



## Introduction

**Purpose:** The purpose of the Missouri Housing Trust Fund (MHTF) is to provide funding for housing/service providers proposing housing/service activities, or related social services in the state of Missouri.

**History:** The MHTF was created by the RSMo 215.034 Statute set forth by the 1994 Missouri State Legislature and is supported by the three dollar recording fee on all real estate documents filed in the state of Missouri.

### Eligibility Requirements:

#### *Who can apply?*

Any housing/service provider proposing housing/service activities or related social services in the state of Missouri can apply for Trust Fund money. **Applicants must demonstrate prior successful housing experience and have the financial capacity to successfully complete and operate the housing and/or service proposed.** The provider of services must have qualified staff and a successful record of providing the proposed services.

#### *Who can be served?*

THE MHTF (215.034) states that all individuals served must be at or below 50% of the Area Median Income (AMI). These numbers are defined by the Department of Housing and Urban Development (HUD), and can be obtained at the Missouri Housing Development Commission website ([www.mhdc.com](http://www.mhdc.com))

**2011 Funding Priorities:** For the 2011 grant year, the Community Initiatives staff recommended that the funding priorities are set according to the requests from the previous grant year. The MHDC Commissioners approved, so the following are the set priorities:

1. **Emergency Assistance:** available for organizations that provide assistance to recipients at immediate risk of becoming homeless; eligible uses of these funds include rent assistance and deposits, utility assistance and deposits, mortgage payments assistance, hotel/motel vouchers, and emergency home repair
2. **Operating Funds:** available for organizations that provide housing or housing services for the purpose of paying salaries, benefits, or overhead costs necessary for operation of the organization
3. **Construction/Rehabilitation:** available for organizations that provide emergency, transitional, or permanent housing for the purpose of payment costs of new construction, modification, or rehabilitation of existing facilities



4. **Transitional Housing:** available for organizations that provide transitional housing for rent assistance and utility assistance
5. **Home Repair or Modifications:** available to organizations that provide housing services for the payments of certain repairs or modifications of homeowner-occupied homes
6. **Rental Assistance:** available to organizations that provide rent assistance to individuals in a permanent low-income housing community

It is the purpose of the MHTF to serve the greatest housing and housing service needs in the state with attention given to the lowest-income residents in the areas where those needs exist.

**Funding Regions for the 2011 Grant Cycle:**

<b>Allocation Area:</b>	<b>Distribution Percentage</b>
<b>St Louis Metropolitan Area:</b> Franklin, Jefferson, Lincoln, St. Charles, St. Louis City, St. Louis, Warren, and Washington Counties	<b>35%</b>
<b>Kansas City Metropolitan Area:</b> Cass, Clay, Jackson, Platte and Ray Counties	<b>18%</b>
<b>South Region:</b> Barry, Barton, Butler, Carter, Cedar, Christian, Dade, Dallas, Dent, Douglas, Greene, Hickory, Howell, Jasper, Laclede, Lawrence, McDonald, Mississippi, New Madrid, Newton, Oregon, Ozark, Pemiscot, Polk, Reynolds, Ripley, Scott, Shannon, Stoddard, Stone, Taney, Texas, Vernon, Wayne, Webster, and Wright Counties	<b>22%</b>
<b>Central Region:</b> Audrain, Bates, Benton, Bollinger, Boone, Callaway, Camden, Cape Girardeau, Cooper, Crawford, Gasconade, Henry, Howard, Iron, Johnson, Lafayette, Madison, Maries, Miller Moniteau, Montgomery, Morgan, Osage, Perry, Pettis, Phelps, Pulaski, Saline, St. Clair, St. Francois and Ste. Genevieve Counties	<b>17%</b>
<b>North Region:</b> Adair, Andrew, Atchison, Buchanan, Caldwell Carroll, Chariton, Clark, Clinton, Daviess, DeKalb, Gentry, Grundy, Harrison, Holt, Knox, Lewis, Linn, Livingston, Macon, Marion, Mercer, Monroe, Nodaway, Pike, Putnam, Ralls, Randolph, Schuyler, Scotland, Shelby, Sullivan, and Worth Counties	<b>8%</b>



### Home Repair

Home Repair funds may be used to assist existing homeowners with the repair, rehabilitation, or reconstruction of owner-occupied single-family home units up to \$10,000.

All new construction must adhere to the appropriate locally adopted residential building codes or, in the absence of locally adopted codes, the 2000 Edition of the International Residential Code. All new work must be done according to the awarded agency's written rehabilitation standards, and inspected by agency personnel to validate completed work.

**Activities must fall under one of the following categories:**

- Weatherization
- Repair/Replacement of Major Systems
- Environmental
- Accessibility
- Code Violations
- Emergency Home Repair

Any repair not identified below must be approved by the Community Initiatives Assistant Manager, Sarah Parsons at MHDC **prior** to being completed at (816) 759-7265.

<b>Eligible Uses:</b>	
Costs to meet local codes	<ul style="list-style-type: none"> <li>• Repair/replace roof</li> <li>• Upgrading of electrical wiring</li> <li>• Install/update GFCI outlets</li> <li>• Installation of vinyl siding</li> <li>• Installation of smoke &amp; radon detectors</li> </ul>
Remediation of environmental hazards including lead-based paint, radon, asbestos, and removal of underground oil tanks. Costs may include activities such as	<ul style="list-style-type: none"> <li>• Capping/painting of window trim and sashes</li> <li>• Capping/painting of interior wood trim</li> <li>• Capping/painting of exterior</li> <li>• Removal and disposal of asbestos pipe insulation or siding</li> <li>• Testing and clearance reports</li> </ul>
Accessibility improvements such as	<ul style="list-style-type: none"> <li>• Ramps</li> <li>• Installation of handrails and grab bars</li> <li>• Replacement of bathtubs with wheel-in showers</li> <li>• Lowering of items such as sinks, electrical switches, and cupboards</li> <li>• Widening doorways</li> </ul>



<p>Accessibility improvements continued</p>	<ul style="list-style-type: none"> <li>• Repair of existing attached garages when incidental to other code required work or to achieve reasonable accommodation of a disabled person</li> <li>• Provision of bathroom or bedroom space on the first floor level of the dwelling</li> </ul>
<p>Energy Improvements such as</p>	<ul style="list-style-type: none"> <li>• Installation of heating systems</li> <li>• Caulking, weather-stripping and other methods of reducing air infiltration</li> <li>• Storm or thermal windows and doors, thermal shades or shutters</li> <li>• Thermal insulation for ceilings, walls, floors, roofs. Foundations, pipes, ducts and water heaters including interior vapor barrier and ventilation</li> <li>• Heating system modifications             <ul style="list-style-type: none"> <li>○ Furnace maintenance and improvements to increase energy efficiency</li> <li>○ Automatic clock thermostats</li> <li>○ Replacement burners which reduce the amount of fuel used</li> <li>○ Flue opening modifications</li> <li>○ Electrical or mechanical ignition systems which replace gas or pilot light</li> <li>○ Replacement furnace boiler</li> </ul> </li> <li>• Chimney repair/replacement</li> <li>• Hot water systems</li> <li>• Any other improvement which is demonstrated by a residential energy audit performed by an energy auditor licensed under state law to have a payback period of not more than 15 years (energy efficiency savings)</li> </ul>
<p>Foundation and foundation repairs for single family homes</p>	
<p>Repair, replacement or upgrade of existing septic systems</p>	
<p>Repair, replacement or upgrade of existing wells</p>	
<p>On-site infrastructure costs (such as electrical wiring and connections and sewer and water</p>	



<p>pipings) and off-site utility connections from the property line to an adjacent street</p>	
<p>Improvements to Manufactured Housing: Manufactured housing must meet the following criteria to be eligible for a loan/grant</p>	<ul style="list-style-type: none"> <li>• The home must be permanently attached to the land by means of poured concrete foundation</li> <li>• The home must be permanently connected to water, sewer, electric, fuel, and similar facilities or utilities</li> <li>• The wheels, axles, and hitch must be removed</li> <li>• MHTF dollars cannot be used for improvements if the manufactured house is located on leased/rented land</li> </ul>
<p>Septic Repair/Replacement: Rehabilitation or replacement of failed or failing septic systems for single-family residences is allowed. These monies may also be used to replace “straight pipe” systems. Licensed engineers must design the system and must comply with all applicable state and local codes and regulations.</p>	

Ineligible costs include those repairs that are not “reasonable and customary” and are considered luxurious in nature. Listed below are ineligible uses.

This is not an all inclusive list; items not appearing are not automatically eligible. For any questions regarding allowable improvements **prior** to work please contact the Community Initiatives Assistant Manager, Sarah Parsons at (816) 759-7265.

<p><b>Ineligible Uses:</b></p>	
	<ul style="list-style-type: none"> <li>• Appliances</li> <li>• Kitchen updates and other décor</li> <li>• Furniture, personal property</li> <li>• Carpet and linoleum replacement</li> <li>• Attached greenhouses</li> <li>• New construction of garages</li> <li>• Projects for barns, sheds, outbuildings</li> <li>• Construction of new home or a shell home</li> <li>• Construction of a new deck or patio</li> <li>• Fences</li> <li>• Fire Extinguishers</li> <li>• Non-essential fireplace improvements</li> </ul>



<p><b>Ineligible Uses Continued</b></p>	<ul style="list-style-type: none"> <li>• Generators</li> <li>• Heating fuel</li> <li>• Hot tub, Jacuzzi, whirlpool bath, sauna, bath house</li> <li>• Landscaping (unless accessibility issues occur)</li> <li>• Pier, steps to lake or water, etc.</li> <li>• Portable kerosene heaters</li> <li>• Steam cleaning of exterior surface</li> <li>• Tree surgery or removal</li> <li>• Unfinished structures</li> <li>• Vacuum cleaner central systems</li> <li>• Installing public infrastructure where none previously existed</li> </ul>
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**Regulatory Agreements:**

- Any home repair grant given to an income-eligible owner expending less than \$2,000.00 of the MHTF dollars **DOES NOT** require a regulatory agreement.
- The maximum amount of MHTF dollars utilized for one home is \$10,000.00
- The following schedule must be used to determine the regulatory agreement term for home repair programs:
  - **2 years** for MHDC expenditures between \$2,000.00-\$4,999.99
  - **5 years** for MHDC expenditures between \$5,000.00-\$10,000.00
- If the repairs warrant a regulatory agreement to be recorded with the county recorder’s office, agency must submit the regulatory agreement to MHDC to be recorded **prior to the start of any work**. The MHTF regulatory agreements are located on the MHDC website at [http://www.mhdc.com/housing\\_trust\\_fund/index.htm](http://www.mhdc.com/housing_trust_fund/index.htm) in PDF fillable form. A warranty deed must be submitted with the regulatory agreement for it to be recorded. MHDC will retain the original signed and recorded regulatory agreement for the agency file. MHDC will send an electronic copy to the agency and a paper copy to the homeowner.

The above amounts refer to the MHTF dollars only. If the funds are matched with other sources, the grant recipient must identify the exact amount of MHTF dollars used per household.

**Records to Maintain:** All of the following should be kept on file, and should be easily accessible for compliance purposes. All of these items are specified in the Rider “A” of the grant agreement.

Record	Acceptable Forms of Documentation
Proof of Residence	<ul style="list-style-type: none"> <li>• Piece of mail, mortgage payment receipt</li> </ul>
Income verification-	<ul style="list-style-type: none"> <li>• Pay stub, SSI/SSDI award letter/printout, tax</li> </ul>



<ul style="list-style-type: none"> <li>• Must be current within 30 days of program intake date. Program intake date should be clearly noted in file.</li> <li>• Proof of gross monthly income needed <b>for all members of the household age 18 and over</b></li> <li>• If any member(s) of the household age 18 and over do not have an income they must fill out a “Certification of Zero Income” form found at <a href="http://www.mhdc.com">www.mhdc.com</a></li> </ul>	<p>form, child support statement</p> <ul style="list-style-type: none"> <li>• Certification of Zero Income-Form # MHTF 246</li> </ul>
<p>Photo Identification-</p> <ul style="list-style-type: none"> <li>• Needed for all members of the household age 18 and over</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>• Proof of Social Security card/number needed for all members of the household to document number of individuals in the household</li> </ul>	<ul style="list-style-type: none"> <li>• Driver’s license, state ID, school ID with photo, passport-U.S. or foreign, U.S. passport card, permanent resident card, employment authorization document, U.S. citizen ID card, military ID, Native American tribal card,</li> <li>• Social Security Card or print out from social security office</li> </ul>
<p>Evidence of a Title</p>	<ul style="list-style-type: none"> <li>• Copy of title, letter from title company, or mortgage payment receipt</li> </ul>
<p>Proof of 3 Bids</p>	<ul style="list-style-type: none"> <li>• Record from Contractors</li> </ul>
<p>Work Description</p>	<ul style="list-style-type: none"> <li>• Approved bid, invoices, or work order</li> </ul>
<p>Consent Form- Form provided by MHDC and can be found on MHDC’s website at <a href="http://www.mhdc.com">www.mhdc.com</a> **This signed form gives MHDC the right to review files and verifies “safe and decent housing”. Must be current within 30 days of program intake date.</p>	<ul style="list-style-type: none"> <li>• Form # MHTF 250</li> </ul>
<p>Before and After Pictures</p>	<ul style="list-style-type: none"> <li>• Actual before and after pictures</li> </ul>
<p>Inspection Form- Form provided by MHDC- included with the HR payment request and can be found on MHDC’s website at <a href="http://www.mhdc.com">www.mhdc.com</a></p>	
<p>Completion Form- Form provided by MHDC- included with the HR payment request and can be found on MHDC’s website at <a href="http://www.mhdc.com">www.mhdc.com</a></p>	
<p>Regulatory Agreement Form- Only needed if repair is \$2000.00 or more. Form provided by MHDC and can be found on MHDC’s website at <a href="http://www.mhdc.com">www.mhdc.com</a></p>	<ul style="list-style-type: none"> <li>• Two-Year Regulatory Agreement</li> <li>• Five-Year Regulatory Agreement</li> </ul>



**Costs:** Both the actual cost of rehabilitating the house (hard costs) and related “soft costs” are eligible for MHTF use.

<b>Costs:</b>	<b>Examples:</b>
<p>Eligible Hard Costs: These include the actual costs of constructing or rehabilitating a housing unit. They include making essential improvements such as</p>	<ul style="list-style-type: none"> <li>• Energy-related repairs or improvements</li> <li>• Improvements necessary to permit the use by persons with disabilities</li> <li>• The testing and abatement of lead-based paint hazards</li> <li>• Improvements to repair or replace major housing systems in danger of failure</li> </ul>
<p>Eligible Soft Costs: These include reasonable and necessary costs incurred with the financing or development for rehabilitation</p>	<ul style="list-style-type: none"> <li>• Lead Testing/inspections</li> <li>• Inspections from a third inspector not currently on the agency’s payroll</li> <li>• Recording fees</li> <li>• Building permits</li> <li>• Flood letters</li> <li>• Dumpster rentals, etc.</li> </ul>
<p>Ineligible Soft Costs: These are considered Administrative Costs that are not reimbursed as a “soft cost”</p> <p>Note: Administrative costs of the Sub-Grantee <b><u>may not</u></b> be reimbursed as a “soft cost”</p>	<ul style="list-style-type: none"> <li>• Utility and phone bills</li> <li>• Insurance</li> <li>• Postage</li> <li>• Office supplies</li> <li>• Reimbursement for agency salaries</li> <li>• Mileage reimbursement</li> <li>• License fees, etc.</li> </ul>

**Agency Inspections:** Agencies may be reimbursed for lead inspections performed by their own qualified staff inspectors. Reimbursement is capped at \$400.00 and will be a soft cost. Any additional inspections (walk through, code verifications, etc.) will be paid out of the agency’s administration cost allowance they receive for each project. The agency may still opt for using a third party inspection service. The agency will then be reimbursed for the actual charges incurred. Invoice copies must be retained in the files.

**Emergency Home Repair:** A situation may be declared an emergency when either:

- A code enforcement inspector declared the situation an emergency under City code
- The water, electrical, or gas has been Red Tagged
- The sewer is backed up



- The Sub-Grantee program coordinator determines the situation is an immediate threat to the safety of the occupants or to the structure of the house. These repairs must be “natural hazards” and must be pre-approved by MHDC.

**Administrative Uses:** Home Repair grantees can use up to 10% of the grant award for administration costs, as long as it was requested in the original application.

<b>Eligible Administrative Costs:</b>	<b>Ineligible Administrative Costs:</b>
<ul style="list-style-type: none"> <li>• Program staff salary</li> <li>• Administration building utility bills</li> <li>• The program audit required at the end of the grant cycle</li> <li>• Office supplies</li> <li>• Maintenance and travel when clients are present</li> </ul>	<ul style="list-style-type: none"> <li>• Funds cannot be used for conference and training costs</li> <li>• Travel when clients are not present or</li> <li>• Any food purchases</li> </ul>

**Income Verification**

As stated in the Missouri Housing Trust Fund (MHTF) statute, all households assisted through the MHTF are required to be at or below 50% of the Area Median Income (AMI). To find a specific county’s AMI information, please refer to MHTF Form # 251. Currently the MHTF bases its calculation method from HUD’s Part 5 definition; however, there are minor differences. Agencies are expected to utilize the list below when calculating their client’s income.

In calculating income for MHTF Home Repair / Modification grants, the verification must be current within 30 days of the program intake date. This date should be clearly noted in the file. The only exception is the entitlement letters such as TANF or SSI; these are to be current within one year of the date on the Regulatory Agreement.

The following types of earned income are **included** when calculating income:

- Income from all members of the household age 18 and over
- Gross wages
- Full amount of periodic payments
- Unemployment, Worker’s Compensation, Severance
- Entitlements (TANF, SSI)
- Periodic and determinable allowances (alimony and child support)
- Net income from business operations
- Interest, dividends or other net income from personal property



The following are **excluded** when calculating income:

- Income from children under 18 years of age
- Foster care payments
- Lump sum payments
- Reimbursement or payment of medical expenses
- Income of live-in aide
- Financial Aid
- Resident service stipend (part-time work that enhances the quality of life – not to exceed \$200/month)
- Temporary, non-recurring income (gifts)
- Earnings over \$480/years for full time students 18 years and older (excluding Head of Household)
- Adoption assistance payments
- Amounts paid by state to household with a developmentally disabled child to keep them in the home
- Food Stamps
- LIHEAP Earned Income Tax Credit
- WIC Payments

Additionally, when a household's assets have a value of \$5,000 or over, that should be included as income. The agency will determine the income from the assets and separately, multiply the value of the assets by .02; the greater of the two numbers is added to the earned income section to determine the total annual income. Below is a list of inclusions and exclusions.

**Inclusions:**

- Cash held in savings and checking accounts, safe deposit boxes, home, etc.
- Cash value of revocable trusts
- Equity in rental property
- Cash value of stocks, bonds, treasury bills, CDs and money market accounts
- Individuals Retirement and Keogh Accounts
- Retirement and pension funds
- Cash value of life insurance policies
- Personal property held as an investment
- Lump sums not intended as periodic payments

**Exclusions**

- Necessary personal property (clothing, furniture, cars, primary residence, etc.)
- Interest in Indian Trust Lands
- Assets not effectively owned by applicant



- When assets are held in an individual's name, but the benefit is to someone that is not in the household
- Equity in co-operations in which the family lives
- Assets not accessible to and that provide no income
- Term life insurance policies
- Assets that are part of an active business

Refer to MHTF Form # 245 for step-by-step instructions.

**Compliance:** During each grant year, a Missouri Housing Development Commission staff member will review the grant files at least twice. One of the visits will be announced and one will be unannounced. Therefore, it is vital that an agency staff member is always available to assist the MHDC staff member as needed. If no staff person is available within 15 minutes of the MHDC staff member's arrival (during normal business hours as noted in the agency's original grant application) the agency will be considered out of compliance until the MHDC staff member can complete the visit. It is the agency's responsibility to notify MHDC if business hours change or if the agency will be closed for an extended amount of time.

During each site visit, the MHDC staff member will review the files of 20% of the homes repaired to check for the required maintained records. The files to be reviewed are selected from the payment requests submitted to MHDC for reimbursement. The MHDC staff member will drive by the selected home repair sites to validate locations and submitted pictures. For a list of the required maintained records, refer to Rider "A" of the grant agreement.

Within two weeks after the site visit, the MHDC staff member will send a site visit summary report.

If the staff member finds that the agency is out of compliance for reasons such as the files have not been kept at the specified standard, individuals have been assisted that do not meet the income limits, or the facility is unsafe, the MHDC staff member will record that the agency is "out of compliance." Until a MHDC staff member has verified that the issue(s) has/have been resolved, funding will be suspended for all the grants awarded to the agency. During this time, the MHDC staff should be used as a resource to determine what needs to be corrected.

If the agency is "out of compliance" it will not be until the agency's next payment request is submitted that a MHDC staff member will conduct a follow-up site visit. The follow-up site visit will be based on the most recent payment request. This site visit will be completed within 30 days of receiving the request.

If the issue(s) that caused the agency to be out of compliance are resolved after the follow-up site visit review, the MHDC staff member will send the agency a letter informing them that their funding is no longer suspended.



**If the agency is determined to be an unclean or an unsafe environment:** The agency will be notified that their funding will be suspended until they have made the necessary accommodations to make the agency environment clean and safe. A MHDC staff member will return for another site visit to verify changes; upon the MHDC staff member's approval, funding will be reinstated.

**If the agency is lacking files:** The agency will be notified that their funding will be suspended until they have an appropriate system for maintaining client information. Please utilize MHDC staff as a resource to assist in creating/maintaining a filing system.

Once another payment request has been received a follow-up site visit will take place.

If the files are in order after the follow-up review, the MHDC staff member will send the agency a letter informing them their funding is no longer suspended, but the next time the agency requests funds, a MHDC staff member will do another file review with names from the new payment request before releasing funds.

If the files are not in order after the follow-up review, the MHDC staff member will send the agency a letter informing them of their findings, and funding will continue to be suspended.

\*If a third site visit must be conducted regarding the same compliance issue, agency funding will be subject to recapture.

**If the agency will not schedule a site visit:** : If MHDC staff is unsuccessful in scheduling a site visit after 3 attempts have been made via telephone and e-mail, MHDC staff will send a letter to the agency informing them that they have 15 days to schedule a site visit, otherwise their funding will be suspended.

If the agency does not respond within 15 days, a letter will be sent stating funding will be recaptured.

**If no personnel are present at an unannounced visit:** The agency will be sent a letter notifying them of the attempted unannounced site visit and that the agency is out of compliance. Additionally, if the agency personnel refuse the site visit, the agency will be out of compliance. Both incidences will be considered in their future grant applications.

If no agency staff is available for the second attempt, funding will be suspended until a MHDC staff member is able to complete the site visit. On the third attempt, if no agency staff is available again the remaining grant will be recaptured.

\*Note that a MHDC staff member will wait no longer than 15 minutes for a staff person to be available for a site visit.



**Other:** If any allegations are made regarding employees putting clients in danger; an immediate site visit will take place and the Community Initiatives Manager will determine at that point if funds will be recaptured. If allegations are verified, at the very least, the incident will be noted in agency’s future grant applications.

**Housing Team Meetings:** In an effort to encourage collaboration and knowledge of services within areas of the state, all Missouri Housing Trust Fund agencies will be required to sign in and attend at least 75% of all Continuum of Care (CoC)/Housing Team Meetings in their region. These meetings bring together many different agencies working toward the improvement of housing and homelessness in the state of Missouri. It is important to note that the attendance of these meetings are tracked and referred back to in scoring for future funding.

In the rural communities, these meetings are held quarterly. In urban areas they occur monthly. If you have any questions about which meeting your agency should attend please refer to the grant agreement. The following is the contact information for each area.

<b>Area:</b>	<b>Contact Person:</b>
North Region (Balance of State)	Mandy Fangmann-(816) 759-7203
Kansas City Metro	Vickie Riddle-(816) 924-7997
St. Joseph	Jodi Bloemker-(816) 238-4511
Central Region (Balance of State)	Mandy Fangmann-(816) 759-7203
St. Louis Metro	Antoinette Triplett-(314) 612-5933
St. Louis County	Lowry Finley-Jackson-(314) 615-4413
St. Charles	Dottie Kastigar-(636) 936-8023
Springfield	Michelle Garand-(417) 888-2020
Joplin	Jennifer Plier-(417) 623-0059
South Region (Balance of State)	Jennifer Miller-(816) 759-6614