



Strength, Dignity, Quality of Life
MISSOURI HOUSING
 DEVELOPMENT COMMISSION

May 26, 2011

TO: MHDC Commissioners

SUBJECT: Disaster Relief

FROM: Tina Beer 

MHDC proposes to establish a pool of disaster relief funding to support the housing needs of Missourians affected by severe weather in federally declared disaster areas.

MHDC may not provide funding directly to individuals. Therefore, we propose to authorize various community action agencies, with which we have an established track record, to accept and evaluate applications for assistance, and provide the necessary funding. MHDC proposes use of the following community action agencies within the federally declared disaster areas:

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| CAASTLC | St. Louis County |
| DAEOC | Mississippi, New Madrid, Scott, Stoddard |
| Economic Security Corporation | Jasper, McDonald, Newton |
| EMAA | Cape Girardeau |
| MOCA | Pulaski |
| Ozark Action, Inc. | Howell |
| Ozark Area Community Action Corporation | Stone, Taney |
| SCMCAA | Butler, Ripley |

MHDC proposes that each of the above listed community action agencies be allowed to retain an administrative fee to provide staff and services to administer the funding in an amount that is reasonable and necessary, not to exceed 10% of the funding provided.

MHDC proposes use of the following funds:

Recaptured Trust Fund

MHDC makes annual grants of monies from the Missouri Housing Trust Fund to social service agencies that provide housing assistance to low-income (50% of AMI) and very-low-income (25% of AMI) households. If these agencies fail to expend all available funding, MHDC recaptures the excess and reallocates it to other approved agencies needing additional funding. MHDC has recaptured and is currently holding \$580,730.51 in Missouri Housing Trust Fund monies that staff propose be allocated to the above listed

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community action agencies and subsequently be awarded in order of the following priorities:

1. Housing assistance for individuals who are homeless as the result of severe weather.
2. Housing assistance for individuals who are in imminent or immediate danger of being homeless as the result of severe weather.
3. Home repair assistance for low-income homeowners whose homes were damaged as the result of severe weather.

Available Operating Assistance Funds

MHDC budgets operating assistance as part of its subsidy programs on an annual basis. MHDC makes these operating assistance funds available to assist MHDC approved properties with certain needs on a case-by-case basis. Examples of special operating needs assistance include MHDC supplying security services to properties in high-crime areas or providing funding for the establishment of a Boys and Girls Club at a property.

Operating assistance funds in the amount of \$200,000 remain unspent for FY 2011 and that amount is available for immediate assistance.

Residents were displaced from 450 units in MHDC-approved developments at Joplin as follows:

Hampshire Terrace	100 units
JMA II	40 units
Joplin Senior	56 units
Joplin Apts.	36 units
Oak Meadows	138 units
Springview Gardens	80 units

MHDC proposes that the funds be allocated to approved community action agencies to be awarded in order of the following priorities:

1. Funding provided to MHDC developments for relocation of individuals who are homeless that were displaced from MHDC approved developments as the result of severe weather damage.
2. Funding provided to MHDC-approved developments to provide special needs services on-site for residents affected by severe weather.

Homeownership Assistance

MHDC has the ability to utilize its resources to help those impacted by the 2011 disasters by offering a solution that the private sector cannot: down payment and closing cost assistance. This MHDC program will offer mortgage loans and assistance to persons from federally declared disaster counties in the state of Missouri who purchase a home in the

state of Missouri. This program will be offered to both first-time homebuyers and repeat homebuyers and will provide assistance of up to 5% of their first mortgage amount. For borrowers who choose a MHDC single family homeownership program mortgage loan, the assistance would consist of forgivable subordinate financing. The first position MHDC loans will be pooled as mortgage-backed securities as part of MHDC's existing Single Family Homeownership Program Fund. For borrowers who choose another mortgage loan (non-MHDC loan), MHDC's assistance will be in the form of a second-position loan that would amortize at 1% over 10 years. Staff proposes an earmark of existing cash assistance resources of \$1,000,000 to provide the cash assistance for approximately 200 homeowner loans, with a planned sunset of June 30, 2012. This homebuyer program will include requirements similar to MHDC's First Place Program with respect to underwriting, purchase price limits and income limits of not more than 140% of area median income.