

MISSING MIDDLE UNDERWRITING STANDARDS

Missing Middle Housing Program is a reimbursement program designed to offset construction costs for attainable housing *after* their completion. Therefore, it is generally understood that applicants will have a primary lender(s) in place at the time they apply for Missing Middle funds. It is expected the primary lender has completed their underwriting and deemed the project satisfactory prior to agreeing to fund the project.

As such, MSHDA Missing Middle staff will perform a cursory review of certain documents such as drawings, but our primary concern will be that we have received proper documentation to demonstrate the construction finances are in place. We need to be assured the project can reach completion even without a Missing Middle grant. Therefore, as evidence the funding is fully committed, applicants should provide supporting documents for every construction funding source listed on pro-forma. Examples include signed letters from the lender(s) naming the project and the terms of their loan; proof of grant awards; bank statements if developer funded.

This along with all other required documents allow MSHDA Missing Middle staff to determine if the project is shovel ready (or nearly), can financially close timely and reach completion within 24 months of executing a grant agreement. These are necessary requirements to ensure the Missing Middle Housing Program funds are disbursed within federal timeframes.