
**Rules of
Department of Economic
Development**
**Division 85—Division of Community and Economic
Development**
Chapter 2—Neighborhood Assistance Program

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Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT

Division 85—Division of Community and Economic Development Chapter 2—Neighborhood Assistance Program

4 CSR 85-2.010 Neighborhood Assistance Program

PURPOSE: The Department of Economic Development has the responsibility to approve or disapprove proposals for Neighborhood Assistance Programs. This rule establishes guidelines to assist business firms and neighborhood organizations in the implementation of Neighborhood Assistance Programs.

Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.

(1) Neighborhood Assistance Programs (NAPs) are those programs designed to give assistance to endangered neighborhoods and their residents in the improvement of the quality of life. Assistance can be granted if the neighborhood does not have the ability within its own resources to deal with the factors which are endangering its existence as a viable and stable neighborhood. An NAP is any type of community development project which improves the neighborhood by community services, crime prevention, education, job training, physical revitalization or economic development, as named in section 32.105, RSMo.

(2) The Department of Economic Development shall administer the NAP with the cooperation of the Department of Revenue. The department shall provide necessary assistance to neighborhood organizations and business firms wishing to take advantage of the Neighborhood Assistance Act.

(3) As used in the implementation of the Neighborhood Assistance Act, the following terms mean:

(A) Community services may include, but are not limited to: individual, group and family counseling; mental health services; primary care and community medical health centers; child day care services; senior citizen service centers; recreation programs; nutrition programs; emergency shelters for persons suffering from physical abuse or rape; services for

the handicapped; sheltered workshops, vocational counseling; substance abuse counseling; and referral services;

(B) Crime prevention programs include activities such as services to ex-offenders, local civilian organizations to help prevent crime or aid to victims of crime, or both, mediation services aimed at resolving disputes and conflicts before they become criminal incidents or services to juveniles who have had contact with the court or police;

(C) Education programs include literacy programs, adult basic education and General Educational Development (GED) certificate programs and training for physically or mentally challenged; and education for person(s) disenfranchised by public primary or secondary school systems;

(D) Job training may include those activities which provide specific vocational skills including special apprenticeship or on-the-job training programs not otherwise available;

(E) Physical revitalization programs are those aimed at the physical improvement of any part or all of a neighborhood area. These activities may include such programs as commercial area revitalization; housing construction or rehabilitation; improvements to, acquisition or construction of facilities used by nonprofit organizations for community purposes or related planning and promotional activities designed to aid in those programs;

(F) Business firm, person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in Missouri and subject to the state income tax imposed by the provisions of Chapter 143, RSMo, or a corporation subject to the annual corporation franchise tax imposed by the provisions of Chapter 147, RSMo, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to Missouri, or any political subdivision of this state under the provisions of Chapter 148, RSMo, or an express company which pays an annual tax on its gross receipts in this state;

(G) Neighborhood organization, any organization incorporated as a not-for-profit corporation under the provisions of Chapter 355, RSMo; designated as a community development corporation under the provisions of Title VII of the Economic Opportunity Act of 1964; or holding a ruling from the Internal Revenue Service of the United States Department of Treasury that the organization is exempt from federal income tax. Rulings which shall be considered as appropriate are sections 501(c)3, 4 and 6 of the *Internal Revenue Code* of 1954, except that for all projects other than the Economic Development category, only the 501(c)3 ruling will qualify beginning with FY96 proposals.

(H) Contribution may consist of cash, material or supplies, real estate, labor, professional services, technical assistance or equipment. Financial institutions and insurance companies are prohibited from earning tax credits for investments which are part of their normal course of business;

(I) Neighborhood, a specific geographic area certified by the Division of Community and Economic Development of the Department of Economic Development which has a readily identifiable residential population. Ordinarily in urban and suburban areas and cities with over ten thousand (10,000) in population, a neighborhood is smaller than a city. Small cities with under ten thousand (10,000) in population and regions within a rural area have many of the characteristics of urban neighborhoods. Whenever the word neighborhood is used, it should be read as applying to these areas as well. Some of the factors which could be demonstrated in defining a neighborhood include:

1. A sense of belonging or identity that ties residents to a given area;
2. Social, cultural, political or economic activities around which people organize themselves;
3. The existence of cohesive organizations formed by residents; and
4. A history of acting or being treated as a distinct or cohesive unit;

(J) Problems endangering the area's existence as a viable and stable neighborhood, a neighborhood will be considered to have these problems when some or all of the following factors, or similar factors, are present: declining population, high percentage of people dependent on public assistance, persistent or substantial unemployment or underemployment, lower than average family incomes, financial disinvestment, insurance and financial redlining, general weakened market conditions on the neighborhood commercial strip as indicated by declining rents and vacant stores, excessive abandonment, a significant percentage of neighborhood residents on fixed incomes, unsanitary or inadequate housing, overcrowding, property speculation, high rates of crime and delinquency, high degrees of drug or alcohol abuse, increasing cases of mental health problems, significant numbers of single parent households, high degree of infant mortality and disease, disabilities, general unsanitary conditions in the area, or poor city and public utility services;

(K) Doing business, among other methods of doing business in Missouri, individuals operating a sole proprietorship or having rental, royalty or farm income, as well as a partner in a firm or a shareholder in an S corporation if this firm or S corporation is doing business in Missouri; and



(L) S corporation, a corporation described in Section 1361(a)(1) of the *United States Internal Revenue Code* and not subject to the taxes imposed by section 143.071, RSMo, by reason of section 143.471, RSMo.

*Auth: section 32.110, RSMo (Cum. Supp. 1990). * Original rule filed Jan. 10, 1978, effective April 13, 1978. Rescinded and readopted: Filed Sept. 7, 1980, effective Feb. 10, 1981. Amended: Filed Sept. 14, 1982, effective Dec. 11, 1982. Amended: Filed Jan. 3, 1992, effective Aug. 6, 1992. Amended: Filed Dec. 10, 1993, effective July 10, 1994.*

**Original authority 32.110, RSMo (1977), amended 1980, 1989, 1990.*

4 CSR 85-2.015 Economic Development

PURPOSE: This rule defines terms and establishes guidelines for the implementation of an economic development project category, as created under section 32.105, RSMo.

(1) As used in the implementation of the Neighborhood Assistance Act, the following terms shall mean:

(A) Economic development—acquisition, renovation, improvement or the furnishing or equipping of existing buildings and real estate in distressed or blighted areas of the state when this acquisition, renovation, improvement or the furnishing or equipping of the existing buildings and real estate will result in the creation or retention of jobs within the state; and

(B) Distressed or blighted—areas of the state that either—

1. Have already been designated by the state as an enterprise zone under section 135.200, RSMo or that meet the eligibility criteria and qualify to be designated as an enterprise zone;

2. Are designated as urban redevelopment areas under Chapter 353, RSMo or that qualify to be designated; or

3. Are designated as blighted or conservation areas under the Real Property Tax Increment Allocation Redevelopment Law, section 99.805(1) and (2), RSMo or that qualify to be designated.

(2) Applications will be accepted from any locally based not-for-profit organization wishing to conduct an economic development project.

(3) Applicants may not administer more than one (1) Neighborhood Assistance Economic Development Project at a time. A project may include more than one (1) building provided that the proposal meets all other eligibility requirements as set forth in this rule.

(4) Applications will be accepted by the Department of Economic Development at any time of the year and will be approved on an individual case-by-case basis as all the necessary requirements are met and as credits become available.

(5) A maximum authorization of five hundred thousand dollars (\$500,000) in tax credits will be permitted per project and no more than five percent (5%) of the credits authorized for the project will normally be allowed for administrative and operating expenses. In unusual circumstances, a higher percentage may be allowed at the discretion of the Department of Economic Development.

(6) Applicants must obtain a nonbinding commitment from a prospective business(es) willing to locate to the facility and demonstrate that at least one (1) job will be created or retained for every ten thousand dollars (\$10,000) in credits requested. Eligible types of businesses/jobs include retail, commercial and service as well as manufacturing.

(7) Applicants must agree to retain ownership of all properties acquired under this provision of the Neighborhood Assistance Act for a minimum of five (5) years and agree to contractual conditions with the Department of Economic Development governing the use or eventual disposition, or both, of those properties. Contract conditions will include, but not be limited to, lease terms and arrangements for the first five (5) years, and a clause stipulating that the eventual purchase price will be no less than seventy-five percent (75%) of the fair market value of the facility, excluding the value of lease-hold improvements.

(8) Eligible donations may include cash, real estate, materials, equipment, supplies, technical assistance or labor and will be valued and documented according to existing Neighborhood Assistance rules contained in 4 CSR 85-2.030 and 4 CSR 85-2.040.

(9) No more than two (2) million dollars in credits may be approved for economic development projects in any one (1) fiscal year.

*Auth: section 32.110, RSMo (Cum. Supp. 1990). * Original rule filed Nov. 15, 1989, effective March 11, 1990. Amended: Filed Jan. 3, 1992, effective Aug. 6, 1992.*

Amended: Filed Dec. 10, 1993, effective July 10, 1994.

**Original authority 32.110, RSMo (1977), amended 1980, 1989, 1990.*

4 CSR 85-2.020 Preparation of Application for the Neighborhood Assistance Program

PURPOSE: A neighborhood organization, as named in section 32.105, RSMo, may submit a proposal for a neighborhood project. Any business entity authorized to do business in Missouri is eligible to submit a proposal. This rule establishes the procedures for submitting proposals and the criteria and priorities for the approval or disapproval of those proposals.

(1) A proposal is defined as an act of putting forward a proposed program by a business firm, or neighborhood organization, or both, for carrying out a specific project consistent with the Neighborhood Assistance Act.

(2) All proposals shall be made on the forms supplied by the Department of Economic Development. The department may request any additional information it determines necessary to evaluate a proposal or plan.

(3) Neighborhood assistance projects may be approved for a period of up to three (3) years at the discretion of the director of the Department of Economic Development.

(4) An annual application deadline will be determined by the Department of Economic Development and application materials will be distributed upon request no less than sixty (60) days prior to the actual application deadline. Proposals submitted under the economic development project category can be submitted at any time.

(5) Facsimile copies of applications will not be accepted.

(6) All proposals are to be submitted to the central Neighborhood Assistance Program office located in Jefferson City.

(7) The director of the department shall reply promptly with acknowledgement of receipt of the proposal submitted.

(8) All proposals must address at least one (1) of the following priorities in order to qualify for approval:



(A) The project substantially contributes to self-help efforts by residents of the neighborhood to be served in addressing locally defined objectives;

(B) The project will result in the provision of essential services to low and moderate income persons which would not otherwise be provided in the affected neighborhood and for which there are no other resources available; or

(C) The project tangibly contributes to the development of lasting cooperation and partnership efforts of neighborhood organizations and businesses.

(9) Approval or disapproval of proposals shall be based on the following criteria:

(A) The director of the Division of Community and Economic Development must certify an area as experiencing problems endangering its existence as a viable and stable neighborhood to be eligible for assistance;

(B) The business or neighborhood organization submitting the proposal must demonstrate its capacity to adequately administer the project;

(C) There must be a demonstrated need for the program in the neighborhood area within which the project is to be carried out;

(D) The proposal must demonstrate that residents of the affected neighborhood area have been involved in the planning of the proposed project and describe the extent to which they will be involved in its implementation;

(E) The proposal must be consistent with all locally-approved community or neighborhood development plans for the area; and

(F) Proposals submitted subsequent to the first year will be evaluated on performance of the first year project, other resources developed, continued need and potential for eventual self-sufficiency.

(10) In no case shall a project be approved that does not have a written endorsement of the local public authority.

(11) The maximum amount of credits allowed per project is five hundred thousand dollars (\$500,000).

(12) Applicants who have a complaint concerning the disposition of their proposal shall make their complaint to the director according to the following procedure:

(A) The complaint must be filed within ten (10) days after receipt of notice by mail to the applicant of the disposition of the director;

(B) The complaint shall state the name of the applicant, the disposition of the director of which the applicant complains and a brief statement of the facts and reasons upon which the complaint is based;

(C) The complaint shall be signed by the chief administrative officer of the complaining applicant;

(D) If a complaint is filed requesting a hearing, the department will set a date for an informal hearing and notify the applicant of the date at least ten (10) days before the hearing. The department shall begin the hearing not more than thirty (30) days after the last day for requesting a hearing;

(E) The hearing will be informal but conducted with dignity and decorum. The hearing shall begin with a statement by the department of the basis of the director's determination of which complaint has been made. After that, the applicant shall state the complaint and present to the department facts and arguments as are relevant to the complaint; and

(F) Within ten (10) days after the completion of the hearing, the director shall notify the applicant of the determination, setting forth in writing the particular facts and conclusions upon which the determination is premised. If, as a result of any hearing, the director finds the original determination incorrect, the director shall correct the determination and notify the applicant immediately following determination of the complaint.

*Auth: section 32.110, RSMo (Cum. Supp. 1990). * Original rule filed Jan. 10, 1978, effective April 13, 1978. Rescinded and readopted: Filed Sept. 7, 1980, effective Feb. 10, 1981. Amended: Filed Sept. 14, 1982, effective Dec. 11, 1982. Amended: Filed Dec. 5, 1988, effective Feb. 24, 1989. Amended: Filed Jan. 3, 1992, effective Aug. 6, 1992. Amended: Filed Dec. 10, 1993, effective July 10, 1994.*

**Original authority 1977, amended 1980, 1989, 1990.*



MISSOURI NEIGHBORHOOD ASSISTANCE PROGRAM

PROJECT APPLICATION FOR FY92-ROUND 2

Instructions: Please type in the spaces below. This application form is to be placed at the very top of your proposal.

I. APPLICANT SECTION

1) What is the official name and mailing address of your organization?

Street or P.O. Box	City	State	Zip
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2) What city is this located in, if different than the address indicates:

3) What is the telephone number at this address?

(____) _____
Telephone

4) Who can be reached at the above location and when is normally the best time to call? _____

5) Is there a FAX number where you can be reached? (____) _____

6) Who is the Executive Director? Please give home address and telephone number. (Include business phone if different from above)

Name	(____) _____ Work Phone	(____) _____ Home Phone	
Street or P.O. Box	City	State	Zip

7) If someone other than the Executive Director is to be the primary NAP contact, please complete the following:

Name	(____) _____ Work Phone	(____) _____ Home Phone	
Street or P.O. Box	City	State	Zip

8) What is their title or position with the organization?

9) Who is the President or Chairman of the Board of Directors?

Name	(____) _____ Work Phone	(____) _____ Home Phone	
Street or P.O. Box	City	State	Zip



- 10) Is your organization: (Please check one only)
- a) Incorporated in the State of Missouri as a domestic not-for-profit corporation under Chapter 355 RSMo. or
 - b) Incorporated under the laws of another state and allowed to operate in Missouri as a foreign not-for-profit corporation under Chapter 355 RSMo. or
 - c) Not incorporated separately but operating as a local chapter, branch or division of a larger organization.

Name of Parent Organization			
Street or P.O. Box	City	State	Zip
		()	
Contact Person/Title		Office Phone	

- 11) Is your organization presently exempt from paying federal income tax?
 yes no If so, which IRS ruling do you hold?
 501(c)3 501(c)4 501(c)6 other _____
- 12) Is your organization in the process of applying to the IRS for federal tax-exempt status? yes no
- 13) Has your organization filed a report with the Missouri Attorney General's Office in compliance with the "Charitable Organizations and Solicitations Law"? (Chapter 407.450 RSMo. effective 5-1-86) yes no
 (NOTE: Organizations holding IRS ruling 501(c)3 are exempt from this requirement. All others should contact Cathy Westergaard at P.O. Box 899, Supreme Court Building, Jefferson City, MO 65102; Phone (314) 751-4471 for forms and instructions)
- 14) When was your last Annual Report filed with the Missouri Secretary of State's Office? _____
- 15) Has your organization ever administered a Neighborhood Assistance project in the past? yes no When? _____

II. PROJECT SECTION

- 1) What is the title of your proposed project? (Not the name of your agency)

- 2) Where will the project activity take place? (City and Population)

- 3) Is this a consolidated proposal being submitted on behalf of other non-profit organizations in your community? _____
- 4) Briefly identify the major needs your proposal addresses, and who will benefit by this project, both directly and indirectly:



5) Using the district map (Appendix E) please identify which legislative district you are located in. If you need assistance, please call your local election board.

Senatorial District #: _____
Representative District #: _____

6) Does this proposal request approval for continuation of a previous NAP project, or does this proposal represent a new project? _____

7) Please indicate the project period this application is requesting approval for: ___ Single year ___ Two Year ___ Three Year

8) Why do you feel NAP support is necessary for this project to be successful?

9) How prepared do you feel your organization is to make good use of the Neighborhood Assistance Program and are there any letters of firm business support included in the proposal? _____

10) What kinds of donations are you interested in besides cash? Are these items part of your NAP Budget request? _____

11) Complete the following budget summary from figures shown on the Budget Form.

Projected sources of funding:

a) NAP business donations (either cash or in-kind) \$ _____

Other non-NAP (please specify):

- b) _____ \$ _____
- c) _____ \$ _____
- d) _____ \$ _____
- e) _____ \$ _____
- f) _____ \$ _____
- g) _____ \$ _____

Total Project Cost: \$ _____

12) Under which project category is this application being submitted?
(If more than one, check area of predominant emphasis)

- (1) ___ Community Services
 (2) ___ Crime Prevention
 (3) ___ Education
 (4) ___ Job Training
 (5) ___ Physical Revitalization
 (6) ___ Economic Development

13) Please check the items that are attached to this application:
(See Guidelines for instructions on items and number of copies required)

- ___ Narrative
 ___ Budget
 ___ Budget Justification
 ___ Articles of Incorporation
 ___ By-Laws
 ___ Local Government Endorsement
 ___ Pledge Letters of Financial Support
 ___ Audit Report
 ___ Map of Service Area
 ___ Job Descriptions
 ___ Minutes of Board Meeting Approving This Application

III: CERTIFICATION

I hereby certify that the Board of Directors has reviewed this application and authorized me to submit this application to the Neighborhood Assistance Program.

Executive Director (signature)

Date