



Missouri Housing
Development Commission



MHDC Programs Overview

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MHDC.com

MHDC Mission

- Missouri Housing Development Commission (MHDC) is dedicated to strengthening communities and the lives of Missourians through the financing, development and preservation of affordable housing
- Missouri's Housing Finance Agency
- Programs administered through Community Initiatives, Homeownership, Affordable Housing and Asset Management Departments

MHDC Departments

- **Homeownership:** Provides funding to qualified, first-time buyers through a network of mortgage lenders
- **Community Initiatives:** Administers homeless assistance funds for permanent housing; provides advisory, consultative, training and educational services to non-profit housing organizations
- **Affordable Housing and Asset Management:** Administers and provides financing for the construction and rehabilitation of affordable housing and ensures compliance

Multifamily Rental Production

- Provides financing to qualified nonprofit organizations and for-profit developers for the acquisition and rehabilitation or new construction of affordable rental housing
- Financing includes construction and permanent financing, combined with Low-Income Housing Tax Credits (LITHC) and other federal HUD Programs
- Types of developments include:
 - Family and Senior
 - Elevator buildings, townhomes, duplexes, etc.

Rental Production - LIHTC

- Federal Low Income Housing Tax Credits (LIHTC) provide a 10-year tax credit to investors in affordable housing
- Reduction in tax liability exchanged for financing the construction and rehabilitation of low-income affordable rental housing
- Two types of Federal and State LIHTC: 9% and 4%
- Developments eligible for Federal LIHTC also eligible for State LIHTC
- LIHTC can be combined with HUD and MHDC construction and permanent financing

Rental Production- HUD Programs

- Federal HOME Program
 - Provides financing sources for several eligible activities that increase the supply of affordable housing for low and very low income households
- National Housing Trust Fund
 - Provides financing sources for production or preservation of affordable housing for extremely low-income households

Rental Production Requirements

- LIHTC developments must meet affordable rent requirements
 - 40% of units affordable to households at or below 60% of the area median income
 - 20% of units affordable to households at or below 50% of the area median income
 - 40% percent of units affordable to households from 20% to 80% of the area median income with average of 60%
- Affordability Period
 - Developments receiving LIHTC must remain affordable for a minimum of 15 years
 - Developments financed through HUD funds require affordability period 15-30 years

Rental Production Funding

- Each year MHDC prepares a Qualified Allocation Plan (QAP) which sets forth the process MHDC will use to administer LIHTC and combined funds
- For 2024 MHDC received 108 applications, 24 applications received funding
- For 2024 MHDC awarded
 - \$21.7 million in federal tax credits
 - \$15.7 million in state tax credits
 - \$15.8 million in HOME
 - \$5 million in NHTF

Rental Production QAP

- Qualified Allocation Plan (QAP)
 - Updated annually based on implementation of priorities
 - Scoring Rubric – minimum point threshold, competitive applications
 - Priorities:
 - Nonprofit Involvement
 - HOME CHDO
 - Set-Aside Preference
 - Service Enriched
 - Preservation
 - Workforce Housing
 - Opportunity Area
 - Opportunity Zone
 - Other Scoring Criteria:
 - Development Characteristics
 - Use of Resources
 - Development Team

Rental Production Application

■ Application Process

- Notice of Funding Availability (NOFA) released annually
 - 9% & 4% LIHTC + other MHDC resources available during one application round
 - 4% LIHTC only available throughout year within three application rounds
- Application documents available on MHDC website after Final QAP and NOFA approved by MHDC Board of Commissioners
- Viable Application
 - Need/Target Population/Market Study
 - Location/Site/Design
 - Feasibility (Sources, Development Costs, Operating Expenses)
 - Development Team
 - Local Support

Resources

- More information and application materials on MHDC website:
<https://mhdc.com/programs/multifamily/>
- Contact Us:
 - Julie Smith: julie.smith@mhdc.com
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