

ST. LOUIS HOME CONSORTIUM
ST. LOUIS COUNTY
OFFICE OF COMMUNITY DEVELOPMENT
RENTAL HOUSING PRODUCTION PROGRAMS

The information enclosed contains the Program Guidelines and Application for the Rental Housing Production Programs administered for the St. Louis HOME Consortium by the St. Louis County Office of Community Development. Please refer to the Program Guidelines for eligibility requirements.

The Office of Community Development (OCD) accepts applications throughout the year.

One original hard copy application and required exhibits and one identical copy of the original application and required exhibits must be submitted, along with two sets of preliminary plans and scopes of work, for the application to be considered complete.

Each form and exhibit must be accurately completed and include all requested information. Be sure to complete all sections and submit all forms required.

Applications and required exhibits should be submitted to the Office of Community Development, 41 S. Central, 5th Floor, Clayton, MO 63105. If you have any questions, please contact Ms. Amy Ellis, Senior CD Analyst, at (314) 615-4592 or 615-5467 (TTY).

Once you have assembled the significant information required for an application, we strongly encourage you to meet with Office of Community Development staff to discuss your application in detail.

ST. LOUIS COUNTY
OFFICE OF COMMUNITY DEVELOPMENT
RENTAL HOUSING PRODUCTION PROGRAM GUIDELINES

PROGRAM DESCRIPTION

The St. Louis County Office of Community Development (OCD), the lead agency for the St. Louis HOME Consortium, administers the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) Programs for the Department of Housing and Urban Development (HUD). HUD allocates funds by formula among eligible State and local governments to strengthen public-private partnerships for the creation of affordable housing. Members of the consortium include the Cities of Florissant, St. Charles, O' Fallon and the Counties of St. Louis, Jefferson, and St. Charles. OCD's Rental Housing Production Program provides financing to developers for the acquisition and rehabilitation or new construction of rental housing for low and moderate income families. To be considered, all sponsoring entities and proposals must meet the regulations prescribed in the Community Development Block Grant Program at 24 CFR Part 570 and/or the HOME Investment Partnerships Program at 24 CFR Part 92.

http://www.access.gpo.gov/nara/cfr/waisidx_05/24cfr570_05.html

http://www.access.gpo.gov/nara/cfr/waisidx_05/24cfr92_05.html

Nonprofit developers may apply for a grant and/or low interest loan for construction and permanent financing. For profit developers may apply for a low interest loan for construction and permanent financing. Generally, OCD provides financing based on a 20 to 40-year amortization. OCD will accept a first or second mortgage position. OCD may structure loans with from 0% to market interest rates, interest payment only with principal payment deferred behind a first mortgage, principal payment only with interest payment deferred behind a first mortgage, or with principal and interest deferred behind a first mortgage. The purpose of this program is to expand the rental housing opportunities for low and moderate income families. This is accomplished through a savings in the financing cost that allows the owner to reduce rents on the units over an extended period. OCD will decide the source of funding to be awarded based on what is most appropriate to the particular project proposed.

ELIGIBILITY

Private builders, developers, nonprofit community groups, Community Based Development Organizations, and Community Housing Development Organizations are eligible to apply for financing. Applicants must demonstrate that they have appropriate housing development experience and sufficient financial capacity to undertake the development.

COMMUNITY BASED DEVELOPMENT ORGANIZATIONS (CBDOS)

CBDOS are a specific type of nonprofit organization defined exclusively under the CDBG program. CBDOS are organized and structured according to strict standards as established by HUD. New construction of housing assisted with CDBG funds can only be undertaken by or in collaboration with a CBDOS. For a CBDOS to receive CDBG assistance for a development it must be the developer, sponsor, or owner of the CDBG assisted development and have effective management control of the development.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOs)

CHDOs are a specific type of nonprofit organization defined exclusively under the HOME program. CHDOs are organized and structured according to strict standards as established by HUD. A portion of HOME funds is set-aside for CHDOs. For a CHDO to receive a set-aside it must be the developer, sponsor, or owner of the HOME assisted development and have effective management control of the development.

APPLICATION THRESHOLD REQUIREMENTS

- FOR CDBG assistance, the development's characteristics must conform with the HUD 24 CFR Part 570 and OCD rules and regulations, including occupancy and rent restrictions.
http://www.access.gpo.gov/nara/cfr/waisidx_04/24cfr570_04.html
- FOR HOME assistance, the development's characteristics must conform with the HUD 24 CFR Part 92 and OCD rules and regulations, including occupancy and rent restrictions.
<http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/regs/finalrule.pdf>
- The application is complete with the required exhibits. Applications for developments of 12 units or more must contain a rental market survey of comparable properties, including property descriptions, rent structures, amenities, vacancy rates, waiting lists and other relevant data.
- Developer must submit evidence that they have contacted the municipality in which the project is located with an offer to meet and discuss the proposed development. If available, minutes of such meetings should be included with the application.
- Developer must submit evidence they have contacted local community and/or neighborhood organizations (if any exist) to discuss the proposed development. If available, minutes of such meeting should be included with the application.
- Evidence of site control and ability to keep same for 180 days from application date.

- Evidence regarding the property's current zoning designation and what, if any steps are in process to obtain proper zoning and/or site plan approval for the proposed development. Application must contain minutes of any public hearing on zoning considerations
- The application must contain enough financial information including financing commitments to assess the probability of economic feasibility.
- OCD staff must make a determination that the proposal meets a need as identified in the St. Louis County Consolidated Plan.
<http://www.stlouisco.com/plan/plannews.html>
- Sponsor must have a satisfactory compliance record on existing developments funded by OCD.

Upon satisfying application threshold requirements, an application will be considered under the Consistency with Local Needs Criteria and Development Factors and Qualifications set forth herein. Notice of the application will be sent to the municipality the project is located requesting comments on the development.

CONSISTENCY WITH LOCAL NEEDS SELECTION CRITERIA

Each development will be evaluated to ensure it is consistent with local needs. The evaluation will review whether the development fills a demonstrated need in the local market as evidenced by:

Consistency with the St. Louis County Consolidated Plan, including but not limited to the priorities listed in the Consolidated Plan:

- Affordable housing for large low-moderate income households
- Affordable housing for small low-moderate income households
- Affordable housing for persons with disabilities

Market study and/or analysis which reflects a need for the housing and that the development will be competitive in the local market.

Research by St. Louis HOME Consortium or secondary data from other research on housing needs in the area which identify a need for the type of housing proposed. Priority will be given to the following:

- Sustainable Neighborhoods designated by St. Louis 2004.
- Municipalities and unincorporated areas with high concentrations of vacant buildings and lots for which St. Louis HOME Consortium member has been designated "Trustee." (See Map, p.25)
- Federal and State designated Empowerment Communities and Enterprise Zones.

- Designated redevelopment areas or areas in which residential development activities are currently in process.

Staff site visits which confirm the market analysis and competitiveness of the development.

DEVELOPMENT FACTORS AND QUALIFICATIONS

Applications will be further reviewed for other factors and qualifications that include, but are not limited to, the following:

- Developments that preserve affordable housing for any of the above targeted groups.
- Developments that create mixed-income housing environments.
- Development team experience and qualifications including the experience and financial capacity to undertake, complete, maintain and manage the proposed development.
- Suitability of the site or building for development; including site control, proper zoning, and availability of utilities.
- Satisfactory evidence the development is ready to proceed as indicated by debt and equity commitments.
- Development application indicates that materials and construction standards exceed standard energy efficiency requirements.
- Development leverages CDBG and/or HOME funds with other sources of funding through the formation of partnerships between private housing developers, financial institutions, the public sector, foundations and others.
- A local individual, partnership or corporation will own the development.
- Lowest intermediary (soft) costs. Development budget contains a lower percentage of soft costs to total development cost, as compared with other similar types of developments. Intermediary (soft) costs are considered to be, but are not limited to, developer fees, attorney fees, engineering fees, architect fees and contractor fees.
- Participation of Local Tax-Exempt Organization. Development will be owned or sponsored by a nonprofit developer, a Community Based Development Organization as defined in HUD 24 CFR Part 570, or a Community Housing Development Organization as defined in HUD 24 CFR Part 92.

DEVELOPMENT STANDARDS

The following standards are set to assure developments that receive CDBG and/or HOME financing produce the most effective economically feasible developments to serve income-eligible tenants in habitable dwelling units. Generally, amounts greater than the amounts listed in this section will be considered excessive. However, OCD may, at its discretion, consider higher amounts if required to produce highly needed housing that meets the following criteria:

- Smaller size developments.
- Hard to develop developments, such as homeless housing, single room occupancy housing, and scattered site developments.
- Developments in difficult to develop areas.

PER UNIT COST STANDARD

The per unit cost of CDBG and HOME developments shall not exceed HUD's 221(d)(3) limits for elevator-type projects, adjusted to reflect cost increases of construction costs since their adoption in 1992, and further adjusted by HUD's high cost factor to reflect differences in different geographic areas.

DEVELOPER FEE STANDARD

The maximum developer's fee is to be no more than 12% of the hard construction costs. The developer's fee is dependent on the size of the development, difficulty to develop and other characteristics that could warrant a larger developer's fee.

CONSTRUCTION FEE STANDARD

The maximum construction fee standard is to be no more than 12% of the construction costs. The construction fee is dependent on the size of the development, difficulty to develop and the development's unique characteristics. Items of construction costs to be considered allowable include builder's overhead, builder's profit and general requirements. The sponsor should list any identity of interest between the sponsor, the developer, the contractor, and subcontractors in the application. The application must include the dollar amounts of subcontracts and profit spread of identity of interest subcontractors. If an identity of interest is not disclosed in advance, the cost of that subcontract will not be recognized.

JUSTIFICATION OF EXPENDITURES STANDARD

Owners and contractors shall submit an independent third-party CPA cost certification as part of the final feasibility evaluation.

DEVELOPMENT REQUIREMENTS

ELIGIBLE PROPERTIES

Only units receiving CDBG monies are considered "CDBG Assisted Units" and only units receiving HOME monies are considered "HOME Assisted Units." CDBG and/or HOME rental developments may be:

- one or more buildings on a single site that are under common ownership, management and financing,

— OR —

- scattered on more than one site as long as the sites are within 4 blocks of each other, are under common ownership, management and financing, and receive CDBG and/or HOME assistance as part of a single undertaking.

INELIGIBLE PROPERTIES

- CDBG or HOME funds may not be used to assist developments assisted under Title VI of the National Affordable Housing Act (NAHA) — Prepayment of Mortgages Insured under the National Housing Act.

PROPERTY STANDARDS

All developments to be funded with CDBG and/or HOME funds must at the time of completion, at a minimum, comply with all local building codes, rehabilitation standards, ordinances, zoning and federal regulations regarding hazardous materials as well as energy standards required by HUD 24 CFR 570 and/or 24 CFR 92. The goal is to provide "decent, safe and sanitary" housing at an affordable cost to lower income families. Beyond these minimum standards OCD encourages developments built with the same quality and amenities as market rate developments within the same market area. Energy standards required:

- Substantial rehabilitation — cost-effective energy conservation and effectiveness standards in 24 CFR Part 39. Additional consideration will be given to projects that exceed energy star standards meeting such standards as the varying levels of LEED, GBI, or other such designations.

- New construction single-family 1-4 units — Must at a minimum meet Energy Star standards as found at www.energystar.gov . Additional consideration will be given to projects that exceed energy star standards meeting such standards as the varying levels of LEED, GBI, or other such designations.

ACCESSIBILITY

Developments financed with CDBG and/or HOME funds must meet the accessibility requirements in the regulations referenced in 24 CFR 5.105(a) which implement the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. Developments of five or more units are required to have a minimum of one unit or 5% of total units accessible to the physically handicapped and an additional 2% of total units equipped for those with hearing or visual impairments. Attached to these guidelines is a summary of the St. Louis County Office of Community Development's Accessibility Policy. See page 19.

For questions regarding handicap accessibility requirements, contact Ms. Amy Ellis at (314) 615-4592.

MAXIMUM ALLOWABLE CDBG DEVELOPMENT RENTS

Not less than 51% of rental units rehabilitated with CDBG assistance must have rents that do not exceed 30% of the annual income of a family whose income equals 80% of area median income minus tenant paid utilities.

In new construction multi-family rental housing developments, not less than 20% of CDBG assisted units must have rents that do not exceed 30% of the annual income of a family whose income equals 80% of area median income minus tenant paid utilities. In new construction multi-family developments where 20% to 50% of the units have low-moderate income affordable rents, the percentage of CDBG assistance to the total project development cost can be no greater than the percentage of low-moderate income affordable units to the total number of units in the development.

However, if the unit receives Federal or State project-based rental subsidy and the very low income family pays a contribution toward rent not more than 30% of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

Refer to the enclosed Table: "Maximum CDBG Qualifying Rents in the St. Louis MSA," page 16.

TENANT INCOMES UPON OCCUPANCY OF CDBG ASSISTED UNITS

Not less than 51% of rental units rehabilitated with CDBG assistance must be occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size.

In new construction multi-family rental housing developments, not less than 20% of CDBG assisted units must be occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size. In new construction multi-family developments where 20% to 50% of the units are occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size, the percentage of CDBG assistance to the total project development cost can be no greater than the percentage of units occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size to the total number of units in the development.

Refer to the enclosed Table: "Maximum CDBG Qualifying Household Incomes in the St. Louis MSA," page 16.

INITIAL INCOME ELIGIBILITY OF CDBG TENANTS

CDBG uses the same definitions of annual income as the Section 8 Housing Programs. Section 8 definitions are found in 24 CFR Part 813. Annual income is the gross amount of income anticipated to be received by all adults in a family during the twelve months following the effective date of the determination.

PROJECTS ASSISTED WITH CDBG FUNDS TO PREVENT OR ELIMINATE SLUMS AND BLIGHT

A small portion of CDBG funds awarded by OCD may be used to assist housing development projects that do not meet the national objective of providing affordable housing for low and moderate income households. These projects must meet another national objective by preventing or eliminating slums and blight. Slums and blight may be eliminated on an area basis or on a "spot" basis.

Not more than 20% of CDBG funds to be awarded during the program year will be made available to assist housing development projects (both rental and for-sale) that do not address the national objective of providing affordable housing to low and moderate income households.

AREA BLIGHT

The rehabilitation of residential buildings carried out in an area meeting the requirements for the slum/blight criterion will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard before rehabilitation and all deficiencies making a building substandard have been eliminated if less critical work on the building is undertaken. Substandard buildings would also fail to meet the housing quality standards for the Section 8 Housing Assistance Payments Program-Existing Housing (24 CFR 882.109).

If the area has not been blighted by local ordinance, a description of the condition of the area and the percent of deteriorated or deteriorating buildings or public improvements must be included in the Application. The Application must also include an explanation of how the assisted activity will address one or more of the conditions which contributed to the deterioration of the area.

SPOT BLIGHT

This includes acquisition, clearance, relocation, historic preservation and building rehabilitation activities which eliminate specific conditions of blight or physical decay on a spot basis, not located in a slum or blighted area. Under this criterion, rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health or safety. It does not include substantial rehabilitation or construction.

To use a “spot” blight justification, the sponsor must provide documentation of the specific conditions detrimental to public health and safety that will be corrected by the assisted activity.

MAXIMUM ALLOWABLE HOME DEVELOPMENT RENTS

Rental units in HOME assisted developments must have rents that do not exceed the lesser of:

- Section 8 Fair Market Rents (FMRs) minus tenant paid utilities

— OR —

- 30% of the annual income of a family whose income equals 65% of area median income minus tenant paid utilities.

In addition, for developments of 5 units or more, not less than 20% of HOME assisted units must be occupied by very low income families and have rents that do not exceed the lesser of:

- Section 8 Fair Market Rents (FMRs) minus tenant paid utilities

— OR —

- 30% of the annual income of a family whose income equals 50% of area median income minus tenant paid utilities.

However, if the unit receives Federal or State project-based rental subsidy and the very low income family pays a contribution toward rent not more than 30% of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

Refer to the enclosed Table: "Maximum HOME Qualifying Rents in the St. Louis County," page 17.

MINIMUM AFFORDABILITY PERIOD OF HOME ASSISTED UNITS

Units to be rehabilitated with HOME funds must be tenant income and rent controlled for varying lengths of time depending upon the average amount of HOME funds invested per unit:

Rehabilitation or Acquisition of Existing Housing Per Unit Amount of HOME Funds	Minimum Period of Affordability in Years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15

HOME assisted units that are newly constructed or acquired newly constructed are required to have an affordability period of not less than 20 years.

St. Louis County reserves the right to impose an affordability period beyond the HUD mandated minimum. Upon completion of the minimum period of affordability, St. Louis County may review and reconsider the note and regulatory agreement, when applicable. In addition, St. Louis County reserves the right to extend the affordability period or negotiate a payoff amount upon maturity of the note.

TENANT INCOMES UPON OCCUPANCY OF HOME ASSISTED UNITS

Not less than 90% of HOME assisted rental units must be occupied by tenants who at initial occupancy have annual incomes that are 60% or less of the area median income adjusted for household size. The remaining HOME assisted rental units must be occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for family size. Refer to the enclosed Table: “Maximum HOME Qualifying Household Incomes,” page 17.

INITIAL INCOME ELIGIBILITY OF HOME TENANTS

HOME uses the same definitions of annual income as the Section 8 Housing Programs. Section 8 definitions are found in 24 CFR Part 813. Annual income is the gross amount of income anticipated to be received by all adults in a family during the twelve months following the effective date of the determination.

NONDISCRIMINATION AGAINST RENTAL ASSISTANCE SUBSIDY HOLDERS

The owner cannot refuse to lease CDBG or HOME assisted units to a certificate or voucher holder under 24 CFR Part 982 — Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.

LOAN CLOSING REQUIREMENTS

For-profit sponsors must have a minimum 10% equity investment in the development. OCD does not require that eligible nonprofit sponsors provide a cash equity.

All developments financed with OCD funds must budget for, and must fund, a Tax and Insurance Escrow Account, a Replacement Reserve Account, Working Capital Reserve Account and Operating Deficit Reserve Account. OCD reserves the right to require additional reserves should it be determined to be necessary.

The general contractor of CDBG and/or HOME financed developments is required to assure completion of the project by either:

- posting a performance and payment bond equal to 100% of estimated construction or rehabilitation costs,

— OR —

- pledging cash or a letter of credit for 25% of the construction contract upon completion and pledge a 2 1/2% latent defect escrow account which is retained for 15 months following construction completion.

Sponsors of developments financed with OCD funds will be required to obtain a Title policy written by a title company licensed to do business in Missouri and the title company must agree to disburse loan proceeds. The Title Policy is required to be written in accordance with the 1992 American Land Title Association Standards, subject only to permitted encumbrances as approved by OCD and must contain environmental and zoning endorsements, pending disbursement clause, mechanics lien coverage and survey coverage.

MANAGEMENT AND MAINTENANCE SERVICE STANDARDS

All developments financed in whole or in part with OCD funds must provide management and maintenance services to the housing provided. This includes compliance with all local, state and federal regulations. The developer will be required to submit a Management Plan and Agreement for review and approval prior to the issuance of a Firm Commitment.

RELOCATION ASSISTANCE

All developments financed with CDBG and/or HOME funds must comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR Part 24 and the requirements of 24 CFR 570.606 and/or 24 CFR 92.353.

PREVAILING WAGE REQUIREMENT

Developments of 8 units or more financed with CDBG funds and developments of 12 units or more financed with HOME funds are required to pay wages to laborers and mechanics employed in the construction at a rate not less than the prevailing wage rates for corresponding classes of laborers and mechanics employed on construction of a similar character as determined by the Secretary of Labor.

AFFIRMATIVE FAIR HOUSING MARKETING PLAN

All developments of 5 units or more financed with CDBG and/or HOME funds are required to submit an Affirmative Fair Housing Marketing Plan that outlines methods for providing information and otherwise attracting eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, sexual orientation, religion, familial status or disability. (The affirmative marketing procedures do not apply to families with Section 8 tenant-based rental housing assistance or families with tenant-based rental assistance provided with HOME funds.)

The Affirmative Fair Housing Marketing Plan must include methods for informing the public, owners, and potential tenants about Federal fair housing laws and the City's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations and display of fair housing poster); procedures to be used by owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing unit without special outreach (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies); and records that will be kept describing actions taken by the owner to affirmatively market units.

OUTREACH TO MINORITY AND WOMEN OWNED BUSINESSES

St. Louis HOME Consortium requires the maximum utilization of minority and women-owned businesses in all OCD assisted housing development projects with a goal of at least 25% minority business enterprise (MBE) participation and 5% women's business enterprise (WBE) participation taken as a percentage of the total development cost of the project, excluding acquisition. All recipients of OCD funds will be required to keep records of participation by minority and women-owned businesses. Demonstration of these efforts includes, but is not limited to the following:

- Qualified minority and women's businesses will be on bid solicitation lists and will be solicited whenever they are a potential source of material or services.
- When economically feasible the developer will divide total contract requirements into small tasks or quantities to permit maximum minority and women-owned business participation.
- If any subcontracts are let, the prime contractor will be required to take affirmative steps such as those described in paragraphs 1 — 3.

The attainment of the minimum goals of 25% MBE and 5% WBE participation does not necessarily meet the standard of the maximum MBE/WBE utilization requirements.

ENVIRONMENTAL REVIEW

OCD requires a site specific environmental screening of all development proposals being considered for financing. At a minimum before initial loan closing, OCD will require a Phase I Environmental Site Assessment or Phase I Environmental Review, according to, but not limited to, standards developed by the American Society for Testing and Materials. OCD will perform an Environmental Review Report prior to final approval of project.

St. Louis HOME Consortium Member will perform an Environmental Review Report prior to final approval of project.

OTHER APPLICABLE STANDARDS, REQUIREMENTS AND REGULATIONS

OCD requires all aspects of the development for which it provides financing to be in compliance with all federal, state and local regulations, laws and required practices. Therefore, requirements for hazardous materials, such as lead-based paint and asbestos, environmentally safe practices, such as clean water procedures or wetlands, culturally significant procedures, such as historic considerations; and safe work practices, will be specifically included among OCD requirements.

ANNUAL RE-CERTIFICATION

OCD developments may be audited each year for the following compliance:

- re-certification of tenant income
- review of rent and utility allowances
- compliance with local building codes
 - annually for developments of more than 25 units
- bi-annually for developments with five to 24 units
- every third year with one to 4 units
- the owner's Written Agreements including Affirmative Fair Housing Marketing Plan and Management Plan and Agreement.
- Annual Tenant List Report
- Quarterly Reports
- Net Annual Cash Flow Statement

OCD will provide a copy of the annual re-certification procedure at the time the development is approved or thereafter.

CERTIFICATIONS

In accordance with the Housing and Community Development Act and the Community Development Block Grant Program Rule at 24 CFR Part 570, and in accordance with the Home Investment Partnership Act and the Home Investment Partnership Program Rule at 24 CFR 92.150, the St. Louis HOME Consortium certifies that:

- Before committing any funds to a project, it will evaluate the project in accordance with the guidelines that OCD has adopted for this purpose and will not invest any more CDBG and/or HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.

- OCD and its recipients/subrecipients will use CDBG and HOME funds pursuant to the St. Louis HOME Consortium Consolidated Plan approved by HUD and in accordance with all requirements of 24 CFR Parts 570 and 92.
- OCD will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR Part 24 and the requirements of 24 CFR Parts 570.606 and 92.353.
- To the best of its knowledge and belief: no federal appropriated funds have been paid or will be paid, by or on behalf of OCD, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement; if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal loan or agreement, OCD will complete and submit Standard Form—LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and OCD will require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The information presented should not be construed as a complete list of the regulations and requirements governing OCD financing through the Rental Housing Production Program. Upon filing an application, you acknowledge that you assume all risks of change in OCD's rules and regulations or policies concerning this program, together with any adverse effects upon you therefrom and any resulting costs thereof.

**ST. LOUIS COUNTY
MAXIMUM SUBSIDY LIMITS FOR 2016**

EFFICIENCY	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom+
\$154,531.80	\$177,149.70	\$215,411.40	\$278,672.40	\$305,896.50

If any utilities are paid directly by the tenant, the maximum rent must be reduced by a utility allowance similar to the procedures for making such adjustments under Section 8 of the United

States Housing Act of 1937.

Not less than 51% of rental units rehabilitated with CDBG assistance must have rents that do not exceed 30% of the annual income of a family whose income equals 80% of area median income minus tenant paid utilities.

In new construction multi-family rental housing developments, not less than 20% of CDBG assisted units must have rents that do not exceed 30% of the annual income of a family whose income equals 80% of area median income minus tenant paid utilities. In new construction multi-family developments where 20% to 50% of the units have rents that do not exceed 30% of the annual income of a family whose income equals 80% of area median income minus tenant paid utilities, the percentage of CDBG assistance to the total project development cost can be no greater than the percentage of units that have rents that do not exceed 30% of the annual income of a family whose income equals 80% of area median income minus tenant paid utilities to the total number of units in the development.

However, if the unit receives Federal or State project-based rental subsidy and the very low income family pays a contribution toward rent not more than 30% of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

**MAXIMUM CDBG QUALIFYING HOUSEHOLD INCOMES
IN ST. LOUIS HOME CONSORTIUM FOR 2016**

% of Area Median Income	Family Size							
	1	2	3	4	5	6	7	8
80 %	\$39,400	\$45,000	\$50,650	\$56,250	\$60,750	\$65,250	\$69,750	\$74,250

Not less than 51% of rental units rehabilitated with CDBG assistance must be occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size.

In new construction multi-family rental housing developments, not less than 20% of CDBG assisted units must be occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size. In new construction multi-family developments where 20% to 50% of the units are occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted

for household size, the percentage of CDBG assistance to the total project development cost can be no greater than the percentage of units occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size to the total number of units in the development.

**MAXIMUM HOME QUALIFYING RENTS AND HOUSEHOLD INCOMES
IN THE ST. LOUIS HOME CONSORTIUM 2016**

HUD establishes maximum rent levels for HOME assisted units on an annual basis. The low HOME rent is the maximum that can be charged for a minimum of 20% of HOME assisted units. The high HOME rent is the maximum that can be charged for the remaining proportion of HOME assisted units.

		Number of Bedrooms				
	Efficiency	1	2	3	4	5
Low HOME Rent	\$558	\$645	\$792	\$915	\$1,021	\$1,126
High HOME Rent	\$558	\$645	\$840	\$1,109	1,284	\$1,1469

HOME PROGRAM FUNDS RULE

No less than 90% of HOME assisted rental units must be occupied by tenants who at initial occupancy have annual incomes that are 60% or less of the area median income adjusted for household size. The remaining HOME assisted rental units must be occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for family size.

HOME PROJECT RULE

If a project consists of 5 or more HOME-assisted units, at least 20 percent of the HOME assisted units must be occupied by families who have annual incomes that are 50 percent or less of the median income. These tenants must occupy units at or below the “Low HOME Rent” levels.

If any utilities are paid directly by the tenant, the maximum rent must be reduced by a utility allowance similar to the procedures for making such adjustments under Section 8 of the United States Housing Act of 1937.

However, if the unit receives Federal or State project-based rental subsidy and the very low income family pays a contribution toward rent not more than 30% of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

**MAXIMUM HOME QUALIFYING HOUSEHOLD INCOMES
IN THE ST. LOUIS HOME CONSORTIUM 2016**

% of Area Median Income	Family Size							
	1	2	3	4	5	6	7	8
50%	\$24,650	\$28,150	\$31,650	\$35,150	\$38,00	\$40,800	\$43,600	\$46,400
60%	\$29,580	\$33,780	\$37,980	\$42,180	\$45,600	\$48,960	\$52,320	\$55,680
80%	\$39,400	\$45,000	\$50,650	\$56,250	\$60,750	\$65,250	\$69,750	\$74,250

**OFFICE OF COMMUNITY DEVELOPMENT
ST. LOUIS COUNTY**

ACCESSIBLE HOUSING POLICY

GOAL

The St. Louis County Office of Community Development administers approximately \$3.5 million in federal HOME funds each year to support the development of decent and affordable housing for low- and moderate-income households. It is the goal of the Office of Community Development to promote the construction of accessible housing for persons with disabilities in all development projects which receive federal HOME funding.

BACKGROUND

The need for decent and affordable housing presents special challenges to persons with disabilities who have a desire to live independently. In the interest of removing barriers to independent living, the St. Louis County Office of Community Development reviews accessibility requirements on all projects based on two major laws that mandate accessibility, the Fair Housing Act of 1968, and Section 504 of the Rehabilitation Act of 1973.

The Fair Housing Act requires that all new construction, multi-family housing projects of four or more units make provisions for accessibility. The design and construction guidelines of the Fair Housing Act require accessible or adaptable living units on accessible routes and have requirements for specific accessible features:

- Accessible building entrance on an accessible route
- Accessible and usable public and common use areas
- Usable doors
- Accessible route into and through the covered unit
- Light switches, electrical outlets, thermostats and other environmental controls in accessible locations
- Reinforced walls for grab bars
- Usable kitchen and bathrooms

Additional details and recommendations regarding Fair Housing Act criteria can be found in the Department of Housing and Urban Development's Fair Housing Act Design Manual, August 1996.

Section 504 of the Rehabilitation Act of 1973 requires that no otherwise qualified individual with a disability may be discriminated against in any program or activity receiving federal financial assistance. Section 504 requires the provision of units within a multi-family housing development that are adaptable for individuals with mobility impairments and also units that are adaptable for individuals with hearing or vision impairments. Section 504 applies to rental properties of all kinds including scattered site, single family homes, but does not apply to properties that are for sale.

In response to Section 504, the Department of Housing and Urban Development (HUD) has instituted specific regulations (24 CFR Part 8) regarding the inclusion of accessible units in residential development projects utilizing federal dollars. Under this rule, substantial rehabilitation projects of 15 or more units and new construction projects of 6 or more units require the following:

- 5% of all units (with a minimum of one unit) must be accessible or adaptable for residents with mobility impairments
- an additional 2% of all units (with a minimum of one units) must be accessible or adaptable for residents with hearing/vision impairments.

The Uniform Federal Accessibility Standards is the design standard for providing physical accessibility on projects subject to Section 504 requirements.

POLICY

In addition to the requirements specified under the Fair Housing Act of 1968 and Section 504 of the Rehabilitation Act of 1973, the St. Louis County Office of Community Development requires that development projects receiving federal HOME assistance, to the maximum feasible extent, be made accessible to individuals with disabilities.

Multi-family Rehabilitation (5 or more unit structures)

For non-elevator multi-family rental rehabilitation projects, the maximum feasible number of accessible or adaptable units for residents with mobility impairments is to be included on the first floor or ground level. Considerations are to be made for existing building and site configuration as well as cost feasibility.

For multi-family rental rehabilitation projects which include elevators, the maximum feasible number of accessible or adaptable units for residents with mobility impairments is to be included on all floors or levels. Considerations are to be made for existing building and site configuration as well as cost feasibility.

Multi-family Construction (5 or more unit structures)

All multi-family rental new construction projects must include the maximum feasible number of accessible or adaptable units for residents with mobility impairments on all floors or levels. Considerations are to be made for existing site configuration as well as cost feasibility.

Single-family Rehabilitation

All single-family rental rehabilitation projects must include the maximum feasible number of accessible or adaptable units for residents with mobility impairments in all single-story structures. Considerations are to be made for existing building and site configurations as well as cost feasibility.

Single-family Construction

All single-family rental new construction projects must include the maximum feasible number of accessible or adaptable units for residents with mobility impairments in all single-story structures. Considerations are to be made for existing site configuration as well as cost feasibility.

For-sale Projects

The St. Louis County Office of Community Development strongly encourages the development of accessible or adaptable for-sale units for residents with mobility impairments through the following activities:

- Referral of potential homebuyers with mobility impairments to developers of for-sale housing receiving federal HOME assistance.
- A 10% set aside in the Homebuyer Assistance Pool for individuals with disabilities.
- Flexible underwriting guidelines on projects seeking federal HOME assistance for the development of for-sale housing for homebuyers with mobility impairments.

UNIVERSAL DESIGN

The St. Louis County Office of Community Development (OCD) is committed to developing homes that are adaptable, flexible, safe and easy-to-use for all residents and visitors regardless of age, size or ability. Further, St. Louis County, OCD requires the use of Universal Design principles and features on residential projects using HOME or other government funding.

Universal Design Features, as developed by the Center for Universal Design, School of Design, North Carolina State University in April 1998, were established to maximize the accessibility of housing. The specifications detailed are intended to make housing units easily adaptable to individuals with disabilities without compromising style or affordability. Universal design features and products are attractive and stylish, come at all price points and, when incorporated into a home correctly, are invisible. All dwelling units, which have received a HOME subsidy or other government grants, must comply with the requirements listed below in addition to the requirements provided in the adopted residential code:

- a. **No step entrance:** Provide at least one no step entrance. The required no step entrance shall be accessed via an accessible route, minimum 36' wide. One half inch maximum rise at the entrance threshold. 36" minimum width door at this entrance.
- b. **Doors/Openings:** All doors and openings shall have a minimum clear opening width of 32" measured from the stop to the face of the door in a 90 degree open position (see ANSI A117.1 for further information). Provide lever handled hardware at all doors with latches. Sliding patio doors may have inset pulls.

- c. **Hallways/Corridors:** All hallways and corridors on the main floor shall be at least 42" in width.
- d. **Bathroom:** Provide a bathroom on the main floor with clear floor space of 4' in front of toilet and lavatory. At least 6'x8' overall.
- e. **Bathroom Walls:** All walls in the required bathroom shall have reinforcing/backing in the walls around the shower and toilet to allow for future installation of grab bars.
- f. **Wall Electric Outlets:** Wall electrical outlets on the main floor shall be mounted at least 18 inches above the finished floor.
- g. **Light Switches:** Light switches should be a maximum of 40" above the floor. Thermostats at 48" maximum. Ceiling fixture wiring should be available to these light switches for future installations.
- h. **Decks:** Build deck or porch or patio at same level as house floor.
- i. **Plumbing:** Single lever faucet in kitchen and bathroom sink. Shower to have mix valve and adjustable height handheld showerhead.
- j. **Kitchen:** Maneuverable floor space between face of cabinets and walls. These should be at least 48" apart.

The use of additional Universal Design features is encouraged, which can be found on the Center for Universal Design Website. The number of Universal Design features in a proposed HOME residential development holds considerable weight in the Office of Community Development's approval and funding decisions.

OCD's construction staff is available to assist prospective developers in obtaining and implementing universal design procedures.

Waivers

In cases where site conditions or other restrictions warrant, OCD may grant waivers from this section. A builder/developer must request in writing a waiver and provide OCD with evidence and justification as to why the request is being made. If OCD approves the waiver, it will be forwarded to the Director of Planning for his/her approval. If approved by the Director of Planning the waiver will be granted. If the Director of Planning does not concur with OCD and does not reach a favorable recommendation, the waiver is denied. Such denials will serve as the final administrative decision regarding the waiver.

THE PRINCIPLES OF UNIVERSAL DESIGN

Version 2.0 - 4/1/97

Compiled by advocates of universal design, listed in alphabetical order:

Bettye Rose Connell, Mike Jones, Ron Mace, Jim Mueller, Abir Mullick, Elaine Ostroff, Jon Sanford, Ed Steinfeld, Molly Story, and Gregg Vanderheiden

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UNIVERSAL DESIGN:

The design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design.

The authors, a working group of architects, product designers, engineers and environmental design researchers, collaborated to establish the following Principles of Universal Design to guide a wide range of design disciplines including environments, products, and communications. These seven principles may be applied to evaluate existing designs, guide the design process and educate both designers and consumers about the characteristics of more usable products and environments.

The Principles of Universal Design are presented here, in the following format: name of the principle, intended to be a concise and easily remembered statement of the key concept embodied in the principle; definition of the principle, a brief description of the principle's primary directive for design; and guidelines, a list of the key elements that should be present in a design which adheres to the principle. (Note: all guidelines may not be relevant to all designs.)

PRINCIPLE ONE: Equitable Use

The design is useful and marketable to people with diverse abilities.

Guidelines:

- 1a.** Provide the same means of use for all users: identical whenever possible; equivalent when not.
- 1b.** Avoid segregating or stigmatizing any users.
- 1c.** Provisions for privacy, security, and safety should be equally available to all users.
- 1d.** Make the design appealing to all users.

PRINCIPLE TWO: Flexibility in Use

The design accommodates a wide range of individual preferences and abilities.

Guidelines:

- 2a. Provide choice in methods of use.
- 2b. Accommodate right- or left-handed access and use.
- 2c. Facilitate the user's accuracy and precision.
- 2d. Provide adaptability to the user's pace.

PRINCIPLE THREE: Simple and Intuitive Use

Use of the design is easy to understand, regardless of the user's experience, knowledge, language skills, or current concentration level.

Guidelines:

- 3a. Eliminate unnecessary complexity.
- 3b. Be consistent with user expectations and intuition.
- 3c. Accommodate a wide range of literacy and language skills.
- 3d. Arrange information consistent with its importance.
- 3e. Provide effective prompting and feedback during and after task completion.

PRINCIPLE FOUR: Perceptible Information

The design communicates necessary information effectively to the user, regardless of ambient conditions or the user's sensory abilities.

Guidelines:

- 4a. Use different modes (pictorial, verbal, tactile) for redundant presentation of essential information.
- 4b. Provide adequate contrast between essential information and its surroundings.
- 4c. Maximize "legibility" of essential information.
- 4d. Differentiate elements in ways that can be described (i.e., make it easy to give instructions or directions).
- 4e. Provide compatibility with a variety of techniques or devices used by people with sensory limitations.

PRINCIPLE FIVE: Tolerance for Error

The design minimizes hazards and the adverse consequences of accidental or unintended actions.

Guidelines:

- 5a. Arrange elements to minimize hazards and errors: most used elements, most accessible; hazardous elements eliminated, isolated, or shielded.
- 5b. Provide warnings of hazards and errors.
- 5c. Provide fail safe features.
- 5d. Discourage unconscious action in tasks that require vigilance.

PRINCIPLE SIX: Low Physical Effort

The design can be used efficiently and comfortably and with a minimum of fatigue.

Guidelines:

- 6a.** Allow user to maintain a neutral body position.
- 6b.** Use reasonable operating forces.
- 6c.** Minimize repetitive actions.
- 6d.** Minimize sustained physical effort.

PRINCIPLE SEVEN: Size and Space for Approach and Use

Appropriate size and space is provided for approach, reach, manipulation, and use regardless of user's body size, posture, or mobility.

Guidelines:

- 7a.** Provide a clear line of sight to important elements for any seated or standing user.
- 7b.** Make reach to all components comfortable for any seated or standing user.
- 7c.** Accommodate variations in hand and grip size.
- 7d.** Provide adequate space for the use of assistive devices or personal assistance.

Please note that the Principles of Universal Design address only universally usable design, while the practice of design involves more than consideration for usability. Designers must also incorporate other considerations such as economic, engineering, cultural, gender, and environmental concerns in their design processes. These Principles offer designers guidance to better integrate features that meet the needs of as many users as possible.

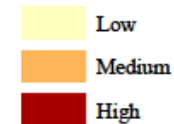
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Other Consortium Members may accept and adopt same policy, please contact member for direction.

St. Louis HOME Consortium
 2011 - 2015 Consolidated Plan
 St. Louis County
 Department of Planning - OCD

ST. LOUIS COUNTY HOME
 PROGRAM FY 2011 - 2015
 TARGETED DEVELOPMENT
 AREAS

Development Priority
 St. Louis County, MO



Source: U.S. Census 2000, St. Louis County Department of Planning Target Area Study 2003 which assess the overall physical, socio-economic, and resource capacity conditions in communities throughout St. Louis County using 15 indicators and a three-step rating system.

Prepared by the St. Louis County Department of Planning, Office of Community Development. October 2014.

