

Grantee: St. Louis, MO

Grant: B-11-MN-29-0002

July 1, 2020 thru September 30, 2020 Performance Report

Grant Number: B-11-MN-29-0002	Obligation Date:	Award Date:
Grantee Name: St. Louis, MO	Contract End Date: 03/10/2014	Review by HUD: Reviewed and Approved
Grant Award Amount: \$3,472,954.00	Grant Status: Active	QPR Contact: William Rataj
LOCCS Authorized Amount: \$3,472,954.00	Estimated PI/RL Funds: \$317,261.69	
Total Budget: \$3,790,215.69		

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

Rehabilitation of housing for sale will address NSP eligible scattered sites within the target area already acquired and held by the Land Reutilization Authority on behalf of the City. NSP3 funds will be used for development cost write down needed to cover the market gap, and buyer second mortgages (generally at 0% interest) and down payment assistance will be provided to address the affordability gap as needed. All homebuyers will be required to have a minimum of eight hours of homebuyer counseling from a HUD approved counseling agency. Long-term affordability will be insured as described under #3 Definitions and Descriptions above. Developer gap financing will be forgiven upon sale to owner-occupants. Interest will be charged to developers on construction loans at the current Prime Rate quoted in the Wall Street Journal plus a margin based on underwriting criteria. To the maximum extent possible, the City will utilize Section 3 guidelines to hire people/businesses from the local vicinity to carry out any aspect of this activity should the need arise for additional employees or contractors.

How Fund Use Addresses Market Conditions:

Improvements may be made to properties over and above those repairs and improvements required for code compliance to ensure that the properties can be effectively marketed to new homeowners and renters and ensure that the properties have the features necessary to comply with market demands—the goal of the NSP program is to re-occupy those properties that are rehabilitated or otherwise redeveloped for residential use. Any new construction development will comply with all of the above codes that are applicable to new construction. All units will meet Energy Star standards, and additional energy-efficient building practices will be encouraged. All rehabilitation will comply with the Secretary of the Interior's Standards for Historic Rehabilitation, which will be applicable in most instances. Water-efficient toilets, showers and faucets, such as those with the Water Sense label, will be installed in all units

Ensuring Continued Affordability:

OWNER-OCCUPIED PROPERTY CONTINUED AFFORDABILITY PROVISIONS Resale requirements for owner-occupied properties will ensure that, at any sale during the affordability period, the home must be made available to a buyer whose family qualifies as an LMMI (at or below 120% of area median income) or a family meeting the 50% of area median income benefit test if the home has been counted towards that NSP funding category, and who will use the property as its principal residence. These resale requirements also ensure that the price at resale provides the original NSP-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement). The period of affordability is based on the total amount of NSP funds invested in the housing and will conform to the periods in the chart set forth above for rental housing. Deed restrictions, covenants running with the land, or other similar mechanisms will be used to impose the resale requirements. The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The City may use purchase options, right of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions will be revived according to the original terms if, during the original affordability period, the owner of record before the termination event obtains an ownership interest in the housing. Rental Property Continuing Affordability Provisions The City will incorporate NSP-assisted properties into its ongoing HOME Monitoring program. Annual rent certifications and income verification certifications will be conducted for each rental unit assisted with Neighborhood Stabilization Program funds. CDASTAFF currently performs these certifications and will add these units to their portfolio. In addition, the City will require property owners receiving assistance under the NSP program to sign legal documents which specify the terms of affordability. These documents will be recorded, creating land use restrictions and specific penalties for not adhering to the affordability requirements, and will run with the property for the applicable time period, no matter who the owner of the property is. Units to be rehabilitated with NSP funds must be tenant income and rent controlled for varying lengths of time depending upon the average amount of NSP funds invested per unit. These time

periods are set forth below and are the same as the HOME time periods. NSP Affordability Periods: NSP Rehabilitation or Acquisition of Existing Housing NSP Amount Per UnitMiriod of Affordability in Years Under \$15,000 5 \$15,000 to \$40,000 10 Over \$40,000 15 NSP assisted rental units that are newly constructed or acquired newly constructed will be required to have an affordability period of not less than 20 years. The affordability restrictions may terminate upon occurrnce of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.CDA may use purchase options, right of first refusal or other preemptive rights topurchasethe housing before foreclosure to preserve affordability. The affordability restrictions will be revived according to the original terms if, during the original affordability period, the owner of

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**Vicinity Hiring:**

(16) Vicinity hiring. The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

**Definition of Blighted Structure:**

The Revised Code of the City ofSt. Louisprovides the following definition for “blighted area”, which is also used for individual properties: “11.06.020 Definitions....B. “Blighted area” means that portion of the City which the Board of Aldermen determines that by reason of age, obsolescence, inadequate or outmoded design or physical deterioration, existing properties and improvements, have become economic and social liabilities, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes.” Section 100.310 of the Revised Statutes of the State of Missouri provides the following definition for “blighted area”: (2) “Blighted area”, an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use.” Neither of these definitions is an appropriate definition for NSP purposes, where the use of “blighted structure” refers to properties eligible for demolition with NSP funding. The State ofMissourihas provided the following definition, which is the same as the definition provided by HUD in the NSP Notice: “A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to health, safety, and public welfare.” The City intends to use this definition to identify structures as blighted for NSP purposes in the event that the City uses NSP funding for purposes that require a property to be blighted in order to be eligible for such use. The State has also mandated that a jurisdiction receiving NSP funding must use existing ordinances and/or regulations dealing with dangerous buildings and/or code violations to determine blight, and that the determination of blight must be made with respect to specific structures, rather than to areas, in a manner consistent with the above definition. The City believes that the following sections of its Revised Code are appropriate for determining blight with respect to particular structures in accordance with the above definition and will use this City Code section to determine blight for NSP purposes: “118.1 Notification. If, upon making an inspection and examination of any occupied or unoccupied building, structure or premises, the code official finds one or more of the defects described below, the code official shall notify in writing, as provided in Section 118.2, the owner(s) of said building, structure or premises, as recorded most recently in the City ofSaint Louis Assessor's Office, the defects found in said building, structure or premises, and shall order them to proceed to properly demolish, repair, and secure or correct all conditions causing condemnation of said building, structure or premises within seven days. This document is to be known as a Notice of Condemnation. If the conditions have not been corrected by the date listed in the notice, the building, structure, or portion thereof or appurtenance thereto will be condemned and shall be required to be vacat

**Definition of Blighted Structure:**

ed, if occupied, and secured. Possible defects shall be permitted to be one or more of the following: 1. The building or structure is in a condition which endangers either the lives or safety of persons, whether occupants or otherwise, or other property; 2. The condition of the building or structure by reason of the making of an excavation on the lot on which it is located, or any adjoining lot, endangers either the lives or safety of persons, whether occupants or otherwise, or other property;

**Definition of Affordable Rents:**

NSP-assisted units must have rents that do not exceed 30% of the annual income of a family whose income equals 120% of the area median income minus tenant paid utilities. Income limits are to be those set for the St. Louis Metropolitan area set forth by HUD annually. The City proposes to use the Missouri Housing Development Commission's established rent levels for those units intended to meet the 50% of median income eligibility test, and to use the MHDC's 60% of median income limits and rent limits x 2 for those units intended to meet the 120% of median income eligibility test. MHDC's rent limits are structured based on 30% of the maximum family income for family sizes expected to occupy the unit—e.g., the maximum rent for a 1-bedroom unit is based on the average 50% median income of a 1 person and a 2 person household. Current applicable maximum rent levels using this system are shown on the following page. These maximum rent levels will be adjusted downward on a project-by-project basis to account for tenant paid utilities. Note that these are maximum rent levels and that actual rent levels will in all likelihood be less than these rent levels. Maximum affordable rent levels will be adjusted annually to account for changes in the area median income over time. NSP-assisted units must have rents that do not exceed 30% of the annual income of a family whose income equals 120% of the area median income minus tenant paid utilities. Income limits are to be those set for the St. Louis Metropolitan area set forth by HUD annually. The City proposes to use the Missouri Housing Development Commission's established rent levels for those units intended to meet the 50% of median income eligibility test, and to use the MHDC's 60% of median income limits and rent limits x 2 for those units intended to meet the 120% of median income eligibility test. MHDC's rent limits are structured based on 30% of the maximum family income for family sizes expected to occupy the unit—e.g., the maximum rent for a 1-bedroom unit is based on the average 50% median income of a 1 person and a 2 person household. Current applicable maximum rent levels using this system are shown on the following page. These maximum rent levels will be adjusted downward on a project-by-project basis to account for tenant paid utilities. Note that these are maximum rent levels and that actual rent levels will in alllikelihood be less than these rent levels. Maximum affordable rent levels will be adjusted annually to accountfor changes in the area median income over time. MHDC MAXIMUM INCOME/RENT SCHEDULE INCOME BY % OF MEDIAN MAXIMUMRENTBYUNITSIZE O-BR 1-BR 2-BR 3-BR 4-BR 50% \$598 \$641 \$768 \$888 \$991 60% \$718 \$769 \$922 \$1,065 \$1,189 ADJUSTED BYCITYBYDNG 60% LIMITS TO 120% OF MEDIAN LIMITS 120% \$1,436 \$1,538 \$1,844 \$2,130 \$2,378 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 Housing Act of 1937. NSP-assisted units must have rents that do not exceed 3of the annual income of a family whose income equals 120% of the area median income minus tenant paid utilities.

Income limits are to be those set for the St. Louis Metropolitan area set forth by HUD annually. The City proposes to use the Missouri Housing Development Commission's established rent levels for those units

Definition of Affordable Rents:

intended to meet the 50% of median income eligibility test, and to use the MHDC's 60% of median income limits and rent limits x 2 for those units intended to meet the 120% of median income eligibility test. MHDC's rent limits are structured based on 30% of the maximum family income for family sizes expected to occupy the unit—e.g., the maximum rent for a 1-bedroom unit is based on the average 50% median income of a 1 person and a 2 person household. Current applicable maximum rent

Housing Rehabilitation/New Construction Standards:

The City's Building Division is the official code enforcement arm of the City. They enforce the following codes:

- 1. 2009InternationalBuildingCode
- 2. 2009 International Existing Building Code
- 3. 2009 International Residential Code
- 4. 2009 International Energy Conservation Code
- 5. 2009 International Property Maintenance Code
- 6. 1999 BOCA National Fire Prevention Code
- 7. 2003 Uniform Plumbing Code
- 8. 2009 International Mechanical Code, as amended
- 9. 2009 International Fuel Gas Code
- 10. 2011 National Electrical Code

Any rehabilitation projects assisted with NSP funds will, at a minimum, be fully compliant with #2 above, 2009 International Existing Building Code, or #5 above, 2009 International Property Maintenance Code. In addition, improvements may be made to properties over and above those repairs and improvements required for code compliance to ensure that the properties can be effectively marketed to new homeowners and renters and ensure that the properties have the features necessary to comply with market demands—the goal of the NSP program is to re-occupy those properties that are rehabilitated or otherwise redeveloped for residential use. Any new construction development will comply with all of the above codes that are applicable to new construction. All units will meet Energy Star standards, and additional energy-efficient building practices will be encouraged. All rehabilitation will comply with the Secretary of the Interior's Standards for Historic Rehabilitation, which will be applicable in most instances. Water-efficient toilets, showers and faucets, such as those with the Water Sense label, will be installed in all units

Procedures for Preferences for Affordable Rental Dev.:

NSP assisted rental units that are newly constructed or acquired newly constructed will be required to have an affordability period of not less than 20 years. The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. CDA may use purchase options, right of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions will be revived according to the original terms if, during the original affordability period, the owner of record before the termination event obtains an ownership interest in the housing.

Grantee Contact Information:

NSP3 Program Administrator Contact Information  
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CDA, 1520 Market, Suite #2000, St. Louis, MO 63103

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$5,895,574.45
Total Budget	\$0.00	\$3,687,611.50
Total Obligated	\$0.00	\$3,682,611.50
Total Funds Drawdown	\$0.00	\$3,675,766.46
Program Funds Drawdown	\$0.00	\$3,470,669.62
Program Income Drawdown	\$0.00	\$205,096.84
Program Income Received	\$0.00	\$359,618.98
Total Funds Expended	\$0.00	\$3,593,712.00
HUD Identified Most Impacted and Distressed	\$0.00	\$0.00
Other Funds	\$ 0.00	\$ 2,207,962.95
Match Funds	\$ 0.00	\$ 2,207,962.95
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
Community Development Administration1	\$ 0.00	\$ 2,530,212.00
Community Development Administration2	\$ 0.00	\$ 1,063,500.00

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	99.99%	.00%	.00%
Minimum Non Federal Match	\$ .00	\$ .00	\$2,207,962.95
Overall Benefit Amount	\$378,983,666.84	\$ .00	\$ .00
Limit on Public Services	\$520,943.10	\$ .00	\$ .00
Limit on Admin/Planning	\$347,295.40	\$298,139.35	\$ .00
Limit on Admin	\$ .00	\$298,139.35	\$ .00
Most Impacted and Distressed	\$ .00	\$ .00	\$ .00
Progress towards LH25 Requirement	\$947,553.92		\$1,052,500.00

Overall Progress Narrative:

All projects acquired with funding through this grant have been completed. The grant remains open to allow for the allocation of remaining funds obtained through program income towards projects that will be awarded through furture Notice of Funding Availability (NOFA) applications. It is anticipated that funding will be awarded for downpaymnet assistance for some projects as well as for construction.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
11-NSP-35-02F, Homeownership Assistance	\$0.00	\$89,000.00	\$0.00
F-3.Admin, Administration	\$0.00	\$298,139.35	\$295,231.28
F-3.LMMI, Rehab of Acquired Properties for LMMI -SF	\$0.00	\$2,346,220.65	\$2,122,938.34
F-NSP-3 - Redevelopment Properties, North Sarah Phase II	\$0.00	\$1,052,500.00	\$1,052,500.00