



STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR
MISSISSIPPI DEVELOPMENT AUTHORITY
Gray Swoope
EXECUTIVE DIRECTOR

LONG TERM WORKFORCE HOUSING MEMORANDUM NUMBER: 09-002

DATE: February 5, 2009

SUBJECT: HUD approved waivers for the State of Mississippi

I. Purpose: The Department of Housing and Urban Development has published a waiver of section 105(a) that allows new housing construction and of section 105(a) (24) to allow homeownership assistance for families whose income is up to 120 percent of the area median income (AMI) and up to 100 percent of housing down payment. The waiver can be found at http://www.federalregister.gov/inspection.aspx#reg_H. The Long Term Workforce Housing (LTWH) program is providing the following clarification of the approved waiver and additional regulatory guidance to assist in serving households up to 120 percent. The State is committed to serving low to moderate income households. Therefore, all projects shall serve at least 51 percent low to moderate income households.

II. Discussion:

1. The LTWH program will provide direct assistance (homebuyer assistance) to eligible households up to 120 percent of AMI due to the recent waiver. In addition, that waiver reconfirms the eligibility of new housing construction as an eligible CDBG activity as granted in the original waiver dated June 14, 2006.

2. The LTWH program, as stated in our original and modified action plan, will grant funds to Community Based Development Organizations (CBDO)/Neighborhood Based Development Organizations (NDO). As a result, any revenue generated through these programs will not be considered program income. Because the LTWH program is designed to provide affordable housing to the coastal workforce, it qualifies as a community economic development program. As a result, the CBDO/NDO's sub-grantees are able to carry out their projects under this umbrella. It is understood that some may carry out neighborhood revitalization or energy conservation projects as well, and these will be documented on a case-by-case basis. Furthermore, these organizations are not considered to be sub-recipients and should be expected to act independently in carrying out their projects.

3. To clarify and document the LTWH program's status as a community economic development program, MDA will provide HUD with a brief document detailing how the

LTWH program is eligible for this designation. This documentation will be sufficient to qualify the projects of all the CBDO/NDO's participating in the LTWH program.

4. As it pertains to new construction and rehabilitation activities, LTWH is not bound to the low/mod national objective. Instead, we may use the slum/blight and/or urgent need objectives if there is a clear demonstration of meeting these objectives. 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 will meet this same objective.

The slum/blight and urgent need objectives are not income qualified. Specifically, there are single and multi-family housing developments projects currently being funded through LTWH. These units can be occupied by households up to 80% AMI under low/mod or up to 120% AMI under urgent needs or slum/blight.

5. The number of households in mixed-income developments serving over 120 percent of AMI will be pro-rated based upon the amount of non-CDBG funds in the project.

6. All projects shall serve at least 51 percent low to moderate income households. The remaining 49 percent of the households can be up to 120% AMI.

III. Action Needed: Sub-recipients may request a change in their current contract scope to include households up to 120 percent of the AMI. The request must be made in writing and forwarded to Lynn Seals, Bureau Manager, P.O. Box 849, Jackson, Mississippi 39205.

IV. Questions: If you have questions concerning this memorandum, please contact Lynn Seals or Chuck Bearman at (601) 359-2905.