
(When added together, the following percentages may not equal 100%)

- Chronically homeless Disabled Elderly Ex-offenders
 Homeless Severely mentally ill Substance abuse
 Unaccompanied minors Veterans Youth aging out of foster care
 Survivors of domestic violence, stalking, or sex trafficking

3. How many years has the LRA worked with the target population? 0

4. List the mission of the LRA:

What are the proposed positive impacts for residents related to the following Special Needs features:
(Check all that apply and describe the action steps and how you will know the actions are successful)

- Housing Stability
 Increased Income and/or Employment
 Physical and/or Mental Health
 Quality of Life
 Social and Community Connections

5. Is the agency an LRA on other MHDC approved Special Needs Housing developments? Select

6. Has the LRA been funded with federal and/or state housing funds? Select

7. Has rental assistance been secured in the form of a written commitment for set aside units? Select

8. Demonstrate the LRA's ability to collaborate with other community providers:

Services Provided:

1. What services will be offered to residents?

Type: Housing Stability	Frequency	Details
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Type: Increased Income and/or Employment	Frequency	Details
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Type: Physical and/or Mental Health	Frequency	Details
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Type: Quality of Life	Frequency	Details
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Type: Social and Community Connections	Frequency	Details
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

2. How will the residents of set aside units be informed of the services at entry to development?

3. How will the residents of set aside units be informed of the services throughout their residency?

4. How will the residents of set aside units access services?

5. Will there be a service coordinator office on-site? Select

6. Will the service coordinator work on more than one SNH site? Select

7. Where will the services be provided?

8. Are fees charged to residents for any services provided? Select

9. Are services including case management a condition of housing? Select

10. Does LRA use a housing first model in referring residents for set aside units? Select

11. Does LRA work with the local Coordinated Entry System to prioritize referrals for set aside units? Select

XVI. Local Government Information

It is VERY important than MHDC receives the correct data concerning Elected Officials. Please confirm your elected officials by visiting the web site at the right.

Government Lookup

Mayor/Chief Elected Official: _____ Title: _____
 Mailing Address: _____
 City: _____, MO Zip Code + 4: _____
 Telephone: _____ Congressional District # _____ 0

Senator: _____ State Senate District # _____ 0
 Mailing Address: Missouri State Capitol Rm. # _____
 City: Jefferson City, MO Zip Code + 4: _____ 65102-0000
 Telephone: _____

Representative: _____ State House District # _____ 0
 Mailing Address: Missouri State Capitol Rm. # _____
 City: Jefferson City, MO Zip Code + 4: _____ 65102-0000
 Telephone: _____

Executive Director of Local Housing Authority: _____
 Mailing Address: _____
 City: _____, MO Zip Code + 4: _____
 Telephone: _____

Superintendent of Schools: _____
 Name of School District: Select School District No. # _____ 0
 Mailing Address: _____
 City: _____, MO Zip Code + 4: _____
 Telephone: _____

Councilman/Alderman _____ Title: _____
 Mailing Address: _____
 City: _____, MO Zip Code + 4: _____
 Telephone: _____

Councilman/Alderman _____ Title: _____
 Mailing Address: _____
 City: _____, MO Zip Code + 4: _____
 Telephone: _____

XVII. Development Schedule

For each activity in the chart below, enter the month and year that the activity was accomplished, or for future events, the month and year when that activity is expected to be accomplished. If an activity does not apply to your development, leave it blank.

<u>Construction Loan Closing</u>	_____ / _____
<u>Construction Commencement</u>	_____ / _____
<u>Placed in Service</u>	_____ / _____
<u>Lease-Up Start (Marketing)</u>	_____ / _____
<u>Permanent Loan Closing</u>	_____ / _____
<u>Full Lease-Up</u>	_____ / _____

Other Income

Will the Project have non-rental Income?

Select

	Quantity	Unit	Amount per Month	Estimated Occupancy	Non-rent Income	Total Estimated Monthly Gross at 100% Occupancy
Income Type: <input type="text" value="Select"/>	<input type="text"/>	<input type="text" value="Select"/>	@ <input type="text"/> per month	<input type="text"/> % Occupancy	\$ -	\$ -
Income Type: <input type="text" value="Select"/>	<input type="text"/>	<input type="text" value="Select"/>	@ <input type="text"/> per month	<input type="text"/> % Occupancy	\$ -	\$ -
Income Type: <input type="text" value="Select"/>	<input type="text"/>	<input type="text" value="Select"/>	@ <input type="text"/> per month	<input type="text"/> % Occupancy	\$ -	\$ -
Income Type: <input type="text" value="Select"/>	<input type="text"/>	<input type="text" value="Select"/>	@ <input type="text"/> per month	<input type="text"/> % Occupancy	\$ -	\$ -
Income Type: <input type="text" value="Select"/>	<input type="text"/>	<input type="text" value="Select"/>	@ <input type="text"/> per month	<input type="text"/> % Occupancy	\$ -	\$ -
Income Type: <input type="text" value="Select"/>	<input type="text"/>	<input type="text" value="Select"/>	@ <input type="text"/> per month	<input type="text"/> % Occupancy	\$ -	\$ -
Total Estimated non-rental Income					\$ -	\$ -

XIX. MHDC Form #2013

Estimate of Replacement Costs

1) Site Work	_____	\$0
2) Off-Site Improvement	_____	\$0
3) Building Demolition	_____	\$0
4) Interior Demolition	_____	\$0
5) New Construction	_____	\$0
6) Rehabilitation	_____	\$0
7) Accessory Building	_____	\$0
8) Bonding	_____	\$0
9) Permits	_____	\$0
10) General Requirements	_____	\$0
11) Builder's Overhead	_____	\$0
12) Builder's Profit	_____	\$0
13) Total Construction Costs (lines 1-12)	_____	\$0
14) Paid by owner - Construction Costs	_____	\$0
14a) _____	_____	\$0
14b) _____	_____	\$0
15) Total Construction Costs (lines 13-14)	_____	\$0
16) Architect's & Engineering Fee (Design)	_____	\$0
17) Architect's Fee (Supervision)	_____	\$0
18) Soil Report	_____	\$0
19) Survey	_____	\$0
20) Engineering	_____	\$0
21) Total For All Improvements (lines 15-20)	_____	\$0
22) Construction Loan Interest	_____	\$0
23) Construction Period R. E. Taxes	_____	\$0
24) Construction Period Insurance	_____	\$0
25) MHDC Rental Production Application Fee	_____	\$0
26) MHDC Construction Loan Fee	_____	\$0
27) Other Construction Loan Fee	_____	\$0
28) MHDC Construction Inspection Fee	_____	\$0
29) Other Construction Inspection Fee	_____	\$0
30) MHDC Permanent Financing Fee	_____	\$0
31) Other Permanent Financing Fee	_____	\$0
32) Environmental Study	_____	\$0
33) Market Study	_____	\$0
34) Appraisal	_____	\$0
35) Title, Recording & Disbursing (Construction Loan)	_____	\$0
36) Title, Recording & Disbursing (Permanent Loan)	_____	\$0
37) Legal Costs (Construction)	_____	\$0
38) Legal Costs (Permanent)	_____	\$0
39) Organization (Legal/Fees)	_____	\$0
40) Cost Certification	_____	\$0
41) Accountant's Fee	_____	\$0
42) Prepaid MIP (Risk Share only)	_____	\$0
43) Contingency	_____	\$0
44) Environmental Abatement	_____	\$0
45) Historic Credit Fees	_____	\$0
46) Relocation	_____	\$0
47) FF & E	_____	\$0
48) Other: (Describe) _____	_____	\$0
49) Other: (Describe) _____	_____	\$0
50) Other: (Describe) _____	_____	\$0
51) Other: (Describe) _____	_____	\$0
52) Other: (Describe) _____	_____	\$0
53) Replacement Cost w/o Acq (lines 21-52)	_____	\$0
54) Legal Acquisition & Recording	_____	\$0
55) Acquisition Cost of Buildings	_____	\$0
56) Other Acquisition Related Costs	_____	\$0
57) Land	_____	\$0
58) Total Acquisition Cost (lines 54-57)	_____	\$0
59) Total Replacement Cost (lines 53-57)	_____	\$0
60) Consultant's Fee (Before Completion)	_____	\$0
61) Consultant's Fee (At/After Completion)	_____	\$0
62) Developer's Fee (Before Completion)	_____	\$0
63) Developer's Fee (At/After Completion)	_____	\$0
64) Tax Credit Allocation Fee (7%)	_____	\$0
65) Tax Credit Monitoring Fee	_____	\$0
66) AHAP Application & Reservation Fee	_____	\$0
67) Other:(Describe) _____	_____	\$0
68) Other:(Describe) _____	_____	\$0
69) Other:(Describe) _____	_____	\$0
70) Other:(Describe) _____	_____	\$0
71) Other:(Describe) _____	_____	\$0
72) Bond Related Costs (see Tab XIII)	_____	\$0
73) Syndication Costs (see Tab X)	_____	\$0
74) Lease-up/Marketing (from FIN-117, cash reserve)	_____	\$0
75) Operating Reserve (cash escrow)	_____	\$0
76) Replacement Reserve (cash escrow)	_____	\$0
77) Other Escrow(s): _____	_____	\$0
78) Other Escrow(s): _____	_____	\$0
79) Other Escrow(s): _____	_____	\$0
80) Other Escrow(s): _____	_____	\$0
81) Other Escrow(s): _____	_____	\$0
82) Total Development Cost (lines 59-81)	_____	\$0

Estimate of Annual Expenses

1) Conventions & Meetings	#6203	_____	\$0
2) Management Consultants	#6204	_____	\$0
3) Advertising & Marketing	#6210	_____	\$0
4) Other Renting Expenses	#6250	_____	\$0
5) Office Salaries	#6310	_____	\$0
6) Office Expenses, Supplies & Postage	#6311	_____	\$0
7) Office or Model Apt. Rent	#6312	_____	\$0
8) Leased Furniture	#6313	_____	\$0
9) Management Fees	#6320	_____	\$0
10) Manager or Superintendent Salaries	#6330	_____	\$0
11) Administrative Rent Free Unit	#6331	_____	\$0
12) Legal Expenses (Project)	#6340	_____	\$0
13) Audit Expenses (Accounting)	#6350	_____	\$0
14) Telephone	#6360	_____	\$0
15) Bad Debts	#6370	_____	\$0
16) Misc. Administrative Expenses	#6390	_____	\$0
17) Total Administrative Expenses	#6263T	_____	\$0
18) Electricity	#6450	_____	\$0
19) Water	#6451	_____	\$0
20) Gas	#6452	_____	\$0
21) Sewer	#6453	_____	\$0
21) Cable T.V. / Internet Access	#6454	_____	\$0
22) Total Utilities Expenses	#6400T	_____	\$0
23) O & M Payroll	#6510	_____	\$0
24) O & M Supplies	#6515	_____	\$0
25) O & M Contracts	#6520	_____	\$0
26) O & M Rent Free Unit	#6521	_____	\$0
27) Garbage & Trash	#6525	_____	\$0
28) Security Payroll / Contract	#6530	_____	\$0
29) Security Rent Free Unit	#6531	_____	\$0
30) Heating & Cooling Repair Contract	#6546	_____	\$0
31) Snow Removal (Supplies & Contracts)	#6548	_____	\$0
32) O & M Tools & Equipment	#6571	_____	\$0
33) Pool (Supplies, Maintenance & Contracts)	#6520	_____	\$0
34) Exterminating	#6515	_____	\$0
35) Elevator Maintenance	#6520	_____	\$0
36) Vacant Unit Prep (Carpets, Painting, Etc.)	#6580	_____	\$0
37) Misc. Operating & Maintenance Exp.	#6590	_____	\$0
38) Total Operating & Maint Expenses	#6500T	_____	\$0
39) Real Estate Taxes	#6710	_____	\$0
40) Property & Liability Insurance	#6720	_____	\$0
41) Health Insurance	#6723	_____	\$0
42) Workers Comp	#6722	_____	\$0
43) MIP Insurance	#6850	_____	\$0
44) Fidelity Bond	#6721	_____	\$0
45) Other Tax Assessments	_____	_____	\$0
46) Other: (Describe) _____	_____	_____	\$0
47) Total Fixed Expenses	_____	_____	\$0
48) Replacement Reserves	_____	_____	\$0
49) Total Expenses	_____	_____	\$0
50) No. of Units	_____	_____	0
51) Expenses per Unit	_____	_____	\$0

Annual Income Computations

1) Estimated Project Gross Income	_____	\$0
2) Occupancy (93% family or 95% elderly)	_____	0%
3) Effective Gross Income (line 1 X line 2)	_____	\$0
4) Total Project Expenses	_____	\$0
5) Net Income to Project (line 3 - line 4)	_____	\$0
6) MHDC Debt Service	_____	\$0
7) Other Hard Debt Service	_____	\$0
8) Total Hard Debt Service	_____	\$0
9) Cash Flow (line 5 - line 8)	_____	\$0
10) Debt Service Coverage (hard debt)	_____	0.00
(No Hard Debt)		

The undersigned applicant(s) hereby each certify that, to the best of my/our knowledge, all of the information in this application and all supporting documentation is correct, complete and accurate. I/We further recognize and accept the obligation to notify MHDC immediately if I/we become aware of any subsequent events or information which would change any statements or representations previously submitted to MHDC.

The undersigned applicant(s) hereby certify that the foregoing figures and the statements contained herein, submitted to obtain a capital advance or mortgage loan under the State Housing Act of Missouri, Chapter 215 R.S.Mo. 1994, are true and correct to the best of my/our knowledge and belief. I/We further state that I/we have applied for a mortgage loan and/or tax credits and have provided the above information, and certified that it is true, and have fully authorized MHDC to verify said information through credit reports, deposit verifications, reference checks and through any other means they determine necessary.

The applicant(s) hereby certify that should I/we receive HOME funds as any part of my/our funding award, I/we agree to comply with 24 CFR 135 ("Section 3"), and agree to give, to the greatest extent feasible and consistent with existing Federal, State and local laws and regulations, job training, employment, contracting and other economic opportunities to Section 3 residents and Section 3 business concerns. The applicant(s) further certify that if MHDC approves and executes a conditional reservation for HOME funds for this application, I/we will submit a Section 3 plan to demonstrate the ability and willingness to train and employ Section 3 residents and contract with Section 3 business concerns to the greatest extent feasible for economic opportunities that may be generated in connection with the HOME-assisted project.

The undersigned applicant(s) hereby certify that housing assisted with National Housing Trust Fund ("NHTF") funds will comply with NHTF requirements in accordance with 24 CFR parts 91 and 93 (the "Interim Rule") and also as set forth in the MHDC NHTF Allocation Plan, as either or both may be amended from time to time.

The undersigned applicant(s) hereby each certify that I/we have read and agree to abide by the MHDC "Standards of Conduct" which requires that, if an Interested Party (as such term is defined in the Standards of Conduct) which has submitted a proposal, application, bid or response to a solicitation, request, notice or invitation to do so, for a competitive matter pending before the Commission desires to communicate with a commissioner or employee after the published response deadline for the purpose of lobbying the Interested Party's proposal, application, bid or response, the Interested Party (including anyone acting at its direction or on its behalf) may do so only by complying with the disclosure policy set forth in the Standards of Conduct

The policy set forth in the Standards of Conduct stipulates that the Interested Party must file a written notice of the communication within 24 hours of the time the communication with the commissioner or employee occurred. The written notice must include a written description of any oral communication from the Interested Party to the commissioner or employee, and the written notice will include copies of any written or recorded materials provided to the commissioner or employee. The Interested Party understands that, within 24 hours of MHDC's receipt of the filing the written notice of communication from the Interested Party, MHDC will deliver, either in person, by facsimile, or electronic mail or through overnight courier, a copy of the notice (including any attachments) to each and every other party whose proposal, application, bid or response competes with the Interested Party's proposal, application, bid or response. Failure to file the notice with MHDC shall result in the disqualification of the Interested Party's proposal, application, bid or response.

Furthermore, the period consisting of seven days prior to a scheduled Commission decision on a competitive matter shall be deemed the "Quiet Period." During this Quiet Period, interested parties shall refrain from initiating contact with commissioners to lobby their proposal, application, bid or response. Failure to honor the Quiet Period shall result in the disqualification of the Interested Party's proposal, application, bid or response."

The undersigned applicant(s) hereby authorize MHDC to verify information through credit reports, deposit verifications, reference checks and any other means they may determine necessary.

THIS SPACE IS INTENTIONALLY BLANK

The undersigned applicant(s) hereby each certify that I/we have been informed of the Tax Credit Accountability Act (SB 1099) which was passed on 5/11/04. I/we further acknowledge that MHDC may promulgate rules and procedures to implement the provisions of the Tax Credit Accountability Act. Under the provisions of this act all developers must complete all necessary forms and reporting requirements necessary for MHDC, as the administering agent for the LIHTC, to comply with the provisions of the act. All developers must complete Missouri Department of Revenue (MDOR) Form 8821 (Rev. 11-03), Missouri Department of Revenue Authorization For Release of Confidential Information, as a consideration for the allocation of LIHTC. An executed MDOR Form 8821 must be included as part of all tax credit applications.

The developer further acknowledges that after state LIHTC's have been authorized, records pertaining to the tax credit application shall be open unless closed pursuant to law under the Sunshine Law.

The developer recognizes that MHDC as the Administering agency is required to verify with the MDOR and the Missouri Department of Insurance (MDOI) that the applicant does not owe any state tax liability. Tax Credit recipients are required to report information confirming the address of the property, its fair market value, the actual labor cost of construction, the completion date of the project and the actual number of jobs created to the administering agency (MHDC) by June 30th of each year for three years after issuance of the tax credits, beginning no sooner than 12 months after final allocation.

The developer has been informed of the penalties for tax credit recipients that fail to meet the reporting requirements. The penalties for failure to report equal a percentage of the overall tax credits issued up to the total amount of tax credits. The penalties for fraud in the application process results in a penalty equal to the amount of tax credits issued. Failure to comply with any and all aspects and requirements of the Code of Conduct and of SB 1099 will cause forfeiture of all rights of sponsor/developer to participate in all MHDC Programs.

The undersigned applicant(s) are responsible for ensuring that the development consists or will consist of a qualified low-income building (or buildings) as defined in the Internal Revenue Code section 42(c)(2) and will satisfy all applicable requirements of the federal tax law in the acquisition, rehabilitation, or construction and operation of the development to receive the housing tax credit.

The undersigned applicant(s) are responsible for all calculations and figures relating to the determination of the eligible basis of the building(s). I/we understand and agree that the amount of the tax credit is allocated by reference to the figures that I/we submit as to eligible and qualified basis. I/we understand that the actual amount of tax credit may vary somewhat from the amount initially reserved or committed due to (a) the determination by the Missouri Housing Development Commission (MHDC) as to the amount of tax credit necessary for the financial feasibility of the development and its viability as a qualified low-income housing development; (b) revisions in the calculations of eligible and qualified basis as finally determined; and (c) fluctuations in the prevailing tax credit percentage.

The undersigned applicant(s) understand and agree that MHDC makes no representations or warranties regarding the financial feasibility of the development and makes no independent investigation as to the eligible and qualified basis and that any and all tax credit awards and tax credit amounts are solely based on representations made by me/us. I/we therefore agree to hold harmless and indemnify MHDC and the individual directors, employees, members, officers and agents of MHDC in the event that I/we, or anyone acting on my/our behalf at my/our request, or by and through me/us incurs any loss in conjunction with the development, diminution of the tax credit, loss of the tax credit, recapture of part or all of the tax credit or failure to allocate the tax credit requested in my/our application.

The undersigned applicant(s) understand and agree that my/our application for a housing tax credit, all attachments hereto, and all correspondence relating to my/our application in particular, or the tax credit in general, are subject to a disclosure request and I/we expressly consent to such disclosure. I/we further understand and agree that any and all correspondence to me/us from MHDC or other MHDC-generated documents relating to my/our application are subject to a request for disclosure and I/we expressly consent to such disclosure. I/we agree to hold harmless MHDC and the individual directors, employees, members, officers and agents of MHDC against all losses, costs, damages, expenses and liability of whatsoever nature or kind (including, but not limited to, attorneys' fees, litigation and court costs) directly resulting from or arising out of the release of all information pertaining to my/our application pursuant to a disclosure request.

The undersigned applicant(s) understand that any misrepresentations in this application or supporting documentation may result in a withdrawal of tax credits by MHDC, my (and related parties) being barred from future program participation and notification to the Internal Revenue Service.

The undersigned applicant(s) certify that all Federal, State, and local subsidies have been disclosed and revealed.

The undersigned applicant(s) hereby certify that the foregoing figures and the statements contained herein, submitted to obtain tax credit allocations pursuant to the I.R.S., section 42 and the State Housing Act of Missouri, Chapter 215 R.S. Mo. 1994, are true and correct to the best of my/our knowledge and belief. I/We further state in that I/We have applied for tax credits and have provided the above information, and certified that it is true, and have fully authorized MHDC to verify said information through credit reports, deposit verifications, reference checks, and through any other means MHDC determines necessary.

You have requested the following funding from MHDC

MHDC Rental Housing Production Funds:	\$0	Federal Housing Tax Credits:	\$0
HOME/CHDO Operating Expense Program Request:	\$0	State Housing Tax Credits:	\$0
Missouri Housing Trust Fund:	\$0	AHAP Tax Credits:	\$0

Signatures

<hr/>	<hr/>	<hr/>	<hr/>
Development Firm Name	Authorized Signature	Printed Name & Title of Signatory	Date (mm/dd/yyyy)
<hr/>	<hr/>	<hr/>	<hr/>
Managing General Partner	Authorized Signature	Printed Name & Title of Signatory	Date (mm/dd/yyyy)
<hr/>	<hr/>	<hr/>	<hr/>
Other General Partner	Authorized Signature	Printed Name & Title of Signatory	Date (mm/dd/yyyy)

0

0

15 Year Cash-Flow Analysis (Income 2% Annual Increase - Expenses 3% Annual Increase - Replacement Reserves 3% Annual Increase)

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
Total Potential Rent Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Potential Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replacement Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E/OE	0.00														
Cash Flow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Uses of Cash Flow

Description	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
1.															
2.															
3.															
4.															
5.															
Distributable Cash Flow	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Deferred Dev Fee: \$0

Exhibit C

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Exhibit	Required in Binder	Original Signature on Document Required in Binder	Always Required in Binder or Electronic Form	Electronic Format Required	Electronic File Name	Comment
1. CD-R or Flash Drive with electronic files for required documents	X		X			Always Required
2. Executed Application Documents						Always Required
a. Application FIN-100	X	X	X	Excel & and PDF	2a Application FIN-100	Always Required
b. Application FIN-100 Addendum			x	Excel and PDF	2b Application FIN-100 Addendum	Always Required
c. Exhibit A to #2013			x	Word or PDF	2c Exhibit A 2013	Required if explaining unusual project costs/expenses/income
d. Identity of Parties			x	Word	2d IOP	Always Required
e. MHDC Developer / Co-Developer / Consultant Fee Structure Addendum			x	Word	23 MHDC Developer Consultant Fee Structure Addendum	Required if the project has multiple developers or has a consultant
3. Application Fee	X	X	X	None	None	Always Required
4. Project Description						Always Required
a. Narrative			X	Word or PDF	4a Narrative	Always Required
b. MHDC Development Questionnaire			X	Word	4b MHDC Development Questionnaire	Always Required
5. Site Review						Always Required
a. Development Location Map			X	PDF	5a Development Location Map	Always Required
b. Site Photographs			X	JPG or Word	5b Site Photographs	Always Required
c. Site Plan				PDF	5c Site Plan	Required if multi-family development
d. Subdivision Map				PDF	5d Subdivision Map	Required if single-family development
e. FEMA Flood Map			X	PDF	5e FEMA Flood Map	
6. Applicant Site Control			X			Always Required
a. Buyer Deed				PDF	6a Buyer Deed	Either 6a,6b,6c or 6d is required
b. Buyer Site Control Option				PDF	6b Buyer Site Control Option	Either 6a,6b,6c or 6d is required
c. Buyer Site Control Lease Agreement				PDF	6c Buyer Site Control Lease Agreement	Either 6a,6b,6c or 6d is required
d. Buyer Site Control Other: Discription _____				PDF	6d Buyer Site Control Other	Either 6a,6b,6c or 6d is required
e. MHDC Scattered Site Addendum				Excel	6e MHDC Scattered Site Addendum	Required if project has scattered sites
7. Market Study						Always Required
a. Market Study	X		X	PDF	7a Market Study	Always Required
b. MHDC Market Study Summary 1300			X	PDF	7b MHDC Market Study Summary 1300	Always Required
8. Preliminary Financing Commitments (see Developer's Guide for further details)			X			Always Required
a. Financing Commitment Federal LIHTC				PDF	8a Financing Commitment Federal LIHTC	Required if requesting Federal LIHTC
b. Financing Commitment State LIHTC				PDF	8b Financing Commitment State LIHTC	Required if requesting State LIHTC
c. Financing Commitment Federal Historic TC				PDF	8c Financing Commitment Federal Historic TC	Required if requesting Federal Historic TC
d. Financing Commitment State Historic TC				PDF	8d Financing Commitment State Historic TC	Required if requesting State Historic TC
e. Financing Commitment Non-MHDC				PDF	8e Financing Commitment Non-MHDC	Required if project will contain non-MHDC financing
f. MHDC Participation Loan						
i. Financing Commitment MHDC Participation Loan (from Participating Lender)				PDF	8f Financing Commitment MHDC Participation Loan	Required if requesting MHDC Participation Loan
ii. MHDC request for Participation loan (MHDC form)				PDF	8f Financing Request for MHDC Participation loan	Required if requesting MHDC Participation Loan
g. MHDC request for HOME,HOME/CHDO or Fund Balance loan (MHDC form)				PDF	8g Financing Request for MHDC funds	Required if requesting MHDC HOME, HOME/CHDO or Fund Balance loan
h. MHDC Financing Fee Addendum				Excel	8hMHDC Financing Fee Addendum	Required if financing fees are complexed

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<p>9. Seller Site Control</p> <p>a. Deed or Title Commitment/Policy</p> <p> i. Seller Site Control Deed</p> <p> ii. Seller Site Control Title Commitment - Policy</p> <p>b. Contract or Settlement Statement for last Arms Length Transaction</p> <p> i. Seller Contract Last ALT</p> <p> ii. Seller Settlement Statement Last ALT</p> <p>c. Seller Certification FIN-305</p> <p>d. Legal Description</p> <p>e. Previous Environmental Phase I or Phase II Report</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>PDF</p> <p>PDF</p> <p>PDF</p> <p>PDF</p> <p>PDF</p>	<p>9a Seller Site Control Deed</p> <p>9a Seller Site Control Title Commitment - Policy</p> <p>9b Seller Contract Last ALT</p> <p>9b Seller Settlement Statement Last ALT</p> <p>9c Seller Certification FIN-305</p> <p>9d Legal Description</p> <p>9e Previous Environmental Phase I or Phase II Report</p>	<p>Either 9ai or 9aii is required</p> <p>Either 9ai or 9aii is required</p> <p>9bi or 9bii is required below if not an ALT</p> <p>Either 9bi or 9bii is required</p> <p>Either 9bi or 9bii is required</p> <p>Required for projects with current tenants and/or projects requesting a loan from MHDC</p> <p>Required if the project has had an Environmental Phase I or II completed in the past</p>
<p>10. Public Official Contact Verification</p> <p>a. Notification Chief Elected Official</p> <p>b. Notification State Senator</p> <p>c. Notification Representative</p> <p>d. Notification City Councilperson</p> <p>e. Notification Alderman</p> <p>f. Notification Housing Authority Executive Director</p> <p>g. Notification School Superintendent</p> <p>h. Notification of Local Legislative Body</p> <p>i. Notification Head of Local Law Enforcement</p> <p>j. Letter(s) of Support (Optional)</p>			<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	<p>PDF</p> <p>PDF</p> <p>PDF</p> <p>PDF</p> <p>PDF</p> <p>PDF</p> <p>PDF</p> <p>PDF</p> <p>PDF</p>	<p>10a Notification Chief Elected Official</p> <p>10b Notification State Senator</p> <p>10c Notification Representative</p> <p>10d Notification City Councilperson</p> <p>10e Notification Alderman</p> <p>10f Notification HA ED</p> <p>10g Notification School Superintendent</p> <p>10h Notification Local Legislative Body</p> <p>10i Notification Head of Local Law Enforcement</p> <p>10j Letter(s) of Support</p>	<p>Always Required</p> <p>Always Required</p> <p>Always Required</p> <p>Either 10d or 10e is required</p> <p>Either 10d or 10e is required</p> <p>Always Required</p> <p>Required for new construction, family and historic conversion projects</p> <p>Always Required</p> <p>Always Required</p> <p>Optional</p>
<p>11. Statutorily Required Documents</p> <p>a. IRS 8821 Developer and all Key Principles and/or Guarantors</p> <p>b. MO 8821 Developer and all Key Principles and/or Guarantors</p> <p>c. IRS 8821 GP and all Key Principles and/or Guarantors</p> <p>d. MO 8821 GP and all Key Principles and/or Guarantors</p> <p>e. MHDC Legal Employment Practices Cert FIN-109</p> <p>f. Evidence of consistency with Consolidated Plan</p> <p>g. Evidence of consistency with Comprehensive Plan</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	<p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>PDF</p> <p>PDF</p>	<p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>11e MHDC Legal Employment Practices Cert FIN-109</p> <p>11f Evidence of Consistency with Consolidated Plan</p> <p>11g Evidence of consistency with Comprehensive Plan</p>	<p>Always Required</p> <p>Always Required</p> <p>Always Required</p> <p>Always Required</p> <p>Always Required</p> <p>Required when jurisdiction has a Consolidated Plan filed with HUD</p> <p>Required when jurisdiction does not have a consolidated plan but has a Comprehensive Plan</p>

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12. Housing Priority Documentation						
a. Non-Profit Priority						
i. NP Certificate of Incorporation				PDF	12a NP Cert of Incorp	Required if applying under the Non-Profit Priority
ii. NP Articles of Incorporation				PDF	12a NP Articles of Incorp	Required if applying under the Non-Profit Priority
iii. NP Bylaws				PDF	12a NP Bylaws	Required if applying under the Non-Profit Priority
iv. NP Certificate of Good Standing				PDF	12a NP Cert of Good Standing	Required if applying under the Non-Profit Priority
v. NP Evidence of NP Status				PDF	12a NP Evidence of NP Status	Required if applying under the Non-Profit Priority
vi. MHDC NP Participation Questionnaire (Note: submit with required attachments)				PDF	12a NP MHDC Participation Questionnaire	Required if applying under the Non-Profit Priority
vii. MHDC CHDO Recert Form R-100 (Note: submit with required attachments)				PDF	12a CHDO MHDC Recert Form R-100	Required if applying under the Non-Profit Priority and Requesting HOME/CHDO funds
b. Service Enriched Housing Priority (Note: see QAP & Developer's Guide for further details)						
i. Draft Supportive Service Plan				PDF	12b Draft Supportive Service Plan	Required if applying under the Service Enriched Housing Priority
ii. Service Provider Letter(s) of Intent				PDF	12b Service Provider Letter of Intent	Required if applying under the Service Enriched Housing Priority
iii. Service Provider(s) Job Description				PDF	12b Service Provider Job Description	Required if applying under the Service Enriched Housing Priority
c. Special Needs Housing Priority (Note: see QAP & Developer's Guide for further details)						
i. Draft Referral & Support Agreement				PDF	12c Draft Referral Agreement	Required if applying under the Special Needs housing Priority
ii. MHDC Special Needs Marketing Plan				PDF	12c Marketing Plan	Required if applying under the Special Needs housing Priority
iii. Rental Assistance Commitment Letter(s) (if applicable)				PDF	12c Rental Assistance Commitment Letter	Required if applying under the Special Needs housing Priority & units have rental assistance
d. Preservation Priority						
i. Property Note				PDF	12d Property Note	Required if applying under the Preservation Priority and property has an current note
ii. Property Regulatory Agreement				PDF	12d Property Regulatory Agreement	Required if applying under the Preservation Priority and property is operating under a current regulatory agreement
iii. Rent Subsidy Agreement				PDF	12d Rent Subsidy Agreement	Required if applying under the Preservation Priority and the property is receiving rent subsidies
iv. Property Audited Financials (last 3 years)				PDF	12d Property Audited Financials	Required if applying under the Preservation Priority
v. Preservation Letter - HUD/MHDC Properties				PDF	12d HUD - MHDC Preservation Letter	Required if applying under the Preservation Priority & the property has any loans, regulatory agreements or LURAs from HUD/MHDC
vi. Preservation Letter - RD Properties (see Developer's Guide for further details)				PDF	12d RD PreservationLetter	Required if applying under the Preservation Priority & the property has any loans, regulatory agreements or LURAs from RD
vii. Physical Needs Assessment for HUD-MHDC Properties				PDF	12d HUD - MHDC PNA	Required if applying under the Preservation Priority for HUD/MHDC properties
viii. As-Is Capital Needs Assessment for RD Propeties				PDF	12d RD As Is Capital Needs Assessment	Required if applying under the Preservation Priority for RD properties, this must be an As-Is Capital Needs Assessment meeting RD requirements
e. Property Disposition Priority						
i. Contract/Option FIN-130				PDF	12e Contract/Option FIN-130	Required if applying under the Property Disposition Priority

FIN-125 REQUIREMENTS - FY 2017

<p>f. MBE/WBE Preference Priority (Note: see QAP & Developer's Guide for further details) i. MBE/WBE Developer Relationship 1. Developer Relationship Utilization Plan</p> <p>i. MBE/WBE Additional Participation 1. Additional Participation Utilization Plan</p>				PDF	12f MBE/WBE Developer Relationship Utilization Plan	Required if applying under the MBE/WBE Developer Relationship part of the MBE/WBE Preference Priority
<p>g. Redevelopment Plan i. Letter from Authorizing Official</p>				PDF	12f Redevelopment Plan Authorization	Required if applying under the Redevelopment Plan Priority
<p>h. Opportunity Area i. Narrative of Project Qualifications for Opportunity Area</p>				PDF	12h Opportunity Area Qualifications	Required if applying under the Opportunity Area Priority
<p>13. Zoning Letter</p>			X	PDF	13 Zoning Letter	
<p>14. Architectural Items a. Elevations (Note: new construction only) b. Photos (Note: rehab only) c. Floor Plan d. Unit Plan e. MHDC Development Characteristics Worksheet f. Scope of Work (Note: rehab only) g. Physical Needs Assessment (Note: rehab only)</p> <p>h. Structural Letter (Note: historic only) i. Historic Approval (Note: historic only)</p>			X X X	JPG or Word JPG or Word PDF PDF Excel & PDF PDF PDF PDF PDF	14a Elevations 14b Photos 14c Floor Plan 14d Unit Plan 14e Development Characteristics Worksheet 14f Scope of Work (Note: rehab only) 14g Physical Needs Assessment 14h Structural Letter 14i Historic Approval	Required for new construction projects Required for rehab projects Required for rehab projects Required for rehab projects excluding gut rehab Required for historic and/or gut rehab projects Required for historic projects
<p>15. Sustainable Housing Items (Note: new construction only) a. Green Building and Techniques Description b. Sustainability Team Resume c. Sustainability Team Member Role Description d. Pre-Development, Development and Operations Plans i. Sustainability Pre-Development Plan ii. Sustainability Development Plan iii. Sustainability Operation Plan iv. Energy Audit (Note: Rehab & Conversion only)</p>				PDF PDF PDF PDF PDF PDF PDF	15a Green Bldg and Techniques Description 15b Sustainability Team Resume 15c Sustainability Team Member Role Description 15d Sustainability Pre-Development Plan 15d Sustainability Development Plan 15d Sustainability Operation Plan 15d Energy Audit Plan	Required for new construction Required for rehab and conversion
<p>16. Participation Initiative (for project with greater than 6 units)</p>				PDF	16 Utilization Plan for Meeting Participation Goal	Required for project with more than 6 units
<p>17. Relocation (Note: properties with existing tenants) and Existing Multi-Family Operation Data a. Tenant List and Income b. Relocation Plan c. Draft General Information Notice (GIN) d. MHDC Relocation Policy e. Property Audited Financials (last 3 years - not needed if included from section 12d)</p>				PDF PDF PDF PDF PDF	17a Tenant List and Income 17b Relocation Plan 17c Draft General Information Notice (GIN) 17d MHDC Relocation Policy 17e Property Audited Financials	Required if project has existing tenants Required if project has existing tenants
<p>18. Homeownership Plan</p>				Word or PDF	18 Homeownership Plan	Required for single family projects where tenants have the option to purchase the property following the completion of the compliance period
<p>19. Utility Allowance Letter</p>			X	PDF	19 Utility Allowance Letter	Always Required
<p>20. Developer and General Partner Information a. Experience Summary for Developer FIN-105 b. Developer Qualification FIN-107 c. Developer Financial Statement d. Experience Summary for GP</p>			X X X X	Excel or PDF Excel or PDF PDF Excel or PDF	20a Experience Summary for Developer FIN-105 20b Developer Qualification FIN-107 20c Developer Financial Statement 20d Experience Summary for GP	Always Required Always Required Always Required Required if GP is different than Developer
<p>21. Management Agency Certification</p>			X	PDF	21 Management Agency Certification	Always Required
<p>22. MHDC Waiver Request</p>				PDF	22 MHDC Waiver Request	As needed

MAXIMUM DEVELOPMENT COST PER UNIT - 2017 Program Year

County	Type	Bedrooms				
		0	1	2	3	4+
<u>Adair</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Andrew</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Atchison</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Audrain</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Barry</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Barton</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Bates</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Benton</u>	Non- Elevator	\$136,163	\$156,998	\$189,344	\$242,367	\$270,005
	Elevator	\$143,291	\$164,266	\$199,744	\$258,405	\$283,647
<u>Bollinger</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Boone</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Buchanan</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Butler</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Caldwell</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Callaway</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Camden</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974

County	Type	Bedrooms				
		0	1	2	3	4+
<u>Cape Girardeau</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Carroll</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Carter</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Cass</u>	Non- Elevator	\$149,780	\$172,697	\$208,278	\$266,603	\$297,005
	Elevator	\$157,621	\$180,692	\$219,718	\$284,245	\$312,012
<u>Cedar</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Chariton</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Christian</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Clark</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Clay</u>	Non- Elevator	\$149,780	\$172,697	\$208,278	\$266,603	\$297,005
	Elevator	\$157,621	\$180,692	\$219,718	\$284,245	\$312,012
<u>Clinton</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Cole</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Cooper</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Crawford</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283
<u>Dade</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Dallas</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Daviess</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830

County	Type	Bedrooms				
		0	1	2	3	4+
<u>DeKalb</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Dent</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283
<u>Douglas</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283
<u>Dunklin</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Franklin</u>	Non- Elevator	\$149,780	\$172,697	\$208,278	\$266,603	\$297,005
	Elevator	\$157,621	\$180,692	\$219,718	\$284,245	\$312,012
<u>Gasconade</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Gentry</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Greene</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Grundy</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Harrison</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Henry</u>	Non- Elevator	\$136,163	\$156,998	\$189,344	\$242,367	\$270,005
	Elevator	\$143,291	\$164,266	\$199,744	\$258,405	\$283,647
<u>Hickory</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Holt</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Howard</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Howell</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283
<u>Iron</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283

County	Type	Bedrooms				
		0	1	2	3	4+
<u>Jackson</u>	Non- Elevator	\$149,780	\$172,697	\$208,278	\$266,603	\$297,005
	Elevator	\$157,621	\$180,692	\$219,718	\$284,245	\$312,012
<u>Jasper</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Jefferson</u>	Non- Elevator	\$149,780	\$172,697	\$208,278	\$266,603	\$297,005
	Elevator	\$157,621	\$180,692	\$219,718	\$284,245	\$312,012
<u>Johnson</u>	Non- Elevator	\$149,780	\$172,697	\$208,278	\$266,603	\$297,005
	Elevator	\$157,621	\$180,692	\$219,718	\$284,245	\$312,012
<u>Knox</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Laclede</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Lafayette</u>	Non- Elevator	\$149,780	\$172,697	\$208,278	\$266,603	\$297,005
	Elevator	\$157,621	\$180,692	\$219,718	\$284,245	\$312,012
<u>Lawrence</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Lewis</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Lincoln</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Linn</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Livingston</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Macon</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Madison</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Maries</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283
<u>Marion</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157

County	Type	Bedrooms				
		0	1	2	3	4+
<u>McDonald</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Mercer</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Miller</u>	Non- Elevator	\$136,163	\$156,998	\$189,344	\$242,367	\$270,005
	Elevator	\$143,291	\$164,266	\$199,744	\$258,405	\$283,647
<u>Mississippi</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Moniteau</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Monroe</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Montgomery</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Morgan</u>	Non- Elevator	\$136,163	\$156,998	\$189,344	\$242,367	\$270,005
	Elevator	\$143,291	\$164,266	\$199,744	\$258,405	\$283,647
<u>New Madrid</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Newton</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Nodaway</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Oregon</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Osage</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Ozark</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283
<u>Pemiscot</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Perry</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955

County	Type	Bedrooms				
		0	1	2	3	4+
<u>Pettis</u>	Non- Elevator	\$136,163	\$156,998	\$189,344	\$242,367	\$270,005
	Elevator	\$143,291	\$164,266	\$199,744	\$258,405	\$283,647
<u>Phelps</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283
<u>Pike</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Platte</u>	Non- Elevator	\$149,780	\$172,697	\$208,278	\$266,603	\$297,005
	Elevator	\$157,621	\$180,692	\$219,718	\$284,245	\$312,012
<u>Polk</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Pulaski</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283
<u>Putnam</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Ralls</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Randolph</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Ray</u>	Non- Elevator	\$149,780	\$172,697	\$208,278	\$266,603	\$297,005
	Elevator	\$157,621	\$180,692	\$219,718	\$284,245	\$312,012
<u>Reynolds</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283
<u>Ripley</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>St. Charles</u>	Non- Elevator	\$149,780	\$172,697	\$208,278	\$266,603	\$297,005
	Elevator	\$157,621	\$180,692	\$219,718	\$284,245	\$312,012
<u>St. Clair</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Ste. Genevieve</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>St. Francois</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955

County	Type	Bedrooms				
		0	1	2	3	4+
<u>St. Louis City</u>	Non- Elevator	\$149,780	\$172,697	\$208,278	\$266,603	\$297,005
	Elevator	\$157,621	\$180,692	\$219,718	\$284,245	\$312,012
<u>St. Louis County</u>	Non- Elevator	\$149,780	\$172,697	\$208,278	\$266,603	\$297,005
	Elevator	\$157,621	\$180,692	\$219,718	\$284,245	\$312,012
<u>Saline</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Schuyler</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Scotland</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Scott</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Shannon</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283
<u>Shleby</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Stoddard</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Stone</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Sullivan</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Taney</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Texas</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283
<u>Vernon</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405
	Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
<u>Warren</u>	Non- Elevator	\$140,248	\$161,708	\$195,024	\$249,638	\$278,105
	Elevator	\$147,590	\$169,194	\$205,736	\$266,157	\$292,157
<u>Washington</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283
<u>Wayne</u>	Non- Elevator	\$125,270	\$144,438	\$174,196	\$222,977	\$248,405

County	Type	Bedrooms				
		0	1	2	3	4+

Elevator	\$131,828	\$151,124	\$183,764	\$237,732	\$260,955
----------	-----------	-----------	-----------	-----------	-----------

County	Type	Bedrooms				
		0	1	2	3	4+
<u>Webster</u>	Non- Elevator	\$133,440	\$153,858	\$185,557	\$237,519	\$264,605
	Elevator	\$140,426	\$160,980	\$195,749	\$253,237	\$277,974
<u>Worth</u>	Non- Elevator	\$142,972	\$164,848	\$198,811	\$254,485	\$283,505
	Elevator	\$150,456	\$172,479	\$209,731	\$271,325	\$297,830
<u>Wright</u>	Non- Elevator	\$122,547	\$141,298	\$170,409	\$218,130	\$243,004
	Elevator	\$128,962	\$147,839	\$179,769	\$232,564	\$255,283

FIN-100-Addendum

Rental Housing Program Application

Date of Application:

Development Number

Development Name:

I. Disclosure of Relationships

Provide a disclosure of employer/employee and contractual relationship(s) between key development team members and former MHDC employees or commissioners.

A. Disclosure of Relationships - Developer

Developer Name (from FIN-100 tab II):

Identify any former MHDC commissioner or MHDC employee currently employed by the Developer, a related party, or its principals, or with whom the Developer, a related party, or its principals have a contractual relationship.

1. Name:
Start Date:

Employee Contractor

Please explain the role, scope of work, and/or the transactions that describe the activity or services provided by the above-named individual.

2. Name:
Start Date:

Employee Contractor

Please explain the role, scope of work, and/or the transactions that describe the activity or services provided by the above-named individual.

Please contact MHDC if more than two individuals need to be listed.

B. Disclosure of Relationships - **Co-Developer** (if applicable)

Co-Developer Name :

Identify any former MHDC commissioner or MHDC employee currently employed by the Co-Developer, a related party, or its principals, or with whom the Co-Developer, a related party, or its principals have a contractual relationship.

1. Name: Employee Contractor
Start Date:

Please explain the role, scope of work, and/or the transactions that describe the activity or services provided by the above-named individual.

2. Name: Employee Contractor
Start Date:

Please explain the role, scope of work, and/or the transactions that describe the activity or services provided by the above-named individual.

Please contact MHDC if more than two individuals need to be listed.

C. Disclosure of Relationships - **Managing General Partner/Managing Member**

Managing GP/Managing Member Name:
(from FIN-100 tab III)

Identify any former MHDC commissioner or MHDC employee currently employed by the Managing General Partner/Managing Member, a related party, or its principals, or with whom the Managing General Partner/Managing Member, a related party, or its principals have a contractual relationship.

1. Name: Employee Contractor
Start Date:

Please explain the role, scope of work, and/or the transactions that describe the activity or services provided by the above-named individual.

2. Name:
Start Date: Employee Contractor

Please explain the role, scope of work, and/or the transactions that describe the activity or services provided by the above-named individual.

Please contact MHDC if more than two individuals need to be listed.

D. Disclosure of Relationships - Other General Partner/Other Member

Other GP/Other Member Name:
(from FIN-100 tab III)

Identify any former MHDC commissioner or MHDC employee currently employed by the Other General Partner/Other Member, a related party, or its principals, or with whom the Other General Partner/Other Member, a related party, or its principals have a contractual relationship.

1. Name:
Start Date: Employee Contractor

Please explain the role, scope of work, and/or the transactions that describe the activity or services provided by the above-named individual.

2. Name:
Start Date: Employee Contractor

Please explain the role, scope of work, and/or the transactions that describe the activity or services provided by the above-named individual.

Please contact MHDC if more than two individuals need to be listed.

Please contact MHDC if additional general partners or managing members need to be listed.

E. Disclosure of Relationships - Consultant

Consultant Name (from FIN-100 tab IV):

The Consultant is defined as the person or entity who is submitting the Rental Production application on behalf of or in conjunction with the Developer.

Identify any former MHDC commissioner or MHDC employee currently employed by the Consultant, a related party, or its principals, or with whom the Consultant, a related party, or its principals have a contractual relationship.

1. Name: Employee Contractor
Start Date:

Please explain the role, scope of work, and/or the transactions that describe the activity or services provided by the above-named individual.

2. Name: Employee Contractor
Start Date:

Please explain the role, scope of work, and/or the transactions that describe the activity or services provided by the above-named individual.

Please contact MHDC if more than two individuals need to be listed.

II. Nonprofit Board Composition

Identify the persons currently on the board for the nonprofit entities acting as developer or owner of the proposed development.

A. Nonprofit Entity Name:
(from FIN-100 tab V)

Role in Development: Developer
 Managing General Partner/Managing Member
 Other General Partner/Other Member

Board Members:

	Name	Office/Title (as applicable)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		

B. Additional Nonprofit Entity:

Role in Development: Developer
 Managing General Partner/Managing Member
 Other General Partner/Other Member

Board Members:

	Name	Office/Title (as applicable)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		

III. OS-Instructions

In this example, the Developer entity is made up of two members: A-1 Development, LLC and Acme Properties, LLC. A-1 Development is owned by two individuals. Acme Properties is owned by Acme Real Estate, LLC, which is owned by Acme Family Trust, which is owned by three individuals.

Name of Subject Organization:

- Role in Development: Developer
 Co-Developer
 Managing General Partner/Managing Member
 Other General Partner/Other Member

A. Owner Name:
Ownership Percentage: % owner of

B. Owner Name:
Ownership Percentage: % owner of

C. Owner Name:
Ownership Percentage: % owner of

D. Owner Name:
Ownership Percentage: % owner of

E. Owner Name:
Ownership Percentage: % owner of

F. Owner Name:
Ownership Percentage: % owner of

G. Owner Name:
Ownership Percentage: % owner of

- H. Owner Name:
Ownership Percentage: % owner of
- I. Owner Name:
Ownership Percentage: % owner of
- J. Owner Name:
Ownership Percentage: % owner of

Please contact MHDC with questions.

III. Organizational Structure

For any entity that may be unable to be fully described in tab II or tab III of the FIN-100 given the level of ownership tiers or number of principals, please describe below. All tiers of the entity should be described down to the level of individual principals (human beings). For an example, see tab OS-Instructions.

Name of Subject Organization:

- Role in Development: Developer
 Co-Developer
 Managing General Partner/Managing Member
 Other General Partner/Other Member

A. Owner Name:
Ownership Percentage: % owner of

B. Owner Name:
Ownership Percentage: % owner of

C. Owner Name:
Ownership Percentage: % owner of

D. Owner Name:
Ownership Percentage: % owner of

E. Owner Name:
Ownership Percentage: % owner of

F. Owner Name:
Ownership Percentage: % owner of

G. Owner Name:
Ownership Percentage: % owner of

H. Owner Name:
Ownership Percentage: % owner of

I. Owner Name:
Ownership Percentage: % owner of

J. Owner Name:
Ownership Percentage: % owner of

Please contact MHDC with questions.

IV. Lobbyists

Identify lobbyists employed by the listed members of the development team.

Identify all registered lobbyists employed by the listed entities and/or its principals.

A. Name:
Contact:
Address:
City, ST Zip:
Lobbyist for: Developer
 Co-Developer
 Managing General Partner/Managing Member
 Other General Partner/Other Member
 Consultant

B. Name:
Contact:
Address:
City, ST Zip:
Lobbyist for: Developer
 Co-Developer
 Managing General Partner/Managing Member
 Other General Partner/Other Member
 Consultant

C. Name:
Contact:
Address:
City, ST Zip:
Lobbyist for: Developer
 Co-Developer
 Managing General Partner/Managing Member
 Other General Partner/Other Member
 Consultant

Please contact MHDC if more than three lobbyists need to be listed.

VI. Certification

The undersigned applicant(s) hereby each certify that all information provide in this FIN-100-Addendum is true and accurate to the best of its knowledge and belief.

I(We) acknowledge that pursuant to *Mo.Rev.Stat.* §135.810.1(3), fraud in the application process shall result in a penalty equal to one hundred percent of the tax credits issued.

I(We) hereby authorize MHDC to verify information through credit reports, deposit verifications, reference checks and any other means they may determine necessary.

_____	_____	_____	_____
Developer Name	Authorized Signature	Name/Title	Date

_____	_____	_____	_____
Co-Developer Name	Authorized Signature	Name/Title	Date

_____	_____	_____	_____
Managing GP/Member	Authorized Signature	Name/Title	Date

_____	_____	_____	_____
Other GP/Member	Authorized Signature	Name/Title	Date

_____	_____	_____	_____
Consultant	Authorized Signature	Name/Title	Date

Exhibit F

2017 NOFA Rental Housing Programs Application Exhibit 4b Development Questionnaire

The purpose of the Development Questionnaire is to give the applicant the opportunity to list salient points about the proposed development as it relates to MHDC's evaluation criteria.

Development Name:

Development Characteristics:

Describe the resident population you wish to serve.

What amenities, design, or services do you intend to supply in order to address the needs of this population?

Market Characteristics:

Describe the rent structure and how those rents compare with other affordable and market-rate properties in the area.

How will the proposed development address relevant housing needs in the surrounding community?

What does this development bring to the market that the comparable properties do not?

Development Team Characteristics:

Identify the key development team members and highlight their experience with similar development types. Key members include only those development team members that have day-to-day responsibilities over the development and/or are prime decision-makers.

Feasibility:

Provide a description of anything unusual regarding the financial structure or feasibility of the development that might not be obvious from looking at the rest of the development.

Provide a brief description of any unusual milestones or approval processes that will need to be reached in order to proceed to firm commitment and closing in a timely manner, such as condemnation, replatting, historic approval. List the main steps in achieving final approval of such processes and the projected dates of completion of each step.

Describe the level of contact you have had with the syndicator or investor providing the equity letter supplied with the application. Explain why you believe the proposed development will be successful in attracting this or another investor to provide equity investment.

Community Impact:

Explain the level of local support the proposed development has received.

What catalytic effect will the development have on the surrounding community?



**Missouri Housing Development Commission
Market Study Summary Form 1300**

Development Name

Development Location

1. Define the Primary Market Area (PMA) expected to produce 65 percent or greater of potential tenants for the proposed development.

2. List the five most comparable **affordable housing developments (as defined by MHDC in the market study guidelines)** that are presently serving low-income households in the PMA of the proposed development.

	Subject	1	2	3	4	5
Development Name						
Development Type (LIHTC or RD)						
Street						
City, State, Zip						
Proximity to Proposed Development						
Family or Senior Development						
If Senior, show target tenant age 55+, etc.						
Total Units						
Unit Size Range						
Tax Credit Dev. (Yes/No)						
RD Housing 515 Dev.(Yes/No)						
Section 8 (Yes/No)						
Approximate Age						
Approximate Occupancy %						
Households on Wait List						
Rent Concessions (Yes/No)						
Studio Unit Rent(s)						
One Bedroom Unit Rent(s)						
Two Bedroom Unit Rent(s)						
Three Bedroom Unit Rent(s)						
Four Bedroom Unit Rent(s)						
Utilities Included in Rent						
Unit Amenities						
Development Amenities						
Contact Name and Phone Number						
Date Information Obtained from Contact						

3. List the five most comparable **market rate (unsubsidized) developments** that are located in the subject's PMA.

	Subject	1	2	3	4	5
Development Name	0					
Development Type	0					
Street	0					
City, State, Zip	0					
Proximity to Proposed Development	0					
Family or Senior Development	0					
If Senior, show target tenant age 55+, etc.	0					
Total Units	0					
Unit Size Range	0					
Approximate Age	0					
Approximate Occupancy %	0%					
Households on Wait List	0					
Rent Concessions (Yes/No)	0					
Studio Unit Rent(s)	\$0					
One Bedroom Unit Rent(s)	\$0					
Two Bedroom Unit Rent(s)	\$0					
Three Bedroom Unit Rent(s)	\$0					
Four Bedroom Unit Rent(s)	\$0					
Utilities Included in Rent	0					
Unit Amenities	0					
Development Amenities	0					
Contact Name and Phone Number	0					
Date Information obtained from Contact	1/0/1900					

4. After comparing the proposed affordable housing units to the comparable market rate units, and adjusting for differences, indicate the estimated market rate rent for the proposed units and the proposed LIHTC rent advantage.

Proposed Units	Square Footage		Market Rent Estimate	Market Rent Per Square Foot	Proposed Unit Rent	Proposed Rent Per Square Foot	Proposed LIHTC Rent Advantage
Studio				#DIV/0!		#DIV/0!	#DIV/0!
Studio				#DIV/0!		#DIV/0!	#DIV/0!
One Bedroom				#DIV/0!		#DIV/0!	#DIV/0!
One Bedroom				#DIV/0!		#DIV/0!	#DIV/0!
Two Bedroom				#DIV/0!		#DIV/0!	#DIV/0!
Two Bedroom				#DIV/0!		#DIV/0!	#DIV/0!
Three Bedroom				#DIV/0!		#DIV/0!	#DIV/0!
Three Bedroom				#DIV/0!		#DIV/0!	#DIV/0!
Four Bedroom				#DIV/0!		#DIV/0!	#DIV/0!
Four Bedroom				#DIV/0!		#DIV/0!	#DIV/0!

5. What is/are the market related DEMOGRAPHIC strengths and/or weaknesses that could influence the marketability of the proposed development?

6. What is/are the market related ECONOMIC strengths and/or weaknesses that could influence the marketability of the proposed development?

7. What are the positive or negative NEIGHBORHOOD attributes and issues that may affect the property's marketability and lease up?

8. What are the positive or negative DEVELOPMENT attributes and issues that may affect the property's marketability and lease up?

9. Provide a concise explanation regarding the market need for the proposed development that may be supported by market occupancy levels, property condition, waiting lists, etc.

This summary was prepared by:

Printed Name

Signature

Date

Company Name

**“Exhibit A”
NOTIFICATION TO SELLER**

Exhibit H

DATE: _____

Dear Owner:

The purchaser of your property located at _____ is being assisted with funding through the Missouri Housing Development Commission. The funding could possibly be allocated from the federally funded HOME program.

The purpose of this letter is to inform you of your rights under federal law when federal funds are involved in property acquisition. **This is a voluntary sale.** Activities funded by the HOME program are covered by the Uniform Relocation Assistance and Real Property Acquisition Policies Act, commonly called “the Uniform Act.” The Uniform Act protects persons whose property is taken **involuntarily** or who are forced to move as a direct result of a federally funded project. However, because this is a **voluntary sale** negotiated between you and the buyer, and there is no threat of eminent domain or condemnation to take your property; this sale is not regulated by the Uniform Act except for the following notifications which we must present to you:

1. The purchaser does not have the power of eminent domain to take your property if an agreement through negotiation cannot be reached.
2. The fair market value of the property located at _____ has been estimated at \$ _____. The purchase price being offered is \$ _____. You have the authority to accept or reject this offer just as you would in any private transaction.

You, as the seller, are not eligible for relocation assistance under the Uniform Relocation Act because the proposed sale is considered to be voluntary, and the above information is being provided to you prior to executing a purchase agreement or sales contract. If you have any questions or require additional information, please contact _____ at _____ between the hours of _____ and _____.

Sincerely,

Owner Receipt of Information

I, _____, the owner of the property located at _____
Certify that I have received and understood the above information. I further certify that this notice was received:
_____ Prior to executing a purchase agreement.

_____ After the purchase agreement was executed; however, I **do not** wish to terminate this
voluntary sale.

IN WITNESS WHEREOF, the owner has caused this certification to be duly executed in its name on this _____ day
of _____, 20__.

Legal Name of Owner

By:

Name

Title

STATE OF _____
COUNTY OF _____, To-Wit:

Signed and sworn to before me, the undersigned authority, on this _____ day of _____
20__.

My commission expires: _____

Notary Public

Legal Employment Practices Certification
(Mo.Rev.Stat. §285.025)

Development Name: _____

I, _____ (signatory), the undersigned authorized representative of _____ (Owner entity name), a Missouri _____ (legal business type), in conjunction with the submission of an application to the Missouri Housing Development Commission (“MHDC”) for approval for Low Income Housing Tax Credits, Affordable Housing Assistance Program tax credits, Fund Balance, or MHDC-issued tax-exempt bond financing, hereby affirm that said Applicant employs no illegal aliens in compliance with federal, state and local hiring laws. I further confirm that MHDC may rely upon this statement in its review of eligibility for the application evaluation process.

Signed this ____ day of _____, 20____.

Signature

Title

Development Characteristics Worksheet

Development Name:
("Development")

Development Number:

Developer Name:
("Developer")

Date Completed:

Owner Name:
("Owner")

Stage:

Architect Name:
("Architect")

New Construction-All New Construction Developments Are Required To Make A Sustainable Housing Election

Choose the applicable green building program:

LEED Program: Enterprise Green Communities

NGBS National Green Building Standard ICC 700-2012

Will the development be certified in the selected program? Yes No

What certification level will the development attain?

Rehabilitation - Optional Sustainable Housing Election

Choose the applicable green building program:

LEED Program: Enterprise Green Communities

NGBS National Green Building Program

Will the development be certified in the selected program? Yes No

What certification level will the development attain?

Accessibility

Does the design incorporate Universal Design features? Yes No

See MHDC's Design/Construction Compliance Guidelines Exhibit D for a list of required features to qualify for Universal Design.

Identify handicapped accessible units:

	Total Units	Accessible Units		Total Units	Accessible Units
Studio	<input type="text"/>	<input type="text"/>	3-Bedroom	<input type="text"/>	<input type="text"/>
1-Bedroom	<input type="text"/>	<input type="text"/>	4-Bedroom	<input type="text"/>	<input type="text"/>
2-Bedroom	<input type="text"/>	<input type="text"/>	Other	<input type="text"/>	<input type="text"/>

Building Description

Type of Foundation:

Structural System:

Floor System (1st Fl):

List any assemblies or components manufactured off-site and delivered for on-site assembly and installation:

Exterior Finishes:

<input type="checkbox"/> Brick	<input type="text"/>	% of building	<input type="checkbox"/> Brick Veneer	<input type="text"/>	% of bu
<input type="checkbox"/> Stucco	<input type="text"/>	% of building	<input type="checkbox"/> Adhered Veneer	<input type="text"/>	% of bu
<input type="checkbox"/> Hardboard	<input type="text"/>	% of building	<input type="checkbox"/> Cement Board	<input type="text"/>	% of bu
<input type="checkbox"/> Vinyl Siding	<input type="text"/>	% of building			

Windows:

<input type="checkbox"/> Single- or Double-Hung	<input type="checkbox"/> Preserved historic windows or finishes
<input type="checkbox"/> Sliding	<input type="checkbox"/> Casement

Energy Information

Heating System:

Explain "Other":

Cooling System:

Explain "Other":

Domestic Hot Water:

Programmable Thermostat: Yes No

Community Building and Common Space Information

Select all that apply

<input type="checkbox"/> Community Building	If checked, is it attached to residential units?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Meeting Room	<input type="checkbox"/> Computer Workstations		
<input type="checkbox"/> Office Space	<input type="checkbox"/> Swimming Pool		
<input type="checkbox"/> Full Kitchen*	<input type="checkbox"/> Kitchenette (list amenities):	<input type="text"/>	
<input type="checkbox"/> Other recreational/community amenities:	<input type="text"/>		

*To qualify as full kitchen, it must include sink with sprayer, built-in microwave, self-cleaning oven, garbage disposal, dishwasher, refrigerator, cabinets and storage.

Parking Information

Number of units with single attached (enclosed) garage
 Number of units with double attached (enclosed) garage
 Number of covered parking spaces Carports Parking garage
 Number of on-site parking spaces Total resident spaces (net of staff, guests, other uses):
 Number of legal off-site parking spaces Total resident spaces (net of staff, guests, other uses):

Amenities

Laundry Facilities

Common on-site laundry
 In-unit laundry: Washer-dryer hook-ups
 Washer and dryer Type:
 Shelf
Floor covering:

Entries

Porch Patio Balcony
 Emergency signal light fixture Door bell
 Interior entry landing at door Storm door

Security

Unit alarms Intercom Secured exterior building access

Storm Shelter

Safe room Community shelter

Storage

Basement Standard Outside

Attic Access

Hallway Bedroom:

Mechanical Closet

Water heater Furnace and A/C Shelving

Hallway

Attic Fan Blinds Floor covering:

Living Room

Ceiling fan/lights Ceiling fan Floor covering:
 Phone connection Hardwired internet TV/cable connection
 Blinds

*Dining Room
(or eating area)*

Ceiling fan/lights Ceiling fan Floor covering:
 Blinds

Kitchen

Required:
 Refrigerator Range/oven Range exhaust/hood

Optional:
 Dishwasher Microwave Combination microwave/range hood
 Garbage disposal Pantry closet Light over kitchen sink
 Blinds Entry storm door Floor covering:

Bathroom 1

Required:

- Exhaust fan Towel bar/ring Toilet paper holder

Optional:

- Medicine cabinet Shower rod Soap/toothbrush holder
 Blinds Emergency call button Floor covering:

Bathroom 2

Required:

- Exhaust fan Towel bar/ring Toilet paper holder

Optional:

- Medicine cabinet Shower rod Soap/toothbrush holder
 Blinds Emergency call button Floor covering:

Half-bath

Required:

- Exhaust fan Towel bar/ring Toilet paper holder

Optional:

- Medicine cabinet Soap/toothbrush holder
 Blinds Emergency call button Floor covering:

Bedroom 1

- Ceiling fan Ceiling lights (light switch operated)
 Phone connection Hardwired internet TV/cable connection
 Blinds Emergency call button Floor covering:

Bedroom 2

- Ceiling fan Ceiling lights (light switch operated)
 Phone connection Hardwired internet TV/cable connection
 Blinds Emergency call button Floor covering:

Bedroom 3

- Ceiling fan Ceiling lights (light switch operated)
 Phone connection Hardwired internet TV/cable connection
 Blinds Emergency call button Floor covering:

Bedroom 4

- Ceiling fan Ceiling lights (light switch operated)
 Phone connection Hardwired internet TV/cable connection
 Blinds Emergency call button Floor covering:

Additional Amenities Not Described Above:

(The remainder of this page is intentionally left blank.)

CERTIFICATION

The undersigned hereby agree that the development characteristics described herein are an accurate reflection of the characteristics and amenities committed by the Developer and Owner and agreed upon by the Architect for the design and operation of the Development. The features represented shall be reviewed and relied upon by MHDC staff and third-party representatives during the application, design, construction, and operation phases of the Development. No changes to the committed and approved development characteristics may be made at any time without prior written approval from MHDC.

Failure to maintain the design and amenities as committed may result in the termination of the conditional reservation agreement or the firm commitment, or it may delay approval of construction funds disbursement, final credit allocation or future rent increases until the discrepancy is cured to MHDC's satisfaction.

_____	_____	_____	_____
Developer	Authorized Signature	Name/Title	Date

_____	_____	_____	_____
Owner	Authorized Signature	Name/Title	Date

_____	_____	_____	_____
Architect	Authorized Signature	Name/Title	Date

For MHDC Use Only			
Reviewed by:			
_____	_____	_____	_____
Reviewer Name	Authorized Signature	Company	Date

MISSOURI HOUSING DEVELOPMENT COMMISSION
DESIGN/CONSTRUCTION COMPLIANCE
GUIDELINES

MHDC Form 1200
Effective August 1, 2009
Amended June 29, 2015



920 Main, Suite 1400
Kansas City, Missouri 64105

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INTRODUCTION. The primary objectives of this document are to set forth guidelines and standards for the design and construction of Missouri Housing Development Commission (MHDC) supported multifamily developments, to aid in the determination of acceptability of proposed multifamily projects and to aid the Architects, Owners and Contractors in preparing complete submissions that will allow smoother commitment processing and construction disbursement processing. **The guidelines stated herein are in effect for all developments approved in future application rounds beginning with the 2010 Notice of Funding Availability competitive round. This document may, at the discretion of MHDC, be revised at any time to reflect changes in the industry, federal or state regulations, or MHDC requirements. Revisions will be posted to the MHDC web site and incorporated into this document (see Exhibit “H”).**

It is the responsibility of the Owners and their agents to provide MHDC with the appropriate documentation to insure smooth and timely processing of architectural exhibits for firm commitment, loan closings and final project acceptance.

On rare occasion, it may become necessary to request a variance from the guidelines set forth in this document for a particular development. All variances must be requested prior to the issuance of the firm commitment, and approved in writing using the form of waiver shown in Exhibit “G.”

This document may not include all laws governing the construction of housing. It is the responsibility of the members of the development team to ensure all laws, rules and regulations are followed in the construction of this development. Any express or implied approval by MHDC of plans, specifications, scopes of work, or construction completion or any other document is solely a representation that MHDC confirms that for the purpose of MHDC’s internal review process the document(s) or activity provided for review meets the guidelines described herein. Any such approval by MHDC shall not be construed as a representation of any kind whatsoever that any or all law(s), rule(s), regulation(s), ordinance(s), policies and/or code requirements of any federal, state, and local jurisdiction have been satisfied.

SECTION I: DEFINITIONS.

- A. Architect. The professional architect or engineer, licensed in the State of Missouri, providing design and construction administration services to the owner required by the Standard Form of Agreement Between Owner and Architect for a Federally Funded or Federally Insured Project, AIA Document B108-2009 and the MHDC rider, Amendment to AIA Document B108. Construction administration includes all architectural services required after the start of construction through the latent defects inspection.
- B. Conditional Reservation. This is the first stage of MHDC approval of the Owner’s application for funds.

- C. Construction Closing. The loan closing for construction/permanent loans prior to the start of construction.
- D. Conversion. The point at which, after all of MHDC's requirements have been met, the final draw has been submitted to the title company for final disbursement, and the MHDC construction/permanent loan is ready to convert from construction to permanent status. This was previously referred to as the "Final Closing."
- E. Energy Star. ENERGY STAR is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy intended to generate energy savings and protect the environment through energy efficient products and practices.
- F. Fair Housing Act Design Requirements. Generally means that an adult in a wheelchair can maneuver through the public and common spaces, get into certain units, maneuver through the unit and has limited access to fixtures and appliances. To be considered compliant for MHDC-funded developments the design must meet the requirements of the Fair Housing Act Design Manual (see the Fair Housing Act at 42 U.S.C. 3601-19, implementing regulations at 24CFR Part 100 and the regulations at 24CFR Part 107 (Equal Opportunity in Housing)).
- G. Firm Commitment. This is the second stage of MHDC approval of the Owner's application for funds.
- H. Manufactured Components. Generally refers to prefabricated framing and structural components such as trusses and panelized systems which are assembled in a factory setting and transported to the development site for installation.
- I. Manufactured Housing. Generally refers to housing assembled in a factory setting and transported to the development site for installation. Examples include system built housing, modular homes and mobile homes.
- J. Section 3. Section 3 of the Housing Urban Development Act of 1968, as amended (12 U.S.C. 1701u).
- K. Substantial Completion. Indicates the work performed under the construction contract has been reviewed and found, to the architect's best knowledge, information and belief to be substantially complete. Substantial completion is the stage in the progress of work when the work or designated portion is sufficiently complete in accordance with the contract documents so that the owner can occupy or utilize the work for its intended use.
- L. Universal Design. Generally means that people with varying abilities and sizes can maneuver into and through the space and use the fixtures and appliances with minor modifications. The seven principles of Universal Design include 1) Equitable Use, 2) Flexibility in Use (easy to adapt), 3) Simple and Intuitive Use, 4) Perceptible Information, 5) Tolerance for Error, 6) Low Physical Effort and 7) Size and Space for

Approach and Use. There are no published rules or standards for achieving compliance with Universal Design and there is no right or wrong answer; it is a matter of realizing these principles through thoughtful design and attention to detail.

SECTION II: GENERAL DEVELOPMENT ACCEPTABILITY

A. General Requirements:

The proposed development must be designed and constructed to:

1. Comply with applicable local, state and federal ordinances and laws.
2. Provide facilities, equipment and amenities appropriate for use by the intended occupants.
3. Meet the needs of the affordable rental market and the neighborhood in which it is located.
4. Meet the established construction budget.
5. Be economical to maintain.

B. Code and Zoning Requirements:

1. Developments must comply with all construction codes and ordinances as adopted by the governmental authority in which the project is located. In the absence of locally adopted codes, the latest available edition of the International Building Code (2012), the International Plumbing Code, the International Mechanical Code, the NFPA 70: National Electrical Code (2014) the International Residential Code, and/or the 2012 International Energy Conservation Code as published by the International Code Council (ICC).
2. Developments must meet all local zoning ordinances.
3. All doors exiting to the outside from single family houses, duplexes, and single story row style residential units are considered by MHDC to be egress doors. Egress doors shall be subject to the limitations of the 2012 International Residential Code with no exceptions.

C. Accessibility Requirements:

All developments must be designed and constructed or rehabilitated to meet the requirements of the following:

1. Uniform Federal Accessibility Standards of April 1, 1988 (24 CFR Part 8).
2. Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR Part 100.
3. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8.
4. Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151 et seq.).
5. Americans with Disabilities Act (28 CFR Part 36).
6. Universal Design:

For all new construction single family, duplex units, multi-plex units, and all new construction senior housing, regardless of the number of units in the development, be designed utilizing the principles of Universal Design. Required elements are attached hereto as Exhibit "D." This requirement is in addition to the requirement for accessibility for persons with mobility, hearing, and or visual impairments.

7. At a minimum, provide the following:
 - (a) New construction of five or more units:

A minimum of one unit, to equal no less than 5% of the total units, accessible to physically handicapped persons and wheelchair users, with an additional 2% of the units usable by those with hearing or visual impairments. Common areas must be accessible.
 - (b) Substantial rehabilitation in properties with 15 or more units:

A minimum of one unit, to equal no less than 5% of the total units, accessible to physically handicapped persons and wheelchair users, with an additional 2% of the units usable by those with hearing or visual impairments. Common areas must be accessible.
 - (c) Other alterations:

A minimum of one unit, to equal no less than 5% of the total units, accessible to physically handicapped persons and wheelchair users to the extent feasible. Common areas must be accessible to the extent feasible.
 - (d) Accessible routes from the entrance to the property to common areas and accessible units.
8. The accessibility requirements and standards listed above require a 'portion' of Kitchen counters and upper cabinets to be accessible to physically disabled persons in a wheelchair. Thus, similar to Universal Design, there are no right or wrong answers. MHDC requires that all of the required accessible units have Kitchens with a minimum of 50% of the countertops and upper cabinets meet wheelchair accessibility standards.

D. Site and Environmental Considerations

1. No part of any residential structure may be located within 30 feet of the outer boundary of a high-pressure gas or liquid petroleum transportation pipeline easement.
2. No part of any residential structure may be located within 100 feet (horizontal) of any high voltage transmission lines or their supports.
3. All lead contaminated assemblies shall be abated. For the control of lead hazards see MHDC's Environmental Review Guidelines Form 1400.
4. All asbestos laden materials shall be abated. For the control of asbestos laden materials, see MHDC's Environmental Review Guidelines Form 1400.
5. All occupied facilities shall be free of radon above accepted EPA levels. For the control of radon hazards, please see MHDC's Environmental Review Guidelines Form 1400.

E. General Design Requirements

1. New construction developments and renovated properties that are replacing appliances and components must install Energy Star appliances, including Energy Star-rated refrigerators, dishwashers, washers, dryers, furnaces, air conditioning units, and windows. The use of Energy Star-rated water heaters and insulation values is highly recommended.
2. All developments which utilize natural gas must be equipped with a hardwired combination smoke and carbon monoxide detector. If this is not feasible, a written request for a waiver of this requirement must be reviewed and approved.

3. Natural gas leak detectors must be installed in all developments which utilize natural gas.
 4. In the St. Louis and Kansas City metropolitan areas, include the use of cages to surround and secure air conditioning units is required. The Owner may petition MHDC for variance.
 5. Property (Monument) Sign(s), if included in the project, should include the following minimum information:
 - (a) The property name.
 - (b) On-site office number and/or manager's emergency contact number as well as the local TDD/TTY number.
 - (c) Fair Housing Logo.
 - (d) Handicap Logo (if applicable).
- F. Manufactured Housing: Refer to Section III.B.

SECTION III: REQUIRED DESIGN AND CONSTRUCTION SERVICES

- A. General. The services of a professional Architect, licensed to practice in the State of Missouri, are required on all projects.
1. Developments utilizing off-the-shelf plans must employ an Architect to take possession of the plans. Failure to engage an Architect acceptable to MHDC shall be the basis for rejection of the application.
 2. The principal or an authorized licensed architect representing the Architectural firm is required to stamp the Construction Documents. Construction Documents include construction drawings, construction specifications, change orders illustrations or directives, ASI illustrations or directives, DSI illustrations or directives.
 3. The principal or an authorized licensed architect representing the Architectural firm shall sign off on monthly and final inspection reports, change orders, draw requests, and any other applicable documentation before its submission to MHDC. MHDC may request a resolution setting forth the names of the Architect's authorized representatives, along with their resumes, for the file.
- B. Manufactured Housing.
1. All Manufactured Housing must be designed by a professional architect or engineer registered in the state of Missouri. All Construction Documents illustrating or describing any or all components must be sealed, signed and dated by an Architect.
 2. All Manufactured Housing and Manufactured Components must comply with locally-adopted building and zoning codes and seismic requirements.
 3. Manufactured Housing must be constructed on a permanent foundation.
 4. All Manufactured Housing and Manufactured Components with concealed spaces must be inspected during fabrication and assembly at the plant by a third-party inspector registered in the State of Missouri and performing services under contract with the Owner. The inspecting party shall file inspection reports with the Owner and MHDC.
 5. The project architect is advised to contact the City to determine whether the City will require its representative to perform an inspection at the plant.

6. MHDC requires factory specifications and warranties for review prior to the commencement of construction.
- C. Off the Shelf Designs.
1. If the Owner chooses to use off-the-shelf design plans which are purchased from a third party (such as a book of house plans), the Owner must present to MHDC a copy of the invoice and the terms of the purchase.
 2. The design plan must be submitted to the Architect of record for review and approval. This shall also include any changes to the off-the-shelf design plans which were requested by the Owner and approved by the third party. The terms of the purchase shall give an Architect rights to (a) make minor modifications and/or define in further detail all portions of the off-the-shelf design plans as may be necessary for the site where the improvements are to be constructed; (b) take possession, sign, seal and date the off-the-shelf design plans.
 3. The terms of the purchase shall include whether or not there is a right to reproduce the off-the-shelf design plans for future use, including the right of the Owner to vary from the original plan.
- D. Sustainable Housing. If an Owner commits in the application process to the design or the design and certification of a property under the sustainable housing provisions of the Qualified Allocation Plan, the development must be designed, constructed, and verified to the level committed by the Owner. MHDC staff and its representatives will confirm the fulfillment of the sustainable housing commitment at plan review, during construction, and upon completion of construction through site visits and the review of supporting documentation. If a development is not achieving green certification, MHDC must receive a letter from a certified green professional certifying, the development has met the green standards committed to in the application and the MHDC firm commitment.
- E. Owner-Architect Agreement. Owner-Architect Agreement. Architectural services shall be contracted using AIA Document B108-2009, Standard Form of Agreement between Owner and Architect for a Federally Funded or Federally Insured Project. The MHDC rider, Amendment to AIA Document B108-2009, shall be signed and attached to the Agreement. See attached Exhibit "A."
1. The scope of services shall provide all architectural, structural, mechanical, electrical, civil, landscape and other consulting services necessary to clearly identify the requirements for construction of the project.
 2. The scope of services must include adequate provisions for the administration of the construction contract.
 3. The scope of services shall designate the responsibility for the services to be provided whether by the architect, owner or others.
 4. Modifications may be made to the Owner-Architect Agreement by striking out inapplicable provisions and inserting additional provisions in Article 12. Changes shall not delete any service, either by the Architect or Owner, necessary to the project.
 5. Required services may not be sublet or delegated to anyone not acceptable to MHDC.

6. No modification of the MHDC rider is permitted with the exception of Item 14. Latent Defect Inspections are not required on Tax Exempt Bond deals. As a result Item 14 on Exhibit 'A' shall be stricken out and initialed by both Owner and Architect.
- F. Basis of Compensation. The fee shall be a fixed fee for the services provided by the Architect as stated in the Agreement. The amount of compensation for design services and for construction phase services shall be separately identified and is subject to MHDC approval. The Construction Phase services should reflect an amount sufficient to compensate the Architect for required construction supervision services. MHDC reserves the right to adjust the fee structure based upon the amount of inspections deemed necessary in its sole discretion

SECTION IV: APPLICATION PACKAGE

- A. General. The MHDC staff will review the Owner, General Contractor, Environmental Professional and the architectural exhibits included in the Owner's funding application for general site-related issues, rehabilitation issues, qualifications and cost verification.
- B. Submittals. The following exhibits shall be included in the Owner's application for funding:
 1. Owner's responsibilities.
 - (a) All identity of interests between Architect, Owner/Developer, Contractor, Subcontractors and Suppliers must be disclosed.
 - (b) Physical Needs Assessment for rehabilitation projects prepared by or in concert with a licensed architect or engineer. See MHDC Form 1201 for MHDC Physical Needs Assessment Standards.
 - (c) For historic buildings proposing a fully gutted rehabilitation, a letter from a structural engineer or equally qualified professional that certifies the building has been inspected and is structurally sound for the intended use.
 - (d) Site Evaluation (MHDC Form 1302) and all substantiating information/maps, including pertinent zoning information for the site and the surrounding area.
 2. Architect's responsibilities.
 - (a) City/Locality Map.
 - (b) Site Plan.
 - (c) Photographs of existing buildings if the project involves rehabilitation.
 - (d) Preliminary architectural drawings, including building and unit plans. Exterior and interior building finishes notations are required.
 3. General Contractor's Responsibilities. There are no responsibilities in connection with the submission of the application package.

SECTION V: FIRM COMMITMENT PACKAGE

- A. The MHDC staff will review the construction documents and cost exhibits submitted as part of the Owner's Firm Commitment package. Also, please refer to Exhibit "E".
 1. The MHDC architectural staff shall review the firm commitment submission documents and prepare comments for the MHDC underwriting staff. A copy of

these comments will be forwarded to the Architect for review and response.

2. The Architect must provide MHDC with a written response to the architectural staff's comments on the construction documents submitted for firm commitment. This response should itemize how each of the MHDC architectural staff's comments or questions will be addressed. If modifications are to be made to the construction documents as part of the response, these should be made in the form of addenda. Once MHDC has approved the architectural exhibits and the construction documents, including any addenda or revisions made prior to the construction loan closing, no changes or variances will be allowed unless written approval is given by MHDC.

B. MHDC requires that the following exhibits be included in the firm commitment package:

1. Owner's responsibilities.

- (a) AIA Document B108-2009, Standard Form of Agreement between Owner and Architect for a Federally Funded or Federally Insured Project. If this agreement does not include all required architectural and engineering disciplines, include copies of all consulting contracts.
- (b) Amendment to AIA Document B108-2009 (MHDC Rider). See attached Exhibit "A." By checking the appropriate box on Item 8, the rider indicates whether the Architect shall inspect construction improvements once or twice monthly. MHDC shall have the right in its sole discretion to require inspections by the Architect more than once a month as it deems necessary.
- (c) Contractor's/Mortgagor's Cost Breakdown, MHDC Form FIN 115. See General Contractor's responsibilities.
- (d) An updated Physical Needs Assessment current within six months of firm submission for rehabilitation of existing multifamily developments. For buildings being converted from other uses to multifamily, provide a detailed scope of work for the building structure and any components that will not be replaced during construction.
- (e) Geotechnical Engineering Report.
 - (i) Identify and describe soils by the nomenclature of the Unified Soils Classification System.
 - (ii) Borings must be in, or adjacent to, the proposed foundation area. At least one boring must be made for every 2500 sq. ft. of foundation area. For buildings supported on pilings, one boring must be made for every 1600 sq. ft. of foundation area. Borings must be at least to the bottom of the proposed footings and deep enough to locate bearing strata, which will support the proposed structure. When rock is encountered, the depth of drilling into the rock shall be sufficient to establish rock quality regarding voids, fissures and strength.
 - (iii) Should the development be comprised of single family dwellings or duplexes that contain less than 2500 sq. ft. of foundation area per structure, the required soil boring requirements will be evaluated by MHDC on a case by case basis.
 - (iv) Requirements for soil borings on scattered site developments shall be evaluated by MHDC on a case by case basis.
 - (v) When ground water conditions influence the building design,

observation of ground water levels must be recorded at the time of the boring and at least 48 hours later.

- (vi) For future phases, if a basic site plan has been prepared that identifies potential footprints of buildings; one boring must be completed within the footprint of each building. If a basic site plan has not been prepared, the developer may use its best efforts to identify potential building areas, with no less than one boring per a five-acre area.
 - (vii) Identify whether the geological conditions of the development site are such that radon may exceed acceptable levels in completed buildings.
 - (viii) A copy of the Geotechnical Engineering Report must be bound into the specifications.
 - (f) For new construction developments, the Owner must certify that it has consulted with the Architect and General Contractor to conform to the International Residential Code Section R318-Protection Against Subterranean Termites. Documentation of the measures taken must be incorporated into the construction documents and must be part of the scope of work.
 - (g) For developments with existing buildings, regardless of the construction materials, a termite inspection report must be provided by a licensed Pest Control Company. If termite infestation is found in the report, the scope of work must include what steps will be taken to eliminate the problem. The scope of work must be updated during construction if additional damage is found.
 - (g) All environmental review items as outlined in the Environmental Review Guidelines Form 1400.
2. Architect's responsibilities.
- (a) Two complete sets of Construction Documents adequate to describe the proposed site development; architectural, structural, mechanical and electrical components of the project in sufficient detail to verify compliance with local zoning and building requirements and with all federal regulations. See Exhibit "E."
 - (b) Off the Shelf Design plans.
 - (i) If the Owner chooses to use off-the-shelf design plans which are purchased from a third party (such as a book of house plans), the Owner must present to MHDC a copy of the invoice and the terms of the purchase.
 - (ii) The design plan must be submitted by the Architect of record for review and approval. The Architect of record shall sign, seal and date the off-the-shelf design plans with revisions, edits, additions.
 - (c) An index of drawings on 8½" x11" paper, which includes the drawing number, drawing title and date of latest revision. Include on the list the project manual or specifications with its date, and any addenda with their issuance dates. When MHDC is the construction lender, this list must be updated prior to the construction loan closing as the index must be

included as exhibit “B” in the Capital Advance Construction Contract. Please provide an additional copy of the drawing list(s) directly to the MHDC Legal Department.

- (d) A revision to the Development Characteristics Worksheet, providing an update to any changes in amenities provided as of the submission of the Firm Commitment Package.
3. General Contractor’s responsibilities.
- (a) Contractor’s/Mortgagor’s Cost Breakdown, MHDC Form FIN 115, fully completed with labor costs and material costs separately itemized and the work description clarifying each line item. This form is available on the MHDC web site.
 - (b) When subcontractor work and material suppliers work exceeds \$10,000.00, their actual bids must be attached. These bids must be itemized clearly enough to verify costs.
 - (c) Please note the following documents which must be bound within the bid documents:
 - (i) HOME-financed developments with 12 or more HOME-assisted units must include the current edition of the “General Conditions of the Contract for Construction” (AIA Document A201) as amended, the “Federal Labor Standards Provisions” (form HUD-4010).
 - (ii) Developments receiving Risk Share insurance must include the current edition of the “General Conditions of the Contract for Construction” (AIA Document A201) as amended, and “Supplementary Conditions of the Contract for Construction” (Form HUD-2554).
 - (iii) For developments receiving both HOME funds and Risk Share insurance, only form HUD-2554 is required.
 - (d) A list of all major subcontractors by work category on form MHDC 2502 Master Subcontractor List. This list must be updated at closing and throughout construction.
 - (e) For developments receiving HOME funding or Risk Share insurance, submit a Section 3 Plan for the construction of the development as outlined in the “Section 3 Compliance Guide.
 - (f) Contractor’s Qualification Statement, AIA Form A305.

SECTION VI: CLOSING

- A. Owner’s responsibilities.
- Regardless of funding type all projects are required to comply with Davis-Bacon prevailing wage rate requirements, verify that the wage determination provided by MHDC has been updated within 10 days of the construction loan closing. It is the Owner’s responsibility to request this update from MHDC at the appropriate time. Note: this wage determination must come from MHDC and be bound into the specifications/project manual. Copies of the wage determination obtained from websites are not acceptable.

- B. Architect's responsibilities.
1. Provide three (3) complete sets of plans and specifications/project manuals signed and sealed for construction loan closings. Tax Credit only deals require two (2) sets at construction loan closing.
 2. MHDC requires plans and specifications to be sealed and signed by the Architect of record with date. The first sheet of each set must be 'wet' sealed, signed and dated using blue ink. Subsequent sheets may be scanned copies of the signed, sealed, and dated drawings. The specification/project manual booklets must have a place at the front for 'wet' seals, also signed and dated by the Architect of record using blue ink.
 1. Changes in the Construction Documents made after firm commitment must be submitted to MHDC in the form of addenda or revisions for review prior to initial construction loan closing. Revision dates should be clearly marked on all documents. Revisions should be clearly marked on drawing sheets using standard "revision cloud" or other means acceptable to MHDC.
 2. Provide a copy of the updated drawing index (refer to Section V; paragraph B 2(c), when MHDC is the construction lender.
- C. General Contractor's responsibilities.
1. Submit an updated FIN-115 showing the final construction budget for the development as of the closing date, executed by the General Contractor and the Owner.
 2. Provide copies of all building permits issued by the appropriate authority. In the event the development is located in an area where building permits are not issued, provide MHDC with evidence that local officials have approved the construction of the development.
 3. Submit an updated list of major subcontractors for each work category on the Master Subcontractor List form MHDC 2502.
 4. Schedule a preconstruction conference for a time after the closing of the construction loan at a location acceptable to MHDC. No construction activity may commence prior to the preconstruction conference. Attendees must include: the General Contractor (and/or prime subcontractor), MHDC representatives (schedule through the Architecture Department), the project superintendent, the Architect and an Owner's representative. MHDC will require additional participants, such as major subcontractors and the payroll clerk. On all projects utilizing HOME funds or Risk Share insurance, failure to schedule this preconstruction meeting, or failure to include the specified representatives in this meeting, may be grounds to rejecting a disbursement request.
 5. Provide a copy of the construction progress schedule to MHDC's third party inspector.
 6. A schedule of progress meetings and payment application inspections must be provided at the preconstruction conference. It is required on projects with MHDC construction loans that monthly progress meetings be coordinated with MHDC's third party inspector to insure timely payment application processing.
 7. Be advised that if Section 3 applies to the development, a subcontractor may be required to provide MHDC with a Section 3 Plan, depending upon the amount of the contract award.

SECTION VII: CONSTRUCTION RESPONSIBILITIES

(MHDC Construction/Permanent Loans and Permanent-only Loans)

- A. Owner's responsibilities.
1. Provide the MHDC architectural staff with the following:
Development team contact list with addresses, including e-mail addresses, and phone numbers of Architect, General Contractor's project manager and/or superintendent, Owner's representative, and others as required. Update list as required throughout construction.
 2. Provide MHDC with a copy of the executed construction contract prior to the preconstruction conference, if MHDC is not the construction lender.
 3. If construction is being staged, then a turnover schedule must be provided and updated monthly.
 4. Copies of drawings and specifications for any off-site improvements relating to the development, if not previously provided to MHDC.
 5. Provide a copy of the Application and Certification for Payment (on AIA Document G702 with continuation sheet G703) along with all other draw request forms and required back-up documentation. See the Construction Disbursement Guide, MHDC 2400 for instructions.
 6. All deviations from the approved construction documents must be recorded and approved in writing by MHDC.
 7. MHDC shall have the right in its sole discretion to require inspections by the Architect of record more than once a month as it deems necessary.
 8. The Owner, General Contractor and all Subcontractors must comply with federal, state and local laws concerning hiring practices and labor standards.
 9. Owners, General Contractors, and subcontractors (with contracts of \$100,000 or greater) must comply with Section 3 requirements as applicable.
- B. Architect's responsibilities.
1. Copies of all field inspection reports prepared by the Architect of record. These reports should include the time and date of inspection, weather information and approximate percentage of project completion.
 2. Copies of drawings and specifications for any off-site improvements relating to the project, if not previously provided to MHDC.
 3. Copies of all Architect's Supplemental Instructions and Change Orders (on AIA Document G701) and all other deletions, additions and modifications (including material and equipment substitution) in whatever form these changes are executed.
 4. During the construction phase, the Architect of record shall make site visits to inspect all work and materials at a minimum of once monthly and execute a Field Report for each site visit. Copies of all Field Reports are to be submitted to the Owner and MHDC's architectural staff on a monthly basis. Owners are encouraged to consider the benefits of frequent oversight provided by the Architect, especially for complex scopes of work. The Architect shall also perform footing/foundation inspections and a complete open wall inspection of each building prior to installation of gypsum board. The frequency of inspection

shall be agreed upon by the Architect and the Owner with the execution of the MHDC rider, Amendment to the AIA B108-2009.

C. General Contractor's responsibilities.

1. The schedule of progress meetings and payment application inspections must be updated throughout construction. It is required on projects with MHDC construction loans that monthly progress meetings be coordinated with MHDC's architectural staff or third party representative to insure timely payment application processing.
2. Update the Master Subcontractor List form MHDC 2502 monthly throughout construction.
3. Be advised that if Section 3 applies to the development, a subcontractor may be required to provide MHDC with a Section 3 Plan, depending upon the amount of the contract award.
4. Copies of any progress meeting minutes.
5. If requested, copies of any approved shop drawing submittals, data sheets, test results or certifications.
6. Produce the Application and Certification for Payment (on AIA Document G702 with continuation sheet G703). Note that the originals of AIA Documents G701, G702 and G703 should be submitted to MHDC's Construction Disbursement Department for Construction/Permanent Loans processing. See the Construction Disbursement Guide, MHDC 2400 for instructions.
7. Be prepared at all times to give the MHDC architectural staff or third-party representative the right of reasonable access to the construction site and the right to inspect all work performed and materials furnished for the project.
8. Notify MHDC architectural staff or its third-party representative at the time each building is ready for an open-wall inspection, framing is complete and electrical wiring, plumbing lines and ductwork is installed.
9. The Owner, General Contractor and all subcontractors must comply with federal, state and local laws concerning hiring practices and labor standards.

SECTION VIII: CONSTRUCTION COMPLETION

A. Owner's responsibilities.

1. Notify the MHDC architectural staff in writing when construction has reached 90% completion and submit copies of certificates of substantial completion executed as of that point in time (see VIII.B.1(b)).
2. Assure that any environmental abatement or other mitigating requirements noted in the environmental review are accomplished to the satisfaction of MHDC. See MHDC's Environmental Guidelines Form 1400 for more details.

B. Architect's responsibilities.

1. Provide MHDC with the following:
 - (a) Punch list and final inspection report in format similar to the Sample Punch List. See attached Exhibit "B."
 - (b) A fully executed AIA Document G704-2000 Certificate of Substantial Completion ("G704") and Occupancy Permit for each building/floor/unit. More than one address may be listed on a G704.

- (c) A final G704 that declares the entire project as being complete.
 - 2. All architectural field reports shall be delivered to MHDC prior to the final payment for construction is issued.
- C. General Contractor's responsibilities.
- 1. Coordinate occupancy and punch list inspections of all units/buildings with the MHDC architectural staff. Obtain from the Architect a G704 for each building/floor inspected, along with a single, final G704 that references the entire project as being complete. All G704 reports are subject to MHDC approval. All punch list items must be completed prior to occupancy.
 - 2. Contractor shall fully inspect the completed construction, formulate a punch list of incomplete items and make corrections, alterations and additions to address all punch list items prior to requesting the Architect's and MHDC's final inspection.
 - 3. Final Inspection. Schedule a final inspection with the MHDC third party inspector. This inspection may be scheduled concurrent with the Architect's punch list inspection(s) provided that inspection occurs when the work is complete.
 - 4. Submit to MHDC a copy of the Final Punch list with all work signed off by the General Contractor and Architect.
 - 5. Submit to MHDC a complete list of all changes made to the approved construction documents in the form of Change Order logs, ASI logs and/or meeting note logs (if changes were made via meeting notes).

SECTION IX: CONVERSION OF CONSTRUCTION/PERMANENT LOANS AND CLOSING OF PERMANENT-ONLY LOANS

- A. Owner's responsibilities.
- 1. Provide MHDC with a copy of the certificate of occupancy or final inspection report [from the governmental unit having jurisdiction] from the General Contractor. In the event the development is located in an area where building permits and subsequent certificates of occupancy are not issued, obtain and provide MHDC with an acknowledgement of the completed construction from the county assessor.
 - 2. Provide MHDC with the Final Architect's Certification, executed by the Architect of Record. See attached Exhibit "C."
 - 3. Provide MHDC with a list of final "incomplete items" and their approximate value. MHDC reserves the right to approve or deny any incomplete items and an escrow to provide payment for its completion. If MHDC approves incomplete items, the final inspection will establish the amount to be withheld from the final construction draw, which will be held in an escrow account.
 - 4. Attend the latent defect inspection to be held about nine months after Substantial Completion with the MHDC staff inspector, Architect, General Contractor, and property manager. See IX.C.2 and Exhibit "F," Latent Defect Inspection.
 - 5. Assure all latent defect citations are corrected to the satisfaction of MHDC.
 - 6. Provide requested documentation to confirm completion of lead-based paint or asbestos abatement, provide operating and maintenance plans, or file required records in order to satisfy mitigating items from the environmental review. See

MHDC's Environmental Review Guidelines Form 1400 for further details.

7. Provide MHDC with a termite inspection letter (report) from a licensed pest control company regarding termite treatment during construction and/or inspection for termite infestation. This report shall indicate the warranty period and is required for all building types.
 8. Provide MHDC with copies of certification from green program selected and declared to be certified in the application and the MHDC firm commitment. For developments not being certified, MHDC must receive a letter from a certified green professional certifying the development has complied with the green standards selected.
- B. Architect's responsibilities.
1. Participate in the latent defect inspection with the MHDC staff inspector, Owner, General Contractor, and property manager. See Exhibit "F," Latent Defect Inspection.
 2. Execute a copy of The Final Architect's Certification confirming the development has been constructed according to the approved plans and specifications. See Exhibit "C."
- C. General Contractor's responsibilities.
1. Obtain Certificates of Occupancy for every building permit issued.
 2. Latent Defects Escrow. A latent defects escrow in an amount equal to 2.5% of the construction contract amount must be established by the Contractor at final closing. The escrow will be held for 15 months from the date of substantial completion, as established by the MHDC-approved G-704 for the entire project. The escrow, less any amount necessary to correct deficiencies not paid by the warranty or General Contractor, will be released only after an inspection and approval by the Owner, the Architect and MHDC. An MHDC compliance officer shall schedule this inspection, and attendance by the Owner, Contractor, and the Architect will be required. See Exhibit "F," Latent Defect Inspection.

EXHIBIT "A"

AMENDMENT TO AIA DOCUMENT B 108-2009 Standard Form of Agreement Between Owner and Architect for Design Services

The Provisions of this Amendment supersede and void all inconsistent provisions of the Agreement.

1. The Owner and the Architect represent that they are familiar with the MHDC requirements, including all standards as set forth in publications given to them by MHDC for this Project and will perform all services in accordance with the applicable requirements of MHDC.
2. The Owner and the Architect recognize the interest of MHDC in the Project and any action or determination by either the Owner or the Architect is subject to acceptance or rejection by MHDC.
3. The portion of the Architect's services and responsibilities and the Owner's responsibilities shall not be sublet or delegated to anyone not acceptable to MHDC.
4. The Owner agrees to follow MHDC requirements regarding the use of off-the-shelf design plans and provide MHDC a copy of the invoice and the terms of the purchase which demonstrate whether the Owner has a right to reproduce the off-the-shelf design plans for future use, whether the Owner has a right to vary from the original plan, and whether the Architect of record has been given the right to (a) make minor modifications and /or define in further detail all portions of the off-the-shelf design plans as may be necessary for the site where the improvements are to be constructed; (b) take possession, sign, seal and date the off-the-shelf design plans.
5. The Architect will advise MHDC as well as the Owner of any omissions, substitutions, defects and deficiencies observed in the Work of the Contractor while Architect is on site per Section 8 of this agreement.
6. An Architect licensed in the State of Missouri shall stamp all drawings, specifications, "ASIs", "DSIs", and change orders.
7. The Architect shall sign off on monthly inspection reports and the final inspection report before its submission to MHDC and shall issue Certificates of Payment and Certificates of Substantial Completion. These certificates shall be in the form prescribed by MHDC.
8. The Architect of record shall make a minimum of (*check one*) one visit, two visits to the project per month throughout the construction period. MHDC in its sole discretion has the right to request additional inspections by the Architect as it deems necessary. Copies of the inspection reports shall be provided to MHDC by the Architect.
9. The Architect of record shall perform a footing/foundation inspection at the first available building and subsequent footing/foundation inspections as available at regularly scheduled field visits. Architect shall also conduct an open wall inspection of each building prior to installation of sheet rock (drywall). Copies of these inspection reports shall be provided to MHDC by the Architect.
10. The Architect will furnish copies of all field orders and field reports to MHDC in addition to the Owner.
11. The agreement shall not be terminated without five days prior written Notice to MHDC.

12. The Owner and the Architect shall recognize as a valid reason for termination, any request by MHDC for termination because of inadequate performance, undue delay or representation which may make the further services of the Architect unacceptable to MHDC.

13. If the Project for which the drawings or specifications prepared by the Architect has not been completed and there is a default or foreclosure, MHDC may use the drawings or specifications to complete construction of the Project without additional cost.

14. The Architect, Contractor, Owner and MHDC shall participate in a post construction punchlist inspection (Latent Defects Inspection) no sooner than nine (9) months after the date of Substantial Completion, nor later than eleven (11) months. The Architect shall issue a list of construction contract punchlist defect items arising out of this inspection which shall be acknowledged by the Owner, Contractor and MHDC.

(Seal)
Attest:

OWNER:

_____ By: _____

(Seal)
Attest:

ARCHITECT:

_____ By: _____

EXHIBIT "B"

**SAMPLE
PUNCH LIST**

AAA Architects
1111 South First Street
First City, Missouri
Phone 816-555- 1111 Fax 816-555-1112

Inspection Report for First City Apartments
2222 South Second Street
First City, Missouri

Date of Inspection

Note: The following are to be completed or corrected by the Contractor prior to final acceptance of the Project. The Contractor shall return a copy of this list to the Architect (*or Engineer*) after each item has been addressed, properly dated and initialed by the person responsible for corrective action.

DESCRIPTION	CONTRACTOR ADDRESSED <i>(initial & date)</i>	ARCHITECT ACCEPTED <i>(initial & date)</i>
Site		
1. Curb cuts not installed	_____	_____
2. Lawn not seeded	_____	_____
Building #1		
1. Install screens	_____	_____
2. Termites have eaten hole in living room floor. Repair and apply termite treatment.	_____	_____

*This format is recommended in terms of the layout. Other information may be added per design firm's policy if desired. The basic information, however; the work descriptions, the Contractor's initialed response for **each** item and the Architect's (or Engineer's) acceptance of **each** item is required.*

EXHIBIT "C"

FINAL ARCHITECT'S CERTIFICATION

Development Name:
MHDC No.

TO: MISSOURI HOUSING DEVELOPMENT COMMISSION

In order to induce the **MISSOURI HOUSING DEVELOPMENT COMMISSION** ("MHDC") to advance the final installment of permanent loan proceeds in the amount of \$_____ for the development of _____, located in _____, **Missouri** ("Development"), and with the intent that MHDC rely upon the statements set forth herein as a basis for so doing, the undersigned hereby certifies as follows:

The above referenced Development has been built in accordance with the Plans and Specifications, which were prepared by _____, a Missouri _____ and incorporated as part of the Construction Contract. Any changes made to the approved Contract Documents during construction have been documented after review and approval by the undersigned and MHDC.

All defined terms of this document bear the same meaning as in the Construction Contract executed in conjunction with the Development.

ARCHITECT:

By: _____
Name: _____
Title: _____

Date: _____

EXHIBIT “D”

MHDC UNIVERSAL DESIGN

MHDC requirements for Universal Design on New Construction in affordable housing developments:

1. Equitable Use:

- a. Minimum 36” door with a “no-step” entry, at accessible entries.
- b. Provide 60” rotation maneuvering space on exterior and interior latch side of accessible entries, with 18” minimum front approach clearance at latch side.
- c. Flat landing surfaces leading to doorways and at both sides of all accessible entry doorways.
- d. No thresholds and/or change of walking surface greater than ½” rise. Sliding glass doors may require a threshold rise each side to accommodate the threshold height limit.
- e. Continuous accessible path, minimum 42” width (excepting FHA’s steep site rule), from parking and the public access to the unit, maximum 1:20 slope; 1:12 slope may be considered where space or conditions mitigate. On multiple story buildings with no elevator, upper floors may waive this item and Universal Design measures that can be easily retrofitted at a later date, including items 2 (a), 6 (a), and 7 (g).
- f. Patio or Deck landing at same level as interior floor at accessible entry doors.
- g. Mailboxes to be at an accessible location on the accessible route.
- h. Lever action door hardware.

2. Flexibility in Use:

- a. 24” Blocking or plywood substrate in bathrooms for future grab bars where needed, horizontal and vertical at all toilets, showers, and tubs. Around toilets, substrate up to 42” Above Finish Floor (AFF) (or blocking centered at 30” AFF). In shower and tub areas, substrate up to 60” AFF (or blocking centered at 42”); tubs may have shower fixture with integral grab bars.
- b. All electrical devices and environmental controls to be mounted between 15” and 48” AFF.
- c. On Townhouse developments provide a bedroom and a fully accessible bathroom on the main level of the unit as well as laundry if included. This requirement item is only required at accessible units. Stairways on all Townhouse units, regardless of accessibility, are required to be a minimum of 42” in width.

3. Simple and Intuitive:

- a. Lever action or grip friendly plumbing fixtures, trim, controls, door, and cabinet hardware.
- b. Buttons on control panels that can be distinguished by touch.
- c. Front mounted controls on appliances, 15”-48” AFF.
- d. Thermostat controls that are user friendly to adjust by feel and read easily.

4. Perceptible Information:

- a. Signage with color contrasting print in addition to generally recognized icons.
- b. Create color or texture contrast between light switches/wall outlets and surrounding surfaces as well as contrasting colors between countertops and flooring and walls.
- c. Color contrast or texture change between wet rooms (bath, laundry, kitchen) and adjoining spaces.
- d. Contrasting lit doorbell or internal light when a doorbell is installed.
- e. Minimum 4" high house numbers posted in contrasting colors.
- f. Contrasting colors between wiring devices [receptacles and light switches] and surrounding surfaces
- g. Contrasting colors between steps and landing or living space.
- h. Contrasting colors between different floor coverings.
- i. Contrasting colors between plumbing fixtures and flooring/countertops.

5. Tolerance for Error:

- a. Slip-resistant surfaces, especially in bathrooms, kitchens and entry areas. High gloss surfaces, 'smooth' ceramic floor tile, or similar flooring is not acceptable.
- b. Provide for ease of maintenance of all flooring. Deep pile carpets, highly textured masonry, or similar floor finishes are not acceptable.
- c. Ventilation to meet current ASHRAE 62.2 standard where applicable. Operable ventilation for bathrooms and kitchens highly recommended.
- d. Light switches with large flat pads.

6. Low Physical Effort:

- a. Provide minimum of one low threshold shower on primary level; tubs are acceptable with backing installed for wall mount or overhead lift. On Townhouse developments this item is only required at accessible units.
- b. One operable window in each bedroom and living room, with 36" maximum sill heights; 44" in garden level (partial below grade) is acceptable.
- c. Self-closing fire rated doors must be on lowest setting while complying with the enforced building code.
- d. No interior ramps.

7. Size and space for approach and use:

- a. 36 inch minimum width doors.
- b. 60 inch clear turning space provided in at least one bathroom and in the kitchen; 60" T-turns acceptable where conditions warrant.
- c. 42 inch wide residential unit and common hallways
- d. Provide for parallel or front approach to all sinks and appliances.
- e. 20% of storage space within 15-48" reach AFF.
- f. Bottom of bathroom mirror within 40" AFF.
- g. Allow knee clearance below one lavatory and below a 30-32" height kitchen workstation which may be a pull-out accessory.

- h. Toilet set at a minimum of 18" off one sidewall from toilet center in a space that is at least 48" wide on accessible units only.
- i. Shower controls on nearest wall to opening at 15"-48" AFF, controls setback not to exceed 15".

EXHIBIT “E”

CONTRACT [FOR CONSTRUCTION] DOCUMENTS

- I. Construction Documents must include the following:
- A. Specifications or Project Manual:
1. A current edition of AIA Document A201, General Conditions of the Contract for Construction. An original of this document must be bound into the set of construction documents submitted to MHDC. It may not be included by reference only. This document may not be modified.
 2. Additions to the General Conditions may be made in the form of Supplementary General Conditions. Other project requirements should be included in the Division 1 General Requirements section of the technical specifications.
 3. HOME-financed developments with 12 or more HOME-assisted units must include the current edition of the “General Conditions of the Contract for Construction” (AIA Document A201) as amended, the “Federal Labor Standards Provisions” (form HUD-4010), and a current wage determination as provided by MHDC. Note that the wage determination must be verified and updated within 10 days of the construction loan closing and provided as an addendum to the specifications manual.
 4. Developments receiving Risk Share insurance must include the current edition of the “General Conditions of the Contract for Construction” (AIA Document A201) as amended, the “Supplementary Conditions of the Contract for Construction” (form HUD-2554), and a current wage determination as provided by MHDC. Note that the wage determination must be verified and updated within 10 days of the construction loan closing and provided as an addendum to the specifications manual.
 5. Specifications to clarify construction administration requirements.
 6. Technical specifications as required to clarify materials and methods of construction.
 7. Geotechnical Engineering Report (bound into the specifications or project manual).
 8. Provide ‘Protection against Subterranean Termites’ section in specification/project manual.
- B. Drawings, illustrations, plans.
1. A cover sheet with the following information:
 - (a) Project name, location and MHDC project number.
 - (b) Names and addresses of the Architect, the professional providing construction administration if not the same, the Owner, the General Contractor, and MHDC.
 - (c) Spaces for the signature of each of the entities listed above. See ‘Exhibit I’ for example signature block for items (b) and (c).
 - (d) A tabulation of the living units by unit type, number of each type in each building, number of non-rental living units and totals.

- Include a tabulation of all accessible, adaptable, universally designed or Fair Housing compliant units.
- (e) Square footage of each unit type, each building, and all non-residential spaces included in the project.
 - (f) Location map.
 - (g) Number of covered, uncovered and accessible parking spaces.
 - (h) Description of building codes enforced by the local governing body and/or used in the project design.
 - (i) Accessibility standards used in the project design with all exceptions to compliance identified.
 - (j) Description of universal design principals as listed in Exhibit "D" that has been incorporated into the project design.
2. Site plan, grading, drainage and site MEP plan(s) and details. Identify on the site plan all accessible parking spaces, the accessible route(s) through the development and note all accessible, adaptable and Fair Housing compliant units.
 3. Landscape plan. If a landscape allowance is used, submit a preliminary plan showing general plant types, quantities and locations. Submit the final landscape drawing during construction, identifying quantities, plant types, seed and sod areas and other landscape information.
 4. Dimensioned floor plans of sufficient detail to review individual unit and building layouts.
 5. Exterior building elevations indicating all exterior materials and heights.
 6. Structural plans and details including all required connection details.
 7. Wall sections and construction details, including stair details. Note all fire resistive assemblies by detail and design assembly number such as IBC, UL or USG design number. Indicate how penetrations through all fire resistive construction is to be protected and specify materials used.
 8. Drawings detailing how accessibility requirements for residential units and common spaces are being met. Include site impracticality calculations for reductions to complete Fair Housing compliance.
 9. Schedules as required to indicate door and window sizes and door, window and finish materials.
 10. Mechanical, electrical line voltage, communication/control low voltage, and plumbing plans, details, and specifications for all mechanical equipment. If any or all of these systems are proposed and accepted as a "design/build" portion of the work, the Owner shall insure that the design portion of the work and its full documentation, sealed by a registered engineer, be located at the work site prior to any work being performed.
 11. Sustainability.
 - (a) Information necessary to demonstrate compliance with the 2012 International Energy Conservation Code (IECC) as published by the ICC. MHDC may request additional information, such as calculations, performance criteria and data sheets as backup to the IECC compliance.
 - (b) Information necessary to demonstrate compliance with the energy

conservation or green building program selected and declared in the application package.

- (c) Full documentation that the energy conservation program selected and declared in the application package was implemented, along with a copy of certifications, if applicable.
12. Electrical plans and schedules, as required.
 13. Fire alarm and sprinkler systems, if included in the project, may be in the form of specifications only for firm commitment submittal. Shop drawings, including complete system layouts, for these systems must be submitted during construction.
 14. Property (Monument) Sign(s), if included in the project, should include the following minimum information:
 - (a) The property name.
 - (b) On-site office number and/or manager's emergency contact number as well as the local TDD/TTY number.
 - (c) Fair Housing Logo.
 - (d) Handicap Logo (if applicable).

EXHIBIT "F"

LATENT DEFECT INSPECTION

The latent defect escrow will be released only after an inspection and approval by the Owner, the Architect, and MHDC.

- A. Participation. A representative of the Owner, Property Manager, the General Contractor, the Architect and MHDC shall inspect the property as a single group after the eighth month and before the thirteenth month of the date of the development-wide G704.
- B. This G704 must state or will imply the date of the commencement of the 12-month warranty period, which will establish the approximate date of the latent defect inspection nine months afterwards.
- C. All citations and deficiencies discovered at the latent defect inspection must be corrected prior to the release of the latent defect escrow. In the event this cannot be accomplished by the Owner by the date of expiration of the latent defect escrow, MHDC may, in its sole discretion, choose to extend the expiration date or use the latent defect escrow to correct the deficiencies.
- D. The Owner shall be responsible for the correction of all latent defect citations and deficiencies regardless of the occupancy of a unit prior to the issuance of the final G704 for the entire project.
- E. The Owner shall submit to MHDC a copy of the latent defect inspection list with all work signed off by the General Contractor and Owner or Property Manager. MHDC reserves the right to conduct additional latent defect inspections if deficiencies are not corrected to its satisfaction.

EXHIBIT "G"

**FORM OF REQUEST FOR VARIANCE/WAIVER OF A
REQUIREMENT SET FORTH IN THE
DESIGN/CONSTRUCTION COMPLIANCE GUIDELINES**

Development Name:
Development Number:
Ownership Entity ("Owner"):
Architect:
General Contractor:

Variance/Waiver Request:

Justification for Request:

Requested this ___ day of _____.

OWNER

(Printed Name)
(Title)

ARCHITECT

(Printed Name)
(Title)

GENERAL CONTRACTOR

(Printed Name)
(Title)

The request has been: Accepted Denied

Comment:

Reviewed on this ____ day of _____.

**MISSOURI HOUSING DEVELOPMENT
COMMISSION**

Name: _____

Title: _____

Name: _____

Title: _____

EXHIBIT “H”

**REVISIONS TO THE AUGUST 1, 2009
DESIGN/CONSTRUCTION COMPLIANCE GUIDELINES
 (“COMPLIANCE GUIDELINES”)**

Any revision to the Compliance Guidelines subsequent to August 1, 2009 will be set forth in this Exhibit “H,” and is incorporated into and made a part of the Design/Construction Compliance Guidelines. Each revision will have a date which it goes into effect and will specify the category of developments to which it applies.

<i>Notice Date/ Effective Date</i>	<i>Revision/ Affected Developments</i>
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3/2/2012	Developments approved for funding in 2012.
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All reference to AIA Document B181 Standard Form of Agreement Between Owner and Architect For Housing Services indicated in the Design/Construction Guidelines shall be changed to read **AIA Document B108 Standard Form of Agreement Between Owner and Architect for a Federally Funded or Federally Insured Projects.**

03/02/2015	Developments approved for funding in 2015.
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Performed miscellaneous updates and clarifications throughout Guidelines. Addition of ‘Exhibit I’; Signature Block Example.

06/29/15	Developments approved for funding in 2016.
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Updated Exhibit “D” MHDC Universal Design.

EXHIBIT "I"

Signature Block Example

SIGNATURE BLOCK	
_____ ARCHITECT: (Name) ADDRESS	_____ DATE
_____ OWNER: (Name) ADDRESS	_____ DATE
_____ GENERAL CONTRACTOR: (Name) ADDRESS	_____ DATE
_____ BONDING COMPANY: (Name, only if applicable) ADDRESS	_____ DATE
_____ MISSOURI HOUSING DEVELOPMENT COMMISSION 920 Main, Suite 1400 Kansas City, MO 64105	_____ DATE