

# MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

*Helping Missourians Prosper*



Missouri Department of  
**Economic Development**

# 2022 MHDC Application Workshop

## CDBG-DR 4317 Exhibit

### Training Agenda

5 mins

Program Overview

25 mins

Eligibility

- Applicants
- Projects
- Activities

10 mins

Application Process

15 mins

CDBG Special Requirements



## Program Overview

# What is CDBG-DR?

- Federal funds from Department of Housing and Urban Development that passes through Missouri DED
- Disaster recovery related to impacted housing from disaster events
- Two active disaster programs:
  - DR-4317 (five ZIP codes in southern MO)
  - DR-4451 (three counties in central MO)

# What is Affordable Multifamily Rental Recovery (AMRR)?

- Program established by MoDED to address rental housing shortage and alleviate the shortage caused by the disaster event
- CDBG-DR funding (up to \$2.5 million) for developments for LMI residents and mixed income developments if funding leverage can be secured by developer
- Pairs with LIHTC, HTF, and HOME funds from MHDC



## Eligibility

# Applicants

- CDBG funds must be awarded to a Unit of General Local Government (UGLG) such as a city/county
- UGLG partners with Developer's non-profit entity, which must be:
  - Incorporated in the United States
  - Not listed on any state or federal debar lists

MoDED

- Enters into grant agreement with HUD
- Establishes program structure

UGLG

- Enters into grant agreement with MoDED
- Maintains all responsibility for grant compliance & financial management

Non-profit

- Enters into Applicant/Subapplicant Agreement with UGLG and included in application to MoDED
- May provide grant administration services

Developer

- Enters into Developer's Agreement with Non-profit
- Competitively selected via MHDC application process

# Projects

- Rents not to exceed 30% of monthly income for household earning 80% of the Area Median Income (AMI) for full term of affordability period
- Tenants must be income qualified at time of move in and must re-certify annually
- Applicable unit(s) must be rented to LMI households (defined as earning at or below 80% of AMI) after project completion for term of compliance period
- Duplex Units, one of two units of duplex occupied by income at or below 80% AMI
- Multi-Family structures containing more than two dwelling units must have minimum of 51% of the units occupied by LMI households
- Documented damage/impact attributed to the disaster events



# Eligible Activities

1. Acquisition – General
2. Acquisition, construction, reconstruction of public facilities
3. Administration (including environmental studies)
4. Affordable Rental Housing
5. Clearance and Demolition
6. Construction of New Housing
7. Construction of New Replacement Housing
8. Construction/reconstruction of streets
9. Construction/reconstruction of water lift stations
10. Construction/reconstruction of water/sewer lines or systems
11. Privately owned Utilities
12. Rehabilitation/Reconstruction of residential structures
13. Relocation payments and assistance
14. Other professional services (such as title search, appraisal, etc.)
15. Architectural and engineering design (including bonding and permitting fees)
16. Construction inspection
17. Legal



## Application Process

# Policy Background

- Review and understand State policies including but not limited to:
  - Chapter 8: Environmental Review
  - Chapter 10: Contract Management
  - Chapter 11: Federal and State Labor Standards
  - Chapter 20: Affordable Multifamily Rental Recovery
- Your project will be held to the standards of these policies; failure to comply at any point could jeopardize the project!

# Proposal Prep

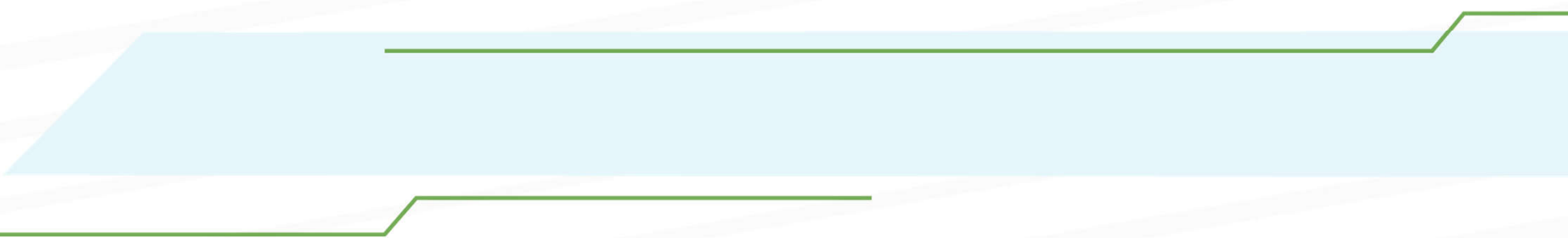
- Meet with the UGLG representing your project location (must be within a HUD MID)
  - Ensure willingness to support project and (4317 only) submit a CDBG-DR application on project's behalf
- Review proposal requirements and begin proposal drafting
- Submit via FTP by September 5

# Selection Criteria

- Project will meet the Low/Mod Income Housing National Objective
- Project located with most impacted areas of presidential disaster declaration (varies based on 4317 vs. 4451 funding)
- Project can show a direct/indirect relationship between the disaster and the project as prescribed by DED
- Project demonstrates the local need through market analysis study
- Project demonstrates organizational capability to assure compliance of CDBG-DR funding agreements
- Project plans reflect CDBG-DR compliance, environmental review, duplication of benefits, prevailing wage, and other Federal requirements



## Selection Criteria (cont'd.)

- Demonstrate capacity to undertake the project as verified through underwriting
  - Fulfill the requirements of the CDBG Environmental Review process
  - MHDC Board approval of multifamily funding
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# CDBG-DR Application

- Work with UGLG to prepare CDBG-DR Application
  - Enter into Developer's Agreement with non-profit entity
  - Resolution to Apply
  - Crosswalk of Cost Summary and project budget
- Include complete and accurate CDBG-DR application as part of MHDC application
- CDBG and MHDC will conduct joint reviews



Adobe Acrobat  
Document



## **CDBG Special Requirements**



# Green Building Standards

February 9, 2018 FRN requires developers to achieve certification under at least one of the following programs on all project construction:

- ENERGY STAR
- Enterprise Green Communities
- LEED
- ICC-700 National Green Building Standard
- EPA Indoor AirPlus (ENERGY STAR a prerequisite)
- Other equivalent comprehensive green building program acceptable to HUD

# Federal Cross-Cutting Requirements

- DED/MHDC have sole and or combined responsibilities for federal requirements
- Combined federal requirements covered by MHDC's monitoring responsibilities which supporting documentation forwarded to DED for review and/or retention
- Sole Federal requirements for DED CDBG-DR program will be monitored by DED staff with supporting documentation forwarded to MHDC for review and/or retention



**Q&A**

# THANK YOU!

*For Additional Questions:*

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