## Rules of Department of Economic Development

**Division 170—Missouri Housing Development Commission**

**Chapter 1—General Organization**

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Chapter 1—General Organization

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 170—Missouri Housing Development Commission
Chapter 1—General Organization

4 CSR 170-1.010 Organization and Activities
(Rescinded August 30, 2010)


Op. Atty. Gen. No. 114, Salsich, 4-4-73. The Missouri Housing Development Commission, section 215.010, RSMo (1969), has the authority to make first mortgage loans for the construction of nonprofit facilities which will provide nursing home residential services for persons of low and moderate income who live on a permanent basis in such homes.

Op. Atty. Gen. No. 319, Salsich, 7-14-71. The Missouri Housing Development Commission is not disabled from retaining as “managing underwriter” in the marketing of its bonds or notes a firm engaged in the underwriting and investment banking business, which has served as the commission’s financial adviser in the past and which proposes to render further services as financial adviser, without additional compensation, if selected as managing underwriter.

Op. Atty. Gen. No. 140, Salsich, 7-6-71. Chapter 215, RSMo (1969) establishes the Missouri Housing Development Commission for a valid public purpose, that is, facilitating the provision of housing for persons and families of low and moderate income who are unable to obtain adequate housing through ordinary commercial means and that such legislation does not contravene any provision of the Missouri Constitution.

4 CSR 170-1.100 Definitions

PURPOSE: This rule defines terms used in 4 CSR 170-1 through 4 CSR 170-8.

(1) Definitions
(A) The following words and terms shall have the meaning described below. Furthermore, the definitions pertaining to the commission in the Missouri Revised Statutes are incorporated into 4 CSR 170-1 through 4 CSR 170-8 by reference. In the event there is a conflict between the definitions set forth in the Missouri Revised Statutes and the definitions set forth in 4 CSR 170-1 through 4 CSR 170-8, the definitions set forth in 4 CSR 170-1 through 4 CSR 170-8 shall prevail.

(B) The following terms shall bear the meaning described below:

1. AHAP—The Affordable Housing Assistance Program is the tax credit program designed to provide affordable housing to very low income persons who would not otherwise be adequately housed under sections 32.105, 32.111, and 32.112, RSMo;
2. Commission—The Missouri Housing Development Commission which is a governmentalfinality of the state of Missouri and constitutes a body corporate and politic created by Chapter 215, RSMo, and supplemented in Appendix B-1 to the Missouri Omnibus Reorganization Act of 1974;
3. Custodian of records—The commission employee designated as the individual responsible for the maintenance of the commission’s records pursuant to section 610.023, RSMo;
4. DED—The Missouri Department of Economic Development;
5. Development—Any single family or apartment (multi-family) housing project having common ownership which benefits from commission-administered resources in whole or in part;
6. Director—The executive director of the commission;
7. Federal LIHTC—The Low Income Housing Tax Credit Program implemented by the United States of America as codified in 26 U.S.C.A. 42;
8. General counsel—The chief lawyer of the commission;
9. KC Office—The commission office in the city of Kansas City, Missouri, which may relocate from time-to-time;
10. MHTF—The Missouri Housing Trust Fund as codified in sections 215.034–215.039, RSMo;
11. MO LIHTC—The Missouri Low Income Housing Tax Credit Program as codified at sections 135.350–135.363, RSMo, and sections 135.800–135.830, RSMo;
12. State Housing Act—sections 215.010–215.250, RSMo; and


4 CSR 170-1.200 Organization and Activities

PURPOSE: This rule describes the programs, funding, and organization of the Missouri Housing Development Commission in order to inform the public of what the commission is and what it does.

(1) The Missouri Housing Development Commission (commission) is an instrumentality of the state of Missouri which constitutes a body corporate and politic and was created by an act of the Missouri legislature in 1969 to increase the supply of decent, safe, and affordable housing for low- and moderate-income Missourians.

(2) The commission has a statutorily prescribed board. The board consists of ten (10) commissioners; four (4) of which are Missouri statewide elected officials (the governor, lieutenant governor, treasurer, and attorney general) and the remaining six (6) commissioners are gubernatorial appointees. Gubernatorial appointees are subject to the advice and consent of the Missouri senate. Appointed commissioners serve a four (4)-year term and can be reappointed. The appointed commissioners’ terms are staggered in such a manner that in three (3) of every four (4) years there will be two (2) commissioner positions which are due for appointment or reappointment.

(3) The commission is independent, not controlled in whole or in part by any agency or instrumentality of the state of Missouri. The commission maintains Bylaws, Standards of Conduct, and corporate resolutions, all which may be amended from time-to-time by an act of the commission pursuant to section 215.020(3), RSMo. The commission is contractually related to the Department of Economic Development (DED) pursuant to Appendix B(1), RSMo 2000. The commission and DED entered into this formal contractual agreement in 1982. In 1996, the commission and DED entered into a memorandum of understanding which details how the commission will perform services for DED relating to tax-exempt bond financed multi-family housing transactions.
(4) Administrative costs for the commission’s staff and operations are paid entirely from fees charged to commission borrowers, earnings derived from investments and other fees and charges. The commission pays its employees directly and not from funds derived from the Missouri general fund. The commission receives no tax revenue or other payments from the state and its ability to carry on programs depends upon the willingness of private investors to buy commission notes and bonds and upon the earnings of the commission’s investment of fund balances. It should be noted that the commission does administer the Missouri Housing Trust Fund (MHTF) for the state of Missouri. The MHTF does receive a direct appropriation from the state of Missouri annually in direct correlation with a statutorily prescribed fee collected by the Missouri recorders of deeds on applicable recorded documents. The commission is entitled under statute to a two percent (2%) fee for administration of the MHTF, which may be amended from time-to-time.

(5) The commission shall receive service of process by the director or general counsel at the Kansas City office location.

(6) All Sunshine Law requests shall be made to the commission’s custodian of records who shall be located in the commission’s KC office. Individuals who contact the commission’s KC office for the name and contact information of the currently designated commission custodian of records shall be provided the information upon request. The commission staff shall maintain a designated custodian of records as required under the Sunshine Law. The custodian of records shall be appointed by the director.

(7) The commission shall maintain a website which displays office locations and the name and contact information for the custodian of records.

(8) The commission has a corporate structure which includes the director who oversees five (5) divisions. The roles and responsibilities of the divisions are subject to the direction of the director. The five (5) divisions of the commission are as follows:

(A) Operations Division—The division which is responsible for the day-to-day general business operations of the commission;

(B) Finance Division—The division which is responsible for the commission’s finance and accounting functions;

(C) Office of General Counsel—The division which is charged with oversight of all legal matters of the commission. The general counsel does from time-to-time engage outside counsel. The commission does maintain third-party bond counsel;

(D) Rental Production—The division charged with oversight of the production of rental housing for the commission; and

(E) Asset Management—The division charged with compliance monitoring and asset management of the commission’s rental housing portfolio. Furthermore, this division is responsible for the administration of all rental housing related contracts the commission may enter into from time-to-time.

(9) The commission administers the following federal and state housing programs:

(A) The federal housing programs the commission administers or participates in include, but are not limited to, the following:

1. HOME Investment Partnership Program;
2. Federal Low Income Housing Tax Credit (LIHTC);
3. Multi-family tax-exempt bond program section;
4. Single-family tax-exempt bond program section;
5. Housing and Urban Development (HUD) production programs, including but not limited to—
   A. Risk-Sharing (24 CFR 542(c));
   B. Section 8;
   C. 24 CFR 221 programs; and
   D. Home Ownership Purchase Enhancement (HOPE) VI;
6. Project-based section 8 contract administration;
7. Section 236 project monitoring;
8. Rural Initiative;
9. Missouri Balance of State Continuum of Care; and
10. Resolution Trust Corporation/Federal Deposit Insurance Corporation (RTC/FDIC) project monitoring;

(B) State of Missouri programs the commission administers include, but are not limited to, the following:

1. Missouri Low Income Housing Tax Credit (MO LIHTC)—the commission is not compensated for administering this program by the state of Missouri;
2. Missouri Affordable Housing Assistance Program (AHAP)—the commission is not compensated for administering this program by the state of Missouri; and
3. MHTF—the commission is entitled to a two percent (2%) fee to pay for the administration of this program as prescribed by state statute; and

(C) Commission programs—

1. Fund Balance Programs; and
2. Single-family mortgage down payment assistance programs.

(10) The commission maintains the following standing committees.

(A) Audit committee—The audit committee is a subcommittee of the commission and operates under a commission-passed charter, which may be amended from time-to-time.

(B) Asset management committee—The asset management committee is a subcommittee of the commission charged with review of the commission’s rental housing portfolio as well as all other performance issues relating to any individual or entity of any kind which is involved in any way with any commission-administered program or resources. This committee shall be approved by a vote of the commission at the annual meeting of the commission (as defined in the Missouri Housing Development Commission (MHDC) bylaws). There shall be three (3) members on the asset management committee. A quorum of the committee is two (2) members. In the event the number of commissioners assigned to the asset management committee falls below three (3), the commission chairman shall appoint current commissioners to fill the then existing vacancy(ies) on the asset management committee. The scope of the committee responsibilities shall be determined by the commission from time-to-time. This committee shall be the commission subcommittee as described in 4 CSR 170-8.010(1)(F).

(C) Nominating committee—The nominating committee shall meet no less than annually to nominate a slate of commission officers for consideration by the full commission.

(11) The commission is authorized to issue tax-exempt and taxable notes and bonds and does so in conjunction with both single-family and multi-family housing programs.

(12) Information regarding the commission, its programs, and the programs it administers on behalf of the federal and state government is available by visiting www.mhdc.com or contacting the commission’s KC office.
