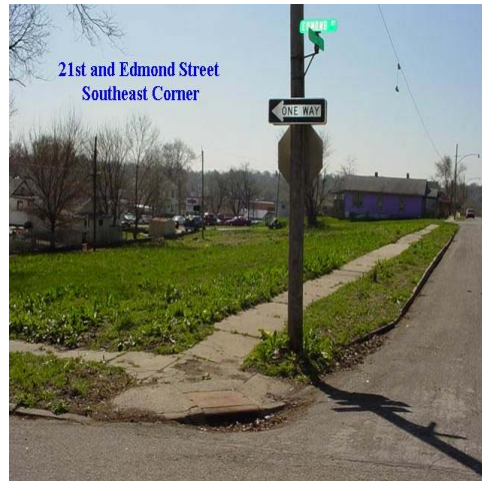


8. HOME INVESTMENT PARTNERSHIP FUNDS

Estimated Use of HOME Funds...

The City of St. Joseph will utilize the \$484,174.00 of FY 2005/2006 HOME Investment Partnership Funds and \$386,000 of HOME program income to increase housing opportunities for low and moderate-income persons in St. Joseph, Missouri. HOME funds will be used primarily to make homeownership affordable through down payment and closing cost assistance, rehabilitation of existing single and multi-family housing, and new housing construction as eligible under 24 CFR 92.205.

HOME funds being used for rehabilitation and new construction will be targeted primarily in the deteriorating lower-income census tracts. It is the intent of the City to focus HOME dollars in concerted areas to promote redevelopment of inner-city blocks and neighborhoods. HOME dollars will play a contributing role in helping the City meet its Neighborhood Initiatives focused revitalization goals.



Overall coordination of HOME dollars from an administrative standpoint will be the City of St. Joseph's primary function. The City plans to use sub-recipients, CHDO's and private developers (all such entities shall hereinafter be referred to as HOME developers) to undertake actual HOME activities and projects. The City or HOME developers may acquire real property containing substandard housing or vacant lots for infill development purposes. However, the City does not foresee the HOME program displacing residents. The City will adhere to all aspects of the Uniform Relocation Act. HOME multi-family projects may be privately or publicly owned and/or managed.

Where feasible, the City of St. Joseph will maintain control of program income derived from HOME projects for future allocation to HOME developers. The City will negotiate with Habitat for Humanity, Community Action Partnership of Greater St. Joseph (formerly Economic Opportunity Corporation or EOC), and Neighborhood Partners to serve as sub-recipients and developers of HOME dollars and as possible CHDO's to carry out affordable housing initiatives. The City will also work with private for-profit developers to achieve its affordable housing and neighborhood revitalization goals.

To the greatest extent possible, HOME dollars will be used to leverage private investment. The City also wants to recoup HOME principal dollars to further future housing opportunities for low- and moderate- income St. Joseph residents. St. Joseph's HOME program may utilize a variety of financing mechanisms available to attract and assist HOME developers, including but not limited to: equity investments, interest bearing or non-interest bearing loans, interest subsidies, deferred payment loans, or other forms of assistance eligible under HOME program regulations.

With respect to new construction, the City will follow 882.708(c) of title VI of the Civil Rights Act. HOME dollars will be used to acquire vacant and abandoned properties that can be rehabilitated. Viable reconstruction, moderate and substantial rehabilitation will be permissible under the St. Joseph HOME program.

Homebuyers Programs (92.254)...

As required at 92.254(a)(1), the City will follow the affordability restrictions outlined for homeownership activities. Non-profit sub-recipients will be contractually required to ensure that the initial purchase price of properties acquired for eligible homebuyer activities, does not exceed 95% of the median purchase price for St. Joseph as determined by HUD, or that the estimated after repair appraised value does not exceed these limits.

As required at 92.254 (a)(4)(ii), the City of St. Joseph will "recapture" the full HOME investment based on the outstanding loan balance payable to the City. The outstanding balance will be derived from the sale proceeds of a subject property. Before a Deed of Release is filed, the eligible buyer will be required to satisfy the HOME loan or outstanding balance thereof. Repayment of the outstanding loan balance from the sale proceeds will be considered the "recapture" amount. However, should economic factors such as neighborhood depreciation that are beyond the buyer's control, render the sale proceeds to be insufficient to recapture the full HOME investment, plus enable the homeowner to recover the amount of the homeowner's down payment (if applicable), principal payments, and possibly their investment for capital improvements, the City of St. Joseph may allow the HOME investment amount that must be recaptured to be reduced. The HOME investment amount may be reduced prorata based on the time the

homeowner has owned and occupied the unit, measured against the required affordability period. However, in no instance will the homeowner recover more than the amount of the homeowner's down payment, principal payments, and reasonable investment for capital improvements. Capital improvements deemed by the City to be luxury items or general homeowner maintenance will not be considered in the reduction calculation.

Recaptured funds will be used to assist other eligible homebuyers. The City of St. Joseph proposes to recapture HOME investment funds loaned to eligible buyers through the following guidelines:

- To the extent feasible, all costs necessary to place eligible homebuyers in affordable housing units will be financed, including but not limited to: acquisition, closing costs, development soft-costs, etc. However, the City may underwrite some of these costs in the form of a Deferred Payment Loan that will be paid by the homeowner from equity proceeds at the time of sale. The City may also use HOME funds for down-payment and closing cost assistance to make conventional financing attractive for local lenders, as well as other financing combinations, that can leverage and revolve St. Joseph's HOME dollars on a frequent basis.
- The City will establish accounting procedures to separately track program income and recapture amounts for the HOME First-time Homebuyers program. These procedures will track HOME principal and interest payments received on first-time homebuyer projects and subsequent principal mortgage payoffs resulting from the sale of these properties.
- Repayments of HOME investment will be deposited in the City's HOME Account and such income will be used solely for the financing of future eligible HOME activities, prior to the drawdown of additional funds, thereby meeting recapture requirements set forth at 92.254(a)(5)(ii).

St. Joseph's Homebuyers programs will focus on creating new housing opportunities for eligible homebuyers by revolving HOME dollars versus ensuring the affordability of units previously financed with HOME dollars. This strategy will encourage redevelopment of St. Joseph's HOME target area by rehabilitating or constructing new housing units instead of revolving previous units.

Administration of HOME Program (92.207)

The City of St. Joseph proposes to utilize ten percent of the funds, approximately \$69,117, to administer the HOME program.

Community Housing Development Organization (CHDO) Set-Aside (92.300)

The City of St. Joseph is designating 15% of the HOME funds (\$130,527) as a set-aside for eligible Community Housing Development Organization(s). The City of St. Joseph will negotiate with the Economic Opportunity Corporation (EOC) about designations as a CHDO. CHDO activities will be designed according to HOME Rules and Regulations under 24 CFR Part 92. The role the CHDO(s) will play in various HOME activities, as either owners, developers or sponsors of activities, shall be at the discretion of the City Council. Selected non-profit entities shall provide their own staff. However, City staff from the Planning and Community Development Department will provide technical assistance to further the efficient and productive use of HOME funds. If necessary, the City may provide up to 10 percent of the set-aside for project-specific assistance to the CHDO(s), as authorized under 92.301.

Affirmative Marketing and Minority and Women Business Outreach

As with CDBG assisted housing programs, the City of St. Joseph will administer its HOME Program according to the provisions of *Title VI of the Civil Rights Act of 1964 as amended (42 USC 2000d)*; *Title VIII of the Civil Rights Act of 1968 as amended -- the Fair Housing Act*-- (42 USC 3601); *Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259)*; *Architectural Barriers Act of 1968 as amended (42 USC 4151)*; *the Age Discrimination Act of 1975 (42 USC 6101)*; *Equal Employment Opportunity, Executive Order 11246 as amended*; and *Section 504 of the Rehabilitation Act of 1973*.

No person on the grounds of race, color, national origin, religion or sex, shall be excluded, denied benefits or subjected to discrimination under any program funded in whole or in part by HOME funds.

The public, HOME developers, and potential tenants will be informed about fair housing laws and the City of St. Joseph's affirmative marketing policy through the inclusion of the *Equal Housing Opportunity* language and/or the *fair housing logo* in all press releases, solicitations for owners, and written communications to housing organizations.

Each HOME developer participating in the City's HOME program will be required to include the *Equal Housing Opportunity* language in all advertisements regarding unit vacancies and solicitations for tenants. In addition, the owner will be required to position the Equal Housing Opportunity poster in its Management Office or other applicable place where prospective tenants can view it.

Property owners shall advertise the availability of units in the classified section of the *St. Joseph News-Press*, *St. Joseph Telegraph*, and/or the *Thrifty Nickel Want Ads Newspaper*. To ensure that very low income individuals who cannot afford subscriptions to the daily newspaper and are not likely to apply for housing without special outreach are aware of the housing opportunities, HOME developers marketing plan will include advertisements in the *St. Joseph News-Press -- Mid-Week* edition which is distributed each Wednesday to all non-subscribing households and in the weekly *Thrifty Nickel Want Ads Newspaper*. The Equal Opportunity language and/or the fair housing logo must be used in all newspaper ads and publications.

Other modes of advertising which may be utilized include Cablevision Advertising and Project Site Signage. The fair housing logotype must be included in all modes of advertising.

The Fair Housing Poster must be conspicuously displayed in the office of the HOME developer where client or tenant application is received.

Property owners will also be required to utilize community agencies in their solicitation of tenants, such as posting of availability of vacancies in neighborhood centers and with community organizations at various locations in the City, including East Side Human Resources Center, Interfaith Community Services/Calvin Center, YWCA's Women's Shelter, Salvation Army, and Economic Opportunity Corporation of Greater St. Joseph.

Assisted owners will be monitored by the Department of Planning and Community Development's Loan and Fair Housing Coordinator to determine compliance with the Fair Housing Laws and Affirmative Housing Policy.

The City of St. Joseph will utilize a Fair Housing Committee, the Community Housing Resource Board, and various community organizations to educate the public, disseminate and distribute information on tenant rights and the organization of tenant associations. The tenants residing, or expected to reside, in the units assisted from the City's HOME Program, will be included in all distributions of information.

Property owners will be required to maintain records describing the efforts made by them to comply with the above procedures and make their records available to the City of St. Joseph and the Fair Housing Committee. Assisted owners will be required to document their efforts by providing detail of their affirmative marketing activities, the numbers of persons that responded directly to any affirmative marketing efforts, and the numbers of persons residing in or planning to reside in units that became aware of units through the owner's affirmative marketing efforts.

Non-compliance with the outlined procedures will cause the City to issue warnings to the owner, requiring compliance within a period of ten days. Repeated non-compliance may cause the City to request immediate payment of all subsidized funds.

Outreach to Minority and Women Owned Businesses

In accordance with 24 CFR 92.350 (a) (5) and Executive Orders 11625, 12432, and 12138, the City of St. Joseph agrees to exert a good faith, comprehensive and continuing endeavor to utilize minority and women owned businesses in contracting opportunities available under HOME. Staff of the Planning and Community Development Department will be delegated the responsibilities for implementing and monitoring said policy and notice of the City's commitment will be published in the *St. Joseph News-Press* and other local newspapers.

The City currently maintains and shall continue to maintain a method for identifying and keeping an inventory of certified disadvantaged business enterprises (DBEs), their capabilities, services, supplies and/or products.

The City will utilize the local media to market and promote contract and business opportunities for disadvantaged businesses.

The City will develop procurement procedures that facilitate opportunities for DBEs to participate as vendors and suppliers of goods and services.

The City will sponsor business opportunity related meetings, conferences, and seminars for the benefit of DBEs in the community.

The City will maintain centralized records with statistical data on the use and participation of DBEs as contractors/subcontractors in its HUD assisted contracting and subcontracting activities.

Home Match

The City of St. Joseph proposes to comply with HOME match requirements under 92.218 as follows: It is anticipated at this time, that the majority of City's match will be in the form of infrastructure improvements relating to the HOME projects, in the form of below-market interest rates received from private lending institutions for homebuyers programs; from the value based on local taxes, fees, or other charges that are waived, foregone, or deferred by the City of St. Joseph; or the utilization of property from non-Federal resources.