



# FY2019 ANNUAL ACTION PLAN AMENDMENT #2- DRAFT

State of Missouri Consolidated Plan

Amended May 6, 2020 to include CARES ACT funding for the Emergency Solutions Grant Program

## State of Missouri Consolidated Plan

HUD has published the *CARES Act Flexibilities for CDBG Funds Used to Support Coronavirus Response Guide* (Guide). The Guide describes the immediate availability of a 5-day public comment period for amendments and new plan submissions, uncaps the percentage of CDBG funding for public services to prevent, prepare for, and respond to coronavirus, as well as other flexibilities. Please note that these new provisions are not only applicable to the HUD funding provided through the CARES Act for the state Consolidated Plan, but many of the new provisions are also applicable to FY2019 and FY2020 CDBG funding. This broad applicability provides grantees with flexibility to help address the challenges facing our nation.

The State has amended the Citizen Participation Plan applicable to the State's Consolidated Plan. The FY19 amendment is available for public comment Monday, May 11, 2020, through Friday, May 15, 2020. Please submit written comments to Marcy Mealy, CDBG Program Budget and Planning Officer, at [marcy.mealy@ded.mo.gov](mailto:marcy.mealy@ded.mo.gov).

### ESG and CoC Changes included in Draft FY19 Annual Action Plan Amended May 6, 2020

The 2019 Annual Action Plan has been amended to reflect CARES Act ESG funding.

AP-15-

#### Introduction:

MHDC indicated that CARES Act funds will be used to provide relief from COVID-19

Annual allocation changed from \$2,671,207 to \$12,255,483 to include CARES Act funds

Narrative Description- MHDC will maintain match requirements and encourage CE and CoC unless otherwise waived by HUD

AP-20-

Funding amount changed to \$12,255,483 to include CARES Act funds

### ESG and CoC Changes included in Draft FY20 Annual Action Plan

The 2020 Annual Action has been updated to reflect CARES Act ESG funding for FY 2020, modifies ESG program parameters, and notes the change in CoC administration for the Balance of State CoC. The 2020 Action Plan amends the budget allocated to the State's identified needs/goals in response to the amended ESG allocation amount available for FY20 and removes CoC resources for FY 20 as a result of the change in CoC administration.

The 2020 Action Plan amends ESG eligibility restrictions for FY 2020 and certain requirements for funded agencies. The changes recognize the effects on housing stability caused by state and federally declared disasters in Missouri and in line with ESG regulations, has broadened its "at-risk" homeless definition to include the following: "Has become furloughed, laid off, or otherwise lost income due to the state or federally declared disaster in Missouri and has substantial rental, mortgage, or utility arrears that indicate a loss of housing stability and an increase in the likelihood of becoming homeless." It further identifies those displaced or affected by the COVID-19 pandemic as being higher risk of homelessness. Additionally, CARES Act funds and other

## State of Missouri Consolidated FY19 Annual Action Plan Amended May 6, 2020

resources are targeted to the COVID-19 relief efforts. Further, the 2020 Action Plan encourages funded agencies to participate in Coordinated Entry programs.

The 2020 Action Plan notes that as of December 31, 2019, MHDC is no longer the Balance of State Continuum of Care (BoS CoC) collaborative applicant for the state of Missouri.

### **ESG and CoC Amendment / 2018-2022 Consolidated Plan**

The 2018-2022 Consolidated Plan amends ESG eligibility restrictions and certain requirements for funded agencies. The changes recognize the effects on housing stability caused by state and federally declared disasters in Missouri and in line with ESG regulations, has broadened its “at-risk” homeless definition to include the following: “Has become furloughed, laid off, or otherwise lost income due to the state or federally declared disaster in Missouri and has substantial rental, mortgage, or utility arrears that indicate a loss of housing stability and an increase in the likelihood of becoming homeless.” It further identifies those displaced or affected by the COVID-19 pandemic as being higher risk of homelessness. Additionally, CARES Act funds and other resources are targeted to the COVID-19 relief efforts. Further, the 2018-2022 Consolidated Plan encourages funded agencies to participate in Coordinated Entry programs and outlines MHDC’s coordination with public health officials.

MHDC will maintain match requirements and encourage CE and CoC unless otherwise waived by HUD. The Expected Amount Available for Year 3 of the Consolidated Plan (FY2018-22) is amended to reflect CARES Act ESG funding beginning as supplemental funding for FY 2020; funding for ESG is an estimated 12,363,716. Annual goals and objectives have also been amended to reflect this change. Expected Resources for CoC have been removed in the amendment; as of December 31, 2019, MHDC is no longer the BoS CoC collaborative applicant for the state.

The 2018-2022 Consolidated Plan is amended, AP-30, for #2 /ESG as follows:

**Application Criteria:** Evaluation of CoC and CE participation has been removed for applications in the amendment along with the evaluation of the applicant’s source of matching funds and amount of ESG funds requested.

**Process of Awarding Funds:** First right of refusal for local governments has been removed along with the approval process for ESG funding recommendations.

**Resource Allocation:** Missouri state ESG resources will be allocated at the 60% maximum limit for emergency shelter and street outreach activities unless otherwise waived by HUD.

**Threshold Factors / Grant Size Limits:** Funding thresholds are reviewed annually and implemented to ensure widespread coverage throughout the state.



## Executive Summary

### AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

#### 1. Introduction

In 1995, the Consolidated Plan became the single planning document for all funds received by the State from the U.S. Department of Housing and Urban Development (HUD). These funds represent five major programs administered by the State of Missouri by four separate agencies:

- Community Development Block Grant (CDBG) - Department of Economic Development
- HOME Investment Partnerships Program - Missouri Housing Development Commission (MHDC)
- Emergency Solutions Grant (ESG) - Department of Social Services/MHDC
- Housing Opportunities for Persons With AIDS (HOPWA) - Department of Health & Senior Services
- National Housing Trust Fund (HTF) - (MHDC)
- Balance of State (BoS) Continuum of Care (CoC) - MHDC

The Department of Economic Development is the designated lead agency for the Missouri Consolidated Plan and Action Plan.

The State uses a five-year planning period. The 2018 - 2022 Consolidated Plan became effective April 1, 2018. In addition to the Consolidated Plan, the State prepares an Annual Action Plan. For 2019, the Action Plan will also become effective April 1, 2019.

The State's housing, community development, and economic development needs are outlined in the Consolidated Plan; the intended uses that are described in the Action Plan are designed to address those needs. The Consolidated Plan also contains information relevant to lead-based paint, project monitoring, citizen participation, fair housing, and performance measures.

#### 2. Summarize the objectives and outcomes identified in the Plan

The State must report performance measures for all programs included in the Consolidated Plan. The standard objectives for all of these programs are 1) decent, affordable housing, 2) suitable living environment, and 3) economic opportunities. These are met via the outcomes of availability/accessibility, affordability, and sustainability.

The outcomes that the State seeks to address with these programs are: availability/accessibility of decent housing, affordability of decent housing, availability/accessibility of suitable living environment,

affordability of decent living environment, sustainability of suitable living environment, and availability/accessibility of economic opportunity. These will be addressed by program as follows:

- Affordability of decent housing will be addressed via HOME, HTF, HOPWA and ESG.
- Availability/accessibility of suitable living environment will be addressed via CDBG.
- Affordability of suitable living environment will be addressed via CDBG.
- Sustainability of suitable living environment will be addressed via ESG and CDBG.
- Availability of economic opportunity will be addressed via CDBG.
- In addition, availability/accessibility of decent housing will be addressed via the State Continuum of Care.

### **3. Evaluation of past performance**

Non-housing community development needs/goals identified in the Consolidated Plan, and for which CDBG funds are targeted, include economic development, public improvements/infrastructure, and public facilities. The State continues to allocate CDBG funds to these needs/goals in accordance with the Consolidated Plan. These continue to be priority needs for the State.

The strategic plan, program year, and actual numbers reported using HOME funds include all units produced by MHDCAs stated above. The Balance of State Continuum of Care funds provide housing assistance for permanent supportive housing for individuals and families experiencing homelessness. It also provides funding for HMIS systems and Continuum of Care planning. The State of Missouri utilizes Emergency Solutions Grant funds to provide services to sheltered, unsheltered, and households at-risk of homelessness, and persons fleeing or attempting to flee domestic violence situations. The services provided include outreach services to unsheltered households, essential services to sheltered households in emergency shelters, and financial assistance and housing search and stabilization services to households experiencing homelessness or at imminent risk of becoming homeless, or fleeing/attempting to flee domestic violence situations.

As reported in prior year Consolidated Annual Performance and Evaluation Report (CAPER), the State is well on its way to meeting its goals and objectives for these programs. The 2017 CAPER can be accessed at:

[https://ded.mo.gov/sites/default/files/CDBG\\_AnnualPerformanceReport\\_061118.pdf](https://ded.mo.gov/sites/default/files/CDBG_AnnualPerformanceReport_061118.pdf)

### **4. Summary of Citizen Participation Process and consultation process**

The state of Missouri prepares a thorough citizen participation plan that encourages citizens to participate in the development of the five-year consolidated plan and annual action plans. The citizen participation plan was developed in accordance with the requirements listed in 24 CFR Part 91.115 (Citizen Participation Plan for States). The plan provides citizens (including minorities, the disabled and non-English speaking persons), units of local government, and other interested parties a reasonable opportunity to comment on the plan and encourages them to do so.

The Consolidated Plan Partners' increased efforts to broaden citizen participation through the Missouri Consolidated/Action Plan Community Input Surveys, meetings, and public hearings and webinars allowed the partners to prioritize activities and methods of distribution, clarify a variety of items in the draft plan, and provided a vehicle for more open discussion regarding the CDBG, HOME, ESG, HTF, and HOPWA programs.

## **5. Summary of public comments**

**This section will be updated for the May 7, 2020 – May 13, 2020 Comment Period.**

### **No comments received for Amendment #1 (CDBG).**

A comment was received regarding the procurement policy of administrative services in the Missouri Community Development Block Grant (CDBG) Program. Specifically the commenter requested consideration "for the CDBG Program to revert to the original concept of 'fair and open completion' for all administrators equal to engineers and architects, rather than monopolizing to only [Regional Planning Commissions]."

## **6. Summary of comments or views not accepted and the reasons for not accepting them**

The allowance of cities and counties to directly contract for CDBG grant administrative services with the Regional Planning Commission (RPC) or Council of Government (COG), which serves their area and acts as an extension of their local governments, is not in conflict with fair and open competition. It is merely an option of procurement that local governments may use, not a requirement. Neither the FY19 Action Plan nor the CDBG Administrative Manual requires grantees to use RPCs or COGs for grant administration. It is simply an option that city and county grantees may use.

## **7. Summary**

Please see above. No other comments were received.

Annual Action Plan  
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**PR-05 Lead & Responsible Agencies - 91.300(b)**

**1 Agency/entity responsible for preparing/administering the Consolidated Plan**

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	MISSOURI	DED-BCS/CDBG
HOPWA Administrator	MISSOURI	DHSS/ HOPWA
HOME Administrator	MISSOURI	MHDC/HOME
ESG Administrator		DSS/ ESG
HOPWA-C Administrator		Missouri Department of Social Services
	MISSOURI	MHDC/HTF

**Table 1 – Responsible Agencies**

**Narrative**

In 1995, the Consolidated Plan became the single planning document for all funds received by the State from the U.S. Department of Housing and Urban Development (HUD). These funds represent five major programs administered by the State of Missouri by four separate agencies:

- Community Development Block Grant (CDBG) - Department of Economic Development
- HOME Investment Partnerships Program - Missouri Housing Development Commission (MHDC)
- Emergency Solutions Grant (ESG) - Department of Social Services/MHDC
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The Department of Economic Development is the designated lead agency for the Missouri Consolidated Plan and Action Plan.

The State uses a five-year planning period, and the Consolidated Plan for FY2018 - FY2022 became effective April 1, 2018. In addition to the Consolidated Plan, the State prepares an annual Action Plan. For FY2019, the Action Plan became effective in April 1, 2019.

The State's housing, community development, and economic development needs are outlined in the Consolidated Plan; the intended uses that are described in the Action Plan are designed to address those needs. The Consolidated Plan also contains information relevant to lead-based paint, project monitoring, citizen participation, fair housing, and performance measures.

### **Consolidated Plan Public Contact Information**

Marcy Mealy, Missouri State CDBG Program Budget and Planning Officer, Missouri Department of Economic Development - Business and Community Solutions, P.O. Box 118, 301 W. High Street, Jefferson City, MO 65102. Telephone number: 573-522-8569. Email address: [marcy.mealy@ded.mo.gov](mailto:marcy.mealy@ded.mo.gov)

## **AP-10 Consultation - 91.110, 91.300(b); 91.315(I)**

### **1. Introduction**

The Consultation section provides a detailed description of how the state of Missouri worked with various partners in developing the 2019 Action Plan.

All Public Hearings, webinars, posted plans, and additional consultations included estimated funding amounts for all formula allocations based previous awards. The State made it clear that all proposed activities were based on were estimated amounts, all proposed activities' budgets would be proportionately increased or decreased to match actual allocation amounts when made available by HUD.

### **Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies**

The State's Consolidated Plan partners – DED, MHDC, DSS and DHSS - do not manage or oversee funds to any of the Public Housing Authorities throughout the state. The state consulted MONAHRO to solicit data and significantly increase PHA input for the 2019 Action Plan. This ongoing collaboration will benefit and improve the state's affordable housing and community development strategies and ultimately help more Missourians find homes in healthy communities. To that end, MONAHRO worked with MHDC to recruit PHAs for the 2019 Action Plan process; providing data for their particular service communities, utilizing the state's consultation survey to engage with their residents, staff and stakeholders, and providing input for the plan.

MHDC collaborates with and maintains an ongoing relationship with the Governor's Committee to End Homelessness (GCEH) which was established with a mission to promote public and private coordination and collaboration, develop new strategies to evaluate and reallocate resources, remove barriers to accessing services, evaluate unmet needs and provide supportive services and affordable housing needs, implement effective solutions to build economic security and promote and support activities that prevent homelessness. The GCEH is a Governor appointed committee consisting of state departments, non-profit agencies, eight Continua of Care (CoC), and formerly homeless citizens. All agencies participating in the Consolidated Plan Process have a seat on this committee. The GCEH was consulted and participated in the 2019 Action Plan process and survey.

Missouri is home to a network of 19 Community Action Agencies that provide direct, localized services to low income citizens. Missouri Community Action Network, Missouri CAN, is the statewide association that serves those agencies, their allies and supporters. Missouri CAN, along with their members, were consulted regarding the 2019 Action Plan process.

Changes have occurred in Missouri to meet HUD's requirement for the establishment of a CE system; ensuring that people experiencing a housing crisis are quickly identified, assessed, referred and connected to housing services. Through consolidation of MHDC programs into a single program called the Missouri Housing Innovation Program (MoHIP), funding has been made available to increase equal access to housing opportunities, promote success in permanent housing for the hardest to house individuals and families, assist Continua in meeting HUD Coordinated Entry requirements, and to provide HMIS support for Missouri Continua. MoHIP's objective is to quickly identify and engage people at risk of and experiencing homelessness, provide immediate access to shelter and crisis services, intervene to prevent loss of housing and divert people from entering the homeless service system, and to address service gap needs as they appear within a community's systematic response to homelessness.

MHDC worked with MONAHRO to revise the PHA Resident Survey to encourage resident participation. As a result of those discussions, the Resident Survey was shortened in length and it was decided that participating PHAs would distribute the survey through their resident newsletters / resident meetings rather than offer it online. Resident Surveys were sent to MHDC for inclusion in the DRAFT; PHAs could email the completed surveys, fax, or mail them to MHDC. MHDC and MONAHRO continue to communicate about the Consolidated and Action Plans, homeless prevention, disaster preparedness/response, and affordable housing production/preservation efforts. MHDC is attending a MONAHRO roundtable session on March 21, 2019 to discuss ongoing collaboration.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness**

Missouri supports eight CoC: Springfield, St. Joseph, Kansas City, St. Louis City, St. Louis County, Joplin, St. Charles and Balance of State. Each continuum in Missouri holds an appointed seat on the GCEH. Each CoC has established specific goals surrounding ending chronic homelessness for families and individuals, families with children, veterans and their families, and unaccompanied youth. The establishment of CE by the CoCs is creating a process for evaluating and prioritizing assistance to chronically homeless individuals and families, families with children, veterans, and unaccompanied youth. State and Federal homeless assistance dollars require participation in the CoC in which funds will be expended. Funds are expected to be coordinated and prioritized in each CoC.

All Missouri CoCs have implemented a CE System. The CE system serves as a single point of access for those at-risk of or experiencing homelessness. CE was required to be in place for each Missouri Continuum of Care by January, 2018 Through consolidation of MHDC programs into a single program called the Missouri Housing Innovation Program (MoHIP), funding has been made available to increase equal access to housing opportunities, promote success in permanent housing for the hardest to house individuals and families, assist Continua in meeting HUD Coordinated Entry requirements, and to provide HMIS support for Missouri Continua. MoHIP's objective is to quickly identify and engage people

at risk of and experiencing homelessness, provide immediate access to shelter and crisis services, intervene to prevent loss of housing and divert people from entering the homeless service system, and to address service gap needs as they appear within a community's systematic response to homelessness.

Additionally, the GCEH established a Discharge Policy in 2011 that was adopted by all Missouri CoCs and state partners. The discharge policy establishes the following guiding principles: homelessness is unacceptable in Missouri; efforts to secure permanent housing shall be made prior to being discharged from a state or public facility, such as a mental health facility, substance abuse treatment facility, long-term care facility, or jail/prison; if "temporary" shelter placement is unavoidable, the reasons for this should be documented; if after having exhausted efforts to engage the client in a discharge plan, if the client continues to refuse services, the efforts will be noted; and if a client receiving out-patient services becomes homeless, the state or public facility should work actively with available community resources to locate suitable housing.

**Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

ESG funds are distributed based on an annual allocation plan by CoC that is approved by DSS and MHDC Board of Commissioners after CoC input is considered through annual action plans, application process and focus groups. Performance standards should be implemented at the CoC level. The HMIS is selected and policies and procedures for the administration of HMIS are created with input from the CoC. Policies and procedures for the administration of HMIS are established and voted on by the governing body of the CoC.

**2. Agencies, groups, organizations and others who participated in the process and consultations**

Please see table on following page.

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	MISSOURI HOUSING DEVELOPMENT COMMISSION
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-homeless Service-Fair Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Homelessness Strategy Market Analysis Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	MHDC provided data and analysis for the Plan. MHDC acts as the lead agency for the state's Balance of State CoC; all eight CoCs in the state of Missouri contributed data to the state homelessness study commissioned by MHDC, which is used throughout the Consolidated Plan. MHDC is the lead agency working on the Housing disaster plan for the state. MHDC (in coordination with other agencies) solicited input from a cross-section of organizations and individuals throughout the state including but not limited to the GCEH, non-profit and for-profit housing providers, social service agencies, advocates, PHAs and PHA residents, homeless service providers, Community Action Agencies, and the Missouri Commission on Human Rights.

2	<b>Agency/Group/Organization</b>	The Missouri Association for Councils of Government
	<b>Agency/Group/Organization Type</b>	Regional organization Planning organization Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Economic Development
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The Missouri Department of Economic Development (DED) launched a "Best in Midwest" initiative that is to transform Missouri's Department of Economic Development into the top economic development agency in the Midwest. It will focus extensively on helping businesses grow and create jobs and helping workers access training and acquire skills to find employment. In addition, the Department consults regularly with the state's Regional Planning Commissions/Councils of Government concerning the needs of their areas.
3	<b>Agency/Group/Organization</b>	MONAHRO
	<b>Agency/Group/Organization Type</b>	Housing PHA Services - Housing Service-Fair Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Public Housing Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	MONAHRO was provided the Community Input Survey as well as the PHA Survey specifically geared towards PHA residents. MONAHRO worked as a liaison between the participating PHAs and MHDC to provide data and analysis for all participating PHAs to ensure inclusion into the Plan. All hearing notices and DRAFT documents were provided to MONAHRO and the participating PHAs.

<b>4</b>	<b>Agency/Group/Organization</b>	Governor's Committee to End Homelessness
	<b>Agency/Group/Organization Type</b>	Services-homeless
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	GCEH provided the Community Input Survey and Consolidated Plan partners spoke with the GCEH about the consultation opportunities and the timeline for the 2019 Action Plan process. All hearing notices and DRAFT documents were provided to GCEH.

**Identify any Agency Types not consulted and provide rationale for not consulting**

Comments were received through the Community Input Survey that focused on state government's general responsibilities. The state did not respond to any of these comments; rather responses were made to specific questions about the Consolidated Plan and its programs.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care		

**Table 3 - Other local / regional / federal planning efforts**

**Narrative**

The State encourages local governments to participate in, and comment on, the Consolidated Plan and Annual Action Plan process. Local governments are informed of the Consolidated Plan process in several ways, including via the state’s regional planning commissions and councils of local government, the Missouri Association of Counties and the Missouri Municipal League. The DED also meets regularly with the Regional Planning Commissions and Councils of Local Government to help determine local government needs and priorities.)

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## AP-12 Participation - 91.115, 91.300(c)

### 1 Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The state of Missouri prepares a thorough citizen participation plan that encourages citizens to participate in the development of the five-year consolidated plan and annual action plans. The citizen participation plan was developed in accordance with the requirements listed in 24 CFR Part 91.115 (Citizen Participation Plan for States). The plan provides citizens (including minorities, the disabled and non-English speaking persons), units of local government, and other interested parties a reasonable opportunity to comment on the plan and encourages them to do so.

The Consolidated Plan Partners' increased efforts to broaden citizen participation through the Missouri Consolidated/Action Plan Community Input Surveys, meetings, and public hearings and webinars allowed the partners to prioritize activities and methods of distribution, clarify a variety of items in the draft plan, and provided a vehicle for more open discussion regarding the CDBG, HOME, ESG, HTF, and HOPWA programs.

Substantial Amendment Process (for Community Development Block Grant, see 2.iii)

1. Substantial Amendments to Consolidated Plan and/or Assessment of Fair Housing (AFH): Substantial amendments to either the Consolidated Plan/Annual Action Plan or the AFH will require public notice. The public notice will be made in the same manner as public notice is made for the Consolidated Plan/Annual Action Plan. The State will make the amendment available for a minimum 30-day comment period. The amendment will be available on the DED and MHDC websites, and will be provided in hard copy to all regional planning commissions and community action agencies. In addition, hard copies will be provided upon request to other agencies and individuals. **Publishing the plan with reasonable opportunity for public Review:** The State makes every effort to publish the proposed amendment to the Consolidated Plan and/or Annual Action Plan in a manner that affords citizens, units of general local governments, public agencies, and other interested parties a reasonable opportunity to examine its contents and to submit comments. To do this, the draft amendment is published and made available to the public for a minimum 30 days. The plan is available on the DED website ([www.ded.mo.gov](http://www.ded.mo.gov)) and the MHDC website ([www.mhdc.com](http://www.mhdc.com)). **To notify the public of the availability of the amendment to the Consolidated Plan and/or Annual Action Plan, public notification is provided via state agency websites and email listing the locations where the amended plan(s) is available as well as a schedule of upcoming public hearings. The announcement also explains that interested parties are given a reasonable opportunity to examine the contents of the amended plan(s) and submit comments, as the State also will provide a copy of the amended plan(s) to interested parties upon request and to those that attend a public hearing.**

2. The thresholds for a substantial amendment are as follows:
  - a. Consolidated Plan/Action Plan – an amendment shall be considered substantial (requiring public notification and comment period) in the following events:
    - i. a new funding source be added to the Plan
    - ii. Actual annual allocations from HUD differ more than 10% of projected amount
    - iii. For the CDBG Program only, a new funding category is created or more than 25% of the annual allocation is transferred between Funding categories
  - b. Assessment of Fair Housing (AFH) – an amendment shall be considered substantial (requiring public notification and comment period) in the following events:
    - i. A material change in circumstances that affects the information on which the AFH is based. Examples include, but are not limited to, a Presidentially declared disaster event that are of such a nature to impact the steps required to affirmatively further fair housing, significant demographic changes, new significant contributing factors in the State’s jurisdiction, and civil rights findings, determinations, settlements, or court orders,
    - ii. HUD written notification that specifies a material change requiring amendment
3. At minimum, four in-person public hearings will be held around the State during the minimum 30-day comment period, and at least one Webinar Hearing in Jefferson City will be held. The public hearings give the state the opportunity to present the content of the amended Consolidated Plan and/or the Action Plan, and receive and record comments from the public. All public hearing meeting places are scheduled in handicapped accessible meeting rooms and provisions for interpretation shall be made at all public hearings for non-English speaking residents if needed. The State will provide notice of this meeting via the following methods:
  - Notice posted on Department of Economic Development and Missouri Housing Development Commission website.
  - Notice provided to local governments and other local partners via the States’ Regional Planning Commissions and Councils of Government, the Missouri Municipal League, and the Missouri Association of Counties.
  - Department of Economic Development community group emails (approximately 4,000 communities and community organizations statewide).
  - Missouri Housing Development Commission community group emails
  - State’s public housing agencies
  - Missouri Commission on Human Rights
  - State’s community action agencies
4. The meeting, whether in-person or via webinar, is not the only means by which the public may participate. Written comments may be made (by mail and/or email) at any time during the public comment period and may be directed to any of the State participating agencies (departments of Economic Development, Health and Senior Services, and Social Services, and the Missouri Housing Development Commission).
5. **Consideration of comments:** The State considers any comments or views of citizens and units of general local government received in writing or orally at the public hearings, in preparing the final Consolidated Plan and/or Annual Action Plan amendment submitted to HUD for review. A summary of these comments, including those not accepted and reasons therefore, will be attached to the final amendment to the Consolidated Plan and/or

Annual Action Plan. The amended Consolidated Plan and/or Annual Action Plan is submitted to HUD for review.

***Availability to the Public***

The State will provide the Consolidated Plan, as adopted, substantial amendments, and the performance reports to the public, including materials in a form accessible to persons with disabilities, upon request. These documents are made available to the public electronically at [www.ded.mo.gov](http://www.ded.mo.gov) and [www.mhdc.com](http://www.mhdc.com). The consolidated plan, annual action plan and amendments are also distributed at public hearings. All documents related to the consolidated plan are available upon request and will be provided to anyone requesting them.

***Access to Records***

Citizens, public agencies and other interested parties are given reasonable and timely access to the information and records relating to the State's Consolidated Plan and the State's use of assistance under the programs covered by the plan. Presentation materials, resources used to compile the information in the plan, comments compiled at public hearings, and all other related materials are available to the public upon request.

***Complaints***

To comply with the requirements regarding complaints, the State has designated an appropriate and practicable procedure to handle complaints from citizens related to the consolidated plan, amendments, and performance reports. Upon receiving a complaint, the State will provide a timely, substantive written response to written citizen complaints within a fifteen working day period.

**Citizen Participation Outreach**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	
1	Conference Call	Residents of Public and Assisted Housing	On July 5, 2018 a conference call was held between MHDC and MONAHRO.	Strategies to improve PHA resident input, PHA involvement with MHDC's Community Initiatives and Rental Production work was discussed.	N/A	
2	Meeting	Residents of Public and Assisted Housing	On July 17, 2018 a meeting was held between MHDC and MONAHRO	The 2019 Action Plan, PHA resident input, timeline, and next steps were discussed.	N/A	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons
3	Conference Call	Residents of Public and Assisted Housing	On August 27, 2018, a conference call was held between MHDC and MONAHRO.	Follow up regarding action items involving strategies to improve PHA resident input, PHA involvement with MHDC's Community Initiatives and Rental Production Program. The 2019 Action Plan, PHA resident input, and timeline were also discussed.	N/A
4	Training Conference	Residents of Public and Assisted Housing	On September 12, 2018 MHDC spoke at the MONAHRO training conference.	MHDC spoke to PHAs in attendance about resident input for 2019 Action Plan and larger Consolidated Plan engagement.	N/A
5	Conference Call	Residents of Public and Assisted Housing	On October 11, 2018 a conference call was held between MHDC and MONAHRO.	Follow up regarding the PHA resident input survey.	N/A

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	
6	Public Meeting	Non-targeted/broad community	Public Kick-off Planning Webinar: October 29, 2018, 154 registrants and attendees participated in the webinar.	The webinar was designed to be a conversation between interested parties and the Consolidated/Annual Plan team. A wide range of people participated, including other state and local government entities, non-profits, public housing authorities, and developers.	N/A	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	
7	Internet Outreach	Non-targeted/broad community	<p>The Consolidated/Annual Plan Partners (DED, MHDC, DSS, DHSS) developed a web-based two survey tools. One survey was developed specifically for those interested in Public Housing Authorities and the other survey was developed for state-wide use. The surveys went live on December 3, 2018 and closed on December 17, 2018. Notification of the surveys were provided via press release, state agency websites, e-mail agency list serves directed at interested parties.</p>	<p>Please see link to survey reports that summarizes responses to all questions.</p>	N/A	

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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons
			On February 15, 2019 a public hearing regarding the draft 2019 Action Plan was	A comment was received regarding the procurement policy of administrative services in the Missouri Community Development Block Grant (CDBG) Program. Specifically the commenter requested consideration "for the CDBG Program to revert to the original concept of 'fair and open completion' for all administrators equal to engineers and architects, rather than monopolizing to only [Regional Planning Commissions]."	The allowance of cities and counties to directly contract for CDBG grant administrative services with the Regional Planning Commission (RPC) or Council of Government (COG), which serves their area and acts as an extension of their local governments, is not in conflict with fair and open competition. It is merely an option of procurement that local governments may use, not a requirement. Neither the draft 2019 Action Plan nor the CDBG Administrative Manual requires grantees to use RPCs or COGs for grant administration. It is simply an option that city and county grantees may use.
8	Public Meeting	Non-targeted/broad community	held in Jefferson City from 10:00 a.m. to 12:00 noon at the Harry S Truman		
			Office Building, room		
			850, 301 W. High		
			Street, Jefferson City,		
			MO 65102		
			<b>Table 4 – Citizen Participation Outreach</b>	No comments were received	N/A
			On February 22, 2019 a webinar was		
		Non-	conducted regarding		
9	Internet Outreach	targeted/broad	the draft 2019 Action		

		community	Plan. The webinar was			
			held from 10:00			
			a.m. to noon.			

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## Expected Resources

### **AP-15 Expected Resources – 91.320(c)(1,2)**

#### **Introduction**

Many of Missouri's affordable housing resources are coordinated by MHDC. As the state housing finance agency, MHDC is dedicated to strengthening communities and the lives of Missourians through the financing, development and preservation of affordable housing. Funding decisions are made annually in accordance with the QAP and other allocation plans (including the HTF allocation plan) approved by MHDC Commissioners. Federal resources, including HOME and HTF are leveraged with alternative funding resources as they become available in connection with the private/public partnership programs involving the production of rental property. MHDC is committed to ensuring that all allocation plans for the various funding sources effectively meet the needs of the Missouri citizens including individuals and families who represent special needs populations and other vulnerable or at-risk populations. MHDC will utilize additional ESG funds provided by the CARES Act to aid in the COVID-19 relief efforts.

All Public Hearings, webinars, posted plans, and additional consultations included estimated funding amounts for all formula allocations based previous awards. The State made it clear that all proposed activities were based on were estimated amounts, all proposed activities' budgets

would be proportionately increased or decreased to match actual allocation amounts when made available by HUD.

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	22,605,246	7,200,000	16,305,638	46,110,884	90,000,000	Calculation is based on the FY19 allocation of \$22,605,246 million annually. During FY19, the State will allocate up to \$7,200,000 of program income funds and \$16,305,638 in prior year resources to fund additional projects. The amount of prior year resources is the amount of remaining funds from prior grant years existing at the end of the past program year (FY18) on March 31, 2019. *

\*This amount takes into account the unallocated funds for HUD Fiscal Year (FY) 2018 during the State’s 2018 Program Year performance period. It also takes into account funds from prior year allocations remaining to be reprogrammed.

HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	11,527,796	6,500,000	0	18,027,796	74,100,000	<p>The purpose of the HOME Investment Partnerships (HOME) Program is to expand the supply of decent, safe and affordable housing for extremely low, very low and low income households. The HOME program requires an annual match based on the amount of HOME funds drawn down from the Commission HOME Investment Trust fund account for the fiscal year. The Commission will utilize the following sources to meet the required annual match: 1. Loans originated from the proceeds of multi-family bonds issued by the Commission. The amount of the bond contributed to the match would never exceed the 25 percent of bond proceeds used to meet its annual match requirement. 2. The Commission funds (non- federal funds) will be used to provide loans for Multi-family developments that are not HOME assisted developments. The program income estimation is based on the last five years</p>
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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								solely for the purpose of this Consolidated Plan.
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	792,945	0	0	792,945	3,171,780	The Missouri Department of Health and Senior Services administer the HOPWA program to prevent homelessness for the HIV case managed clients in the Outstate regions of Missouri. Because the HOPWA program is centralized within the case management system the funding is utilized for direct client services paid directly the service provider or landlord. This process has proved to be successful for several years and has reduced the number of homeless HIV Individuals within the program.

ESG	public - federal	Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional permanent housing	12,255,483	0	0	12,255,483	10,000,000	<p>The state of Missouri receives an annual allocation of ESG funds to identify sheltered and unsheltered homeless individuals and families, as well as those at risk of homelessness, to provide the services necessary to help those persons quickly regain stability in permanent housing after experiencing homelessness or a housing crisis. DSS receives the state allocation of ESG funds and grants the allocation to MHDC, who then administers the program and provides funds to units of local government and non-profit agencies. Units of local government may sub grant with a PHA. The ESG Program requires a 100% match, CoC and CE participation. MHDC and DSS match any administration funds that are retained at 100%. The units of local government and non-profit agencies administering the ESG program must also provide a 100% match on any grant funds they are awarded. State ESG recipients are exempt</p>
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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								from matching the first \$100,000 of their allocation as long as the exemption is passed on to the agencies administering the program. MHDC will pass this match exemption on to qualified agencies. All Grantees/sub-grantees must provide at least a 100% match consisting of documented non- McKinney resources. MHDC will require match and encourage CE and CoC participation unless otherwise waived by HUD.

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HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	3,647,539	0	0	3,647,539	9,375,000	The purpose of the HTF program is to expand the supply of decent, safe and affordable housing for extremely low and very low income households.
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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Continuum of Care	public - federal	Financial Assistance Permanent housing placement Rental Assistance Supportive services Other	6,000,000	0	0	6,000,000	24,000,000	The CoC Program is designed to assist individuals and families experiencing homelessness and to provide coordinated services needed to help move to permanent housing. The CoC is self-governed by a board put in place by the community and projects will be reviewed for the annual competition utilizing the priorities set forward by each year rank and review committee.

Other	public - federal	Acquisition Admin and Planning Conversion and rehab for transitional housing Homebuyer assistance Homeowner rehab Housing Multifamily rental new construction Multifamily rental rehab New construction for ownership Public Services Rapid re-housing (rental assistance) Rental Assistance	58,535,000	0	0	58,535,000	58,535,000	On June 2, 2018, President Donald Trump approved Missouri's request for a major disaster declaration (DR-4317) in response to the severe storms, tornadoes, straight-line winds, and flooding during the period of April 28 to May 11, 2017. On April 10, 2018, the U.S. Department of Housing and Urban Development (HUD) allocated nearly \$28 billion in Community Development Block Grant disaster recovery (CDBG - DR) funds for unmet needs due to the national disasters of 2017. Of that 28 billion, Missouri will receive an allocation of \$58,535,000 in disaster recovery funds to help alleviate the unmet housing, infrastructure, and economic revitalization needs. However, HUD has specified, by rule, that all disaster funds for Missouri allocated under Public Law 115-123 must first serve unmet housing needs. At the point that the unmet housing need is exhausted, the CDBG
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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								Program will formally amend the Plan to reflect the use of remaining funds in areas of unmet need in the categories of infrastructure and economic revitalization.

Table 5 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

MHDC leverages its federal funding, such as HOME funds, in the rental production and rehabilitation program with many funding sources such as LIHTCs, bond proceeds, the Missouri Affordable Housing Assistance Program, MHDC’s funds, private equity, and many other outside sources. Of the sixty-eight HOME developments approved since 2013, over ninety percent of them have additional MHDC resources, such as tax credits, tax-exempt bonds, or MHDC general funds.

The HOME program requires an annual match based on the amount of HOME funds drawn down from the Commission’s HOME Investment Trust fund account for the fiscal year. The Commission will utilize the following sources to meet the required annual match: 1. Loans originated from the proceeds of multi-family bonds issued by the Commission. The amount of the bond contributed to the match would never exceed the 25 percent of bond proceeds used to meet its annual match requirement. 2. The Commission funds (non- federal funds) will be used to provide loans for Multi-family developments that are not HOME assisted developments. The program income estimation is based on the last five years solely for the purpose of this Consolidated Plan.

The CDBG program does not require a local match, but uses CDBG as a gap financing tool. Local governments are required to exhaust all local and other state/federal funding sources prior to using CDBG for the final funding gap for the project. Generally, state CDBG funds are the last component of a project's funding package. Local and other state/federal funding resources are committed prior to the injection of CDBG.

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**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

N/A

**Discussion**

Many of Missouri's affordable housing resources are coordinated by MHDC. As the state housing finance agency, MHDC is dedicated to strengthening communities and the lives of Missourians through the financing, development and preservation of affordable housing. Funding decisions are made annually in accordance with the QAP and other allocation plans (including the HTF allocation plan) approved by MHDC Board of Commissioners. Federal resources, including HOME and HTF are leveraged with alternative funding resources as they become available in connection with the private/public partnership programs involving the production of rental property. MHDC is committed to ensuring that all allocation plans for the various funding sources effectively meet the needs of the Missouri citizens including individuals and families who represent special needs populations and other vulnerable or at-risk populations.

Missouri's system of funding water and wastewater projects is a formal multi-agency partnership, and is coordinated by the Department of Economic Development. It also includes the State Department of Natural Resources and the U.S. Department of Agriculture-Rural Development. This partnership maximizes the use of available loan funds, using CDBG, USDA, and DNR grant dollars as gap financing tools to keep the project affordable for low and moderate income communities.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives –91.320(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing for Low-Income Household	2019	2019	Affordable Housing	Statewide Housing	Affordable Housing for Low-Income Households	HOME: \$6,222,390 HTF: \$2,143,946	Rental units constructed: 59 Household Housing Unit Homelessness Prevention: 97 Persons Assisted
2	Preservation of Affordable Housing for Low-Income	2019	2019	Affordable Housing	Statewide Housing	Preservation of Affordable Housing for Low-Income	HOME: \$9,052,610 HTF: \$1,419,297	Rental units rehabilitated: 75 Household Housing Unit Homeowner Housing Rehabilitated: 169 Household Housing Unit Homelessness Prevention: 84 Persons Assisted
3	Affordable Housing for Seniors	2019	2019	Affordable Housing	Statewide Housing	Affordable Housing for Seniors	HOME: \$5,579,486 HTF: \$1,350,000	Rental units constructed: 22 Household Housing Unit Rental units rehabilitated: 33 Household Housing Unit
4	Continuum of Care (CoC)	2019	2019	Homeless	Balance of State Continuum of Care	Coordinated Rural Homeless Services	Continuum of Care: \$6,000,000	Housing for Homeless added: 35 Household Housing Unit

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Emergency Solutions Grant (ESG)	2019	2019	Homeless	Statewide Housing	Services to Homeless Individuals and Families	ESG: \$12,255,483	Tenant-based rental assistance / Rapid Rehousing: 600 Households Assisted Homelessness Prevention: 900 Persons Assisted
6	Set-Aside Preference	2019	2019	Affordable Housing	Statewide Housing	Set-Aside Preference	HOME: \$8,403,670 HTF: \$1,071,973	Rental units constructed: 59 Household Housing Unit Rental units rehabilitated: 18 Household Housing Unit
7	HIV/AIDS	2019	2019	Affordable Housing	Statewide Housing	Set-Aside Preference	HOPWA: \$792,945	Tenant-based rental assistance / Rapid Rehousing: 175 Households Assisted Other: 150 Other
8	Job Training/Creation	2019	2019	Non-Housing Community Development	Non-Entitlement Community & Economic Development	Economic Development	CDBG: \$4,075,210 Non-admin funds	Jobs created/retained: 203 Jobs
9	Public Infrastructure & Improvement	2019	2019	Non-Housing Community Development	Non-Entitlement Community & Economic Development	Public Improvements and Infrastructure	CDBG: \$31,397,478 Non-admin funds	Infrastructure Activities other than Low/Moderate Income Housing Benefit: 55,000 Persons Assisted. Buildings Demolished: 80 Buildings

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
10	Public Facilities	2019	2019	Non-Housing Community Development	Non-Entitlement Community & Economic Development	Public Facilities	CDBG: \$7,143,840 Non-admin funds	Public Facility Activities other than Low/Moderate Income Housing Benefit: 4500 Persons Assisted

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	CDBG Disaster Recovery	2019	2025	Non-Housing Community Development			CDBG-DR: \$58,535,000	Public service activities for Low/Moderate Income Housing Benefit: 1170 Households Assisted Rental units constructed: 150 Household Housing Unit Homeowner Housing Added: 120 Household Housing Unit Homeowner Housing Rehabilitated: 300 Household Housing Unit Direct Financial Assistance to Homebuyers: 1050 Households Assisted Tenant-based rental assistance / Rapid Rehousing: 305 Households Assisted Homeless Person Overnight Shelter: 165 Persons Assisted Homelessness Prevention: 1170 Persons Assisted Housing for Homeless added: 45 Household Housing Unit Buildings Demolished: 350 Buildings

**Table 6 – Goals Summary**

**Goal Descriptions**

<b>1</b>	<b>Goal Name</b>	Affordable Housing for Low-Income Household
	<b>Goal Description</b>	<p>The data reflects the most pressing need for Missouri’s extremely low, low and moderate income households; more quality, affordable housing. 2016 ACS data shows the average gross rent for the state is \$822. CHAS data shows that 106,375 low income renters (&gt;30% to less than or = 50% HAMFI) pay more than 30% of their household income to housing and 35,845 pay more than 50% of their income towards housing. Missouri’s extremely low income renters (less than or = 30% HAMFI) show higher rates of cost burden; with 153,155 households paying more than 30% of household income to housing and 126,135 paying more than half of their household income to housing. Many of Missouri’s affordable housing resources are coordinated by MHDC. As the state housing finance agency, MHDC is dedicated to strengthening communities and the lives of Missourians through the financing, development and preservation of affordable housing. Funding decisions are made in accordance with the QAP and other allocation plans (including the HTF allocation plan) approved by MHDC Board of Commissioners. Federal resources, including HOME and HTF are leveraged with alternative funding resources as they become available in connection with the private/public partnership programs involving the production of rental property. MHDC is committed to ensuring that all allocation plans for the various funding sources effectively meet the needs of the Missouri citizens including individuals and families who represent special needs populations and other vulnerable or at-risk populations. More specific information on evaluation factors and selection criteria can be found in the most recent QAP; <a href="http://www.mhdc.com">www.mhdc.com</a></p>

2	<b>Goal Name</b>	Preservation of Affordable Housing for Low-Income
	<b>Goal Description</b>	<p>As the affordable housing stock continues to age, more emphasis must be given to the rehabilitation and preservation of affordable housing for low-income persons and families. According to 2016 ACE data, 1,302,332 (54.9%) of all housing units in Missouri were built before 1980, leading to signs of aging and the need for substantial rehabilitation. Substandard housing is a concern for many households in the state: Census Data indicates there are 16,885 housing units in Missouri that meet the Census Bureau’s definition of substandard housing. In addition, many other units have serious deficiencies in their electrical or plumbing systems, lack safe or adequate heating systems, or have other major structural deficiencies and are in need of substantial rehabilitation but do not meet the definition of substandard housing. MHDC is placing an emphasis on the preservation of affordable housing for low-income persons and families. MHDC will use HOME and other available resources to provide financing equity for non-profit and private developers who propose to rehabilitate and preserve older affordable rental housing developments. MHDC has established a HOME Repair Program for qualified non-profit agencies for the purpose of home repair, weatherization, accessibility improvements and lead abatement in owner-occupied homes. The HeRO program is available to non-profit agencies that undertake the eligible activities on behalf of low and moderate-income families in non-metropolitan statistical areas. Eligible homeowners must have incomes that do not exceed 80% of the area median income and eligible homeowners may receive assistance in an amount not to exceed \$22,500 per home.</p>

3	<b>Goal Name</b>	Affordable Housing for Seniors
	<b>Goal Description</b>	The State of Missouri, county, and city government officials, non-profit, and faith-based organizations and private sector must prepare now for a potential crisis in housing and related seniors in the very near future. Missouri's senior population age 65 and older is projected to increase from about 13.9% of the state's population in 2010 to more than 20% in 2030. This dramatic increase in the number of seniors will undoubtedly have a profound and far-reaching impact on the supply, demand, and availability and cost of housing and related services for seniors. These seniors must make difficult choices between paying their housing and utility costs and other basic necessities such as food, medicine, healthcare, and transportation. This is a stark reality that too many seniors must confront every day in Missouri. The State will continue to take action to provide more accessible and affordable housing for seniors as well as the necessary integrated and coordinated social services to help seniors successfully age in place. MHDC, as the state's housing finance agency, has the ability to impact the number of units of senior housing that is built in the state each year. An internal review of MHDC data showed that approximately 55% of the total, authorized, affordable rental housing developments financed in whole or in part with MHDC assistance in recent years, were designated as housing for senior citizens aged 55 or older. MHDC emphasizes to developers and builders the need to utilize Universal Design standards as part of its ongoing rental production programs, single-family homes, and duplexes. Units built as part of MHDC programs must be designed according to Universal Design concepts promoting greater accessibility for seniors.
4	<b>Goal Name</b>	Continuum of Care (CoC)
	<b>Goal Description</b>	The BoS CoC prioritizes funding in each annual competition based on feedback from each region and other stakeholders through the Board of Directors and review committee.
5	<b>Goal Name</b>	Emergency Solutions Grant (ESG)
	<b>Goal Description</b>	The ESG Program is designed to identify sheltered and unsheltered homeless individuals and families, as well as those at risk of homelessness, and provide the services necessary to help those persons quickly regain stability in permanent housing after experiencing homelessness or a housing crisis.

6	<b>Goal Name</b>	Set-Aside Preference
	<b>Goal Description</b>	Set-Aside Preferences are defined in MHDC's QAP. The State will continue to take action to provide more accessible and affordable housing for MHDC's set-aside populations. The 2018 QAP designates Set-aside Preferences as two separate and distinct priorities: Special Needs and Vulnerable Persons. A person with special needs is a person who is: (a) physically, emotionally or mentally impaired or is diagnosed with mental illness; or (b) developmentally disabled. A vulnerable person is a person who is: (a) homeless, including survivors of domestic violence and human or sex trafficking; or (b) a youth transitioning from foster care. Current QAP information can be found at <a href="http://www.mhdc.com">www.mhdc.com</a>
7	<b>Goal Name</b>	HIV AIDS
	<b>Goal Description</b>	Helping individuals living with HIV/AIDS maintain stable housing, medication assistance and access to medical care to increase viral load suppression.
8	<b>Goal Name</b>	Job Training/Creation
	<b>Goal Description</b>	Increase the number of people provided with new or improved availability/accessibility of economic opportunity through job creation, retention and business infrastructure assistance to for-profit companies.
9	<b>Goal Name</b>	Public Infrastructure & Improvement
	<b>Goal Description</b>	Increase the number of people with new or improved accessibility, availability, or quality of suitable living environments through construction/rehabilitation of public facilities to benefit areas with an LMI percentage of 51% or higher.
10	<b>Goal Name</b>	Public Facilities
	<b>Goal Description</b>	Increase the number of people provided with new or improved sustainability of suitable living environments through slum and blight reduction, emergency assistance and other construction/rehabilitation of public facilities in LMI area.

11	<p><b>Goal Name</b></p> <p><b>Goal Description</b></p>	<p>CDBG Disaster Recovery</p> <p>On June 2, 2018, President Donald Trump approved Missouri’s request for a major disaster declaration (DR-4317) in response to the severe storms, tornadoes, straight-line winds, and flooding during the period of April 28 to May 11, 2017. On April 10, 2018, the U.S. Department of Housing and Urban Development (HUD) allocated nearly \$28 billion in Community Development Block Grant disaster recovery (CDBG–DR) funds for unmet needs due to the national disasters of 2017. Of that 28 billion, Missouri will receive an allocation of \$58,535,000 in disaster recovery funds to help alleviate the unmet housing, infrastructure, and economic revitalization needs. However, HUD has specified, by rule, that all disaster funds for Missouri allocated under Public Law 115-123 must first serve unmet housing needs. At the point that the unmet housing need is exhausted, the CDBG Program will formally amend the Plan to reflect the use of remaining funds in areas of unmet need in the categories of infrastructure and economic revitalization. The CDBG-DR Action Plan can be found at the following link: <a href="https://ded.mo.gov/DisasterRecovery">https://ded.mo.gov/DisasterRecovery</a></p> <p><b>NOTE:</b> The CDBG-DR 4317 Action Plan was submitted to HUD on December 18, 2018. The Action Plan has been approved by HUD, but no funding award has been authorized to date. The CDBG-DR funding is to be utilized within 6 years of award date. Due to uncertainty when funding will actually be awarded in 2019, the quantities indicated in the Goal Outcome Indicator table below are very basic estimates.</p>
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## AP-25 Allocation Priorities – 91.320(d)

### Introduction:

The Allocation Priorities section details how the state of Missouri will prioritize our federal housing and community development funds.

All of MHDC's HOME Funds are directed to affordable housing for low-income households, and all subsequent goals are included in the over-all goal of safe, sanitary, and decent housing for Missourians.

### Funding Allocation Priorities

	Affordable Housing for Low-Income Household (%)	Preservation of Affordable Housing for Low-Income (%)	Affordable Housing for Seniors (%)	Continuum of Care (CoC) (%)	Emergency Solutions Grant (ESG) (%)	Set-Aside Preference (%)	HIV AIDS (%)	Job Training/Creation (%)	Public Infrastructure & Improvement (%)	Public Facilities (%)	CDBG Disaster Recovery (%)	Total (%)
CDBG	0	0	0	0	0	0	0	29	50	21	0	100
HOME	100	0	0	0	0	0	0	0	0	0	0	100
Continuum of Care	0	0	0	100	0	0	0	0	0	0	0	100
HOPWA	0	0	0	0	0	0	100	0	0	0	0	100
ESG	0	0	0	0	100	0	0	0	0	0	0	100
HTF	100	0	0	0	0	0	0	0	0	0	0	100
Continuum of Care	0	0	0	100	0	0	0	0	0	0	0	100
CDBG-DR	49	20	28	0	0	0	0	0	3	0	0	100

Table 7 – Funding Allocation Priorities

### Reason for Allocation Priorities

MHDC's HOME and HTF annual goals and objectives are broken down as follows: Preservation of Affordable Housing: 56% of HOME= \$6,973,899

/40% of HTF=1,419,297/Affordable Housing for Seniors: 40% of HOME = \$4,955,139/HTF= \$1,350,000 All of MHDC's HOME and HTF Funds are directed to affordable housing for low-income households, and all subsequent goals are included in the over-all goal of providing safe, sanitary, and decent housing for Missourians. The numbers listed above total more than 100% because HOME and HTF funds can be allocated to activities that serve multiple goals.

CDBG:

Distribution Among Categories: Non-housing community development needs/goals identified in the Consolidated Plan, and for which CDBG funds are targeted, include economic development, public improvements/infrastructure, and public facilities. The State continues to allocate CDBG funds to these needs/goals in accordance with the Consolidated Plan. These continue to be priority needs for the State.

The estimated amount of CDBG funds the state will receive from the Department of Housing and Urban Development for FY2019 is \$22,605,246. The State is also making available \$7,200,000 in program income and prior years' remaining fund balance \$16,305,638.00, for a total of \$46,110,884.00 available to fund projects and administer the program. The following is a more detailed description of CDBG allocation by category for FY2019.

**The State's Allocation Priorities are allocated as follows:**

**Non-Administrative:**

**Job Training/ Creation for Economic Development: \$4,075,410**

**Public Infrastructure & Improvement to include the following activities - Water and Wastewater; General Infrastructure, Demolition, Downtown Revitalization, Emergency (including utilizing CDBG funds for long-term recovery in response to a presidentially declared disaster): \$31,497,478**

**Public Facilities to include Community Facility; Workforce Training Initiative; Emergency (including utilizing CDBG funds for long-term recovery in response to a presidentially declared disaster): \$7,143,840**

**Administrative:**

**Program Administration: Local Administration \$2,300,000; State Administration \$696,104; State Technical Assistance: \$298,052; State Planning \$100,000**

CDBG-DR:

On August 14, 2018, the U.S. Department of Housing and Urban Development (HUD) allocated Missouri \$58,535,000 in Community Development Block Grant disaster recovery (CDBG-DR) funds for unmet needs due to the national disasters of 2017. The funds are to help alleviate the unmet housing, infrastructure, and economic revitalization needs in the declared counties due to the 2017 flooding. However, HUD has specified, by rule, that all disaster funds for Missouri allocated under Public Law 115-123 must first serve unmet housing needs. At the point that the unmet housing need is exhausted, the CDBG Program will formally amend the Plan to reflect the use of remaining funds in areas of unmet need in the categories of infrastructure and economic revitalization. Also of special note, by rule, 80% of the CDBG-DR funding must be utilized in the 5 most highly impacted zip codes and the other 20% can be utilized in the 55 disaster declared counties. The CDBG-DR Action Plan can be found at the following link: <https://ded.mo.gov/DisasterRecovery>

**How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

All of MHDC's HOME and HTF Funds are directed to affordable housing for low-income households, and all subsequent goals are included in the over-all goal of providing safe, sanitary, and decent housing for Missourians. CDBG funds are used for area-wide benefit low-moderate income, limited clientele and/or removal of slum and blight.

The purpose of CDBG is to provide local governments with funding opportunities for improved public facilities and infrastructure, redevelopment opportunities and opportunities for economic development, primarily for the benefit of low and moderate income persons.

### AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

#### Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	Community Development Block Grant
	Funding Sources:	CDBG

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<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p><b>The State expects to distribute, during the 2019 CDBG Program Year, approximately \$42, 716,728 (non-administrative funds) in HUD Fiscal Year 2019 (FY19) CDBG funds to units of general local government in non-entitlement areas (incorporated municipalities under 50,000 and counties under 200,000).</b></p> <p>Cities and counties in Missouri that are not eligible for these non-entitlement funds are: Blue Springs, Columbia, Florissant, Independence, Jefferson City, Joplin, Kansas City, O’Fallon, Springfield, St. Joseph, Lee’s Summit, St. Louis (city), Jefferson County (and the cities within Jefferson County who have elected to participate in the Jefferson County entitlement program), St. Charles County (and the cities who have elected to participate in the entitlement program) and St. Louis County (and the cities within St. Louis County who have elected to participate in the St. Louis County entitlement program). <u>Eligible Activities:</u> Section 105(a) of the Community Development Act and HUD regulations specified the activities that are eligible for CDBG assistance. A general listing of eligible activities is outlined in Appendix A, and a detailed description is provided in 105(a) of the Act and in 24 CFR 570.482. While all activities may be eligible, some program categories may prioritize the funding of some activities. A list of ineligible activities is also outlined in Appendix A.</p> <p>Any grantee with a delinquent audit for any year, whether or not the grant is closed, is ineligible to apply for funding. This applies to all CDBG categories. Also, a grantee with any <b>open</b> project awarded prior to April 2017, which is not <b>closed</b> by the last business day of March 2019, is ineligible to apply in <b>any</b> FY19 funding category. All documentation necessary for close-out must be received by March 1, 2019. This may apply to the grantee or the on behalf of applicant(s), whichever is applicable.</p> <p>All CDBG applicants will be required to submit a Schedule of Projected Expenditures as part of the CDBG application process. The Schedule outlines by quarter and by activity the estimated timeline for expenditures of the grant award, if selected for funding. If awarded funding, grantees are required to submit any updates to expenditure projections on a quarterly basis, or in any event where the original timeline for full expenditure will be revised to a future date.</p> <p>CDBG grant agreements will have a specified end date; this end date will be three years from the award date of the grant. If the grant is not completed by the end of the three-year period, the grantee must deobligate any remaining funds, or request an extension from DED. This extension</p>
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	<p>must be for cause, and documentation as to why the project was not completed within the required three- year period must accompany the request along with a timeline for completion. It will be DED’s discretion as to the length of the extension. <b>Extensions are not automatic.</b></p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The full Method of Distribution and application scoring criteria can be found in Appendix A. The Application/Guidelines may be found at:   <a href="https://ded.mo.gov/content/community-development-block-grants">https://ded.mo.gov/content/community-development-block-grants</a></p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other State publications describing the application criteria? (CDBG only)</b></p>	<p>The full Method of Distribution can be found in Appendix A. The Application/Guidelines may be found at:   <a href="https://ded.mo.gov/content/community-development-block-grants">https://ded.mo.gov/content/community-development-block-grants</a></p>

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The full Method of Distribution can be found in Appendix A.</p>

<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Please see Appendix A for CDBG Threshold Factors.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>This method of distribution is designed to result in an increased number of people provided with new or improved availability/accessibility of economic opportunity through job creation, retention and business infrastructure assistance to for-profit companies. Additionally, it will increase the number of people with new or improved accessibility, availability, or quality of suitable living environments through construction/rehabilitation of public facilities to benefit areas with an LMI percentage of 51% or higher. Finally, this method of distribution should increase the number of people provided with new or improved sustainability of suitable living environments through slum and blight reduction, emergency assistance and other rehabilitation of existing public facilities in LMI areas.</p> <p>The estimated amount of CDBG funds, which will benefit LMI persons, is <b>\$30,466,728</b> or <b>71.32%</b> of the non-administrative allocation for FY2019. ( See Appendix A) HUD requires that a minimum of 70% of the state’s annual allocation be awarded on projects benefiting primarily LMI persons; however, Missouri has certified that it will meet the 70% LMI benefit requirement in aggregate over the three-year period 2017 - 2019.</p>
<p><b>2</b></p>	<p><b>State Program Name:</b> Emergency Solutions Grant</p> <p><b>Funding Sources:</b> ESG</p>

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>ESG is distributed based on an annual allocation plan that is approved by MHDC Board of Commissioners.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Completeness of the application, extent to which the applicant demonstrates an understanding of the HEARTH Act regulations, past performance, strength of program design, implementation strategy, unmet need, data used to describe need, procurement of outside resources, organizational experience, financial reporting, extent to which program serves 100% homeless persons, collaboration with local plans, extent to which project meets priorities in CoC plan, match funds available, amount of funds requested, participation in the CoC, participation in CE and measurable performance goals and objectives.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other State publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>MHDC will make the ESG funds available to local government first through a first right of refusal process. If the local government declines funding, the funds will be made available to direct non-profit organizations. MHDC will conduct an annual application training and will be available for any application questions. Once the applications are received, MHDC will score each application based on the criteria listed above and will make recommendations to the MHDC Board of Commissioners each year. The recommendations will also be based on the state Allocation Plan approved annually for ESG funds.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Missouri state ESG resources will be allocated at the 60% maximum limit for emergency shelter and street outreach activities and no less than 40% for homelessness prevention and rapid re-housing activities.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>City/County sub-grantees are limited to apply for \$50,000 per sub-grantee, up to \$150,000 total. Direct non-profit applicants may apply for up to \$50,000, or up to \$100,000 if they serve multiple counties, but no direct non-profit may allocate more than \$50,000 to one county. Entitlement areas that already receive funds from HUD are capped and this is reflected in the allocation plan that is approved by DSS and MHDC, using the CoC boundaries.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Due to the emphasis on performance, each ESG grantee will be held to the outcome and performance measurements established by the CoC they belong to as required by the regulations.</p>

<b>3</b>	<b>State Program Name:</b>	HOME
	<b>Funding Sources:</b>	HOME
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>Currently MHDC uses its HOME Funds in two ways: multi-family rental production and rehabilitation and homeowner rehabilitation. MHDC does not utilize its state HOME funds for Tenant Based Rental Assistance. If it is later determined that HOME Funds could be better utilized for that purpose, MHDC will explore the feasibility of doing so.</p> <p>MHDC does not currently utilize HOME funds for homeownership assistance. However, MHDC is exploring the feasibility and practical application of a program providing homeownership opportunities for low- to moderate-income Missourians. If it is later determined that HOME funds should be utilized for this purpose, MHDC will fully develop and implement such a program.</p> <p>The multi-family HOME allocation is part of MHDC’s larger rental production and rehabilitation application process, and its annual HOME allocation is used to finance rental production at a very low interest rate. Rental applications are reviewed according to primary and secondary thresholds, selection criteria as described in the QAP, and the geographic priority. MHDC allocates a minimum of 15% of its HOME allocation to Community Housing Development Organizations (CHDO).</p> <p>The homeowner rehabilitation program – HeRO – has its own application process. MHDC will award HeRO funds based on a statewide competition. All applications will be reviewed and compared based on the items described in the application, and each item will be reviewed and a score determined at MHDC’s sole and absolute discretion will be assigned. Once scores are calculated, the applications shall be ranked in order of the highest score to the lowest score and funding will be based upon such ranking. Currently, HeRO funds are used in non-metropolitan areas or areas that have been declared as a disaster area.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>For the rental production and rehabilitation program, applications will be evaluated using Section 42 requirements:</p> <ul style="list-style-type: none"> <li>• Those serving lowest income tenants,</li> <li>• Those serving qualified tenants for the longest period, and</li> <li>• Projects located in Qualified Census Tracts, the development of which contributes to a concerted community revitalization plan.</li> </ul> <p>Additionally, MHDC will give preference among selected projects to:</p> <ul style="list-style-type: none"> <li>• Project location,</li> <li>• Housing needs characteristics,</li> <li>• Project characteristics, including whether the project involves the use of existing housing as part of a community revitalization plan,</li> <li>• Projects intended for eventual tenantownership,</li> <li>• Tenant populations with special housing needs</li> <li>• Sponsor characteristics,</li> <li>• Tenant populations of individuals with children,</li> <li>• Public housing waiting lists,</li> <li>• Energy efficiency, and</li> <li>• Historic character</li> </ul> <p>The HeRO program will evaluate applications based primarily on the written policies and procedures documenting the organization’s intended implementation which includes but are not limited to: requirements for household participation, household application process, intended rehabilitation activities, lead hazard reduction requirements, the marketing plan, rehabilitation standards, appraisal process, and contractor participation qualifications.</p>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other State publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>MHDC intends to allocate 15 – 20% of the yearly state allocation to the homeowner rehabilitation program, 10% for administrative purposes, and the remaining amount to the rental production and rehabilitation program.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Currently there is no grant/loan size limit for the rental production and rehabilitation program, but MHDC utilizes its HOME funds as gap-financing for larger developments. Ideally, MHDC would like its individual HOME fund allocations to be a small but important part of these developments. The exception is with the CHDO developments; because these projects are often much smaller than a private developer's, HOME is often the only funding source.</p> <p>The HeRO program also does not have a grant limit for the sub-grantees, but MHDC works to stretch these funds as far as possible across the state, so we grant based on the quality of applications/applicants and the number of applications submitted. Currently there is a \$22,500 limit on improvements made to homes.</p>

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Based on current funding levels, MHDC expects to develop or rehabilitate 123 HOME rental units and rehabilitate approximately 106 owner occupied homes.</p>
4	<p><b>State Program Name:</b></p>	<p>HOPWA</p>
	<p><b>Funding Sources:</b></p>	<p>HOPWA</p>
	<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>MDHSS does not utilize project sponsors in order to maximize HOPWA funds. In order to qualify for HOPWA assistance an HIV positive individual must be enrolled in the Ryan White Missouri HIV medical case management system, and assessed to be in need of housing assistance by the medical case manager. Medical Case Managers are strategically located throughout regions where the client base is located. The Medical Case Manager completes all required paperwork to ensure the client qualifies for services and then forwards the service referral request within the statewide database to the MDHSS program manager for approval. The service referral payment is expedited through the fiscal agent directly to the landlord, utility company or mortgage company.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>MDHSS does not utilize project sponsors in order to maximize HOPWA funds.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other State publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>MDHSS does not utilize project sponsors in order to maximize HOPWA funds.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>MDHSS targets all HOPWA funding towards direct housing assistance payments in order to fully maximize the funding. Any client identified at intake with a housing need is immediately referred to either Ryan White emergency assistance or HOPWA housing services through a statewide reporting system to expedite payment for the assistance.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>N/A</p>

<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>The HOPWA program provides direct assistance, without the use of subcontractors, for short term rent, short term utilities, long term rent and short term mortgage assistance. Once enrolled in the Ryan White Case Management system the client is provided access to core and support services through the case management system including; housing related services, medical Care, mental health counseling, substance abuse counseling, oral health services, emergency assistance, HIV medications, health insurance assistance (premium, out of pocket, and co-pay), and medical transportation.</p> <p><b>Goal Outcome Indicator:</b></p> <ul style="list-style-type: none"> <li>• Short-term rent, mortgage, and utility assistance payments for <u>150 households</u></li> <li>• Tenant-based rental assistance for <u>175 households</u></li> </ul> <p>Total: <u>325 households</u></p>
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**Discussion:**

Many of Missouri's affordable housing resources are coordinated by MHDC. As the state housing finance agency, MHDC is dedicated to strengthening communities and the lives of Missourians through the financing, development and preservation of affordable housing. Funding decisions are made in accordance with the QAP and other allocation plans (including the HTF allocation plan) approved by MHDC Board of Commissioners. Federal resources, including HOME and HTF are leveraged with alternative funding resources as they become available in connection with the private/public partnership programs involving the production of rental property. MHDC is committed to ensuring that all allocation plans for the various funding sources effectively meet the needs of the Missouri citizens including individuals and families who represent special needs populations and other vulnerable or at-risk populations.

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**AP-35 Projects – (Optional)**

**Introduction:**

Project Summary Information - N/A

#	Project Name

**Table 9 – Project Information**

**Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

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**AP-38 Project Summary**

**Project Summary Information**

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**AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

**Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

No

**Available Grant Amounts**

N/A

**Acceptance process of applications**

N/A

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## **AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

Yes

### **State’s Process and Criteria for approving local government revitalization strategies**

In FY2019, the State CDBG Program will be offering communities funding for a Downtown Revitalization Program. Please see below for summary of the program and Appendix A for complete guidelines and criteria.

#### **Downtown Revitalization:**

Cycle – Application deadline – May 31, 2019. Competitive process. Maximum \$500,000 or \$5,000 per family benefitting. Required \$1 of private, for-profit investment committed for every \$1 of CDBG funds requested.

National Objective - Minimum 51% LMI area benefit by census or survey; or designated slum and blight

Eligible Activities – Public infrastructure and improvements that will significantly contribute to the revitalization or redevelopment of the downtown. These improvements may include, but are not limited to water, sewer, electric, gas, sidewalks, curb cuts, street paving, parking, lighting, etc. Professional services and administration activities are also eligible. Marketing costs are not eligible.

**AP-50 Geographic Distribution – 91.320(f)**

**Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

The Consolidated and Annual Action Plan are written to reflect needs and assets throughout the state; subsequently, the goals articulated in this section are written from the same statewide perspective.

The departments of Economic Development and Health & Senior Services do not direct CDBG and HOPWA funding, respectively, on a geographic basis. Funding is based primarily on need.

MHDC will strive to award ESG funding in each CoC of the state, subject to the quality of the applications received and the applicant’s ability to meet eligibility criteria. In the event that an insufficient number of applications are received within a geographic area, any remaining funds will be allocated to other regions. Any funds recaptured will be reallocated at the discretion of MHDC. As the state housing finance agency, MHDC does not routinely target specific areas of the state for allocations above and beyond the regional goals stated in the QAP. MHDC serves the entire state of Missouri.

**Geographic Distribution**

Target Area	Percentage of Funds
Non-Entitlement Housing	
Non-Entitlement Community & Economic Development	
Balance of State Continuum of Care	
Statewide Housing	

**Table 10 - Geographic Distribution**

**Rationale for the priorities for allocating investments geographically**

As the state housing finance agency, MHDC does not routinely target specific areas of the state for allocations above and beyond the regional goals stated in the QAP. MHDC serves the entire state of Missouri.

MHDC allocates HeRO funds to the non-entitlement areas of the state. These communities typically do not have access to the federal funds available to larger metropolitan areas of the state for homeowner rehabilitation work.

ESG funds are geographically allocated by Missouri CoC in an effort to coordinate homeless assistance funds with the needs of each CoC and are based on requested and awarded funds for previous program

years.

### **Discussion**

The state of Missouri's Consolidated and Annual Action Plan reflects funding priorities for the non-entitlement communities throughout the state with HOME and HTF funding available to both non-entitlement and entitlement jurisdictions.

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## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

**Introduction:**

Many of Missouri’s affordable housing resources are coordinated by MHDC. As the state housing finance agency, MHDC is dedicated to strengthening communities and the lives of Missourians through the financing, development and preservation of affordable housing. Funding decisions are made in accordance with the QAP and other allocation plans (including the HTF allocation plan) approved annually by MHDC Board of Commissioners. Federal resources, including HOME and HTF are leveraged with alternative funding resources as they become available in connection with the private/public partnership programs involving the production of rental property. MHDC is committed to ensuring that all allocation plans for the various funding sources effectively meet the needs of the Missouri citizens including individuals and families who represent special needs populations and other vulnerable or at-risk populations.

**CDBG-DR:**

On August 14, 2018, the U.S. Department of Housing and Urban Development (HUD) allocated Missouri \$58,535,000 in Community Development Block Grant disaster recovery (CDBG–DR) funds for unmet needs due to the national disasters of 2017. The funds are to help alleviate the unmet housing, infrastructure, and economic revitalization needs due to the 2017 flooding. However, HUD has specified, by rule, that all disaster funds for Missouri allocated under Public Law 115-123 must first serve unmet housing needs. At the point that the unmet housing need is exhausted, the CDBG Program will formally amend the Plan to reflect the use of remaining funds in areas of unmet need in the categories of infrastructure and economic revitalization. The CDBG-DR Action Plan can be found at the following link: <https://ded.mo.gov/DisasterRecovery>

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	49
Non-Homeless	73
Special-Needs	73
Total	195

**Table 11 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	68

One Year Goals for the Number of Households Supported Through	
Acquisition of Existing Units	0
Total	68

**Table 12 - One Year Goals for Affordable Housing by Support Type**

**Discussion:**

In Missouri, the goal is to safely reduce the length of stay for families and individuals in shelter in order to create housing first opportunities for them to be permanently re-housed. This model removes the traditional tiered system that offers limited services and imposes unnecessary requirements on individuals and families in order to obtain permanent housing. Missouri recognizes that there will always be specific populations that require emergency shelter and services - including but not limited to homeless youth, survivors of domestic violence and homeless individuals struggling with substance abuse - but hopes to incorporate ways to safely shorten these episodes of homelessness and move individuals and families directly into a permanent housing situation through rapid re-housing.

**CDBG-DR:**

Based on the Goal Outcome Indicator table in AP-20, the following one-year goals for the CDBG-DR can

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be expected:

Public Service Activities for LMI Housing Benefit - 195 households assisted

Rental Units Constructed - 25 household housing units

Homeowner Housing Added - 20 household housing units

Homeowner Housing Rehabilitated - 50 household housing units

Direct Financial Assistance to Homebuyers - 175 households assisted

Tenant-Based Rental Assistance/Rapid Rehousing - 51 households assisted

Homeless Person Overnight Shelter - 28 persons assisted

Homelessness Prevention - 195 persons assisted

Housing for Homeless Added - 8 households housing units

Buildings Demolished - 58 buildings

## **AP-60 Public Housing - 24 CFR 91.320(j)**

### **Introduction:**

The State's Consolidated Plan partners – DED, MHDC, DSS and DHSS - do not manage or oversee funds to any of the PHAs throughout the state. The state consulted MONAHRO to solicit data and significantly increase PHA input for the 2018-2022 Consolidated Plan with good success. Twenty-five PHAs in non-entitlement areas of the state agreed to participate in the 2018-2022 Consolidated Plan process. MONAHRO worked with MHDC to coordinate the data and consultation process for those PHAs participating. Each organization acting as a liaison to the larger community – MONAHRO for participating PHAs and MHDC for the Consolidated Plan partners.

The 2019 Action Plan continued to improve on the collaboration between the state and PHAs, working on issues with staff and resident engagement, involving PHA staff in other statewide collaborations, and offering more opportunities for collaborative training. As a result, resident engagement for the 2019 Action Plan process improved substantially; notably with more accessible surveys available to residents (offered through resident newsletters as opposed to internet surveys), and ultimately, more submitted for consideration.

The 25 PHAs listed below agreed to actively participate in the five year Consolidated Plan process. Participating PHAs: Bernie, Bloomfield, Boonville, Brookfield, Cabool, Cameron, Carrollton, Chillicothe, Clinton, Dexter, Excelsior Springs, Hannibal, Independence, Jefferson City, Kirksville, Liberty, Marceline, Marshall, Mexico, Moberly, Nevada, Noel, Rolla, Salem, and Slater. The PHAs listed below submitted resident and staff surveys for the 2019 Action Plan process: Bethany, Bloomfield, Boonville, Brookfield, Cameron, Clinton, Excelsior Springs, Fulton, Marshall, Nevada, Salem, and Springfield.

The 2018-2022 Consolidated Plan reflects a partnership between PHAs and state community development and housing providers that has not been present with previous five year plans. Missouri's Consolidated Partners will continue to work with MONAHRO and PHAs throughout the state to improve access to processes, encourage collaboration and better align affordable housing priorities.

<https://1drv.ms/f/s!AuhPSgaH-dEubq-KlnhinEgVC18>

### **Actions planned during the next year to address the needs to public housing**

Missouri's Consolidated Partners will continue to work with MONAHRO and PHAs throughout the state to improve access to processes, encourage collaboration and better align affordable housing priorities. The 2019 Action Plan continued to improve on the partnership between the state and PHAs, working on issues with staff and resident engagement, involving PHA staff in other statewide efforts,

and offering more opportunities for shared training.

All PHA resident surveys, as they were submitted to the State, are attached for review.

<https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18>

**Actions to encourage public housing residents to become more involved in management and participate in homeownership**

Missouri's Consolidated Partners will continue to work with MONAHRO and PHAs throughout the state to improve access to processes, encourage collaboration and better align affordable housing priorities. This work must include communication with PHA residents about existing opportunities that are available through the state; opportunities aimed at improving a household's success.

All PHA resident surveys, as they were submitted to the State, are attached for review.

<https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18>

**If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

All PHA resident surveys, as they were submitted to the State, are attached for review.

<https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18>

**Discussion:**

The State's Consolidated Plan partners – DED, MHDC, DSS and DHSS - do not manage or oversee funds to any of the PHAs throughout the state. The state consulted MONAHRO to solicit data and significantly increase PHA input for the 2018-2022 Consolidated Plan with good success. Twenty-five PHAs in non-entitlement areas of the state agreed to participate in the 2018-2022 Consolidated Plan process. MONAHRO worked with MHDC to coordinate the data and consultation process for those PHAs participating. Each organization acting as a liaison to the larger community – MONAHRO for participating PHAs and MHDC for the Consolidated Plan partners.

The 2019 Action Plan continued to improve on the collaboration between the state and PHAs, working on issues with staff and resident engagement, involving PHA staff in other statewide collaborations, and offering more opportunities for collaborative training. As a result, resident engagement for the 2019 Action Plan process improved substantially; notably with more accessible surveys available to residents (offered through resident newsletters as opposed to internet surveys), and ultimately, more submitted

for consideration.

The 25 PHAs listed below agreed to actively participate in the five year Consolidated Plan process. Participating PHAs: Bernie, Bloomfield, Boonville, Brookfield, Cabool, Cameron, Carrollton, Chillicothe, Clinton, Dexter, Excelsior Springs, Hannibal, Independence, Jefferson City, Kirksville, Liberty, Marceline, Marshall, Mexico, Moberly, Nevada, Noel, Rolla, Salem, and Slater. The PHAs listed below submitted resident and staff surveys for the 2019 Action Plan process: Bethany, Bloomfield, Boonville, Brookfield, Cameron, Clinton, Excelsior Springs, Fulton, Marshall, Nevada, Salem, and Springfield.

The 2018-2022 Consolidated Plan reflects a partnership between PHAs and state community development and housing providers that has not been present with previous five year plans. Missouri's Consolidated Partners will continue to work with MONAHRO and PHAs throughout the state to improve access to processes, encourage collaboration and better align affordable housing priorities.

<https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18>

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## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

### **Introduction**

MHDC is tasked with drastically reducing and ultimately ending homelessness in Missouri. MHDC administers the ESG program in collaboration with DSS and also administers HTF. In addition, MHDC administers a variety of federal, state or locally funded programs with the same objectives that are outside the scope of the Consolidated Plan. MHDC requires funded agencies to attend meetings of their CoC and to participate in the CE system of the CoC. MHDC also solicits feedback for each application received from the CoC to understand the diverse needs of each CoC. Consolidated oversight for the majority of the homeless assistance programs throughout Missouri allows targeting of funds, consistency of program goals and policies and helps reduce and ultimately end homelessness in Missouri.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

All Missouri CoC's conduct an annual PITC in January and have established a CE system by January, 2018. Through these collaborative projects the state expects to reach unsheltered individuals and families who will be assessed and prioritized for services resulting in identification of gaps and a reduction in the unsheltered homeless population.

#### **Addressing the emergency shelter and transitional housing needs of homeless persons**

In Missouri, the goal is to safely reduce the length of stay for families and individuals in shelter in order to create housing first opportunities for them to be permanently re-housed. This model removes the traditional tiered system that offers limited services and imposes unnecessary requirements on individuals and families in order to obtain permanent housing. Missouri recognizes that there will always be specific populations that require emergency shelter and services - including but not limited to homeless youth, survivors of domestic violence and homeless individuals struggling with substance abuse - but hopes to incorporate ways to safely shorten these episodes of homelessness and move individuals and families directly into a permanent housing situation through rapid re-housing.

#### **Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were**

### **recently homeless from becoming homeless again**

All Missouri CoC's conduct an annual PITC in January and have established a CE system by January, 2018. Through these collaborative projects the state expects to reach unsheltered individuals and families who will be assessed and prioritized for services resulting in identification of gaps and a reduction in the families with children, veterans and unaccompanied youth unsheltered homeless population which are priorities in the federal and state plan to end homelessness.

### **Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

The GCEH established a Discharge Policy in 2011 that was adopted by all Missouri CoCs and state partners. The discharge policy establishes the following guiding principles: homelessness is unacceptable in Missouri; efforts to secure permanent housing shall be made prior to being discharged from a state or public facility, such as a mental health facility, substance abuse treatment facility, long-term care facility, or jail/prison; if "temporary" shelter placement is unavoidable, the reasons for this should be documented; if after having exhausted efforts to engage the client in a discharge plan, if the client continues to refuse services, the efforts will be noted; and if a client receiving out-patient services becomes homeless, the state or public facility should work actively with available community resources to locate suitable housing.

All Missouri CoCs have implemented a CE System. The CE system serves as a single point of access for those at-risk of or experiencing homelessness. ESG programs are required to participate in the CE System. The goal of programs funded under the ESG program is to reduce the length of stay for individuals and families utilizing emergency shelters during their housing crisis in order to reduce the length of time that individual or family experiences homelessness. In addition, service providers receiving ESG Homelessness Prevention and Rapid Re-housing programs have a goal of assisting households experiencing homelessness or at imminent risk of homelessness with housing stability within 30 days.

### **Discussion**

MHDC is tasked with drastically reducing and ultimately ending homelessness in Missouri. MHDC administers the ESG program in collaboration with DSS and also administers HTF. In addition, MHDC administers a variety of federal, state or locally funded programs with the same objectives that are outside the scope of the Consolidated Plan. MHDC requires funded agencies to attend meetings of their CoC and to participate in the CE system of the CoC. MHDC also solicits feedback for each application

received from the CoC to understand the diverse needs of each CoC. Consolidated oversight for the majority of the homeless assistance programs throughout Missouri allows targeting of funds, consistency of program goals and policies and helps reduce and ultimately end homelessness in Missouri.

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**AP-70 HOPWA Goals – 91.320(k)(4)**

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	150
Tenant-based rental assistance	175
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
<b>Total</b>	<b>325</b>

DRAFT

## **AP-75 Barriers to affordable housing – 91.320(i)**

### **Introduction:**

Barriers noted in the 2013-2017 and the 2018-2022 Consolidated Plans persist and continue to impact the growth of affordable housing development in Missouri. LIHTC regulations governing income eligibility, particularly the AMI rent restriction limits and how those restrictions impact LIHTC development in small, rural counties, continue to present challenges for financing housing developments that are truly affordable to households in these communities. Limited funding for homeownership and affordable housing programs further exacerbates the gap between the need for housing and the available supply. Funding for housing programs geared towards low and extremely low income households has not significantly increased despite the growing number of households that fall into these categories. Taken together, these barriers pose very real challenges to housing providers, developers, advocates, and those in need of housing. The state will continue to promote its mission of developing safe, affordable housing while being asked to do more with fewer economic resources.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

To the extent it is feasible, the Consolidated Plan partners will continue to work with stakeholders including but not limited to MCHR, housing and social service providers, property management companies and PHAs on fair housing outreach and education, to ensure individuals understand their housing rights and the resources available to them. To the extent it is feasible, the Consolidated Partners will provide information and resources to policy makers as they work towards reconciling differences in state and local regulations as they pertain to housing, zoning, and discrimination.

### **Discussion:**

The Missouri Statewide Fair Housing Impediments Analysis underscored the fact that housing discrimination continues despite increased education and improved housing access in some communities. The report noted that for low income renters, that discrimination is most pronounced. For some populations, discrimination can, to an extent, be mitigated. The Violence Against Women Reauthorization Act (VAWA) of 2013 expands housing protections to eligible residents living in LIHTC developments. MHDC will continue to work with the Missouri Coalition against Domestic & Sexual Violence (MCADSV) to ensure housing developers, providers and property management companies understand their responsibilities under VAWA. MHDC requires all affordable developments to adopt fair housing marketing plans prior to the issuance of funding and makes state and federal fair housing resources available on their website. Creating more affordable housing options for all Missourians, educating property managers about fair housing choice, and improving access to

affordable housing resources for those who need it, will continue to be priorities for MHDC.

The 2018-2022 Consolidated Plan and 2019 Action Plan reflects a partnership between PHAs and state community development and housing providers that has not been present previously. Missouri's Consolidated Partners will continue to work with MONAHRO and PHAs throughout the state to improve access to processes, encourage collaboration and better align affordable housing priorities.

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## **AP-85 Other Actions – 91.320(j)**

### **Introduction:**

#### **Actions planned to address obstacles to meeting underserved needs**

MHDC is tasked with drastically reducing and ultimately ending homelessness in Missouri. MHDC administers the ESG program in collaboration with DSS and also administers HTF. In addition, MHDC administers a variety of federal, state or locally funded programs with the same objectives that are outside the scope of the Consolidated Plan. MHDC requires funded agencies to attend meetings of their CoC and to participate in the CE system of the CoC. MHDC also solicits feedback for each application received from the CoC to understand the diverse needs of each CoC. Consolidated oversight for the majority of the homeless assistance programs throughout Missouri allows targeting of funds, consistency of program goals and policies and helps reduce and ultimately end homelessness in Missouri.

The Department of Economic Development will continue its relationship with partner agencies (state, federal and local) to meet the non-housing community development needs of Missouri.

The Missouri Department of Health and Senior Services HOPWA program will continue assisting individuals living with HIV/AIDS with short-term and long-term housing needs. HOPWA is committed to helping individuals living with HIV/AIDS maintain stable housing, medication assistance and access to medical care to increase viral load suppression.

#### **CDBG-DR:**

On August 14, 2018, the U.S. Department of Housing and Urban Development (HUD) allocated Missouri \$58,535,000 in Community Development Block Grant disaster recovery (CDBG-DR) funds for unmet needs due to the national disasters of 2017. The funds are to help alleviate the unmet housing, infrastructure, and economic revitalization needs in the declared counties due to the 2017 flooding. However, HUD has specified, by rule that all disaster funds for Missouri allocated under Public Law 115-123 must first serve unmet housing needs. At the point that the unmet housing need is exhausted, the CDBG Program will formally amend the Plan to reflect the use of remaining funds in areas of unmet need in the categories of infrastructure and economic revitalization. Also of special note, by rule, 80% of the CDBG-DR funding must be utilized in the 5 most highly impacted zip codes and the other 20% can be utilized in the 55 disaster declared counties. The CDBG-DR Action Plan can be found at the following link: <https://ded.mo.gov/DisasterRecovery>

#### **Actions planned to foster and maintain affordable housing**

Many of Missouri's affordable housing resources are coordinated by MHDC. As the state housing finance agency, MHDC is dedicated to strengthening communities and the lives of Missourians through the financing, development and preservation of affordable housing. Funding decisions are made in accordance with the QAP and other allocation plans (including the HTF allocation plan) approved

annually by MHDC Board of Commissioners. Federal resources, including HOME and HTF are leveraged with alternative funding resources as they become available in connection with the private/public partnership programs involving the production of rental property. MHDC is committed to ensuring that all allocation plans for the various funding sources effectively meet the needs of the Missouri citizens including individuals and families who represent special needs populations and other vulnerable or at-risk populations.

#### CDBG-DR:

On August 14, 2018, the U.S. Department of Housing and Urban Development (HUD) allocated Missouri \$58,535,000 in Community Development Block Grant disaster recovery (CDBG-DR) funds for unmet needs due to the national disasters of 2017. The funds are to help alleviate the unmet housing, infrastructure, and economic revitalization needs in the declared counties due to the 2017 flooding. However, HUD has specified, by rule that all disaster funds for Missouri allocated under Public Law 115-123 must first serve unmet housing needs. At the point that the unmet housing need is exhausted, the CDBG Program will formally amend the Plan to reflect the use of remaining funds in areas of unmet need in the categories of infrastructure and economic revitalization. Also of special note, by rule, 80% of the CDBG-DR funding must be utilized in the 5 most highly impacted zip codes and the other 20% can be utilized in the 55 disaster declared counties. The CDBG-DR Action Plan can be found at the following link: <https://ded.mo.gov/DisasterRecovery>

#### **Actions planned to reduce lead-based paint hazards**

MHDC's Lead Based Paint Policy and Procedures for the rental rehabilitation program can be found in the Environmental Review Guidelines, Exhibit B.

All approved developments must follow the requirements in 24 CFR part 35: \* Complete the HUD Partner Worksheet, including exhibits. Developers must provide MHDC all pertinent information including informal and informal consultations with state and federal agencies and non-federal agencies. \* Developer's must provide MHED with the analysis to back up the type of lead-based paint investigation done for a project. This can include the reports, certifications, licenses, and pamphlets.

Developers are encouraged to review the lead-based paint requirements located on the HUD Exchange website and the Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing. In addition to these procedures, MHDC has guidelines for the Physical Needs Assessment, which is submitted with the application for funding. Among other things, this document addresses the need and requirement for a lead-based paint assessment.

The HeRO program contains lead-based paint requirements. Sub-recipients are required to provide their own procedures for addressing lead-based paint issues within the single-family homes they will be rehabilitating, including staff and contractor certifications and procedures for lead risk assessment. In

the 2016 HOME Program year, 36 of the 138 HOME rental units rehabilitated triggered a Lead Based Paint Investigation because they were originally constructed before January 1, 1978. Of the 105 single-family homeowner occupied units that were rehabilitated, 88 were built before 1978. These 124 units directly increased access to housing units throughout Missouri with Lead-Based paint hazards remediated. The ESG program requires a lead-based paint visual assessment for all units being assisted with ESG financial assistance (rent assistance, utility assistance, utility/rent deposits, or arrears), if the unit was constructed prior to 1978, and a child under the age of six is or will be living in the unit. This screening must be completed and kept in client files for review during compliance visits.

### **Actions planned to reduce the number of poverty-level families**

MHDC collaborates with and maintains an ongoing relationship with the GCEH which was established with a mission to promote public and private coordination and collaboration, develop new strategies to evaluate and reallocate resources, remove barriers to accessing services, evaluate unmet needs and provide supportive services and affordable housing needs, implement effective solutions to build economic security and promote and support activities that prevent homelessness. The GCEH is a Governor appointed committee consisting of state departments, non-profit agencies, eight CoC, and formerly homeless citizens. All agencies participating in the Consolidated Planning Process have a seat on this committee. Missouri addresses poverty-level families through the network of community action agencies who apply for homeless assistance funding, provide disaster services and reach rural communities.

### **Actions planned to develop institutional structure**

All Missouri CoC's were required to implement a CE System to coordinate and prioritize homeless assistance funding by January 2018. This structure will facilitate collaboration and improve institutional structures.

The Department of Economic Development partners with various state and federal agencies (including, but not limited to the Missouri Department of Natural Resources, Missouri Department of Transportation, Delta Regional Authority, U.S. Department of Agriculture – Rural Development, U.S. Department of Commerce – Small Business Administration, State and Federal Emergency Management Agencies, and the Economic Development Administration) to collectively meet the needs of eligible areas of the State. In addition, the Department has an excellent relationship with the Missouri Regional Planning Commissions/Councils of Government.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

All Missouri CoCs have implemented a CE System. The CE system serves as a single point of access for those at-risk of or experiencing homelessness. CE was required to be in place for each Missouri

Continuum of Care by January, 2018.

Through consolidation of MHDC programs into a single program called the Missouri Housing Innovation Program (MoHIP), funding has been made available to increase equal access to housing opportunities, promote success in permanent housing for the hardest to house individuals and families, assist Continua in meeting HUD Coordinated Entry requirements, and to provide HMIS support for Missouri Continua. MoHIP's objective is to quickly identify and engage people at risk of and experiencing homelessness, provide immediate access to shelter and crisis services, intervene to prevent loss of housing and divert people from entering the homeless service system, and to address service gap needs as they appear within a community's systematic response to homelessness.

The state began working with MONAHRO to increase PHA input for the 2018-2022 Consolidated Plan. Missouri's Consolidated Partners will continue to work with MONAHRO and PHAs throughout the state to improve access to processes, encourage collaboration and better align affordable housing priorities. The 2019 Action Plan continued to improve on the partnership between the state and PHAs, working on issues with staff and resident engagement, involving PHA staff in other statewide efforts, and offering more opportunities for shared training. This ongoing collaboration will benefit and improve the state's affordable housing and community development strategies and ultimately help more Missourians find homes in healthy communities.

#### **Discussion:**

The Missouri Statewide Fair Housing Impediments Analysis underscored the fact that housing discrimination continues despite increased education and improved housing access in some communities. The report noted that for low income renters, that discrimination is most pronounced. For some populations, discrimination can, to an extent, be mitigated. The Violence Against Women Reauthorization Act (VAWA) of 2013 expands housing protections to eligible residents living in LIHTC developments. MHDC is working with properties to provide education about their responsibilities under. MHDC requires all affordable developments to adopt fair housing marketing plans prior to the issuance of funding. MHDC continues working to expand outreach to potential tenants and to make fair housing resources available to current residents. Creating more affordable housing options for all Missourians, educating our property managers about fair housing choice, and improving access to affordable housing resources for those who need it, will continue to be priorities for MHDC.

The 2018-2022 Consolidated Plan and 2019 Annual Action Plan reflects a partnership between PHAs and state community development and housing providers that has not been present with previous five year plans. Missouri's Consolidated Partners will continue to work with MONAHRO and PHAs throughout the state to improve access to processes, encourage collaboration and better align affordable housing priorities.

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

**Introduction:**

The Program Specific Requirements section looks at how MHDC, the Department of Economic Development, Department of Social Services, and the Department of Health and Senior Services administer the statewide federal funds.

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	7,200,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>7,200,000</b>

#### Other CDBG Requirements

**Other CDBG Requirements**

1. The amount of urgent need activities **\$10,500,000**

The amount available for urgent need activities is estimated based on the allowance from HUD that 70% of the annual allocation meet the LMI National Objective. The State may use up to 30% of the funds to meet the Urgent Need National Objective. The proposed amount to fund urgent need activities is the available amount that be utilized for the Urgent Need National Objective, but still ensure that the State meets the requirement to meet the LMI National Objective over the three year aggregate period, 2017-2019.

The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income during the FY19 Action Plan Year is **71.32%**.

Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan: **2017-2019**

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**HOME Investment Partnership Program (HOME)  
Reference 24 CFR 91.320(k)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

MHDC does not utilize its HOME funds for any forms of investment outside of those listed in Section 92.205

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

MHDC does not currently utilize its state HOME funds for homeownership assistance. However, MHDC is exploring the feasibility and practical application of a program providing homeownership opportunities for low- to moderate-income Missourians. If it is later determined that HOME funds should be utilized for this purpose, MHDC will fully develop and implement such a program.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

MHDC does not currently utilize its state HOME funds for homeownership assistance. However, MHDC is exploring the feasibility and practical application of a program providing homeownership opportunities for low- to moderate-income Missourians. If it is later determined that HOME funds should be utilized for this purpose, MHDC will fully develop and implement such a program.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

MHDC does not currently use its HOME funds to refinance existing debt.

**Emergency Solutions Grant (ESG)  
Reference 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

Grantees/sub-grantees must develop and implement written standards that must include:

- Standard policies and procedures for evaluating individuals' and families' eligibility for assistance.
- Policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless

assistance providers, and mainstream service and housing providers.

- Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families will receive rapid re-housing assistance.
  - Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.
  - Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.
  - Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participants receives assistance; or the maximum number of times the program participants may receive assistance.
  - If funding essential services related to street outreach; standards for targeting and providing these services.
  - If funding any emergency shelter activities; policies and procedures for admission, diversion, referral and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations and persons with the highest barriers to housing.
  - The recipient must describe their CoC's coordinated assessment system and how they will participate.
2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

All Missouri CoC's have established a CE System by January, 2018. The BoS CoC has established a regional CE for a large rural CoC. All CE Systems have policies and procedures. The BoS CoC CE Committee has created policies and procedures which were approved by the governing body and are applicable to all ten regions. The CE Committee is responsible for maintaining and updating policies and procedures and presenting to the BoS CoC board for final approval.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

DSS sub-contracts the state ESG funds to MHDC. MHDC has a competitive application process in which units of local government and nonprofit organizations can apply for funds. The first right of refusal is given to units of local government and if they are refused, then nonprofit agencies are able to apply directly to MHDC for funding. The state of Missouri allocation is also available at a capped amount to other ESG entitlement communities in the state. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering

policies and funding decisions regarding facilities and services funded under ESG. The state of Missouri and MHDC meet the homeless participation requirement 24 CFR 576.405(a).

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

ESG grantees are required to provide proof of homeless participation in a board or advisory capacity to their agency at the time of the grant agreement.

5. Describe performance standards for evaluating ESG.

As stated in the HEARTH Act the ESG and CoC programs must collaborate on the creation of performance standards. ESG funded agencies must strive to meet minimum performance measures established by HUD and any additional performance measures established by their own CoC.

**Housing Trust Fund (HTF)**  
**Reference 24 CFR 91.320(k)(5)**

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

- a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

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.

All participants must adhere to all federal, state, and local laws, as well as any and all applicable regulations, guidance, revenue rulings and the like as may be promulgated by the IRS, HUD, or any other federal or state agency. Participants are solely responsible for ensuring their own compliance with any such laws, regulations, and guidance, and are encouraged to seek the advice of their own legal counsel with respect to such compliance.

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

\*Remainder of answer starts on page 2 of "2019 Housing Trust Fund" document located at:

<https://1drv.ms/f/s!AuhPSgaH-dEubq-KlnhinEgVC18>

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

An "Application" is defined as: (1) the MHDC Application - FIN100 (Exhibit A), (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 B) 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. MHDC does not require nor accept separate proposals unless the applicant wishes to have a proposal considered for both 9% Credits and 4% Credits.

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. Secondary documentation includes local jurisdiction contact verification, statutorily required documentation, housing priority documentation (if applicable), zoning verification,

architectural items, sustainable housing information, relocation data (if applicable), PHA approved utility allowances, developer and general partner information, and management company information.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

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 or consisting of vulnerable persons;
- Sponsor characteristics;
- Tenant populations of individuals with children;
- Public housing waiting lists; and
- Energy efficiency and overall sustainability.

\*Remainder of answer starts on page 2 of "2019 Housing Trust Fund" document located at:

<https://1drv.ms/f/s!AuhPSgaH-dEubq-KlnhinEgVC18>

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

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, 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.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

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 or vulnerable persons 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.

\*Remainder of answer starts on page 10 of "2019 Housing Trust Fund" document located at:

<https://1drv.ms/f/s!AuhPSgaH-dEubq-KlnhinEgVC18>

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

A development with a committed Project Based Rental Assistance is preferred over a proposal without.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The minimum period of affordability is 30 years.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

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.

\*Remainder of answer starts on page 11 of "2019 Housing Trust Fund" document located at:

<https://1drv.ms/f/s!AuhPSgaH-dEubq-KlnhinEgVC18>

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

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.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

**6. Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

**7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.**

Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

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.

**8. Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

MHDC Rehab standards are located at the following link:

<https://1drv.ms/f/s!AuhPSgaH-dEubq-KlnhinEgVC18>

**9. Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

**10. HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

The Set-aside Preferences consist of priorities for Special Needs and Vulnerable Persons and serve as incentives 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 applying under the Set-aside Preferences must select either the Special Needs Priority or the Vulnerable Persons Priority, but not both.

**12. Refinancing of Existing Debt.** Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

N/A

**Discussion:**

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## Appendix A

### Distribution Methods – CDBG

#### General Requirements

- 1) Eligible Applicants: The State will distribute \$22,605,246 (minus State Admin and Planning allocations) in FY2019 CDBG funds. In addition the State is allocating \$7,200,000 in program income and \$16,305,638. The total of non-administrative funds to be available resources for projects to “units of general local government” is \$42,716,728; the amount available to be awarded to "units of general local government" in non-entitlement areas (incorporated municipalities under 50,000 and counties under 200,000).
- 2) Cities in Missouri that are not eligible for State CDBG non-entitlement funds include:
  - Blue Springs, Columbia, Florissant, Independence, Jefferson City, Joplin, Kansas City, Lee’s Summit, O’Fallon, Springfield, St. Joseph, St. Louis (city).

Cities within a county can either participate with the County entitlement program or opt out. If they elect to participate in the County entitlement, they are ineligible for State CDBG. These areas include:

- Jefferson County and the cities within Jefferson County who have elected to participate in the County entitlement program (Arnold, Byrnes Mill, Cedar Hill Lakes, Crystal City, De Soto, Festus, Herculaneum, Hillsboro, Kimmswick, Lake Tekakwitha, Olympian Village, Pevely, and Scotsdale.)
- St. Charles County and the cities within St. Charles County who have elected to participate in the County entitlement program (Cottleville, Lake St. Louis, New Melle, St. Charles, St. Paul, St. Peters, Weldon Spring, and Wentzville.)
- St. Louis County, and the cities within St. Louis County who have elected to participate in the County entitlement program (Ballwin, Bel-Nor, Bel-Ridge, Bella Villa, Bellefontaine Neighbors, Bellerive Acres, Berkeley, Beverly Hills, Black Jack, Breckenridge Hills, Brentwood, Bridgeton, Calverton Park, Charlack, Chesterfield, Clayton, Cool Valley, Country Club Hills, Crestwood, Creve Coeur, Dellwood, Edmundson, Ellisville, Eureka, Fenton, Ferguson, Flordell Hills, Frontenac, Glen Echo Park, Glendale, Grantwood Village, Green Park, Greendale, Hanley Hills, Hazelwood, Hillsdale, Jennings, Kinloch, Kirkwood, Lakeshire, Manchester, Maplewood, Marlborough, Maryland Heights, Moline Acres, Normandy, Northwoods, Norwood Court, Oakland, Olivette, Overland, Pacific, Pagedale, Pasadena Hills, Pasadena Park,

Pine Lawn, Richmond Heights, Riverview, Rock Hill, Shrewsbury, St. Ann, St. John, Sunset Hills, Sycamore Hills, Twin Oaks, University City, Uplands Park, Valley Park, Velda City, Velda Village Hills, Vinita Park, Webster Groves, Wellston, Wildwood, Winchester, and Woodson Terrace.)

Eligible Activities:

Section 105(a) of the Community Development Act and HUD regulations specifies the activities that are eligible for CDBG assistance. A general listing of eligible activities is below, and a detailed description is provided in 105(a) of the Act and in 24 CFR 570.482. While all activities may be eligible, some program categories may prioritize the funding of some activities:

1. Property Acquisition
2. Property Disposition
3. Property Clearance
4. Architectural Barrier Removal
5. Senior Center
6. Community Facilities
7. Centers for the Handicapped
8. Historic Properties
9. Water Treatment
10. Sanitary Sewer Collection
11. Storm Sewers
12. Flood and Drainage Facilities
13. Streets (or Roads)
14. Street Accessories
15. Parking Facilities
16. Bridges
17. Sidewalks

18. Pedestrian Malls
19. Recycling or Conversion Facilities
20. Parks and Recreation Facilities
21. Fire Protection/Facility Equipment
22. Solid Waste Disposal Facilities
23. Other Utilities
24. Public Service/Supportive Services
25. Rehabilitation of Private Residential Properties
26. Rehabilitation of Public Residential Properties
27. Payments for Loss of Rental Income
28. Relocation
29. Code Enforcement
30. Energy Use Strategy
31. Non-Federal Share Payment
32. Interim Assistance
33. Planning
34. Commercial or Industrial Facilities
35. Administration
36. Engineering/Design
37. Housing Rehab Inspection
38. Engineering/Construction Inspection
40. Audit
41. Port Facility
42. Airports

43. Natural Gas Lines
44. Electrical Distribution Lines
45. Rail Spurs
46. Security Lighting
47. Other Professional Services
48. Security Fencing
49. Site Preparation
50. Purchase Land/Building
51. Facility Construction Renovation
52. Machinery/Equipment
53. Working Capital
54. Sewage Treatment
55. LDC Homeownership Assistance – up to \$15,000 to purchase a new home
56. Legal
57. 911 Emergency Systems
60. Homeowners Assistance – up to \$5,000 to purchase an existing DSS home
61. Lead-Based Paint Evaluation
62. Asbestos Removal
63. Job Training\*
64. Home-Ownership Counseling
65. Substantial Reconstruction of private residential properties on same lot – up to \$15,000
66. Water Distribution
67. Lead Reduction NOT incidental to rehab
68. Asbestos Inspection

\*Job training activities must be approved by the Division of Workforce Development or the Workforce Investment Board.

3) Ineligible Activities are as Follows:

- a) Maintenance or operation costs. \*\*
- b) General government expenses.
- c) Political activities.
- d) Improvements to city halls and courthouses, except those required to meet the Americans with Disabilities Act.
- e) Purchase of equipment, except for fire protection, public services, landfills, or recreation.
- f) Income payments, except for loss of rental income due to displacement.
- g) Application preparation costs or a bonus award for writing a successful application.
- h) Religious purposes.

\*\* Maintenance and Operation Costs: Any cost that recurs on a regular basis (generally, less than five years) is considered a maintenance or operation cost, therefore ineligible for CDBG assistance. It is the responsibility of the applicant to provide these revenues from user fees or taxes. Additionally, if such maintenance or operation revenues are not sufficient to adequately support a facility or service assisted by CDBG funds, the project will not be awarded. The determination whether such revenues are sufficient will be made by the applicant's professional engineer, the Department of Natural Resources (for related projects), and/or DED. The preliminary engineering report required for all public works projects should discuss the revenues available for operation and maintenance of the facility or service.

Application Submission:

- 3) Only one application may be submitted in any individual category by a city or county on behalf of itself. A city may submit one other application for activities to be carried out on behalf of a sub-recipient public body or an incorporated non-profit agency. A county may submit two other applications for activities to be carried out on behalf of a sub-recipient public body or an incorporated non-profit agency. In all instances, the application must represent the applicant's community development or housing needs. An applicant (or sub-

recipient) must have legal jurisdiction to operate in (or serve) the proposed project area (or beneficiaries). Proof must be submitted with the application. As the grantee, the city or county has final responsibility for the project implementation and compliance. There is no limit on the number of applications that may be submitted for economic development and emergency projects. The State reserves the right to place a limit on grants under its interim financing program. All applications must be submitted on forms prescribed by DED and in accordance with the guidelines issued for each program. While an applicant may be selected as a grantee, the final grant amount and scope of activities may be modified by DED.

Application Request Limits:

The following are the minimum and maximum amount of funds an applicant may request per application. **The minimum and maximums are applicable to all grant awards as an outcome of the FY19 application cycle held during the FY19 program year, no matter the source of funding year assigned to the grant award.**

Application Category	Minimum application amount	Maximums
Water and Wastewater Engineering Facility Plan/Plans and Specs Grants	\$10,000 \$5,000	\$750,000 or \$5,000/\$7,500household (see water/wastewater section for details) <b>80% of amount equal to ASCE table (found on page 32 of the CDBG FY2019 Application and Guidelines Manual)</b> <b>not to exceed \$50,000</b>
Community Facility	\$10,000	\$500,000 or \$5,000/household
General Infrastructure	\$10,000	\$500,000 or \$5,000/household
Demolition	\$10,000	\$200,000 for residential demolition only \$300,000 including commercial demolition
Economic Development	varies	(See specific maximums and per job maximums outlined in each of the Economic

		Development Application Categories, pages 22-33 of this appendix)
Emergency	N/A	varies

**NOTES RELEVANT TO PROGRAM CATEGORIES**

- For economic development, the maximum CDBG funds allowed per project, combining the Industrial Infrastructure grant and Action Fund loan, may not exceed \$2 million. The maximum CDBG funds (not including float loans) outstanding for any company (or related companies, including parent, subsidiaries, or ownership of 51% or more in a company), regardless of location in Missouri, may not exceed \$3 million. The amount outstanding is based on the principal amount remaining for loans, or, for infrastructure grants, the original grant amount with a 10-year declining basis. NOTE: DED reserves the right to exceed these maximums at the Department’s discretion.
- Housing demolition only applications are limited to \$200,000; if commercial demolition is included the maximum application is raised to \$300,000. Commercial demolition only is also set at a maximum of \$300,000. Owners of residential structures are required to commit to at least \$500 of the demolition cost of their structure as match. For commercial properties in the demolition application, the owner of the commercial property is responsible for 20% of the demolition costs for that property. All properties must be vacant and infeasible to rehabilitate.
- Engineering facility plan/plans and specs applications must meet LMI national objective and project must be listed on Missouri Department of Natural Resources Intended Use Plan or have a USDA Rural Development letter of conditions. An invitation to apply must be obtained from DED prior to submission of application.

**Low and Moderate Income Requirements:**

- a) Low and moderate income (LMI) is defined for the CDBG program as 80% of the median income of the county. The most recent available HUD HOME income limits specified by county are applicable to the CDBG program.
- b) At least 51% of the beneficiaries of a public facility/public project activity must be low and moderate-income (LMI) persons and families, and 100% of the beneficiaries of housing activities must be LMI. At least 51% of the hookups of a project funded under

the water and wastewater category must also be residential. At least 51% of the beneficiaries of economic development projects must be low and moderate-income persons.

- c) Emergency projects must meet the test of Section 104(b)(3) of the Act which states *"...activities which the grantee certifies are designed to meet community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs..."*
- d) Funding for certain projects may utilize the **limited clientele** criteria outlined in the regulation for meeting the required national objective criteria. Those persons defined as limited clientele are automatically considered to be primarily (51%) LMI. Further guidance can be found at 24 CFR 570.208 of September 6, 1988, and published state guidelines.

**Low to Moderate Income Requirements - The change in this section is as follows:**

e) The estimated amount of CDBG funds, which will benefit LMI persons, is approximately **\$30,466,728** or 71.32% of the non-administrative allocation for FY2019. HUD requires that a minimum of 70% of the state's annual allocation be awarded on projects benefiting primarily LMI persons; however, Missouri has certified that it will meet the 70% LMI benefit requirement in aggregate over the three-year period 2017 - 2019. The 2019 percentage is derived by the following calculations:

<b><u>Total Grant (\$22,605,246 including \$7,200,000 in Program Income &amp; \$16,305,638.53 remaining balance prior years)</u></b>	<b><u>\$46,110,884</u></b>
<u>State Administration</u>	- <u>\$696,104</u>
<u>Estimated State Planning</u>	- <u>\$100,000</u>
<u>State Technical Assistance</u>	- <u>\$298,052</u>
<u>Estimated local administration</u>	- <u>\$2,300,000</u>
<b><u>Total non-administrative funds</u></b>	<b><u>\$42,716,728</u></b>
<b><u>Non-LMI Benefit</u></b>	

<u>Emergency - Urgent Threat</u>	<u>\$10,500,000</u>
<u>Demolition - Slum/Blight</u>	<u>\$1,750,000</u>
<b><u>Total non-LMI benefit</u></b>	<b><u>\$12,250,000</u></b>
<b><u>LMI Benefit</u></b>	
<u>Total non-administrative funds</u>	<u>\$42,716,728</u>
<u>Total non-LMI benefit</u>	- <u>\$12,250,000</u>
<b><u>Total LMI benefit</u></b>	<b><u>\$30,466,728</u></b>
<u>Total non-administrative funds</u>	<u>÷ \$42,716,728</u>
<b><u>Percent total estimated LMI benefit</u></b>	<b><u>71.32%</u></b>

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5) Performance Requirements for Grantees:

- a. Any grantee with a delinquent audit for any year, whether or not the grant is closed, is ineligible to apply for funding. This applies to all CDBG categories. Also, a grantee with any **open** project awarded prior to April 1, 2017, which is not **closed** by the last business day of March 2019, is ineligible to apply in **any** FY2019 funding category. All documentation necessary for close-out must be received by March 1, 2019. This may apply to the grantee or the on behalf of applicant(s), whichever is applicable.
- b. All CDBG applicants will be required to submit a Schedule of Projected Expenditures as part of the CDBG application process. This schedule outlines by quarter and by activity the estimated timeline for expenditures of the grant award, if selected for funding. If awarded funding, grantees are required to submit any updates to expenditure projections on a quarterly basis, or in any event where the original timeline for full expenditure will be revised to a future date.
- c. CDBG grant agreements will have a specified end date; this end date will be three years from the award date of the grant. If the grant is not completed by the end of the three year period, the grantee must:
  - i. deobligate any remaining funds, or
  - ii. request an extension from DED. This extension must be for cause, and documentation as to why the project was not completed within the required three- year period must accompany the request along with a timeline for completion. It will be DED's discretion as to the length of the extension. **Extensions are not automatic.**

6) Contingent Funding: If an applicant proposes other state, federal, local, or private funds, or any other contingency item, **which are unconfirmed at the time of application**, they will be ineligible for FY2019 funds, except for otherwise specifically categories. The only other exceptions are bond elections, tax credit donations, and where referenced in the categories in the application. Applicants should notify DED of election results within a week of the election. If election fails, the application will be withdrawn from the consideration.

7) Affordable Rents: The state must provide criteria for *affordable rents* according to CFR 570.208(a)(3) as published September 6, 1988. The state will use HUD's Section 8 assisted Housing Program Fair Market Rents for this purpose.

- 8) First-time Homebuyer: The term first-time homebuyer means an individual or an individual and her or his spouse who have not owned a home during the prior 3-year period. A first-time homebuyer may purchase a home with CDBG down payment assistance, except that:
- a. Any individual who is a displaced homemaker may not be excluded from consideration as a first-time homebuyer under this guideline on the basis that the individual, while a homemaker, owned a home with her or his spouse or resided in a home owned by the spouse;
  - b. Any individual who is a single parent may not be excluded from consideration as a first-time homebuyer under this guideline on the basis that the individual, while married, owned a home with her or his spouse or resided in a home owned by the spouse; and
  - c. An individual shall not be excluded from consideration as a first-time homebuyer under this guideline on the basis that the individual owns or owned, as a principal residence during such 3-year period, a dwelling unit whose structure is
    - i. not on a permanent foundation in accordance with local or other applicable regulations, or
    - ii. not in compliance with state, local, or model building codes, or other applicable codes, and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure, or
    - iii. a mobile home, not attached to a permanent foundation, and which is not considered real estate by the state.

The household may not own another residence even if that residence is rented.

In addition, recovering victims of catastrophic loss (e.g., the death of the family's principal wage earner, a failed self-employment business situation, loss of employment due to factory shutdown or an employer's reduction in force), victims of domestic violence that are legally separated from their spouses, and households who have purchased a home on a contractual basis but would otherwise qualify are also eligible as first-time homebuyers.

- 9) Displacement Policy: The state will discourage applicants from proposing displacement, unless a feasible alternative exists. Alternatives will be reviewed for feasibility, and technical assistance will be provided to applicants in order to minimize displacement. If displacement must occur, assistance under one of the following will be provided, depending upon the circumstances: the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as

amended; Section 104(d), Section 104(k), or 105(a)(11) of the Housing and Community Development Act, as amended.

10) Program Income: Program income is the gross income received by a grantee or its sub-recipient from any grant-supported activity.

a) Program income includes, but is not limited to:

- i. Income from fees for services performed;
- ii. Proceeds from the sale of commodities or items fabricated under a grant agreement;
- iii. Income from the sale or rental of real or personal properties acquired with grant funds;
- iv. Payments of principal and interest on loans made with grant funds, including payback on deferred loans.

b) If interest is earned on grant funds for any calendar year, the interest must be returned to the U.S. Treasury through DED.

c) Uses of program income:

- i. Program income shall be used prior to draw down of additional active grant funds unless a reuse plan has been approved prohibiting same;
- ii. Used in accordance with requirements of Title I of the Housing and Community Development Act;
- iii. If generated by activities other than economic development loans, the expenditure shall be used for block grant eligible activities as approved by the state; and
- iv. Program income generated by economic development loans shall be returned to the state.

d) Local governments shall report the receipt and expenditure of program income to the Department of Economic Development as of June 30 and as of December 31 of each year, within fifteen days after each date.

11. Professional Services: An applicant has the option to select their engineer, architect, or administrator for their CDBG project prior to the preparation of an application or after a grant is awarded. They must, however, comply with state established procedures in their procurement practices if CDBG funds are to be used to finance such services. If the services are engineering or architectural, an applicant must comply with RSMo 8.285-8.292, unless a similar policy has been enacted by the applicant. If CDBG funds will be used for such professional services, there will be a maximum cost based on prescribed standards as follows:

- a) Engineering Design – standards set by ASCE Manual #45, pages 37 to 42. Engineering costs calculated per Table A or B (found on page 32 of the CDBG FY2018 Application and Guidelines Manual) should depend on the complexity of the project.
- b) Architectural Design – 10% of construction costs.
- c) Construction Inspection – 75% of the cost of engineering design (a) or architectural design (b).
- d) Administration - 4% of the non-administrative CDBG project costs plus \$10,000 (water/wastewater, community facility, general infrastructure, demolition, economic development, and emergency.) **However, DED has discretion to offer more or less than the maximum administration limit, depending on the complexity of the project and the relevance of all compliance areas.** There are no administration funds offered from CDBG for engineering plans and specification or planning projects. These amounts represent the maximum amounts available for CDBG projects. The state reserves the right to apply less money to a project of low complexity. It is not DED policy to include administration funding on loan projects (Action Fund, Interim Financing.) Administrative costs related to loan projects are generally a local responsibility.
  - i. Administration funding includes **all** components of CDBG grant administration including, but not limited to, environmental review, financial management, procurement, contract management, labor standards, and equal opportunity/fair housing.
  - ii. If a grantee wishes to commence the environmental review process prior to grant approval, but wants those costs to be eligible for CDBG if the project is funded, the grantee must pre-select a grant administrator in accordance with CDBG

procurement requirements, who will then either prepare the environmental review or subcontract it to another firm or individual. If the project is awarded CDBG funds, and this procurement of grant administrator meets minimum CDBG requirements, the portion of the administration cost related to environmental review will then be an eligible CDBG cost. If the project is not awarded CDBG funds, any such costs are the responsibility of the grantee.

Administrative Methods - There are three different methods that have been used to administer CDBG projects:

- I. Use of existing staff members. If persons presently on staff have sufficient time to devote to administer the project, then this method is preferable if those persons are adequately qualified. However, CDBG funds cannot be used to replace salaries or expenses, which previously had been paid by the grantee. Also, no city or county employee, elected or employed, can be contracted with to perform any portion of a grant, either by the grantee or by an outside firm.
- II. Hiring of new staff members. Applicants proposing this method should consider that training a new staff member may cause a delay in program implementation, and it may be difficult to find qualified persons for temporary, part-time, positions. There is no guarantee an applicant will receive funds on an ongoing year-to-year basis.
- III. Contract with an outside firm or agency. If CDBG funds are used to pay for administrative services, the service must be procured according to CDBG guidelines. Engineering firms may qualify to administer a grant. However, the same firm or any principal or employee thereof, cannot perform both engineering and administration on the same project, regardless of the source of payment.

Cities and counties which are member organizations of a regional planning commission (RPC) or council of governments (COG) may contract directly with that RPC or COG if both of the following conditions are met:

- I. The city or county, as the CDBG grantee, must be a dues-paying member in good standing of the RPC or COG for a minimum of 12 consecutive months prior to entering into the administration contract, and must be able to provide documentation of its membership in good standing.
  - II. The CDBG application was prepared either by the city/county itself, or by the RPC or COG. If another third-party entity assisted the city/county with the application preparation, grant administration must then be procured in accordance with CDBG guidelines.
  - III. City and county grantees are not required to use the RPC/COG, and may elect to procure for grant administration even if both of the above conditions are met. This is simply an option that city and county grantees may use.
- e) Audit – as required.
  - f) Other Professional Services – as allowed
  - g) Demolition inspection – \$425/unit

**Note:** One firm or any principal or employee thereof cannot perform both engineering and administrative services on the same grant, regardless of source of payment. Professional services amounts will be based upon and approved for CDBG activities only.

Grantees may use their own procurement procedures, which reflect applicable state and local laws and regulations, provided that the procurement conforms to federal procurement regulations specified in 24 CFR Part 570, except that the minimum threshold for advertised, sealed bids shall remain at \$25,000 (consistent with 34 RSMo).

12) Timely Expenditure of Funds: HUD measures the following:

- a) Obligation rate of funds (95% @ 12 months and 100% @ 15 months) and,
- b) Expenditure rate of funds (a percentage of the amount of funds available in the line of credit as compared to the total annual award amount; not to exceed 2.0-2.5)

The State achieves the required obligation ratios. However, the State does not always achieve the targeted expenditure rate of 2.0-2.5 measured at each month-end. It is imperative that recipient communities draw and spend the funds in a responsible time period. This requires close attention to project management.

13) Department of Economic Development Direction, Outcomes, and Desired Uses of Funds:

- a) Priority for CDBG will be those projects making an economic impact to the community: increased jobs, increased private investment, and/or increased local revenue streams;
- b) Flexible, eligible uses of CDBG funds to meet the demands of the difficult and changing economic climate are important. The public is encouraged to suggest program opportunities consistent with the priorities listed above, and the Department may enlist them as amendments to this plan.

**CDBG FUNDS DISTRIBUTION**

Distribution Among Categories:

The State will distribute \$22,605,246 (minus State Admin and Planning allocations) in FY2019 CDBG funds. In addition the State is allocating \$7,200,000 in program income and \$16,305,638 for a total of expected resources \$42,716,728 (total of non-administrative funds) to "units of general local government" in non-entitlement areas (incorporated municipalities under 50,000 and counties under 200,000).

The chart exhibiting funds among category, allocation and percentage is amended as follows:

Category	Allocation	Percentage
Job Training/Creation (does not include local admin)	\$4,075,410	8.84%
Public Infrastructure & Improvement (does not include local admin)	\$31,497,478	68.31%
Public Facilities (does not include local admin)	\$7,143,840	15.49%
Anticipated Local Admin	\$2,300,000	4.99%
State Administration \$696,104 /Planning \$100,000/State Technical Assistance \$298,052 (These State Administrative allocations are solely based on FY19 Annual Allocation)	\$1,094,156	2.37%
<b>TOTAL</b>	<b>\$46,110,884</b>	<b>100%</b>

Any program funds remaining from FY19 will be considered prior years remaining funds and be reprogrammed for FY20. The State will identify priorities for reprogrammed funds in the FY20 Annual Action Plan.

The categories will include activities as follows:

**The State's Allocation Priorities are allocated as follows:**

**Non-Administrative:**

**Job Training/Creation to include Economic Development Industrial Infrastructure and Action Fund Loan \$4,075,410**

**Public Infrastructure & Improvement to include the following activities - Water and Wastewater; General Infrastructure, Demolition, Downtown Revitalization, and Emergency (including utilizing CDBG funds for long-term recovery in response to a presidentially declared disaster): \$31,497,478**

**Public Facilities to include Community Facility; Workforce Training Initiative; and Emergency (including utilizing CDBG funds for long-term recovery in response to a presidentially declared disaster): \$7,143,840**

**Administrative:**

**Program Administration: Local Administration \$2,300,000; State Administration \$696,104; State Technical Assistance: \$298,052; State Planning \$100,000**

15) Categorical Adjustment - The Department of Economic Development retains the ability to transfer up to 25% of the total CDBG allocation for use as needed among categories. An adjustment of more than 25% of the total allocation, or the creation/elimination of a category will require a substantial amendment of this plan. The amount for state administration may not exceed \$100,000 plus 2% of the total allocation. The Department reserves the right to allocate up to 1% of the total annual amount for technical assistance activities in accordance with the Department Housing and Urban Development regulations.

Should CDBG funds be used in a statewide initiative (restricted to areas eligible for State CDBG and meeting a national objective), funds may be transferred to existing application categories (up to 25% of total annual allocation) and may be used in a different funding cycle (competitive or open cycle) without requiring a substantial amendment. Funds used in this manner may also be subject to a different maximum per project.

16) Other Funds Distribution - Funds recaptured or otherwise reallocated from a previous fiscal year CDBG, state and HUD allocation may be allocated to any program category as determined by the Department. DED reserves the right to increase any category listed in the chart above with available program income and/or recaptured funds from prior year allocations by adding to the amount available at the deadline or accepting applications on an open cycle basis, pending availability and timing of those recaptured funds. Any additional funding added

to a category may result in increased thresholds such as amount per household or amount per project.

- a) Program income may be added to any project category as needed. Program income received from interim financing projects shall be used to honor previous funding commitments. The state may use up to 2% of all program income for state administration.
  - b) The maximum amount of FY2019 funds that will be awarded for Interim Financing projects will be \$10,000,000 for 12, 18, and 24-month loans. The Department may extend the individual term of any interim financing loan beyond the agreed upon period subsequent to the Department's written determination and justification of the need for and feasibility of such an extension. The total amounts of CDBG funds committed to interim financing projects will not exceed \$12,000,000, in aggregate (including past years' allocations), regardless of any extensions of the loan term.
  - c) In the event the amount received from HUD is different from the amount identified in this document, the difference will be reflected as closely as feasible to the percentages above.
- 17) Selection Criteria by Category: The criteria used to select the projects in the various CDBG programs are presented below. Detailed guidance is provided in application materials developed for each program.

### **Requirements for Local Governments Receiving CDBG Funds**

1. Recipients of CDBG funds must comply with the State Citizen Participation Plan requirements as found in 24 CFR 570. All applicants and recipients of grant/loan funds shall be required to conduct all aspects of the program in an open manner with access to records on the proposed and actual use of funds for all interested persons. All records of applications and grants must be kept at the recipient's offices and be available during normal business hours. Any activity of the Grantee regarding the CDBG project, with the exception of confidential matters relating to housing and economic development programs, shall be open to examination by all citizens.
2. The applicant/recipient must provide technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals at the level of expertise available at governing offices. All application materials and instructions shall be provided at no cost to any such group requesting them.
3. Citizens shall be provided adequate and timely information, so as to enable them to be meaningfully involved in important decisions at the various stages of the program, including at

least 1) the determination of needs, 2) the review of the proposed activities, and 3) the review of past program performance, in the following manner:

- a. At least two public hearings shall be scheduled at times and locations felt to be most likely to make it possible for the majority of interested persons to attend without undue inconvenience, addressing the three items above. At least one hearing must be held to address items (1) and (2) above prior to the submission of the application for housing and/or non-housing needs. Item 3 must be addressed in a public hearing to review performance of the recipient in a previous program and must occur prior to closeout of any loan or grant for which performance evaluation has not occurred in a previous hearing.
  - b. Notification of all hearings shall be given a minimum of five full days in advance to allow citizens the opportunity to schedule their attendance. Notification shall be in the form of display advertisements in the local newspaper with the greatest distribution. Additional advertisement may be conducted by posting letters, flyers and any other forms, which seem practical; however, publication is required. All hearings must be accessible to handicapped persons.
4. Provisions for interpretation shall be made at all public hearing for non-English speaking residents if such residents are expected to attend.
  5. The chief elected official's office shall receive and relate to appropriate persons or groups any views or proposals submitted to aforesaid office within the decision making time. Any criticism submitted in writing at any time should be answered in writing within fifteen working days by the chief elected official's office. If the complaint is not resolved, it shall be referred to the governing body for final disposition.

### **General Application Definitions**

**NEED** refers to the extent to which adequate documentation supports the actual demand.

**IMPACT** refers to the extent to which the project impacts a significant portion of the population defined in need.

**LOCAL EFFORT** measures the extent to which local support is offered to the project as compared to what is available to offer.

**PAST EFFORTS** are defined as all previous actions taken by the applicant to address the need.

**HEALTH AND SAFETY** measures the relationship between actual existing or the likeliness of the potential of physical harm to the population defined in the need. Third party documentation rather than general statements enhances the scoring in this category.

**STRATEGY** is the extent to which the method chosen to fix the problem represents the most efficient and effective solution while maintaining a direct relationship to solving the need. A clear, fair representation of examination of alternatives leading to the final strategy chosen is requested with each application.

**RESILIENCE** is defined as the ability to anticipate, prepare for, and adapt to changing conditions and withstand, respond to, and recover rapidly from disruptions. Such disruptions may include, for example, a local drought, a precipitous economic change, social unrest or riots, short-term or intermittent failure or under-performance of infrastructure such as the electrical grid. Resilience may be incorporated into the project strategy.

**COST EFFECTIVENESS** is measured as the extent the applicant has undertaken to evaluate the best possible cost for the result. This measure is often calculated as cost per beneficiary from total project costs and cost per beneficiary from CDBG costs only.

**OPERATION AND MAINTENANCE** is measured by the actual documented process for which a budget, experienced personnel, and written plan are available and provided in the application.

**PROJECT READINESS** is measured by the actual upfront administrative work completed that provided the ability of the project to begin immediately after award. Applicants must demonstrate, via documented means, their ability to start and complete the proposed project in a timely manner. Applicants must provide a proposed expenditure schedule as part of the application (included in Form B) and must demonstrate the ability to meet that schedule of performance. Examples of project readiness are, but are not limited to: preselection of grant administrator and/or engineer/architect, and substantial completion of environmental review.

**LEVERAGING** is defined as the percentage of local funds dedicated to the project in relation to what the applicant's budget/financial statement shows.

**IN-KIND CONTRIBUTION** is defined as the non-cash local effort that is committed to the project by the applicant. A clear indication of value for labor and equipment should be included to substantiate the total amount offered.

**USE** is defined as the volume and frequency of use by the population benefiting from the project.

**REPETITIVE PROPERTY DAMAGE** is the actual number of times and the frequency (can be last 10 years) that damage has occurred.

**ECONOMIC IMPACT** refers to the impact that the completed project will have on the local economy. This consists of increased jobs, increased private investment, and/or increased local revenue stream. The project must contribute by positively impacting the conditions that allow these measures to increase.

**MEASURABLE OUTCOMES OR GOALS** is the degree to which the applicant has the ability to measure the impact and success. The need, strategy, and goals and ways to measure success should be intertwined and clearly represented in the application. For each application incorporating a resilience building component, a distinct series of measurable outputs and outcomes related to the resiliency component must be included in the application and subsequently included in project reporting.)

**ENVIRONMENTAL IMPACT** is the degree to which the problem or need has a documented negative impact on the environment. Environment takes a broad definition that includes all of the issues related to the National Environmental Policy Act (NEPA) process.

**TMF NEED** stands for local need for technical, managerial, and financial capacity related to the operation of a water and wastewater system

**TMF CAPACITY INCREASE** is the extent to which the project will naturally cause an increase in the technical, managerial, and financial capacity related to the operation of a water or wastewater system.

**FUTURE SUSTAINABILITY** is the likelihood that the project will be functional and operational well into the future and will perpetuate its own growth.

**PAST PERFORMANCE** represents the performance of the applicant (city/county) on prior funded CDBG projects. In addition, it represents the performance on prior CDBG projects of the subapplicant (nonprofit or district) if the subapplicant was involved in a previous CDBG project. It also includes the prior performance on CDBG projects of the grant administrator and engineer/architect, if those firms/persons are known (pre-selected) at the time of the application. Past performance includes timeliness of project completion and compliance with CDBG requirements.

**EXISTING/ESTABLISHED COMPANIES** (more than 3 years of financial history): LOWER of \$2,000,000 per project or \$20,000 per new full time job.

**START-UP COMPANIES** (3 years or less of financial history): funding shall be limited to the LOWER of \$350,000 per project; 50% of cost of the infrastructure activities; or \$20,000 per new full time job. DED may, at its discretion, award up to \$500,000 if the participating company provides a personal guaranty OR an Irrevocable Letter of Credit from an acceptable financial

institution for the amount which exceeds \$350,000. (Maximums of \$20,000 per job and 50% of infrastructure costs still apply.)

## **Application Categories**

### **Water and Wastewater**

#### **1. Water and Wastewater – Construction funds**

Cycle – Open cycle based on availability of funding. Maximum award \$750,000 or \$5,000 per family benefitting, whichever is less. At Department discretion, for communities with fewer than 100 families benefitting, the maximum grant is \$750,000 or \$7,500 per family benefitting, whichever is less.

National Objective - Minimum 51% LMI benefit for community-wide or target area projects. LMI benefit may be documented by HUD census data or survey conducted in accordance with prescribed standards.

Eligible Activities - Water and wastewater activities only, including treatment, distribution, and collection. Normal operation and maintenance activities are not eligible. Projects must benefit 51% or more residential units.

Application Procedure - Applicants anticipating the use of state and/or federal funds to finance water or wastewater system improvements must complete a preliminary project proposal, consisting of a two-page summary and preliminary engineering report. Each project proposal will be reviewed by the Missouri Water and Wastewater Review Committee (MWWRC). The MWWRC is comprised of the Missouri Department of Economic Development (Community Development Block Grant Program), Missouri Department of Natural Resources, and the U.S. Department of Agriculture (Rural Development). The MWWRC review process will occur as follows:

- a) An original and five copies (**six total**) of the project proposal are submitted to one of the MWWRC agencies.
- d) Upon receipt, the receiving agency distributes the project proposal to the remainder of the MWWRC members.
- e) The committee meets monthly. Proposals received by the first of the month will be reviewed during that month's meeting.
- f) Following its review, the MWWRC will reply to the applicant by written correspondence. This correspondence shall include a summary of the MWWRC

comments pertinent to the technical, operational, or financial aspect of the project proposal. Substantive comments by the MWWRC must be resolved prior to receiving a recommendation from the MWWRC. A recommendation from the MWWRC will state the appropriate agency or multiple agencies from which to seek financial assistance. However, a recommendation from the MWWRC does not assure funding from each appropriate agency. Each agency on the MWWRC will receive a copy of all correspondence stated above.

- g) Each funding agency will follow its own full application process. Applicants seeking funding from multiple agencies must submit a full application to each particular agency.
- h) If a full application varies significantly from the recommended project proposal, or if the facts have changed such that the feasibility of the proposed warrants further investigation, any member of the MWWRC may request that the project be reviewed again.
- i) Assistance will be recommended only to the extent necessary to complete project activities over and above local efforts, and for solutions considered appropriate and feasible by the MWWRC.

If a project proposal receives a recommendation from the MWWRC, a full CDBG application is required for submission. The following selection criteria will be used in reviewing the full application.

Selection Criteria – Applications scoring a minimum of 65 points will receive a recommendation for award.

The primary project review for water or wastewater is the MWWRC process, and consists of interagency financial and technical review by finance staff and engineers. Successful completion of the MWWRC process results in an award of 50 points to an application. CDBG staff will continue to evaluate the applications for completeness and missing documents.

***MWWRC Review (50 points)*** – Applicants successfully completing the MWWRC process will receive 50 points, based on need for grant funding, project/engineering strategy and rate structure. Points include up to 5 points for resiliency component.

***Local Effort (25 points)***

0-15 pts – Leveraging: Leveraging is defined as the percentage of local funds dedicated to the project in relation to what the applicant’s budget/financial statement shows available.

0-05 pts – Taxes: Tax score is defined as the revenues or taxes the applicant receives divided by population and per capita income, and multiplied by 100.

0-05 pts – In-Kind Contribution: Points are awarded to applicants committing in-kind or non-cash related services to the project.

***Past (CDBG) performance (5 points)***

CDBG priorities for water and wastewater are defined as:

Lack of existing needed facility (Tier 1 Priority): Needed facility represents elimination of a threat and safety and at the same time is offered to a community that has the TMF capacity to own it.

System Failure (Tier 1 Priority): Not related to poor operation and maintenance; failure proven to the degree of documentation – DNR support.

Obsolescence of an existing facility – not defined as “design life” (Tier 2 Priority): Asbestos pipe, lead, radionuclides

Regulatory requirements which mandate improvements (Tier 2 Priority): Differentiate between abatement orders versus abatement due to poor operation and maintenance.

Natural or manmade disaster (Tier 2 Priority): Defining manmade to include pollution or contamination, not poor operation and maintenance.

Improper design of existing facility (Tier 3 Priority): Definition must include what it is causing.

Significant and unexpected growth (Tier 3 Priority): Economic development driven, regionalization, and government driven.

Comprehensive, strategic, or capital improvement plan (Tier 3 Priority)

Inherent social/economic factors (Tier 3 Priority): Unemployment, age, LMI.

Potential or anticipated growth (Tier 4 Priority)

Improper maintenance (Tier 4 Priority)

**Pre-agreement costs** – DED encourages the earliest possible completion of the CDBG environmental review for water/wastewater projects. MWWRC proposals that include CDBG will be encouraged to commence the CDBG environmental review at the time of the initial response letter from the MWWRC. See Section 11(d)(ii) regarding pre-selection of grant administration services, including environmental review preparation.

## ***2. Water and Wastewater – Engineering Facility Plan/Plans and Specs Grants***

Cycle - Open cycle based upon availability of funds. Maximum \$50,000 or 80% of the ASCE table (found on page 32 of the CDBG FY2018 Applications and Guidelines Manual). **If an applicant is awarded a plans/specs CDBG grant and also a later grant for project construction, the maximum aggregate CDBG total is \$750,000. The amount of the plans/specs grant will be deducted from the maximum allowable on the project construction grant.**

National Objective - Minimum 51% LMI for community wide or target area projects. LMI benefit may be documented by HUD census data or survey conducted in accordance with prescribed standards.

Eligible activities – Allows for procurement of a professional engineer to complete the facility plan and plans and specifications necessary for progress in the State Revolving Loan Fund Intended Use Plan process to access loan funds, or must have a Letter of Conditions (LOC) from USDA-Rural Development. Applicants must be on the IUP or have the LOC from USDA and must demonstrate an inability to finance the engineering. Eligible costs include engineering costs only, no administration.

Selection Criteria –

***MWWRC Review (50 points)*** – Applicants successfully completing the MWWRC process will receive 50 points, based on need for grant funding, project/engineering strategy and rate structure. Points include up to 5 points for resiliency component.

***Local Effort (30 points)***

0-15 pts – Leveraging: Leveraging is defined as the percentage of local funds dedicated to the project in relation to what the applicant’s budget/financial statement shows available.

0-05 pts – Taxes: Tax score is defined as the revenues or taxes the applicant receives divided by population and per capita income, and multiplied by 100.

0-10 pts – TMF and in-kind

Priorities for all Water/Wastewater Projects: Projects that have achieved a responsible level of local participation by pursuing their debt capacity; projects that have initiated a responsible rate structure that provide adequately for operation and maintenance, employee overhead, debt service, reserve, and emergency funding; projects that represent a solid history of operation and maintenance; projects that can indicate the use of CDBG funds will provide rate affordability; projects that meet threats to health and safety.

***Community Facility***

## **1. Community Facility**

Cycle – Application deadline – May 31, 2019. Competitive process. Maximum \$500,000 or \$5,000 per family benefitting.

National Objective - Minimum 51% LMI benefit for community-wide or target area projects. LMI benefit may be documented by HUD census data, survey conducted in accordance with prescribed standards, or Limited Clientele if criteria met.

Eligible Activities – Community facilities include, but are not limited to, senior centers, technical education facilities, training facilities, daycare/early childhood education, community centers, sheltered workshops, recycling facilities, youth centers, 911, rural health clinics (facilities without dedicated state funding), telecommunications, shared spaces for the purposes of business development, group homes, transitional housing, special needs housing and all eligible activities designed to provide a service or group of services from one central location for a prescribed area of residents or users. This may include the infrastructure necessary to support the facility as well.

Selection Criteria –

### ***Need (35 points)***

0-20 pts – Addressed Need for Facility including Description of proposed facility; lack of existing facility

0-05 pts – Health/Safety/Education/Training

0-10 pts – Potential users; measure growth/decline for past 5 years

### ***Impact (35 points)***

0-20 pts – Strategy (up to 3 points for resilience component)

0-10 pts – Operation and Maintenance

0-05 pts – Project Readiness

### ***Local Effort (25 points)***

0-15 pts – Leveraging: Leveraging is defined as the percentage of local funds dedicated to the project in relation to what the applicant's budget/financial statement shows available.

0-05 pts – Taxes: Tax score is defined as the revenues or taxes the applicant receives divided by population and per capita income, and multiplied by 100.

0-05 pts – In-Kind Contribution: Points are awarded to applicants committing in-kind or non-cash related services to the project.

***Past Efforts (5 points)***

0-05 pts – Past efforts are defined as all previous actions taken by the applicant to address the need.

***2. Workforce Training Initiative***

Cycle – Proposal deadline – April 1, 2019. Competitive process. Maximum \$500,000 or \$5,000 per family benefitting.

National Objective - Eligible projects requesting CDBG funds must benefit low and moderate income individuals. Minimum 51% LMI area wide benefit, by survey or census, target area benefit by survey (the target area must be defined and defensible in terms of the use of the facility in order to use this option), or limited clientele. The limited clientele option is reserved for facilities that address a specific group of beneficiaries that may be drawn from throughout the community or area.

Eligible Activities – Eligible capital improvement costs may include acquisition, new building construction, rehabilitation of existing properties, and related soft costs such as: appraisal; closing costs; engineering and architectural costs; inspections; and permitting. “Programming” funding such as fixed equipment costs (simulators, welders, etc.) may also be eligible.

Direct stipends paid to students, tuition reimbursement, ongoing operating costs and the costs of traditional education curricula are **not** eligible.

Selection Criteria –

***Need (35 points)***

0-20 pts – Addressed Need for Facility including Description of proposed facility; lack of existing facility

0-05 pts – Health/Safety/Education/Training

0-10 pts – Potential users; measure growth/decline for past 5 years

***Impact (35 points)***

0-15 pts – Strategy

0-15 pts – Operation; and Maintenance

0-05 pts – Project Readiness

***Local Effort (25 points)***

0-15 pts – Leveraging: Leveraging is defined as the percentage of local funds dedicated to the project in relation to what the applicant’s budget/financial statement shows available.

0-05 pts – Taxes: Tax score is defined as the revenues or taxes the applicant receives divided by population and per capita income, and multiplied by 100.

0-05 pts – In-Kind Contribution: Points are awarded to applicants committing in-kind or non-cash related services to the project.

***Past Efforts (5 points)***

0-05 pts – Past efforts are defined as all previous actions taken by the applicant to address the need.

**General Public Infrastructure**

***1. General Public Infrastructure***

Cycle – Application deadline – May 31, 2019. Competitive process. Maximum \$500,000 or \$5,000 per family benefitting.

National Objective - Minimum 51% LMI benefit for community-wide or target area projects. LMI benefit may be documented by HUD census data or survey conducted in accordance with prescribed standards. Slum/blight removal is also possible national objective.

Eligible Activities – Eligible activities include, but are not limited to, bridge, street, drainage, broadband, and activities not addressed with an existing CDBG funding category.

**NOTE:** When using CDBG Economic Development Infrastructure funding as a match to the Missouri Department of Transportation’s (MoDOT) Cost-Share Program, under the CDBG General Public Infrastructure application category, the CDBG application must be submitted to DED on or before April 2, 2018.

Priorities – Infrastructure activities meeting a defined and documented community need.

Selection Criteria –

***Need (35 points)***

0-07 pts – Health and Safety

0-07 pts – Number of Persons Impacted

0-07 pts – Documentation of Problem

0-07 pts – Economic Impact

0-07 pts – Measurable Outcomes or Goals

***Impact (35 points)***

0-10 pts – Strategy (up to 3 points for resilience component)

0-10 pts – Cost Effectiveness

0-10 pts – Operation and Maintenance

0-05 pts – Project Readiness

***Local Effort (25 points)***

0-15 pts – Leveraging: Leveraging is defined as the percentage of local funds dedicated to the project in relation to what the applicant’s budget/financial statement shows available.

0-05 pts – Taxes: Tax score is defined as the revenues or taxes the applicant receives divided by population and per capita income, and multiplied by 100.

0-05 pts – In-Kind Contribution: Points are awarded to applicants committing in-kind or non-cash related services to the project.

***Past Efforts (5 points)***

0-05 pts – Past efforts are defined as all previous actions taken by the applicant to address the need.

***2. Downtown Revitalization***

Cycle – Application deadline – May 31, 2019. Competitive process. Maximum \$500,000 or \$5,000 per family benefitting. Required \$1 of private, for-profit investment committed for every \$1 of CDBG funds requested.

National Objective - Minimum 51% LMI area benefit by census or survey; or designated slum and blight

Eligible Activities – Public infrastructure and improvements that will significantly contribute to the revitalization or redevelopment of the downtown. These improvements may include, but are not limited to water, sewer, electric, gas, sidewalks, curb cuts, street paving, parking, lighting, etc. Professional services and administration activities are also eligible. Marketing costs are not eligible.

Selection Criteria –

***Need (35 points)***

0-07 pts – Physical revitalization need (poor sidewalks, drainage, etc.)

0-07 pts – Value of revitalization plan (realistic, attainable goals, comprehensive, specific)

0-07 pts – Parking/Accessibility

0-07 pts - # of businesses in Revitalization Area

0-07 pts - # of persons employed in Revitalization Area

***Impact (35 points)***

0-06 pts – Design guidelines and implementation

0-06 pts – Effective marketing plans (for both vacant buildings and customer attraction)

0-06 pts – Downtown organization capacity/business participation

0-06 pts – Relationship of project to Revitalization Plan

0—6 pts- Cost effectiveness

0-05 pts – Project Readiness

***Local Effort (25 points)***

0-15 pts – Leveraging: Leveraging is defined as the percentage of local funds dedicated to the project in relation to what the applicant’s budget/financial statement shows available.

0-05 pts – Taxes: Tax score is defined as the revenues or taxes the applicant receives divided by population and per capita income, and multiplied by 100.

0-05 pts – In-Kind Contribution: Points are awarded to applicants committing in-kind or non-cash related services to the project.

***Past Efforts (5 points)***

0-05 pts – Past efforts are defined as all previous actions taken by the applicant to address the need.

***Demolition (Residential/Commercial)***

Cycle – Application deadline – May 31, 2019. Competitive process. Maximum \$200,000 for residential demolition; \$300,000 if commercial demolition is included. The maximum for commercial demolition (without residential) is also \$300,000.

National Objective – slum/blight removal (spot and area basis).

A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to health, safety, and public welfare.

Communities participating in this activity must, at a minimum, determine blighted structures by declaring the use of an existing dangerous building ordinance, building code level of violation or applicable occupancy or habitability designation and applying such ordinance, code violation, or designation in a manner consistent with the definition. The ordinance, code violation or designation must be applied to the specific structure, not to the area as a whole. The predominance of blight in an area does not allow blight to be assumed for each structure inside the area.

Eligible activities – Demolition, demolition inspection, asbestos inspection, asbestos removal, administration.

Selection criteria:

***Need and Impact (45 points)***

0-20 pts – Number of units proposed compared to total dilapidated units, both occupied and vacant (2D/D+DX)

0-25 pts – Number of units proposed compared to the total number of vacant dilapidated units (2D/DX)

***Code Enforcement & Map (10 points)***

0-05 pts – Applicant's code enforcement

0-05 pts – Map identify all dilapidated structures and all purposed structures

***Leveraging (15 points)***

0-15pts – Document \$1,000 cash or in-kind match for each unit proposed for demolition

Commercial property owners must commit 20% of the demolition costs of their structure in writing as a cash commitment. Residential property owners must commit per structure a minimum of \$500 of the demolition costs in writing as a cash commitment.

***Strategy (30 points)***

0-15 pts – Interest of community and property owners (number of consent forms)

0-10 pts – Project readiness; ready to start/capacity to complete/realistic timeframe

0-05 pts – Size/cost per unit/hazardous waste (especially asbestos) identified; cost effectiveness

If commercial properties are proposed for demolition, than all vacant dilapidated commercial structures must be included on the applicant’s map and Form F as ZDXs. They will be included in the application rating with the vacant residential structures.

**Emergency**

Cycle – Open cycle based on availability of funding.

Minimum criteria (other than items previously mentioned in this document) - The need must be a serious threat to health or safety, be immediate, have developed or greatly intensified within the past 18 months, and be unique in relation to the problem not existing in all other communities within the state. Natural disasters are allowable under this program. Also, the applicant must lack the resources to finance the project. Only the **emergency** portion of a project will receive assistance. The applicant must exhaust its resources before CDBG funds may be used.

**Economic Development**

Cycle – Open cycle based on availability of funding.

National Objective - Minimum 51% LMI Job Creation. At least 51% of the new jobs created must be occupied by applicants qualifying as a low and moderate income person (those individuals with household incomes at or below 80% of median household income.)

Eligibility – Application approval is based on compliance with eligibility criteria and availability of funds. The minimum eligibility criteria stated below will vary on different types of businesses based on the projected economic impact, such as proposed wages, spin-off benefits, and projected industry growth. The specific eligibility criteria for each type of business will be stated in the program guidelines.

NOTE: When multiple CDBG funding tools are used for a project, CDBG funding from all programs is limited to \$25,000 per job. For purposes of any CDBG economic development project, a “start-up” company is defined by DED as being a company with a financial history of three years or less. In addition, DED reserves the right to exceed funding maximums at the Department’s discretion.

### **1. Economic Development Industrial Infrastructure**

Grants for the improvement of public infrastructure, which cause the creation or retention of full-time permanent employment by a private company(s) benefiting from the infrastructure.

CDBG funding is limited to \$20,000 per job to be created, and a maximum grant of \$2 million.

NOTE: For CDBG Industrial Infrastructure applications in which the participating company meets the definition of a “start-up company” (as defined by DED), the maximum allowable CDBG award will not exceed the lesser of:

- 50% of the cost of the public infrastructure activity,
- \$20,000 per job to be created, or
- \$350,000

For all CDBG industrial infrastructure projects, see below for required local government financial participation.

The use of CDBG funds in Economic Development projects is not an entitlement and the per job maximums and total grant maximums are measures **not to exceed**. All projects will be evaluated on the least amount necessary to achieve the deal.

In addition, an assisted company must pledge and document private investment toward the total project costs (public and private costs combined) in an amount no less than the CDBG funds awarded for the project.

Local government grantees are required to participate financially in the public infrastructure to the maximum extent possible within their means. That amount may be no less than 15% of the total CDBG funding requested from DED. The 15% may be provided in a combination of cash or in-kind. It may be used for the same public infrastructure activity as proposed for CDBG or it may be documented from another public infrastructure activity necessary to support, and included in, the same defined project for the same company location or expansion.

The local government participation must be committed by letter at the proposal stage, if applicable and/or by resolution in the application. In addition, please see above restrictions on the maximum amount available when the participating business is a start-up company.

If the local government does not have the funds to meet the 15% requirement or does not have

a means to access the funds, documentation and a request may be provided to DED to waive this requirement. DED reserves the right to accept or deny any waiver request and limit its participation to no more than 85% of any public infrastructure cost, regardless of the formula calculation of benefits.

The Department has established manufacturing industries as the priority beneficiary of economic development infrastructure funding. However, certain service industries and incubators are eligible to participate in economic development infrastructure projects.

The use of CDBG economic development infrastructure funding is generally limited to publicly owned infrastructure. However, privately owned infrastructure may be addressed with CDBG funding when 1) regulated as a public utility; 2) is a unique circumstance when private funding is unavailable to address the infrastructure; and 3) the project will result in high impact to the local economy in terms of job creation and private investment.

**NOTE:** When using CDBG Economic Development Infrastructure funding as a match to the Missouri Department of Transportation's (MoDOT) Cost-Share Program, the CDBG application must be submitted to DED on or before the Cost-Share application is submitted to MoDOT.

## ***2. Missouri Rural Economic Opportunities Infrastructure Grant***

Grants for public infrastructure (including facilities if the facility is either publicly or nonprofit owned) for projects intending to facilitate significant transformation of the local economy and the creation or retention of full time permanent employment by a private company benefitting from the infrastructure. The development must be unique to the region and must:

- Include activities that add value to the existing economic circumstances and create jobs and investment, and
- Use existing assets of the local economy and transition those assets in such a manner that creates jobs and investment and
- Add a technological component to an asset of the local economy and
- Include either a federal partnership/participation or university partnership/participation.

CDBG funds are limited to \$50,000 per job created/retained, and up to a maximum of \$1 million CDBG participation per project. CDBG funds may not be the majority share of funds in the total project costs.

Local government grantees are required to participate financially in the public infrastructure to the maximum extent possible within their means. That amount may be no less than 15% of the total CDBG funding requested from DED. The 15% may be provided in a combination of cash or in-kind. It may be used for the same public infrastructure activity as proposed for CDBG or it may be documented from another public infrastructure activity necessary to support, and included in, the same defined project for the same company location or expansion.

The local government participation must be committed by letter at the proposal stage, if applicable and, or by resolution in the application.

If the local government does not have the funds to meet the 15% requirement or does not have a means to access the funds, documentation and a request may be provided to DED to waive this requirement. DED reserves the right to accept or deny any waiver request and limit its participation to no more than 85% of any public infrastructure cost, regardless of the formula calculation of benefits.

The Department has established manufacturing, research, and technology industries as the priority beneficiary of these funds. However, certain service industries and incubators are eligible to participate in a Rural Opportunities Infrastructure project.

The use of CDBG funds is generally limited to publicly owned infrastructure. However, privately owned infrastructure may be addressed with CDBG funding when 1) regulated as a public utility, 2) is a unique circumstance when private funding is unavailable to address the infrastructure, and 3) the project will result in high impact to the local economy in terms of job creation and private investment.

### **3. Action Fund**

Loans, equity investments, or other type investments may be made to a **private company** for buildings, equipment, working capital, land, and other facilities or improvements in order to cause a project to occur which will result in the creation or retention of full-time permanent employment. Selection shall be determined by the need for assistance through a financial analysis of the company, and the documentation of the public benefit to be derived from the project.

- CDBG funds are limited to the lesser of \$400,000 per project,
- 50% of the project costs,

- and a maximum CDBG cost per job created or retained of \$35,000.

**NOTE: For start-up companies, CDBG funds are limited to the lesser of \$100,000 per project, 30% of the project costs, and a maximum CDBG cost per job created or retained of \$25,000.**

The interest rate of the loan will to be determined by DED. The term of the loan will be determined by cash flow projections that will allow for the fastest repayment of principal and interest, but not more than 20 years or the depreciable life of the collateral assets. Working capital loans will have a term not to exceed 10 years. Nonprofit, public or quasi-public entities are not eligible to participate in the Action Fund program.

The Department has established manufacturing industries as the priority beneficiary of the Action Fund program. However, certain service industries are eligible to participate in the Action Fund program. Retail firms are not eligible to participate.

#### **4. Interim Financing (Float)**

Loans by grantee to a company for buildings, equipment, working capital, land, and other facilities or improvement where appropriate, in order to cause the creation or retention of a full-time employment. Basis of selection shall be the economic impact of the project and the amount of funds necessary to cause the project to occur.

- Loans are limited to 30% of the project costs,
- \$25,000 per job created or retained,
- or \$1 million per project, whichever is less.

**NOTE: For start-up companies, loans are limited to 30% of the project costs, \$25,000 per job created or retained, or \$100,000 per project, whichever is less.**

Loans must be secured by a Letter of Credit from a financial institution acceptable to DED or other acceptable collateral. The grantee shall be made aware of the policy of state recapture of program income.

The Department will continue to offer a program that uses CDBG funds that may be already obligated to projects, but not distributed. Such a program puts such funds at an element of risk. The applicant for interim financing programs shall be made aware of the policy for local retention of program income. Activities which may be performed in this program may include, but are not limited to, interim construction financing and other incentives for the creation of jobs, primarily for low and moderate income persons. No more than \$10,000,000 per funding year will be obligated, in aggregate, for all float funded projects.

#### **5. Revolving loan fund/Microenterprise:**

Loans by a grantee (or multiple grantees) to a business with less than five existing employees (including owners) for up to \$25,000 per business, or 70% of the project cost, whichever is lower. Funds may be used for machinery and equipment, working capital, land, and buildings. Loans to more than one company may be included in one grant to a city or county. At least one full-time equivalent job must be created or retained for each \$15,000 in loan proceeds with 51% or more to be low and moderate-income persons.

RLF for redevelopment purposes may be considered as well, if the proposed RLF is part of a defined redevelopment effort.

### **6. Job Training**

A grantee may request funds to subcontract with a qualified non-profit or public entity to provide job training to persons who will be or are presently employed by a company (for profit or nonprofit). The funds would be used only for instructors, materials, or related training aids and expenses thereof. The maximum grant per company would be \$100,000, or \$2,000 per new job created/retained, whichever is less. At least 51% of the new jobs created/retained must be low and moderate-income persons.