DRAFT FY2020 ANNUAL ACTION PLAN

2018-2022 Consolidated Plan

Year 3

Prepared by the State of Missouri

Consolidated Plan Partners

Posted for 30-Day Public Comment Period

January 15, 2020

Ending at Noon on February 14, 2020

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OMB Control No: 2506-0117 (exp. 06/30/2018)

Public Meeting Schedule

January 21, 9:30 a.m. – 11:30 a.m. - Jefferson City
Harry S Truman State Office Building
Room 493/494
301 W High Street
Jefferson City MO 65102

January 22, 9:00 a.m. – 11:30 p.m. - St. Joseph
224 N. 7th Street
St. Joseph, MO 64501

January 29, 10:00 a.m. – 12:00 p.m. - Poplar Bluff
1111 W. Pine St.
Poplar Bluff, MO 63901

January 30, 9:30 a.m. – 12:00 p.m. - Springfield
The Library Station
2535 N. Kansas Expy
Springfield, MO 65803

February 11, 10:00 a.m. - 12:00 p.m. –Webex/Conference Call
Join by phone
Call-in number (US/Canada) 1-650-479-3207
Meeting number (access code): 804 291 961

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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. The FY20 Action Plan becomes effective April 1, 2020.

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.

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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 MHDC as 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.

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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 2018 CAPER can be accessed at:
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.

This section will be updated at the end of the 30-day public comment period.

5. Summary of public comments

This section will be updated at the end of the 30-day public comment period.

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

This section will be updated at the end of the 30-day public comment period.

7. Summary

This section will be updated at the end of the 30-day public comment period.

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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 – lead agency	MISSOURI	Department of Economic Development-BCS/CDBG
HOPWA Administrator	MISSOURI	Department of Health & Senior Services/ HOPWA
HOME Administrator	MISSOURI	Missouri Housing Development Commission/HOME
ESG Administrator	MISSOURI	Department of Social Services/ ESG
HTF	MISSOURI	Missouri Housing Development Commission/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)
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- 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.

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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 FY2020, the Action Plan becomes effective April 1, 2020.

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

Daniel Engler, CDBG Policy & Planning Officer, Department of Economic Development Business and Community Solutions, PO Box 118, Jefferson City, MO 65102. 573-751-3600; daniel.engler@ded.mo.gov.

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AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

The Consultation section provides a detailed description of how the state of Missouri worked with various partners in developing the FY2020 Action Plan.

All Public Hearings, webinars, posted plans, and additional consultations include estimated funding amounts for all formula allocations based previous awards. The State makes it clear that all proposed activities are based on estimated amounts, all proposed activity budgets will 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.

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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 CoCs have implemented a Coordinated Entry ("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 coordinated efforts utilizing the CE system throughout the state, efforts have been made 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. The CE System'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.

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 which divides funds geographically by continua. MHDC provides regular updates to all CoC's at the Governor's Committee to End Homelessness (GCEH) meetings as well as through the annual action plan comments. Additionally, MHDC solicits feedback from funded agencies during an annually held ESG Focus Group. MHDC encourages each CoC to develop performance standards for the ESG program that are to be implemented at the CoC level. MHDC compiles CoC and individual agency data via close out reporting and requested HMIS data which is then reported at the state and federal levels each year. The HMIS is selected on a CoC level 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

1	**Agency/Group/Organization**	MISSOURI HOUSING DEVELOPMENT COMMISSION (MHDC)
	Agency/Group/Organization Type	Housing Services - Housing Services-homeless Service-Fair Housing

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	What section of the Plan was addressed by Consultation?	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
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	MHDC provided data and analysis for the Plan on a variety of issues including but not limited to: homelessness, poverty, and housing. MHDC continues to work to improve communication and cooperation with PHAs throughout the state. MHDC partners with other state agencies to allocate emergency response funding for disaster survivors as well as develop a long term housing disaster plan for the state. MHDC worked with the Con Plan partners to solicit 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, and Community Action Agencies.

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2	**Agency/Group/Organization**	MONAHRO
	Agency/Group/Organization Type	Housing PHA Services - Housing Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	MHDC continues to work with PHAs through MONAHRO to engage more PHA staff and residents in long term planning. For the 2020 Action Plan, MHDC worked with MONAHRO, providing both the PHA resident survey and PHA questions earlier in the Action Plan process. In 2019, MHDC began attending regional meetings of PHA Directors to solicit more ideas for partnerships and communication strategies. Further, PHAs were consulted as a specific stakeholder group for MHDC's Strategic Plan; a connection which was emphasized due in part, to increased collaboration between MHDC and the PHAs. 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.

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Agency/Group/Organization	Governor's Committee to End Homelessness
Agency/Group/Organization Type	Services-homeless
What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Anti-poverty Strategy
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	GCEH provided the Community Input Survey and Consolidated Plan partners spoke with the GCEH about the consultation opportunities and the timeline for the 2020 Action Plan process.

Table 2 – Agencies, groups, organizations who participated

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

N/A

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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?

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.

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Citizen Participation Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of Citizen Participation comments received	Summary of comments not accepted and reasons	URL (If applicable)
	Public Meeting – Kick Off Meeting for FY20 Planning	non- targeted broad community	Public Kick-off Planning Webinar; 11/6/19, 16 of registrants and attendees participated in the webinar,	The purpose of the meeting was to be a conversation between interested parties and the Consolidated/Annual Action Plan team.	N/A	
	Web-based survey	Non-targeted/broad community	The Consolidated/Annual Plan partners (DED, MHDC, DSS, DHSS) sent out community development survey. The surveys went live on 12/4/19 and closed on 12/13/19. Notification of the surveys was provided via press release, state agency websites, e-mail agency list serves directed at interested parties.	Please see link to survey reports that summarizes responses to all questions. https://ded.mo.gov/content/community-development-block-grants	N/A	
	Public Meeting-Jefferson City	Non-targeted/broad community	scheduled			
	Public Meeting-St. Joseph	Non-targeted/broad community	scheduled			
	Public Meeting-Poplar Bluff	Non-targeted/broad community	scheduled			
	Public Meeting-Springfield	Non-targeted/broad community	scheduled			

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Citizen Participation Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of Citizen Participation comments received	Summary of comments not accepted and reasons	URL (If applicable)
	Webinar	Non-targeted/broad community	scheduled			

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Expected Resources

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 approved by MHDC's Board. 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 allocation plans for the various funding sources effectively meet the needs of the Missouri citizens including but not limited to ELI, LI and moderate income households, seniors, veterans, individuals and families who represent special needs populations and other vulnerable or at-risk populations.

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

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ANTICPATED RESOURCES

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Remainder of ConPlan $	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**	46110,884	50,000,000	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 estimated amount of remaining funds from prior grant years existing at the end of the past program year (FY19) on March 31, 2020. *
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	26,300,000	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

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								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. Other non-federal funds may 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.
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	$317,178	The Missouri Department of Health and Senior services administer the HOPWA program to prevent homelessness for HIV case managed clients in the Outstate regions of Missouri. The HOPWA program is centralized within the case management system the funding is utilized for direct client services paid directly to the service provider or landlord. This process has proven to be successful for several years and has reduced the number of homeless HIV individuals within the program.
ESG	Public federal	Conversion and rehab for transitional housing	2,671,207	0	0	2,671,207	10,000,000	The state of Missouri receives an annual allocation of ESG funds to identify sheltered and unsheltered homeless individuals

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		Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing						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 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.

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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	7,295,078	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.
CoC	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 by each years' rank and review committee utilizing the priorities set forward by the CoC.
Other	Public federal	Acquisition of residential properties for local voluntary buyout program, Affordable Multifamily Housing new construction, Admin/Planning	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

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								unmet needs due to the national disasters of 2017. Of that $28 billion, Missouri received 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 State's CDBG-DR Action Plan for DR-4317 can be found at: ded.mo.gov/Disaster Recovery The State of Missouri has also been allocated $42 M in Community Development Block Grant Mitigation (CDBG-MIT) funds. The State is currently preparing an Action Plan to receive the funding award. The Action Plan will be submitted to HUD on or before April 6, 2020. DED will post the Action Plan for a 45-day Public Comment period on or before February 19, 2020.

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Table 4 - 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, private equity, and other outside sources.

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. Non- federal funds may 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.

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

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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.

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

See Chart on following page.

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing for Low-Income Household	2020	2020	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	2020	2020	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	2020	2020	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)	2020	2020	Homeless	Balance of State Continuum of Care	Coordinated Rural Homeless Services	Continuum of Care: $6,000,000	Housing for Homeless added: **20** Household Housing Unit
5	Emergency Solutions Grant (ESG)	2020	2020	Homeless	Statewide Housing	Services to Homeless Individuals and Families	ESG: $2,554,390	Tenant-based rental assistance / Rapid Rehousing: 600 Households Assisted Homelessness Prevention: **600** Persons Assisted
6	Set-Aside Preference	2020	2020	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	**2020**	**2020**	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/Job Creation	**2020**	**2020**	Non-Housing Community Development	Non-Entitlement Community & Economic Development	Economic Development	CDBG: $4,075,210 Non-admin funds	Jobs created/retained: 203 Jobs

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9	Public Infrastructure and Improvement	**2020**	**2020**	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
10	Public Facilities	**2020**	**2020**	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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11	Other CDBG Disaster Recovery CDBG Mitigation	**2019** **2020**	**2025** **2012**	Disaster Recovery CDBG Mitigation			CDBG-DR: $58, 535,000 CDBG-MIT	Upon funding award to Units of General Local Governments, proposed performance accomplishments will be entered into the HUD Disaster Recovery Grant Reporting System (DRGR). Awarded projects are required per HUD CDBG-DR federal regulation and DED funding agreement to report actual performance quarterly via the Quarterly Performance Report.

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OMB Control No: 2506-0117 (exp. 06/30/2018)

Goal Descriptions

AP-25 Allocation Priorities – 91.320(d)

Introduction:

1	**Goal Name**	Affordable Housing for Low-Income Household
	Goal Description	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 (>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 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 allocation plans for the various funding sources effectively meet the needs of the Missouri citizens including but not limited to ELI, LI and moderate income households, seniors, veterans, 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; www.mhdc.com

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2	Goal Name	Preservation of Affordable Housing for Low-Income
	Goal Description	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.
3	Goal Name	Affordable Housing for Seniors
	Goal Description	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. 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.

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4	Goal Name	Continuum of Care (CoC)
	Goal Description	The BoS CoC prioritizes funding in each annual competition based on based on HUD priorities, feedback from each region, and other stakeholders through the Board of Directors and review committee.
5	Goal Name	Emergency Solutions Grant (ESG)
	Goal Description	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	Goal Name	Set-Aside Preference
	Goal Description	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 2019 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 experiencing, or being treated for, or has a diagnosis or a history of mental illness; or (b) developmentally disabled. A vulnerable person is a person who is: (a) homeless, as defined by HUD, 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 www.mhdc.com
7	Goal Name	HIV AIDS
	Goal Description	Helping individuals living with HIV/AIDS maintain stable housing, medication assistance and access to medical care to increase viral load suppression.
8	Goal Name	Job Training/Creation
	Goal Description	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	Goal Name	Public Infrastructure & Improvement

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	Goal Description	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	Goal Name	Public Facilities
	Goal Description	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	Goal Name	Other CDBG (CDBG-DR; CDBG-MIT)
	Goal Description	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: https://ded.mo.gov/DisasterRecovery. HUD has allocated $41,592,000 in CDBG Mitigation funding to the State of Missouri. **NOTE:** DED is currently developing the CDBG-MIT (CDBG Mitigation Funding) Action Plan to be submitted to HUD on or before April 6, 2020.

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AP-25 Allocation Priorities – 91.320 (d) 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**
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**
Other CDBG-DR	49	20	28	0	0	0	0	0	3	0	0	**100**

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Table 5 – Funding Allocation Priorities

Reason for Allocation Priorities

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

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 approved by MHDC's Board. 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 allocation plans for the various funding sources effectively meet the needs of the Missouri citizens including but not limited to ELI, LI and moderate income households, seniors, veterans, individuals and families who represent special needs populations and other vulnerable or at-risk populations.

The State continues to allocate CDBG funds to the needs/goals in accordance with the Consolidated Plan. These continue to be priority needs for the State. 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.

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

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Distribution Methods State Program Name:	Community Development Block Grant Program
Funding Sources:	CDBG

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Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.** **The State expects to distribute, during the 2020 CDBG Program Year, approximately $42, 716,728 (non-administrative funds) in HUD Fiscal Year 2020 (FY20) CDBG funds to units of general local government in non-entitlement areas (incorporated municipalities under 50,000 and counties under 200,000). This available funding amount is based on the allocation received for FY19, available program income and remaining balances from prior grant years.** **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). Eligible Activities: 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.** **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 2018, which is not closed by the last business day of March 2020, is ineligible to apply in any FY20 funding category. All documentation necessary for close-out must be received by March 1, 2020 This may apply to the grantee or the on behalf of applicant(s), whichever is applicable.** **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.** **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 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.**

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If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	The full Method of Distribution and application scoring criteria is included in Appendix A. The Application/Guidelines may be found at: https://ded.mo.gov/content/community-development-block-grants
	The full Method of Distribution is included in Appendix A. The Application/Guidelines may be found at: https://ded.mo.gov/content/community-development-block-grants

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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)	N/A
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A
Describe how resources will be allocated among funding categories.	Appendix A describes how CDBG resources will be allocated among funding categories.
Describe threshold factors and grant size limits.	Please see Appendix A for CDBG Threshold Factors.

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What are the outcome measures expected as a result of the method of distribution?	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. The estimated amount of CDBG funds, which will benefit LMI persons, is $**30,466,728** or **71.32%** of the non-administrative allocation for FY2020. (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 2020 – 2022. All funding amounts are based on FY19 and are subject to change with notice from HUD of FY20 funding.

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State Program Name:	Emergency Solutions Grant (ESG)
Funding Sources:	ESG
Describe the state program addressed by the Method of Distribution.	ESG is distributed based on an annual allocation plan that is approved by MHDC Board of Commissioners.
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	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 measureable performance goals and objectives.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A

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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)	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.
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A
Describe how resources will be allocated among funding categories.	Missouri state ESG resources will be allocated at the 60% maximum limit for emergency shelter and street outreach activities.

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Describe threshold factors and grant size limits.	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.
What are the outcome measures expected as a result of the method of distribution?	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.

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State Program Name:	HOME
Funding Sources:	HOME
Describe the state program addressed by the Method of Distribution.	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. 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. 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). 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.

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Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	For the rental production and rehabilitation program, applications will be evaluated using Section 42 requirements: • Those serving lowest income tenants, • Those serving qualified tenants for the longest period, and • Projects located in Qualified Census Tracts, the development of which contributes to a concerted community revitalization plan. Funding decisions are made annually in accordance with the QAP and other allocation plans (including the HTF allocation plan) approved by MHDC Commissioners. More QAP information can be found online: www.mhdc.com 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: the organization's capacity to administer the program, 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.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A

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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)	N/A
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A
Describe how resources will be allocated among funding categories.	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.

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Describe threshold factors and grant size limits.	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. 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 each home.
What are the outcome measures expected as a result of the method of distribution?	Based on current funding levels, MHDC expects to develop or rehabilitate 123 HOME rental units and rehabilitate approximately 130 owner occupied homes.

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 approved by MHDC's Board. 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 allocation plans for the various funding sources effectively meet the needs of the Missouri citizens including but not limited to ELI, LI and moderate income households, seniors, veterans, individuals and families who represent special needs populations and other vulnerable or at-risk populations.

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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 FY2020, 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. 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.

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

As the state housing finance agency, MHDC serves the entire state of Missouri. Allocation plans for all MHDC programs are explicit with regard to geographic goals and populations served with the available funding.

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 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. 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. MHDC allocates HeRO funds to the non-entitlement areas of the state. The state of Missouri's Consolidated and Annual Action Plans reflect funding priorities for the non-entitlement communities throughout the state with HOME and HTF funding available to both non-entitlement and entitlement jurisdictions.

Discussion

The state of Missouri's Consolidated and Annual Action Plan reflect 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 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 allocation plans for the various funding sources effectively meet the needs of the Missouri citizens including but not limited to ELI, LI and moderate income households, seniors, veterans, 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

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

Table 6 - One Year Goals for Affordable Housing by Support Requirement

OMB Control No: 2506-0117 (exp. 06/30/2018)

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One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	68
Acquisition of Existing Units	0
Total	68

Table 7 - 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.

MHDC is committed to ensuring that allocation plans for the various funding sources effectively meet the needs of the Missouri citizens including but not limited to ELI, LI and moderate income households, seniors, veterans, individuals and families who represent special needs populations and other vulnerable or at-risk populations.

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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 2020 Action Plan continues to improve on the collaboration between the state and PHAs, working on issues with staff and resident engagement, involving PHA staff in other statewide planning efforts, offering more opportunities for collaborative training, and working with HUD regional staff to better understand PHA / Con Plan data. The Missouri chapter of National Association of Housing and Redevelopment Officials (NAHRO) is the state's main point of contact for this process.

The PHAs listed below have and/or continue to partner with the state for the current five year Consolidated / Action Plan process: Bernie, Bethany, Bloomfield, Boonville, Brookfield, Cabool, Cameron, Carrollton, Chillicothe, Clinton, Dexter, Excelsior Springs, Fayette, Fulton, Glasgow, Hannibal, Independence, Jefferson City, Kirksville, Liberty, Marceline, Marshall, Mexico, Moberly, Nevada, Noel, Rolla, Salem, Smithville, and Slater. For the 2020 Action Plan, over 250 PHA resident surveys were submitted by PHAs. PHAs utilized resident newsletters, luncheons and door to door canvassing to increase PHA resident participation with great success. To engage with more PHAs and discuss future opportunities for partnership, MHDC began attending regional PHA Director's meetings in the fall of 2019. MHDC attended meetings with 13 small PHA Directors with plans to attend more in 2020.

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.

All PHA information, as it was submitted to the State, including any resident / staff surveys, are attached for review.

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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 2020 Action Plan continues to improve on the collaboration between

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the state and PHAs, working on issues with staff and resident engagement, involving PHA staff in other statewide planning efforts, offering more opportunities for collaborative training, and working with HUD regional staff to better understand PHA / Con Plan data.

All PHA information, as it was submitted to the State, including any resident / staff surveys, are attached for review.

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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. The 2020 Action Plan continues to improve on the collaboration between the state and PHAs, working on issues with staff and resident engagement, involving PHA staff in other statewide planning efforts, offering more opportunities for collaborative training, and working with HUD regional staff to better understand PHA / Con Plan data.

All PHA information, as it was submitted to the State, including any resident / staff surveys, are attached for review.

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

All PHA information, as it was submitted to the State, including any resident / staff surveys, are attached for review.

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 2020 Action Plan continues to improve on the collaboration between the state and PHAs, working on issues with staff and resident engagement, involving PHA staff in other statewide planning efforts, offering more opportunities for collaborative training, and working with HUD regional staff to better understand PHA / Con Plan data. The Missouri chapter of National Association of Housing and Redevelopment Officials (NAHRO) is the state's main point of contact for this process.

The PHAs listed below have and/or continue to partner with the state for the current five year Consolidated / Action Plan process: Bernie, Bethany, Bloomfield, Boonville, Brookfield, Cabool, Cameron, Carrollton, Chillicothe, Clinton, Dexter, Excelsior Springs, Fayette, Fulton, Glasgow,

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Hannibal, Independence, Jefferson City, Kirksville, Liberty, Marceline, Marshall, Mexico, Moberly, Nevada, Noel, Rolla, Salem, Smithville, and Slater. For the 2020 Action Plan, over 250 PHA resident surveys were submitted by PHAs. PHAs utilized resident newsletters, luncheons and door to door canvassing to increase PHA resident participation with great success. To engage with more PHAs and discuss future opportunities for partnership, MHDC began attending regional PHA Director's meetings in the fall of 2019. MHDC attended meetings with 13 small PHA Directors with plans to attend more in 2020.

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.

All PHA information, as it was submitted to the State, including any resident / staff surveys, are attached for review.

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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

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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 plant 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

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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)

One year goals for the number of households to be provided housing through the use of HOPWA for:

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

Total number of households: 325

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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 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 Plan 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 ensure partnering 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

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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.

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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.

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

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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 allocation plans for the various funding sources effectively meet the needs of the Missouri citizens including but not limited to ELI, LI and moderate income households, seniors, veterans, 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

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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. 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 coordinated efforts utilizing the CE System throughout the state, efforts have been made 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. The CE System'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 2018-2022 Consolidated Plan and 2020 Action Plans reflect 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.

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 ensure partnering 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. 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.

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Program Specific Requirements

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

Introduction:

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
Total Program Income:	**7,200,000**

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.

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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: **2020-2022**

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

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.

1. 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.

2. 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.

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.

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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

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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 during the application process.

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. Additionally, MHDC has partnered with the GCEH to draft state wide standards for administering the ESG program which includes

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input from all 8 CoCs.

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".

Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

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".

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Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

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".

Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

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".

Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

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".

Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

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".

Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

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".

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Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

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".

Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

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".

Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

3. 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".

Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

4. 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".

   Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

5. **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.

OMB Control No: 2506-0117 (exp. 06/30/2018)

Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

6. **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.

Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

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).

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Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

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".

Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

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".

Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

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."

Information on Missouri's HTF Allocation Plan is attached for review. https://1drv.ms/f/s!AuhPSgaH-dEUbq-KInhinEgVC18

Discussion:

OMB Control No: 2506-0117 (exp. 06/30/2018)

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Appendix A

Distribution Methods – CDBG

General Requirements

1) Eligible Applicants: The State anticipates distribution of an estimated $22,605,246 (minus State Admin and State Planning allocations) in FY2020 CDBG funds. This estimate is based on the allocation the State received in FY2019. In addition, the state is allocating $7,200,000 in program income and $16,305,638 from prior years remaining funds 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 amount of program income was previously made available for FY19 distribution, however the program income was not allocated in FY19 and it is being made available for FY2020 distribution. The prior years remaining funds are funds available as of March 31, 2020 being re-allocated for distribution in FY2020.

   Cities and counties in Missouri that are not eligible for State CDBG non-entitlement funds include:

   - Blue Springs, Columbia, Florissant, Independence, Jefferson City, Joplin, Kansas City, Springfield, St. Joseph, Lee's Summit, 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,

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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.)

2) Eligible Activities: 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 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

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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

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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) Religious purposes *

*CDBG funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. CDBG funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part.

** 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.

4) Application Submission: 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

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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 awarded through an application cycle during the FY20 program year, no matter the source of funding year assigned to the grant award.

Application Category	**Minimum application amount**	**Maximums**
Water and Wastewater	$10,000	$750,000 or $5,000/$7,500household (see water/wastewater section for details)
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

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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)
Long Term Recovery	varies	varies
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.

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 improvements 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 beneficiaries of economic development projects must be low and moderate-income persons.

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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..."*

Emergency projects may meet the National Objective with the LMI National Objective should the service area be determined to be 51% LMI. If an area is not determined to be LMA (Low to Moderate Area), the Urgent Need National Objective will be utilized according to the test of Section 104 (b)(3) of the Act.

d) Long Term Recovery projects may utilize the Urgent Need National Objective if the test of Section 104 (b)(3) of the Act Urgent Need criteria, as stated above, is satisfied.

e) 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.

f) 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 FY2020. 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 2020 - 2022. The 2020 percentage is derived by the following calculations:

Total Available Funds for FY20 ($22,605,246 FY 20 anticipated allocation based on FY19 Funding (this amount will be adjusted accordingly when HUD publishes the state's allocation) including $7,200,000 (reallocated from FY19 Action Plan) in Program Income & $16,305,638.53 from remaining balance prior years)	**$46,110,884**

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State Administration	- $696,104
Estimated State Planning	- $100,000
State Technical Assistance	- $298,052
Estimated local administration	- $2,300,000
Total non-administrative funds	**$42,716,728**
Non-LMI Benefit	
Emergency/Long Term Recovery - Urgent Need	$10,500,000
Demolition - Slum/Blight	$1,750,000
Total non-LMI benefit	**$12,250,000**
LMI Benefit	
Total non-administrative funds	$42,716,728
Total non-LMI benefit	- $12,250,000
Total LMI benefit	**$30,466,728**
Total non-administrative funds	÷ $42,716,728
Percent total estimated LMI benefit	**71.32%**

5) Performance Requirements for Grantees:

a. Applications that do not clearly state the applicant's Single Audit status will not be considered an application in good standing and thereby ineligible for approval. Once CDBG funds have been allocated to a grantee, the grantee is responsible for responding to the Request of other Federal Award (ROFA) correspondence. If the grantee does not respond to such request, it will be documented and taken into consideration for future funding requests. Any grantee with a delinquent Single Audit for any year, whether or not the grant is closed, is not eligible to apply for funding.
b. Any grantee with an open project award prior to April 1, 2018, which is not closed by the last business day of March 2020, is ineligible to apply for FY2020 funds. This may apply to the grantee or the on behalf of applicant(s), whichever is applicable.
c. All applicants will be required to submit a Project Schedule as part of the CDBG application process. The schedule will outline activities, timelines for expenditures, and significant milestones, which will be referenced in the corresponding Grant Agreement. Grantees are required to submit any changes to the Project Schedule before missing

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potential timelines for expenditures or significant milestones which could lead to a breach in the grant agreement and thereby termination the contract.

d. Grant agreements, as part of the grantee milestones will have a specific end date. If the grant is not completed by the defined end date, the grantee must:
   i. deobligate any remaining funds and repay any obligated funds that did not meet national objective, or
   ii. request an extension. This extension must be submitted before missing significant milestones with an explanation for the reason of the untimely expenditures, the corrective action plan, and revised project schedule.

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 FY2020 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) 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.

9) 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.

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

b) 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.

c) 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 the applicant has enacted a similar policy. 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. Engineering costs calculated per Table A or B (found on page 32 of the CDBG FY2019) 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, downtown revitalization, long-term recovery 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. 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; documentation is required for all administrative costs allocated to the grant award:

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. In addition, 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

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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. Contracts must outline the scope of work and contract milestones.

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) Single 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.

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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

14) Distribution among Categories:

The State will distribute an estimated $22,605,246 (minus State Admin and Planning allocations) in FY2020 CDBG funds. In addition the State is allocating $7,200,000 in program income and $16,305,638 in prior years remaining funds 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). See explanation above that these amounts are based on FY19 until the State receives notice of funding from HUD. The chart exhibiting funds among category, allocation and percentage is amended as follows:

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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 FY20 Annual Allocation)	1,000,000	2.7%
TOTAL	$46,110,884	100%

Any program funds remaining from FY20 will be considered prior years remaining funds and be reprogrammed for FY21. 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 allocate as follow:

Non-Administrative:

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

Public Infrastructure & Improvements 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 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 presidentially declared disaster): **$7,143,840.**

Administrative:

Program Administration: Local Administration $2,300,000; State Administration $639,104; State Technical Assistance $298,052; State Planning $100,000.

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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.

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 FY2020 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

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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

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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 affecting 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 or 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.

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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

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.

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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.

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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.

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 – Competitive process. DED will make announcement of funding availability and application deadlines via department communications and posting application cycles on the DED website at https://ded.mo.gov/content/community-development-block-grants.

Maximum $500,000 or $5,000 per family benefitting.

National Objective - Minimum 51% LMI benefit for community-wide or target area projects. HUD census data, survey conducted in accordance with prescribed standards or Limited Clientele may document LMI benefit 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 will be defined in the Application Guidelines.

2. Workforce Training Initiative

Cycle – Notice of Funding Availability and Proposal deadline to be announced by DED Communications through public notice. 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 will be defined in the Application Guidelines.

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3. General Public Infrastructure

Cycle –. Competitive process. DED will make announcement of funding availability and application deadlines via department communications and posting application cycles on the DED website at https://ded.mo.gov/content/community-development-block-grants.

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.

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

Selection Criteria will be defined in Application Guidelines.

4. Downtown Revitalization

Cycle – Competitive process. DED will make announcement of funding availability and application deadlines via department communications and posting application cycles on the DED website at https://ded.mo.gov/content/community-development-block-grants.

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 will be defined in Application Guidelines.

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Demolition (Residential/Commercial)

Cycle –Competitive process. DED will make announcement of funding availability and application deadlines via department communications and posting application cycles on the DED website. https://ded.mo.gov/content/community-development-block-grants

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 will be defined in Application Guidelines.

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. In addition, 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.

Long Term Recovery

Cycle – Open cycle based on availability of funding. Application Guidelines will define minimum criteria.

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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(ies),
- $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.

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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.

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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.

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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.

1. 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.

2. 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.**

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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.

3. 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.

4. 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.

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