
Rules of
Department of Economic
Development
Division 170—Missouri Housing
Development Commission
Chapter 7—Missouri Housing Trust Fund

Title	Page
4 CSR 170-7.010 Introduction	3
4 CSR 170-7.020 Definitions	3
4 CSR 170-7.030 Preparation of Application	4
4 CSR 170-7.040 Application and Notification Process	5
4 CSR 170-7.050 Compliance Requirements.....	5

**Title 4—DEPARTMENT OF
ECONOMIC DEVELOPMENT**

**Division 170—Missouri Housing
Development Commission**

Chapter 7—Missouri Housing Trust Fund

4 CSR 170-7.010 Introduction

PURPOSE: This rule establishes guidelines to assist the Missouri Housing Development Commission in the implementation of the Missouri Housing Trust Fund and allows the commission to comply with the provisions of H.B. 1745 (affordable housing). This rule applies solely to the designated funds received from the user fee established in section 59.319, RSMo, or other funds as determined by the commission.

Editor's Note: The following material is incorporated into this rule by reference:

1) *Internal Revenue Code, section 42(h)(5)(C), (Washington: U. S. Government Printing Office, 1994).*

In accordance with section 536.031(4), RSMo, the full text of material incorporated by reference will be made available to any interested person at the Office of the Secretary of State and the headquarters of the adopting state agency.

(1) Missouri Housing Trust Fund moneys shall be used to financially assist, in whole or in part by loans or grants, the development of housing stock and/or to provide housing assistance to low income persons at or below fifty percent (50%) of the median family income for the geographic area, adjusted for family size. At least fifty percent (50%) of the loan or grant funds awarded over each two (2)-year period shall be used to assist low income persons at or below twenty-five percent (25%) of the median family income for the geographic area, adjusted for family size. Moneys in the Missouri Housing Trust Fund shall be used solely for the purposes established by sections 215.035—215.038, RSMo and defined in this section.

(2) At the conclusion of each fiscal year, the state treasurer shall disburse all moneys in the Missouri Housing Trust Fund to the commission for disbursement and investment as directed in sections 215.035—215.038, RSMo.

(3) The commission shall administer the Missouri Housing Trust Fund and all administrative costs of this program incurred by the commission shall be paid from Missouri Housing Trust Fund money, which costs annually shall not exceed two percent (2%) of

the net annual revenues received into the Missouri Housing Trust Fund.

(4) The commission shall annually commit or expend the money deposited or earned in the commission designated Missouri Housing Trust Fund.

(5) During each two (2)-year period, at least thirty percent (30%) of the funds disbursed shall be disbursed or committed to or through housing provider organizations which qualify as a "not-for-profit" organization as defined in Chapter 355, RSMo, or section 42(h)(5)(C) of the *Internal Revenue Code* of 1986.

(6) The executive director of the commission shall annually appoint an advisory committee representing diverse housing interests to advise the commission staff on policy and guidelines for the Missouri Housing Trust Fund.

(7) The commission shall provide the application forms to housing provider organizations wishing to apply for, in whole or in part, loans or grants for the development of housing stock and/or to provide housing assistance to low income persons.

(8) In administering the Missouri Housing Trust Fund, the commission may, in its discretion, enter into agreements with municipal or county government entities that meet the purposes of the Missouri Housing Trust Fund established in sections 215.035—215.038, RSMo.

(9) The commission shall publish an annual report which shall include, but not be limited to, the types of developments assisted and fund expenditures made by the Missouri Housing Trust Fund. The commission shall submit copies of such annual reports to the governor and the members of the general assembly on or before January 15 of each year.

*AUTHORITY: section 215.030(5), (12) and (19), RSMo (1994). * Original rule filed Sept. 18, 1995, effective Feb 25, 1966.*

**Original authority 1969, amended 1974, 1982, 1985, 1989, 1993.*

4 CSR 170-7.020 Definitions

PURPOSE: This rule defines terms used in the implementation of the Missouri Housing Trust Fund.

Editor's Note: The following material is incorporated into this rule by reference:

1) *United States Housing Act of 1937, Section 8, Department of Housing and Urban Development (Washington: U.S. Government Printing Office, 1937); and*
2) *Internal Revenue Code, section 42(h)(5)(C), (Washington: U. S. Government Printing Office, 1994).*

In accordance with section 536.031(4), RSMo, the full text of material incorporated by reference will be made available to any interested person at the Office of the Secretary of State and the headquarters of the adopting state agency.

(1) As used in the implementation of the Missouri Housing Trust Fund, the following terms shall mean:

(A) Affordable housing unit—a residential unit generally occupied by persons and families with incomes at or below the levels described in this rule and charging a gross rental rate no greater than thirty percent (30%) of the maximum eligible household income for the affordable housing unit. Gross rent includes the cost of any utilities, other than telephones. If the occupant pays any utilities directly, the maximum rent that may be paid by the occupant is to be reduced by a utility allowance prescribed by the commission;

(B) Eligible low income persons or families at or below fifty percent (50%) of median income, adjusted for family size—persons or families are eligible to be assisted if the household combined, adjusted gross income as defined by the commission is equal to or less than the following percentages of the median family income for the geographic area in which the residential unit is located. Geographic area means the metropolitan area or county designated as an area by the federal Department of Housing and Urban Development under Section 8 of the United States Housing Act of 1937 for purposes of determining fair market rental rates:

Size of Household	Percent of Geographic Area Family Median Income
One Person	35%
Two Persons	40%
Three Persons	45%
Four Persons	50%
Five Persons	54%
Six Persons	58%
Seven Persons	62%
Eight Persons	66%

(C) Eligible low income persons or families at or below twenty-five percent (25%) of

median income, adjusted for family size—persons or families are eligible to be assisted if the household combined, adjusted gross income as defined by the commission is equal to or less than the following percentages of the median family income for the geographic area in which the residential unit is located. Geographic area means the metropolitan area or county designated as an area by the federal Department of Housing and Urban Development under Section 8 of the United States Housing Act of 1937 for purposes of determining fair market rental rates:

Size of Household	Percent of Geographic Area Family Median Income
One Person	18%
Two Persons	20%
Three Persons	23%
Four Persons	25%
Five Persons	27%
Six Persons	29%
Seven Persons	31%
Eight Persons	33%

(D) Developments or activities eligible for assistance—

1. Limited equity cooperatives in multi-family units, which shall be considered rental housing, and the monthly cooperative fee shall be considered the rental rate, or detached units, in urban, rural or suburban areas;
2. Rent subsidies for newly constructed units or rehabilitated multifamily units otherwise assisted under sections 215.035—215.038, RSMo;
3. Rent subsidies for existing units which are not in violation of municipal or county housing codes;
4. Capacity building grants for not-for-profit housing corporations, as defined in Chapter 355, RSMo, or section 42(h)(5)(C) of the *Internal Revenue Code* of 1986, where the recipient serves a rural area and has been involved in housing construction, rehabilitation or services of the nature described in this subdivision for less than four (4) years;
5. Matching funds for social services directly related to special needs tenants in assisted developments;
6. Infrastructure improvements for eligible developments;
7. New construction of permanent rental housing;
8. Rehabilitation of vacant rental houses, or vacant multifamily units;
9. New construction or rehabilitation of single-room occupancy units;
10. New construction or rehabilitation of single family housing;

11. Shelters and related services for the homeless;
 12. Emergency aid such as temporary rental and mortgage payment and repairs to prevent homelessness;
 13. Provisions for rental housing for elderly and low income residents of rural areas of Missouri by the Farmers Home Administration or its successor agency;
 14. Mortgage insurance guarantees or payments for eligible developments; and
 15. Housing related services including, but not limited to, home maintenance programs;
- (E) Commission—the Missouri Housing Development Commission; and
- (F) Housing provider organization—any organization, firm or person performing housing development activities, community services or economic activities in Missouri.

*AUTHORITY: section 215.030(5), (12) and (19), RSMo (1994). * Original rule filed Sept. 18, 1995, effective Feb. 25, 1996.*

**Original authority 1969, amended 1974, 1982, 1985, 1989, 1993.*

4 CSR 170-7.030 Preparation of Application

PURPOSE: This rule establishes the procedures for submitting proposals and the criteria and priorities for the approval or disapproval of such proposals.

- (1) A proposal is defined as a written submission by one (1) or more housing provider organizations, state or local agencies of a proposed program for providing affordable housing units through the use, construction, rehabilitation, or grant of affordable housing rent subsidies or other eligible affordable housing activities to eligible persons or families in a manner consistent with the Missouri Housing Trust Fund.
- (2) All proposals shall be made on the forms supplied by the commission.
- (A) Proposals for construction or rehabilitation of affordable housing units will include the following information:
1. The name(s) and address(es) of the housing provider organization(s) proposing to provide affordable housing assistance activities which are part of the proposals;
 2. The location and number of affordable housing units to be provided;
 3. The neighborhood area to be served by the proposed units;

4. Why the program is needed;
5. The time period for which the affordable housing units shall be provided;
6. Total development cost of the development and operating revenues and expenses;
7. Plans for implementing the program; and
8. A list of all other subsidies, grants or loans that will be received or have been requested, including low-income housing tax credits.

(B) Proposals for providing affordable housing units to eligible persons or families through an affordable housing rent subsidy program or other eligible affordable housing activities will include the following information:

1. The name(s) and address(es) of the housing provider organization(s) that are part of the proposals; and
2. A description of the affordable housing rent subsidy program or other eligible subsidy program or activities, including, but not by way of limitation, the organization's tenant selection criteria, the neighborhood or geographic area to be served, the number of persons to be served, the time period for which a person or family shall have a rent subsidy or other subsidy provided, why the program is needed, the estimated amount to be invested in the program, plans for implementing and monitoring the program or activity, and a list of all other subsidies that will be received or that have been requested to enhance the program. The commission may request any additional information it determines necessary to evaluate any proposal or plan.

- (3) Proposals may be accepted for review and approval at times during the year at the discretion of the commission.
- (4) All proposals must comply with the Missouri Housing Trust Fund limitations set forth in 4 CSR 170-7.010—4 CSR 170-7.050 and sections 235.035—235.038, RSMo.
- (5) Factors to be considered in the approval or disapproval of a proposal to provide affordable housing units through the new construction or rehabilitation of units shall include, but not be limited to, the following:
- (A) Current availability of the site for development and the availability of utilities and services;
 - (B) Applicability and/or permissiveness of current zoning;
 - (C) Size of the development;
 - (D) Level of the proposed rents;
 - (E) Reasonableness of total development cost;

(F) Financial strength and experience of the sponsor;

(G) Experience and expertise of proposed management entity;

(H) Market demand for units;

(I) Period of time development will be available for very low income families;

(J) Unit mix (small and large family units);

(K) Geographic location (commission will try to disperse units throughout the state);

(L) Development design;

(M) Community support (city, county, and neighborhood). If comment from the chief elected official of the local governing body is not included in the application, the commission will notify the chief elected official and give him/her thirty (30) days to comment;

(N) Correlation with existing and past redevelopment efforts; and

(O) Consistency with all locally approved community or neighborhood development plans for the area.

(6) Factors to be considered in the approval or disapproval of a proposal to provide affordable housing units to eligible persons or families through a housing rent subsidy program or other eligible affordable housing activities other than rehabilitation or new construction shall include, but not be limited to, the following:

(A) Current availability of existing rental units, utilities and services in the neighborhood where the rental subsidies or program are proposed to be given;

(B) Financial strength of the entities responsible for the subsidy or eligible activity;

(C) Experience and expertise of the entity responsible for the subsidy or eligible activity;

(D) Number of eligible persons or families to be subsidized;

(E) Period of time the subsidy program or activity will be available for low income families;

(F) Community support (city, county and neighborhood). If comment from the chief elected official of the local governing body is not included in the application, the commission will notify the chief elected official and give him/her thirty (30) days to comment; and

(G) Consistency with other approved community or neighborhood subsidy programs or activities.

(7) Applicants who have a complaint concerning the disposition of a proposal shall make their complaint to the commission according to the following procedure:

(A) The complaint must be filed within ten

(10) days after receipt of notice by mail to each applicant of the disposition of the commission;

(B) The complaint shall state the name of the applicant, the disposition of the commission of which the applicant complains, and a brief statement of the facts and reasons upon which the complaint is based;

(C) The complaint shall be signed by the chief administrative officer of the complaining applicant;

(D) If a complaint is filed requesting a hearing, the commission will set a date for an informal hearing and notify the applicant of the date at least ten (10) days before the hearing. The commission may begin the hearing not more than thirty (30) days after the last day for requesting a hearing;

(E) Hearing will be informal but conducted with dignity and decorum. The hearing shall begin with a statement by the commission of the basis of the commission's determination against which a complaint has been made. Thereafter, the applicant shall state the complaint and present to the commission the facts and arguments as are relevant to the complaint; and

(F) Within ten (10) days after the completion of the hearing, the commission shall notify the applicant of its determination, setting forth in writing the particular facts and conclusions upon which the determination is premised. If, as a result of any hearing, the commission finds its original determination incorrect, the commission shall correct its determination and notify the applicant immediately.

*AUTHORITY: section 215.030(5), (12) and (19), RSMo (1994). * Original rule filed Sept. 18, 1995, effective Feb. 25, 1996.*

**Original authority 1969, amended 1974, 1982, 1985, 1989, 1993.*

4 CSR 170-7.040 Application and Notification Process

PURPOSE: This rule establishes procedures and identifies requirements for filing an application for the Missouri Housing Trust Fund.

(1) Applicants wishing to receive assistance for its developments or activities must make application to the commission for approval and receive approval before the development or activity commences. If approved, the commission will issue a written reservation setting out the conditions of the financial assis-

tance.

(2) Final approval and certification of the rights to receive assistance will be given when—

(A) The commission, in writing, has approved the proposal to provide affordable housing through the use, new construction, rehabilitation of units or rent subsidy or other eligible affordable housing activities; and

(B) In all cases where the proposal involves new construction or rehabilitation, the land use restriction agreement required by the commission is executed and filed for record.

*AUTHORITY: section 215.030(5), (12) and (19), RSMo (1994). * Original rule filed Sept. 18, 1995, effective Feb. 25, 1996.*

**Original authority 1969, amended 1974, 1982, 1985, 1989, 1993.*

4 CSR 170-7.050 Compliance Requirements

PURPOSE: This rule establishes the compliance requirements for the Missouri Housing Trust Fund.

(1) Any rental development or development receiving a loan or grant shall charge gross rental rates no greater than thirty percent (30%) of the maximum eligible household income for the assisted unit, for a period of eighteen (18) years following final disbursement, or the length of the loan, whichever is greater, or for any longer period of time imposed by the commission.

(2) For every year during the compliance period indicated in the land use restriction agreement, the owner of the affordable housing units which receives financial assistance shall certify to the commission that all tenants renting claimed units are income eligible for affordable housing units and that the rental for each claimed unit is in compliance with the provisions of sections 215.035—215.038, RSMo.

(3) For every year during the compliance period indicated in the final approval and certification by the commission of a housing provider organization which receives assistance to provide affordable housing units or affordable housing activities to eligible persons or families through a housing rent subsidy program or other eligible activity, the housing provider organization shall certify to the commission that all persons receiving



affordable housing rent subsidies or other assistance are income-eligible for affordable housing units and the rental subsidies for each claimed unit is in compliance with the provisions of sections 215.035—215.038, RSMo.

(4) The commission is authorized, in its discretion, to audit the records and accounts of the owner of the affordable housing units or the housing provider organization providing assistance, or audit the records and accounts of the housing provider organization providing the affordable housing rent subsidies to tenants of claimed units or assistance to low income persons, all in order to verify the previously mentioned certifications in sections (1) and (2).

(5) If at any time during the compliance period the commission determines a development or an affordable housing rent subsidy program or affordable housing activity for which a proposal has been approved is not in compliance with the applicable provisions of sections 215.035—215.038, RSMo, the commission may revoke the assistance provided.

*AUTHORITY: section 215.030(5), (12) and (19), RSMo (1994). * Original rule filed Sept. 18, 1995, effective Feb. 25, 1996.*

**Original authority 1969, amended 1974, 1982, 1985, 1989, 1993.*