

Title 6: Economic Development

Part 4: Community Services

Part 4 Chapter 1: Small Municipal and Limited Population County Grant Program (SMLPC)

Rule 1.1 Purpose. The Mississippi Small Municipal and Limited Population County Grant Program (SMLPC), administered by the Mississippi Development Authority (MDA), is designed for making grants to small municipalities and limited population counties or natural gas districts (“Local Sponsors”) to finance projects to promote economic growth in the State of Mississippi (“State”). Funding for grants to Local Sponsors is derived from appropriations or funds otherwise made available by the State Legislature.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008).

Rule 1.2 Selection Priorities. The mission of the Mississippi Development Authority is “To foster a strong state economy and vibrant communities through innovation, use of talent and resources to improve our citizens’ lives.”

- A. The selection process will provide priority consideration to those applications that directly relate to the agency mission of fostering a strong economy and vibrant communities. MDA will prioritize applications that promote private sector permanent non-construction job creation and/or retention and promote private sector capital investment.
- B. Community projects that have a jurisdiction-wide benefit will be prioritized over projects that simply serve a confined portion of the community.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008)

Rule 1.3 Eligibility. A small municipality or a limited population county must submit an application to MDA. An eligible municipality, county and gas district is defined as follows:

- A. Small Municipality: a municipality with a population of 10,000 or less, according to the most recent federal decennial census, at the time the application is submitted by the municipality. The term “small municipality” also includes a municipal historical hamlet as defined in Section 17-27-5 of the Mississippi Code of 1972.
- B. Limited Population County: a county with a population of 30,000 or less, according to the most recent federal decennial census, at the time the application is submitted by the municipality.
- C. Natural Gas Districts: districts created by law and meeting the same requirements as small municipalities.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008)

Rule 1.4 Eligible Projects. Eligible projects financed with Mississippi Small Municipal and Limited Population County Grant Program funds must be publicly owned. All contracts and purchases must be made in accordance with normal bid and purchase laws of a municipality or

county. Eligible projects include, but are not limited to: Eligible publicly owned projects according to program selection priorities include, but are not limited to

- A. Priority 1: Economic development-related improvements to include water, sewer, street and drainage improvements for the benefit of site development, industrial parks, business districts, tourism destinations, and projects that improve the competitiveness of a community.
- B. Priority 2: Downtown improvements to include: sidewalks, lighting, façade improvements, beautification improvements (waste receptacles, stop signs, street signs, landscaping, awnings, etc.), and other downtown improvements as approved by MDA.
- C. Priority 3: Non-economic development related water, sewer, street and drainage improvements.
- D. Priority 4: Purchase, construction or rehabilitation of public buildings to include: town halls, libraries, police stations, fire stations, community centers, courthouses, other publicly owned buildings as approved by MDA.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008)

Rule 1.5 Restrictions. SMLPC funds may not be used for working capital, for general expenditures, which would normally be covered under a local sponsor's general operation budget, or for project related soft costs such as administrative, engineering, architectural, inspection, legal, etc. . . expenses. SMLPC projects may not start prior to Grant Agreements being awarded. MDA will not pay for ad valorem taxes on any SMLPC projects. All contracts and purchases must be made in accordance with normal bid and purchase laws of a municipality or county.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008)

Rule 1.6 Competition. The SMLPC Program is a competitive program. As such, all funds awarded must be spent for improvements within the scope of the original project description as stated in the grant application. Additionally, if grant recipients complete their project for less than the grant amount awarded, the excess funds can be requested for additional project work as long as there is no change from the scope of the original project. In no case, however, will an approved applicant be allowed to use excess grant funds to pay for project costs that vary from the original project description.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008)

Rule 1.7 Changes to Original Application. All requested changes and variances from the original application should be made in writing and will be reviewed by MDA on a case-by-case basis.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008)

Rule 1.8 Application to the Program. To apply for the Small Municipal and Limited Population County Grant Program, a completed application that is submitted by a Local Sponsor must include:

- A. Purpose of the proposed grant including a list of eligible items and the cost of each and explain how the proposed project relates to Economic Development/Community Development priority/master plan;
- B. The estimated cost of the total project, a description of the Local Sponsor's investment in the project, and all public or private sources of funding that have been secured and that will be utilized exclusively for the project;
- C. Time schedule for implementation and completion of the project, evidencing an expeditious completion of the project;
- D. Engineering documentation (must be on the engineer's letterhead, with his stamp/seal and signature);
- E. Current employment levels at the project site and estimated increase, if any, as a result of financing the project;
- F. Executed copy of the Local Sponsor's resolution of authorization to apply for grant funds (Mayor/President of Board of Supervisors); and
- G. Executed copy of the Local Sponsor's resolution committing matching funds to the project, if applicable;
- H. One (1) original of the application must be submitted to the Community Services Division of MDA, Small Municipal and Limited Population County Grant Program, Post Office Box 849, Jackson, Mississippi 39205 or hand-delivered to the 5th floor of the Woolfolk Office Building.
- I. It should be noted that the Executive Director of "MDA" might in his discretion commit grant funds to projects prior to the application deadline. Such commitments would be made only if a specific project is involved and timing of the grant award would have a direct effect on the location or expansion of the project.
- J. The complete application must be submitted in a legal- sized dark blue classification folder (2 dividers) and each section bottom tabbed. All documentation must have original signatures and original pictures. This application should not be modified from its original format. Any application that does not contain information sufficient to permit review will not be considered for funding.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008)

Rule 1.9 General Grant Terms.

- A. The program intent is to stimulate growth and economic development in small communities in the State. Each application will be evaluated on its own merit to meet the intent of the program.
- B. The project must be related to MDA eligible priorities.
- C. The maximum grant amount, which may be awarded to any one Local Sponsor, will be \$150,000.
- D. Applications will be due by June 18, 2015 by 4:00 pm, MDA time.
- E. Communities with a population of 3,500 or less will be required to have at least a 10% match. The 10% match does not have to be cash only. Documented project related soft costs such as administrative, engineering, architectural, inspection, legal, etc . . . are acceptable match requirements.
- F. Communities with a population greater than 3,500 will be required to have at least a 20% match. The 20% match does not have to be cash only. Documented project

related soft costs such as administrative, engineering, architectural, inspection, legal, etc . . . are acceptable for match requirements.

- G. If a community has any open SMLPC grants they are not eligible to submit another application. In addition, if the open SMLPC grant is not at least 50% expended at the time of application submittal, then they are not eligible to submit. An acceptable close-out package must be submitted before submitting an application.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008)

Rule 1.10 Conditions for Disbursement of Funds.

- A. A Grant Agreement will be executed between the Local Sponsor and MDA. A grant agreement must be signed before request for cash can be processed.
- B. All funds will flow through the Local Sponsor.
- C. MDA will release SMLPC Program funds on a reimbursement basis, for approved eligible costs of the project.
- D. The municipality or county shall certify to MDA during construction that the expenses were incurred and were in accordance with the application approved by MDA.
- E. Funds will be released upon receipt of the SMLPC Program Request for Cash and supporting documentation from the local unit of government.
- F. The municipality or county have two years from the date of the award to expend the funds under the SMLPC Program.
- G. Failure to implement and complete the project may result in the grant being voided and funds de-obligated.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008)

Rule 1.11 Reimbursement Process. MDA will release SMLPC program funds for services rendered or on a reimbursement basis for approved eligible costs of the project as incurred. The Local Sponsor shall certify to MDA during construction that the expenses were incurred and were in accordance with the plans and application approved by MDA. Funds will be released upon receipt of the SMLPC Program Form of Requisition and supporting documentation from the Local Sponsor. Funds may only be drawn down once a month. Local Sponsors have two (2) years from the date of the Grant Agreement to request reimbursement for SMLPC project costs.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008)

Rule 1.12 Business Participation/Outreach. The Mississippi Development Authority (MDA), Community Services Division (CSD) encourages maximum opportunity for increased participation by local Minority and Women-Owned Business Enterprises (MBE/WBE) in the procurement of goods and services. The Mississippi Development Authority Minority Business Division at www.mississippi.org and the Mississippi Procurement Technical Center at www.mspsc.com can assist with MBE/WBE outreach efforts.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008)

Rule 1.13 Audit/Monitoring. Funds provided under the Small Municipalities and Limited Population Grant Program are subject to audit by the State Department of Audit. Additionally, MDA will also monitor all projects to ensure compliance with the original application submitted.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008).

Rule 1.14 Waiver. These guidelines may be amended by MDA at any time. MDA, in its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the Act and is not prohibited by State law.

Source: Miss. Code Ann. § 57-1-18 (Rev. 2008)

Rule 1.15 Additional Information.

- A. Mississippi Development Authority
The Small Municipalities and Limited Population Counties Grant
Community Services Division
Attn: Patricia Turner
Post Office Box 849
Jackson, Mississippi 39205
Telephone: (601) 359-9316/Fax: (601) 359-3108

Part 4 Chapter 2: Rural Impact Fund Grant Program (RIF)

Rule 2.1 Purpose. The Mississippi Rural Impact Fund Program (RIF) administered by the Mississippi Development Authority (MDA) is designed to assist and promote businesses and economic development in rural areas by providing grants and loans to rural communities (Local Entities) and loan guarantees to rural businesses (Businesses). Funding for grants and loans to Local Entities and loan guarantees to businesses is derived from appropriations or funds otherwise made available by the State Legislature. The State Legislature enacted the RIF during the 2003 regular session. (See H.B. 1335).

Source: Miss. Code Ann. § 57-85-1 *et seq.* (Rev. 2008)

Rule 2.2 Eligibility. A rural community must submit an application to the MDA. An eligible rural community and business are defined as follows:

- A. Rural Community: a municipality with a population of 10,000 or less, according to the most recent federal decennial census, at the time the application is submitted by the municipality; or, a county with a population of 30,000 or less, according to the most recent federal decennial census, at the time the application is submitted by the county.
- B. Rural Business: means a new or existing business located or to be located in a rural community; or, a business or industry located or to be located within five miles of a rural community.

Source: Miss. Code Ann. § 57-85-1 *et seq.* (Rev. 2008)

Rule 2.3 Eligible Projects. Eligible projects financed with RIF must be publicly owned with the exception of loan guarantees to rural businesses. All contracts and purchases must be made in accordance with normal bid and purchase laws of a municipality or county. Eligible projects include, but are not limited to:

- A. Construction, rehabilitation or repair of building;
- B. Sewer systems and transportation directly affecting the site of the proposed rural business;
- C. Sewer facilities;
- D. Acquisition of real property, development to real property, improvements to real property;
- E. Any other project approved by MDA, and
- F. Loan guarantees to Rural Businesses not to exceed eighty percent (80%) of the principal loan amount.

Source: Miss. Code Ann. § 57-85-1 *et seq.* (Rev. 2008)

Rule 2.4 Ineligible Projects. Gaming and utility businesses.

Source: Miss. Code Ann. § 57-85-1 *et seq.* (Rev. 2008)

Rule 2.5 Soft Cost. Eligible Projects must have a direct connection in creating jobs. RIF may be used for general expenditures in an amount not to exceed three percent (3%). (For example: \$250,000 x .03 = \$7,500). A limited amount of funds may be used for engineering, architectural, attorneys, consultants, agents and /or advisors costs. The amount of these professional services will be limited to an amount not to exceed eight percent (8%) of the RIF award amount. All funds awarded must be spent for improvements within the scope of the original project description as stated in the grant or loan application. Additionally, if grant or loan recipients complete their project for less than the amount awarded, the excess funds will be returned to MDA. All requested changes and variances from the original application for the projects awarded must be made in writing and will be reviewed by MDA on a case-by-case basis.

Source: Miss. Code Ann. § 57-85-1 *et seq.* (Rev. 2008)

Rule 2.6 Rural Community Application. The application that is submitted by a local entity must include:

- A. Purpose of the proposed grant and/or loan including a detailed list of the request;
- B. A Description of the proposed project;
- C. The estimated cost of the total project by major category (e.g. engineering, legal, administration, etc.) and all public or private sources of funding that have been secured that will be utilized exclusively for the project;
- D. A time schedule for implementation and completion of the project, evidencing an expeditious completion of the project;
- E. A statement that the specific project will create at least five jobs along with an F. estimated number of jobs to be created;
- F. Engineering or architectural documentation where applicable;

- G. The municipality or county's most recent unemployment rate at the time of application submission;
- H. A copy of the Rural Community's Resolution of Authorization to apply for funds;
- I. A statement reflecting how the project will be managed, and who will manage it;
- J. Applications for loan guarantees must include the requested loans terms, reasonable interest rates, collateral position, and requested percentage of loan guarantee. The loan terms, the interest rate, and the percentage of loan guarantee will be based on the number of jobs created and the financial position of the rural business.

Source: Miss. Code Ann. § 57-85-1 *et seq.* (Rev. 2008)

Rule 2.7 Rural Business Application. For Rural Business Loan Guarantees, the business must provide the following:

- A. Credit reports and personal income tax records on all investors with twenty percent (20%) or more investment in the company;
- B. A description of the collateral with the appraised value, acquisition price and the expected life of the collateral;
- C. The last three years of the company's annual audit, financial statements and tax returns;
- D. For start-up companies, a business plan, three years of monthly proformas financial statements will be required, and
- E. Corporate and personal guarantees.

Source: Miss. Code Ann. § 57-85-1 *et seq.* (Rev. 2008)

Rule 2.8 Application Process. Initially, any local unit of government seeking funding should set up a meeting or conference call with the RIF staff. At this meeting or conference call, the following information should be presented:

- A. Project description
- B. Preliminary budget
- C. Source and use of funds

Based on this meeting or conference call, the Community Services Division (CSD) may issue a letter inviting a RIF application. The letter will state the amount of RIF funds that can be applied for, and the requirements.

Source: Miss. Code Ann. § 57-85-1 *et seq.* (Rev. 2008)

Rule 2.9 Selection Process. The process used for evaluating, selecting, and funding applications is based on the following:

- A. Eligibility
- B. Project readiness
- C. Company's financial condition

One (1) original and one (1) copy of the application must be submitted to the Community Services Division of MDA, Rural Impact Fund Grant Program, 5th Floor Woolfolk Office Building, 510 North West Street, Jackson, MS. Applications will be accepted starting May 1, 2003. It should be noted that the Executive Director of MDA may at his discretion commit Rural

Impact Funds to projects prior to an application being submitted to MDA, if a specific project is involved and timing of the award would have a direct effect on the location or expansion of the project. All projects funded should create a minimum of five (5) new jobs. A Rural Community may submit up to two applications during a calendar year; however, efforts will be made to fund projects representing all areas of the state.

Source: Miss. Code Ann. § 57-85-1 *et seq.* (Rev. 2008)

Rule 2.10 General. The program intent is to stimulate job creation and economic development in rural communities in the State. A grant amount of \$250,000 or a loan amount of \$350,000 will be the maximum for any rural community. A maximum of \$350,000 will be allowed on 80% loan guarantees to rural business(es). Each application will be evaluated on its own merit to meet the intent of the program.

Source: Miss. Code Ann. § 57-85-1 *et seq.* (Rev. 2008)

Rule 2.11 Conditions for Disbursement of Funds. A Grant and/or Loan Agreement will be executed between the Rural Community/Business and MDA. The Agreement must be signed within one month of the grant award date. MDA will release Mississippi Rural Impact Program funds for services rendered, or on a reimbursement basis, for approved eligible costs of the project, as incurred. The Rural Community shall certify to MDA during construction that the expenses were incurred and were in accordance with the plans and application approved by MDA. Funds will be released upon receipt of the Mississippi Rural Impact Program Request for Cash and supporting documentation from the rural community. Funds may not be disbursed more frequently than monthly. Rural communities have one year from the date of the award to expend the funds under the Mississippi Rural Impact Program.

Source: Miss. Code Ann. § 57-85-1 *et seq.* (Rev. 2008)

Rule 2.12 Audit. Funds provided under the Mississippi Rural Impact Program are subject to audit by the State Department of Audit. Additionally, MDA will also monitor all projects to ensure compliance with the original application submitted. MDA intends to use up to three percent (3%) of the Rural Impact Funds available to hire staff to monitor funded projects and provide technical assistance.

Source: Miss. Code Ann. § 57-85-1 *et seq.* (Rev. 2008)

Rule 2.13 Waiver. These guidelines may be amended by MDA at any time. MDA, in its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the Act and is not prohibited by State law.

Source: Miss. Code Ann. § 57-85-1 *et seq.* (Rev. 2008)

Part 4 Chapter 3: Local Governments Capital Improvements Revolving Loan Program (CAP)

Rule 3.1 Purpose. The Local Governments Capital Improvements Revolving Loan Program (“CAP”) administered by the Mississippi Development Authority (“MDA”) is designed for making loans to counties or municipalities (“Applicant”) to finance capital improvements in Mississippi. Applicants are encouraged to use these loans in connection with state and federal programs. Funding for loans to Applicants is derived from the issuance of state bonds. The State Legislature enacted CAP during the regular 1994 session. (See Section 57-1-301 through 57-1-335 *et seq.*, Mississippi Code, Annotated.)

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

Rule 3.2 Eligibility. Application for assistance must be submitted by the governing authority of the county or an incorporated municipality.

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

Rule 3.3 Eligible Projects. Projects that are eligible for assistance must be for capital improvements in Mississippi's counties and municipalities:

- A. Construction or repair of water and sewer facilities;
- B. Construction or repair of drainage systems for industrial development;
- C. Improvements in fire protection;
- D. Construction of new buildings for economic development purposes;
- E. Renovation or repair of existing buildings for economic development purposes;
- F. Construction or repair of access roads for industrial development;
- G. Purchase of buildings for economic development purposes;
- H. Construction or repair of railroad spurs for industrial development;
- I. Construction of any county or municipally-owned health care facilities, excluding any county health departments;
- J. Construction, purchase, renovation or repair of any building to be utilized as an auditorium or convention center;
- K. Construction of multipurpose facilities for tourism development;
- L. Loans to a county to aid in retiring interest-bearing loans utilized for the purchase of a motion picture sound stage;
- M. Construction, repair and renovation of parks, swimming pools and recreational and athletic facilities. (Not intended to be used for school districts or for commercial purposes, such as health clubs, skating rinks, miniature golf courses, etc.).

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

Rule 3.4 General Project Requirements.

- A. The Applicant must fulfill the requirement of the standard application, which must be Submitted to MDA for review and acceptance.
- B. The Applicant may only submit one project per application.
- C. The construction or renovation of economic development buildings for speculative purposes requires a 50/50 match. The match must be in cash or in-kind assets.

- D. The Applicant may not use the funds to retire any debts, except for current construction type loans directly related to the project.
- E. Recreational sites acquired and/or developed with CAP assistance cannot be converted to uses other than their original scope/intent during the life of the loan.
- F. The Applicant must not purchase a building or facilities from individual(s), company(ies), or corporation(s) with CAP funds, and subsequently lease them to the seller (previous owner) within 5 years of acquisition.
- G. The Applicant may not purchase a building that has been constructed in the last six months.
- H. The Applicant may not purchase an existing building or facility for more than the appraised value.
- I. The Applicant may not utilize CAP proceeds to make a loan to any private entity, public entity, or individuals.
- J. If applicable, the Applicant must obtain written approval from the MDA-appointed legal counsel stating that the project qualifies for a tax-exempt status. The associated costs are the responsibility of the Applicant and will be billed directly by the appointed legal counsel.
- K. Before releasing CAP funds, the Applicant must provide title insurance on all real property acquisitions or title opinion on all other projects from the Applicant's attorney.
- L. The Applicant must follow all procurement and purchase laws. If an applicant has not advertised for bids within 120 days after receiving loan approval, the state will have the option to recall the CAP funds.
- M. The Applicant must comply with all nondiscrimination and equal opportunity requirements. MDA encourages the use of Minority-owned Business Enterprises ("MBE") and Women-owned Business Enterprises ("WBE").
- N. If the CAP funds are used in a joint project with other funds, then the CAP may be subject to the other funds' regulations.
- O. If applicable, an access road for industrial development must follow state requirements. CAP loan funds are not to be utilized on major highways.
- P. The Applicant must retain title and maintain, preserve and keep the project in good working order and condition until the CAP loan is satisfied.
- Q. The Applicant may not utilize CAP proceeds for the purchase of construction related equipment, rolling-stock type equipment, or any equipment not integral to the operation of the facilities or structure being purchase, constructed or repaired.

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

Rule 3.5 Eligible Applicants. The Applicant must be an incorporated municipality or a county.

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

Rule 3.6 Application Requirements.

- A. A certified copy of the Resolution of Intent from the Applicant must be submitted. (All Applicants must use the Public Notice Form provided by MDA.)

- B. In order for MDA to consider eligibility for a CAP loan, the Financial Analysis Worksheet must be completed, signed and the original signed copy submitted in advance or along with the application.
- C. A letter on official letterhead from the Applicant's certified public accountant, auditor or fiscal officer verifying that the Applicant's financials reflect the ability to repay the CAP loan. This verification must include the source of repayment (i.e., surcharge or other verifiable means of repayment).
- D. Certified Proof of Publication of the required Public Notice of the Applicant to enter into a Loan Agreement with MDA for CAP funds. The Resolution must be published once a week for at least four (4) consecutive weeks in a newspaper having general circulation in the county. The public hearing should take place after the date of the final publication. The Resolution must have been published within the last 6 months prior to submittal of the loan application.
- E. Once the publication process is complete, a certified copy of the minutes of the Applicant showing their decision to proceed with the loan.
- F. If applicable, written verification that the Applicant has consulted with the Public Service Commission regarding water and wastewater projects.
- G. Fire Protection loans must be made to enhance structural firefighting capabilities. Loans for fire trucks must provide proof that the National Fire Protection Association standards are/will be met.
- H. If applicable, official certification of preliminary project plans and specifications from the project engineer and the operating railroad indicating that the project meets American Railway Engineering and Maintenance-of way Association ("AREMA") and Federal Railroad Administration ("FRA") standards and other necessary compliance requirements.
- I. If applicable, an appraisal and two review appraisals, must be conducted no more than three months prior to loan closing, on buildings and associated land to be purchased.
- J. Maps reflecting the project location as well as detailing of the improvements.
- K. Cost verifications must be on engineers' or architects' original letterhead, signed and sealed by the firm's representative.
- L. Budget Sheet breakdown of sources and uses of funds.
- M. The Applicant's certified public accountant, auditor or fiscal officer must furnish to MDA the most current annual audit and the latest financial summary reflecting any additional long-term debt or any changes in their financial position since the last annual audit was prepared.
- N. If two separate local units of government jointly fund a project, the Applicants must have an inter-local agreement with the Attorney General's approval.
- O. If applicable, the Applicant must provide an award letter or documentation verifying other funding sources.

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

Rule 3.7 General Loan Limitations.

- A. Community Development related projects are defined as non-job creating projects that benefit a need in a community unrelated to economic development. Project loan awards will be limited to \$1,250,000.00 per project or \$1,250,000.00 per applicant, per calendar

year. Loans for construction, repair and renovation of parks, swimming pools and recreational and athletic facilities shall not exceed \$250,000.00 per project and are limited to one active project per applicant (one project in construction).

- B. Economic Development related projects are defined as projects that promote full time private sector job creation and/or retention. One full-time job is the equivalent of a minimum of 1,820 annual work hours. Project Awards will be limited to: not more than \$20,000.00 per job or a maximum loan amount of \$2,500,000.00, whichever is less.
- C. Up to 8% of the principal loan amount may be used for design work, i.e., engineer or architect excluding brownfield projects. Engineering and/or architectural costs above 8% must be paid from other funding sources.
- D. CAP Loan funds cannot be used for project signs, administrative costs, legal or appraisal fees.
- E. All loans have annual interest computed daily on the outstanding loan balance. Daily interest begins to accrue at the time of the first disbursement.
- F. The Applicant will be required to expend all CAP loan funds within two years from the date of loan approval, unless a waiver, at MDA's discretion, is granted upon good cause shown. If the funds are not expended within the two years, MDA will have the option to adjust the loan to the actual disbursements and de-obligate the remaining funds.

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

Rule 3.8 Loan Terms. The term of any loan must be reasonable and shall not exceed 20 years. The loan amount allowed will be determined by the Applicant's ability to repay the loan within acceptable terms. The rate of interest on all CAP loans is calculated according to the actuarial method. CAP loans that qualify for tax-exempt status shall be at 2% per annum; and taxable CAP loans shall be at 3% per annum. The interest on any loans converted from non-interest bearing loans on sound stages to other eligibility categories will be changed to an applicable interest-bearing rate. The loan term for fire trucks shall not exceed 10 years.

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

Rule 3.9 Special Provisions. Under the 2005 Regular Legislative Session, \$2,500,000 shall be used only to provide loans to the counties and incorporated municipalities for remediation of a brownfield agreement sites under Sections 49-35-1 through 49-35-25.

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

Rule 3.10 Audit. Funds provided under the CAP Loan Program are subject to audit by the MDA, Office of the State Auditor, Department of Environmental Quality and/or Department of Health.

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

Rule 3.11 Penalties. An Applicant which fails to meet repayment obligations shall cause all or part of its sales tax allocation and/or homestead exemption reimbursement to be withheld and may be subject to other penalties as set forth in Miss. Code Ann., Section 57-1-303(4) (Rev. 2014). The Applicant will also be ineligible for additional financial assistance from the agency until the loan balance is current.

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

Rule 3.12 Accrued Interest. Applicants should be aware that interest begins accruing daily on the outstanding loan balance after the first request for cash is dispersed. Once the CAP activity is complete, the applicant will be responsible for the first month's payment and interest plus the total of accrued interest from the construction phase of the CAP activity.

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

Rule 3.13 Delinquent Notice Process. Invoices will be sent to communities with an active CAP loan status. Failure to submit timely payments will prohibit that community from other MDA assistance until the loan is no longer delinquent. In addition, the following procedures will take place:

- A. If a community is 60 days delinquent, MDA may issue a letter stating the catch-up amount, terms of their loan agreement and explain the process for turning collection over to the State Auditor.
- B. If a community is 90 days delinquent, MDA may issue a letter stating in 30 days if the catch-up payment amount has not been received, then MDA will turn the community over to the State Auditor.
- C. If a community is 180 days delinquent, MDA may request the State Auditor to audit the receipts and expenditures of the loan (Section 57-1-303(5)). If the State Auditor finds that the county or municipality is in arrears in payments, he shall immediately notify the Executive Director of the Department of Finance and Administration who shall withhold all future payments to the county of homestead exemption reimbursements under Section 27-33-77 and all sums allocated to the county or the municipality under Section 27-65-75 until such time as the county or the municipality is again current in its loan payments as certified by the Mississippi Development Authority.

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

3.14 Brownfield Project Requirements.

- A. Remediation of brownfield agreement sites in accordance with Sections 49-35-1 through 49-35-25 may be considered as an eligible project.
- B. Loans for remediation of brownfield sites in accordance with Sections 49-35-1 through 49-35-25 shall not exceed \$250,000.00 per site.
- C. Up to 10% of the principal loan amount may be used for the Mississippi Department of Environmental Quality (MDEQ) approved Brownfield Consulting Firm's fees for brownfield projects during the clean-up phase. Consultant fees above 10% must be paid from other funding sources.
- D. Remediation costs shall not include:
 - 1. Costs incurred after the issuance of a No Further Action letter under Section 49-35-15, Mississippi Code of 1972;
 - 2. Costs incurred before the executed brownfield agreement;
 - 3. Costs incurred for any legal services or litigation costs; and
 - 4. Any funds provided by any federal, state or local government agency or political subdivision.

- E. Administrative fees and legal fees are not allowable costs to be reimbursed by CAP funds.
- F. The operating expenses, monitoring expenses and maintenance expenses incurred after the brownfield cleanup phase will not be an allowable cost to be reimbursed by CAP Loan funds.
- G. Before loan approval for remediation of a brownfield site, the Applicant must provide MDA with an executed copy of the brownfield agreement between the Applicant and the Executive Director of MDEQ.
- H. Within thirty (30) days after the brownfield agreement is executed and before any loan disbursements are released, the Applicant shall provide a copy of deed, clear certificate of title or other instrument certifying that the property is owned by the Applicant and subject to a brownfield site agreement.
- I. During the brownfield cleanup process, the CAP funds must be expended within one year from the date of the loan approval, unless waiver is granted by MDA upon good cause shown.
- J. The Applicant will be responsible for the operating and maintenance (“O&M”) of the brownfield site and for any post remediation monitoring required under the brownfield agreement.
- K. Any amendments, changes or violations of the brownfield agreement site must be reported to MDA and MDEQ within 10 business days.
- L. The Applicant shall include in all contacts with Participating Parties a provision that each Participating Party agrees that any duly authorized representative of MDA and/or MDEQ shall, at all reasonable times, have access to any portion of the Project in which such Participating Party is involved until the completion of all brownfield agreement requirements.

Source: *Miss. Code Ann. § 57-1-301 et seq.* (Rev. 2014).

Rule 3.15 Compliance with Federal Immigration Laws and Mississippi Employment Protection Act. Companies are required to ensure compliance with the Mississippi Employment Protection Act (“MEPA”), Miss. Code. Ann. § 71-11-3 *et seq.*, and must register and participate in the status verification system for all newly hired employees. The term “employee” as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, “status verification system” means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Companies must maintain records of such compliance and, upon request of the State of Mississippi and approval of the Social Security Administration or Department of Homeland Security, where required, to provide a copy of each such verification to the State. Any person assigned to perform services must meet the employment eligibility requirements of all federal and state immigration laws. Any breach may subject the company to the following: (a) termination of the Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to the company by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, the

company would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

Source: *Miss. Code Ann.* § 71-11-3; *Miss. Code Ann.* § 57-1-371; *Miss. Code Ann.* § 57-1-373.

Adopted: June 30, 2021

Part 4 Chapter 4: The Mississippi Development Infrastructure Program (DIP)

Rule 4.1 Purpose. The Mississippi Development Infrastructure Program (DIP), administered by the Mississippi Development Authority (MDA) is designed for making grants or loans to counties or municipalities (Local Sponsors) to finance infrastructure projects to promote economic growth in the State of Mississippi (State). Counties and municipalities are encouraged to use these funds in connection with other State and federal programs. Funding for grants and loans to Local Sponsors is derived from the issuance of State bonds. DIP was enacted by the State Legislature during the Regular 1993 Session.

Source: *Miss. Code Ann.* § 57-61-36 (Rev. 2014. 2014)

Rule 4.2 Eligibility. Cities and counties are eligible for the DIP program. Projects must be directly related to the construction, renovation, or expansion of a new or expanded industry.

Source: *Miss. Code Ann.* § 57-61-36 (Rev. 2014)

Rule 4.3 Eligible Projects. Eligible projects financed with DIP must be publicly owned. All contracts and purchases shall be made in accordance with normal bid and purchase laws of a municipality or county. Eligible projects include, but are not limited to:

- A. Drainage Improvements
- B. Energy facilities (power generation and distribution)
- C. Sewer Improvements
- D. Transportation facilities directly affecting the site, including roads, bridges, rail lines, or pipelines
- E. Water Improvements
- F. Marine structures
- G. Land improvements
- H. Building (Purchase, construction, or rehabilitation)
- I. Any other project approved by Mississippi Development Authority

Source: *Miss. Code Ann.* § 57-61-36 (Rev. 2014)

Rule 4.4 Intended Beneficiaries. Eligible projects should benefit the following types of industries:

- A. Manufacturing and processing
- B. Large distribution facility
- C. Service support to agriculture, aquaculture, and mariculture
- D. Service support to manufacturing and processing
- E. Telecommunications and data processing
- F. Corporate headquarters and operations centers

G. Research and development

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.5 Application Requirements. The application must include the following:

- A. A detailed description of the project and narrative explaining how the specific improvements will affect economic development and/or job creation in the area, together with supporting documentation.
- B. Engineering/Architects Report: This should include a cost estimate and timeline. Cost estimate must be submitted by an engineer or architect on their letterhead as a signed and stamped original. The timeline should outline the project construction from implementation to the completion of construction.
- C. Budget Sheet
- D. Memorandum of Agreement.
- E. Executed copy of the Resolution of Authorization for DIP funds
- F. Copy of building title and lease (applicable if the project includes a building purchase construction, or rehabilitation)
- G. E-Verification for the applicant and benefitting business
- H. Detailed Map showing location of proposed project. Maps must explicitly correspond to the proposed scope of activities within this project.
- I. The applicant must submit one original of the application to MDA. Complete application must be submitted with bottom tabbed dividers in between each attachment. All documentation should have original signatures.
- J. Applications can be mailed to: Mississippi Development Infrastructure Program, Mississippi Development Authority, Community Services Division, Post Office Box 849, Jackson, Mississippi. MDA will evaluate the application to determine if the project meets program criteria.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.6 Key Points.

- A. Mississippi Development Infrastructure Program funds may not be used for working capital, gaming enterprises, general expenditures, which would normally be covered under a local sponsor's general operation budget, or for administrative expenses.
- B. A limited amount of funds may be used for engineering/architectural cost. The amount of these professional services will be limited to an amount not to exceed 10% of the DIP grant or loan award amount.
- C. As such, all funds awarded must be spent for improvements within the scope of the original project description as stated in the grant or loan application.
- E. Additionally, if the recipients complete their project for less than the amount awarded, the excess funds can be requested for additional project work as long as there is no change from the scope of the original project
- F. No approved applicant shall be allowed to use excess funds to pay for the project costs that vary from the original project description.
- G. All requested changes and variances from the original application should be made in writing and will be reviewed by MDA on a case by case basis.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.7 Application Process. Any applicant seeking funding should contact an MDA project manager with the EIB Division for an in-state company or the Global Division. After the initial evaluation, should the manager determine the project meets MDA standards, they will contact the Community Services Division (CSD) to discuss the project and check on availability of funds. Then upon request, the applicant should send the Pre-Application package to the CSD to include the following:

- A. Project proposal
- B. Engineering cost estimate: Include a general cost estimate. Cost estimate must be submitted by an engineer or architect on their letterhead, signed and stamped.
- C. Budget Sheet
- D. Benefitting Business Information Packet
- E. Last 3 years of the Benefitting Business's audited financial statements

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.8 Selection Process. The process used for evaluating, selecting, and funding Pre-Applications and Applications is based on the following:

- A. Eligibility
- B. Project readiness
- C. Company's financial condition
- D. After the review of your Pre-Application, MDA may issue a letter inviting a DIP application. The letter will state the amount of DIP funds that can be applied for and the requirements. Please note: a letter of invitation is not a commitment of funds. An application will be made available at that time. In addition, the applicant must have a Memorandum of Agreement executed with the benefiting business to create and/or retain jobs and make the investment as described in the application. The highest official with both the applicant and the benefiting business must sign the agreement.
- E. MDA will perform a financial review of the business benefiting from DIP money. If MDA does not find the business to be financially sound and eligible to receive state incentives, the Community Services Division will not invite the applicant.
- F. DIP applications are accepted on a continuing basis as long as funds are available.
- G. The applicant will be given 45 days to submit the full application.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.9 General Grant Terms. The program intent is to stimulate growth and economic development in the State. The maximum amount, which may be awarded to any one local sponsor, will be whichever amount of the following is less: \$15,000 per job or a maximum of \$500,000 total grant amount.

- A. DIP projects should include a benefiting business, committed to increasing net new permanent jobs at their facility in which the grant is assisting. The benefiting business will have four (4) years from the effective date to complete job creation and

- investment commitments. The benefitting business will be required to maintain the total employment for a period of twelve (12) months.
- B. DIP assistance per job must be \$15,000 or less. The proposed activity must be associated with creating 10 or more net new jobs.
 - C. All applicants are required to supply a minimum 10% match of the total DIP grant award amount to the project in the form of cash or in-kind contribution.
 - D. The applicant and the benefitting business will be required to enter into a Memorandum of Agreement with each other. This agreement is utilized to outline the responsibilities and commitments of both parties and determine reimbursement if those commitments are not met.
 - E. Program funds may not be used for working capital, general expenditures, which would normally be covered under an applicant's general operation budget, or for administrative expenses.
 - F. Projects where the applicant does not own the public property that is being improved with DIP funds must include an inter-local agreement between both parties along with approval from the Attorney General's office.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.10 Procurement. All contracts and purchases must be made in accordance with normal bid and purchase laws of a municipality or county.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.11 Minority and Women Owned Business Enterprises. The Mississippi Development Authority (MDA) encourages the maximum opportunity for increased participation by local Minority and Women-Owned Business Enterprises (MBE/WBE) in the procurement of goods and services. The Mississippi Development Authority Minority Business Division at www.mnbr.org and the Mississippi Procurement Technical Center at www.msccpc.com can assist with MBE/WBE outreach efforts.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.12 Contract Modifications. The Community Services Division requires all grant recipients to receive approval prior to making contract amendments, modifications or extensions. Grant recipients must submit correspondence and documentation associated with the request, signed under the original signature of the chief elected official or appointed executive officer, supporting the need for the change(s) or extension.

- A. Community Services Division must approve any changes to the original budget prior to local action. Failure to have approval may result in an ineligible activity which may result in the repayment of grant funds to MDA.
- B. Excess funds will not be eligible to pay for the project costs not accounted for in the original project description. Additionally, if the grant recipient completes their project for less than the amount awarded, the excess funds may be requested for additional project work as long as there is no change from the scope of the original project.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.13 Disbursement of Funds.

- A. A grant agreement or loan documents will be executed between the local sponsor and MDA. All funds awarded must be spent for improvements within the scope of the original project description as stated in the grant or loan application.
- B. All funds will flow through the grant recipient.
- C. MDA will release DIP program funds for services rendered, or a reimbursement basis, for approved eligible cost of the project incurred.
- D. Grant recipients will have two (2) years from the date of the agreement to request reimbursement for DIP funds. Failure to implement and complete the project may result in the agreement being voided and funds de-obligated.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.14 Requests for Cash.

- A. DIP funds are requested by using the Request for Cash and Consolidated Support Sheet. These forms can be found on MDA's website as a single excel file titled "Request for Cash". The Request for Cash form provides the necessary information about the recipient, project and budget, along with the required signatures to authorize the request. The Consolidated Support Sheet allows for all the reported costs to be documented along with the amount of funds expended and remaining. The costs reported must be equal to the amount requested and disbursed including any matching funds. Signatures on both forms are required in order to process the request.
- B. An Authorized Signatory Letter must be sent no later than with the first Request for Cash and at any time there is a change in administration. The Authorized Signatory Letter will advise CSD of the authorized signatories for the DIP project.
- C. Completed Requests for Cash must be submitted to:
The Mississippi Development Authority
Community Services Division
Post Office Box 849
Jackson, Mississippi 39205-0849
- D. All forms submitted must be accurately completed or the request cannot be processed and will be returned to the grant recipient. Forms submitted with errors will delay the process and greatly impact the turnaround time for funds being released because all information must be verified and approved for payment prior to submission to DFA. According to State Statute, 45 days is allowed for the processing of cash requests. If after the 45th day payment has not been received, please contact the Program Manager to check on the status of your request.
- E. Requests for Cash overlapping the State's fiscal year (June 30th) or the grant recipient's fiscal year must be separated into two separate requests.
- F. All requests for construction expenses must include an itemized invoice approved by the engineer or architect.
- G. Matching Funds must be expended at a proportionate rate with DIP Funds and documented on the request for cash forms and include attached invoices or checks.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.15 Economic Development. It is the grant recipient's responsibility to ensure the

benefitting business is in compliance with all guidelines, jobs (created and maintained) are documented and benefitting business investment is met. If DIP funds are released and the project does not materialize or the benefitting business's requirements are not met, the grant recipient will be required to pay the DIP funds back to MDA. The grant recipient therefore, should hold the benefitting business responsible for meeting the investment and jobs requirements.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.16 Job Creation Completion. The benefitting business will have four (4) four years from the effective grant date to create jobs and make the private capital investment. An employee roster will be obtained at the site visit. This will be used as MDA's basis for job creation. Once the total number of jobs increases by the amount of the jobs committed and can be shown on one payroll, the total employment requirement will be met. After this point, the benefitting business should maintain the total employment number for a period of 12 months. Once this can be documented and submitted to MDA for review, job creation will be considered complete. If, for any reason whatsoever, the grant recipient does not adhere to the commitments as documented in the application and grant agreement, the grant recipient will reimburse the Mississippi Development Authority the amount as set out below:

- A. If the business benefitting from the DIP improvements fails to create and maintain the total number of full-time jobs as indicated in the Memorandum of Agreement and site visit acknowledgement form, the grant recipient will reimburse the Mississippi Development Authority a pro rata share of the amount documented by the Memorandum of Agreement. The reimbursement amount will be arrived at by multiplying the difference between the total number of jobs projected to be created and the number of actual jobs created by the cost per job. The cost per job is derived by dividing the DIP award amount by the total number of jobs projected to be created.
- B. Should the grant recipient fail to fully implement all facets of the project, or should the business benefitting from the DIP improvements fail to locate to or remain in operation at the DIP assisted site until all project terms and conditions have been met and the DIP grant agreement has been closed out, the grant recipient shall be responsible for repayment of the total amount of DIP funds expended on the project.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.17 Job Reports. All open Economic Development projects are required to submit job reports twice a year until all job commitments have been met. Grant recipients should submit the Economic Development Jobs Report form and a dated and certified employee roster at the beginning of the year and the middle of the year. A representative from the benefitting business and the local elected official should sign and date the Economic Development Jobs Report Form.

- A. Job Report due dates are as follows: January 15th and July 15th. Failure to submit job reports will result in the Community Services Division holding any and all pending Requests for Cash, Closeouts, and new project approvals for the grant recipient.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014).

Rule 4.18 Auditing and Monitoring. Funds provided under the Mississippi Development Infrastructure Program are subject to audit by the Mississippi State Auditor's office. Additionally, MDA will also monitor all projects to ensure compliance with the original application submitted. During the life of the project or at project completion, a CSD program manager will contact the grant recipient to determine a date for the monitoring visit.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.19 Jobs and Investment Documentation. All Economic Development projects will be required to provide documentation of the jobs created and maintained and the investment made by the benefitting business. The following documentation is required for all Economic Development projects:

- A. Investment Documentation: Investment letter from the benefitting business stating the amount invested.
- B. Jobs Documentation: One dated payroll showing the overall employment requirement has been met and a second dated payroll at least 12 months later showing the overall employment requirement has been maintained. If at the end of 12 months, the benefitting business has failed to maintain the total employment requirement that was previously met, they will have 60 days to bring the total employment back up to the committed number. Inability to maintain the total employment requirement will require the repayment of grant funds to MDA

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.20 File Maintenance. Maintaining an efficient filing system is critical to the administration and monitoring of your program. A successful monitoring experience hinges on the quality with which the Recipient maintains its filing system and the ease of obtaining information from those files.

- A. When establishing a file system, Recipients should consider using two categories to set up their files, grant files, and project files. The grant files should contain documentation and information that relate to the overall funding and administration of your program. The project files should contain specific documentation and information pertaining to the DIP project and should be maintained for a minimum of five (5) years from grant closeout or for the period required as specified by governing regulations.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.21 Close-Out Process. The close-out process encompasses a series of activities to verify that DIP Funds have been properly spent and that the applicant has completed the elements of its program in a timely and acceptable manner.

- A. The grantee recipient must submit all financial, performance, and other reports required as a condition of the grant.
- B. Close-Out Packages bearing the original signatures of the designated signatory officials are due to MDA within 30 days after completion of the project including investment commitment and job creation. Failure to submit Close-Out Packages in a timely manner

will result in the Community Services Division holding any and all pending Requests for Cash, Close-Outs and new project approvals for the grant recipient.

- C. The grantee recipient must retain all records for a period of five years from the date the State executes the Certificate of Completion.
- D. The tasks involved in closing out a grant include:
 - (i) Resolution of all monitoring findings;
 - (ii) Submission of close-out report (one original copy);
 - (iii) Submission of Certificate of Completion (three originally signed copies);
- E. The close-out process should begin when the following criteria have been met or will be met shortly:
 - (i) All costs to be paid with program funds have been paid, including any unsettled third-party claims, with the exception of close-out costs, such as the final administration costs.
 - (ii) The recipient has fulfilled all of its responsibilities under the Funding Agreement. This includes injection of all local cash and in-kind services, other State and/or Federal funding, all private investment, and job creation/retention (where applicable).
- F. Delays in completing close-out can result in the denial of future requests with Community Services.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.22 Close-out Monitoring Requirements. At project completion, the MDA-CSD representative will contact the grant recipient to determine a date for the close-out monitoring visit. All monitoring findings must be resolved before the close-out can be finalized.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.23 Award Process

- A. Upon being awarded a DIP grant, a binding contract is executed between the Mississippi Development Authority and the grant recipient for the specific amount awarded, job commitment, and for the particular activity being improved with DIP funds.
- B. Construction may not begin and jobs may not be counted prior to an effective grant award date. Any expenses incurred before the effective date of the grant agreement will not be reimbursed by MDA. Any jobs created prior to the effective date of the grant agreement may not be counted towards job creation.
- C. All funded projects are required to enter the construction phase within 12 months of the award date. Where construction has not begun within 12 months, the grant recipient must satisfactorily demonstrate why the project should be kept open or the award may automatically be voided.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.24 Mississippi Employment Protection Act. All grant recipients (applicants) and benefitting businesses entering into contracts with the Mississippi Development Authority represents and warrants that it will ensure compliance with the Mississippi Employment Protection Act and will register and participate in the status verification system of all newly hired employees. The term “employee” as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, “status verification system” means the illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program or any other successor electronic verification system replacing the E-Verify Program. The grantee agrees to maintain such compliance and, upon request of the State, to provide copy of each such verification to the State. The grantee further represents and warrants that any person assigned to perform services hereunder meet the employment eligibility requirements of all migration laws of the State of Mississippi. The grantee understands and agrees that any breach of these warranties may subject the grantee to the following: (a) termination of this Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/ termination being made public, or (b) the loss of any license, permit, certification or other document granted to the grantee by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) or both. In the event of such cancellation/termination, the grantee would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.25 Waiver. These guidelines may be amended by MDA at any time. MDA, in its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the Act and is not prohibited by State law.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.26 Site Visit. Once an application has been received, a CSD Program Manager will contact the grant administrator and local unit of government to schedule a site visit. During the site visit, CSD staff will review the following:

- A. Resolution authorizing the application submittal in the minute book
- B. Documentation for matching funds
- C. View the project area and site of improvements to document project need
- D. In addition, the CSD staff will need a current employee roster from the benefitting business. The document must include each employee’s name and date of hire. This will be the starting point to account for job creation. A company representative from the benefitting business and the local elected official with the applicant will sign an acknowledgement pertaining to job creation and should attend the site visit.

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Rule 4.27 Additional Information. For more information regarding file maintenance and monitoring requirements you may contact:

- A. Mississippi Development Authority

Community Services Division
ATTN: Sara Doss
Post Office Box 849
Jackson, Mississippi 39205
Telephone: (601) 359-3179
Fax: (601) 359-3108

Source: Miss. Code Ann. § 57-61-36 (Rev. 2014)

Part 4 Chapter 5: Hometown Mississippi Retirement

Rule 5.1 Official Community Support. In order to assure support of community leaders, a resolution by the city governing authority endorsing the local retirement recruitment effort is required.

Source: Miss. Code Ann. § 57-64-1 *et seq.* (Rev. 2008).

Rule 5.2 Designation of a Sponsor. The program must have an official sponsoring organization with a retirement program director who will be accountable to the community and to the state. Examples of sponsoring organizations are chambers of commerce, economic development authorities, tourism development organizations and cities. The sponsor must be an official entity in order to be eligible for state funding.

Source: Miss. Code Ann. § 57-64-1 *et seq.* (Rev. 2008).

Rule 5.3 Funding. The sponsoring organization must commit a minimum of \$20,000 per year for the local program (may include a portion of salary).

Source: Miss. Code Ann. § 57-64-1 *et seq.* (Rev. 2008).

Rule 5.4 Quality of Life. The community's quality of life will be assessed by, but not limited to, the following:

- A. Hospital: There must be a hospital within a 30-minute drive of the community and, preferably, closer.
- B. Adequate Medical Services: Includes emergency services for stabilization and/or
- C. referral/transport.
- D. Available Housing: The community must have an adequate supply of both resale housing and rental housing sufficient to meet the needs of potential new retiree residents.
- E. Adult Education: Opportunities through local community college, local university or branch of either.
- F. Available Goods and Services: Shopping, restaurants, pharmacies, etc.
- G. Recreation: Opportunities for retirees, such as golf, walking, exercising, etc.
- H. Cultural Opportunities: Theater, art gallery, recitals, etc.
- I. Crime Rate: Crime rate comparable to the national average.
- J. Civic/Community Pride: Includes intangibles such as appearance or "curb appeal" of the entrances into and out of the downtown area; living conditions such as quality of housing, public safety, and environmental quality; economic equity and vitality; culture

and heritage.

Source: Miss. Code Ann. § 57-64-1 *et seq.* (Rev. 2008).

Rule 5.5 Establishment of committees. Each city must have a general Retiree Attraction Committee to ensure the development of the following:

- A. Community Inventory/Assessment (amenities, shortages)
- B. Community Relations/Fundraising: The success of this program depends, to a large degree, on the support of churches, clubs, businesses, and local media.
- C. Marketing and Promotion: A successful candidate for program certification should have in place:
 - (i). Marketing plan: The purpose of this plan is to focus on the type of retiree your community desires and how your program expects to achieve its goals. The plan should detail the mission, the target market, the competition, and analysis of your community's strengths, weaknesses opportunities and threats, and the strategies your program will employ to attain its goals.
 - (ii). Annual budget (\$20,000 recommended for advertising, program materials and travel)
 - (iii). Retiree attraction brochure (must be approved by State HMR office and HMR Advisory Committee before printing).
 - (iv). Prospect package: While most cities will have some type of newcomers package, it is important that information sent to prospective retirees be relevant to their needs. Within 90 days of certification, the city must submit a complete retiree attraction package to the state office for approval (should include brochure, map, amenity brochures, available housing, and other as requested by potential retiree).
- D. Connectors/Ambassadors – A group of retirees to the community committed to assisting the local program in its effort in retiree attraction and relocation. Must set up program to train group on how to make calls/tours of potential retirees.

Source: Miss. Code Ann. § 57-64-1 *et seq.* (Rev. 2008).

Rule 5.6 Community profile. The sponsor must develop a Community Profile similar to that used by many chambers of commerce. It will include such factors as crime statistics, local tax information, recreational opportunities, and housing availability.

Source: Miss. Code Ann. § 57-64-1 *et seq.* (Rev. 2008).

Rule 5.7 Retirement Community Yearly Self-Audit. Subsequent to certification the organization must commit to maintaining the following requirements:

- A. Retiree Attraction Brochure with Reader Response Card
- B. Establish/maintain nationwide toll free number and website must contain retiree attraction tab with pertinent information for relocating retirees
- C. Maintain adequate funding to operate the local program and meet the certification requirements. This varies from each community depending on the level of promotion minimum \$10,000.
- C. Follow up leads with personal contact within two weeks of receiving the leads.

- D. Annually sponsor/participate in a minimum of two of the following: environmental, social, educational, or community project/event.
- E. Presence in a minimum of one national publication per year
- F. Attendance at HMR meetings. The Retirement Director or designee must attend state meetings, using the state's July 1-June 30 fiscal year.
- G. Marketing Activity: Retirement Director or designee must attend one out-of-state trade show each year or one documented marketing activity, which has received prior approval from the state office.
- H. File quarterly reports to the Hometown Mississippi Retirement state by the stated deadline.
- I. Submit annual program self-audit form, marketing plan, and annual budget to Hometown Mississippi Retirement state office on or before August 1st of each year. (This will take effect August 1, 2004)

Source: Miss. Code Ann. § 57-64-1 *et seq.* (Rev. 2008).

Rule 5.8 Entitled Benefits. As a Certified Hometown Mississippi Retirement city, each is entitled to have the benefit of assistance from the Mississippi Development Authority/Tourism Division Hometown Mississippi Retirement program in the form of but not limited to presence in the Mississippi Living Guide (official fulfillment brochure); presence in the Hometown Mississippi Retirement program website; advertising of and promotion in national mature market magazines; representation at national mature market consumer shows; bi-weekly notification of retiree leads for their area; eligibility to apply for a match-grant for promotional materials and advertising of their area.

Source: Miss. Code Ann. § 57-64-1 *et seq.* (Rev. 2008).

Rule 5.9 Results of Failure to Comply. As a result of the outcome of the annual self-audit, failure to comply with Hometown Mississippi Retirement certification requirements will result in the program being placed on probationary status for a period of six months.

Source: Miss. Code Ann. § 57-64-1 *et seq.* (Rev. 2008).

Rule 5.10 Meeting and Review. The Hometown Mississippi Retirement Program manager and a member of the Hometown Mississippi Retirement Program Advisory Committee will meet with the local program director to ascertain the nature of difficulties resulting in non-compliance status and to assist the director in the identification of and offer suggestions for the alleviation of non-compliance issues. A review by the Hometown Mississippi Retirement Program manager and the Hometown Mississippi Retirement Program Advisory Committee will be held after three months. Local and state officials may be notified.

Source: Miss. Code Ann. § 57-64-1 *et seq.* (Rev. 2008).

Rule 5.11 Termination of Certification. At the end of the probationary period, failure to be in compliance with the certification requirements will result in the termination of Hometown Mississippi Retirement certification status.

Source: Miss. Code Ann. § 57-64-1 *et seq.* (Rev. 2008).

Rule 5.12 Maintaining Happiness. As part of your community's retirement effort, an important aspect of the retiree assimilation process is for newcomers to feel welcome. This can be achieved by a number of methods:

- A. Newcomer events such as picnics, dances, and golf tournaments;
- B. Special organizations for in-migrant and in-place retirees;
- C. Institute for Learning in Retirement in connection with your local college or university; and
- D. Environmental, educational, and community projects sponsored by your connectors such as a beautification project or adopt-a-school.

Source: Miss. Code Ann. § 57-64-1 *et seq.* (Rev. 2008).

Rule 5.13 Suggested Program Enhancements.

- A. Develop a professional portfolio. This book, to be kept in the sponsor's office, is to have short biographies of various professionals for retirees to consult when seeking professional service providers.
- B. Offering a gift /gift package to visitors and a welcome gift/packet to relocated retirees.
- C. Partnering with local real estate professionals to have an up-to-date real estate guide of local properties for sale or rent.
- D. Make personal contact to leads within two - three weeks of sending information to ensure information was received, to answer questions, and to invite prospects to visit.

Source: Miss. Code Ann. § 57-64-1 *et seq.* (Rev. 2008).

Part 4 Chapter 6: Mississippi Single Family Residential Housing

Rule 6.1 Purpose. The Mississippi Single Family Residential Housing Fund (MSFRHF) was created as a revolving fund for the purpose of making loans to any agency, department, institution, instrumentality or political subdivision of the state; or any agency, department, institution or instrumentality of any political subdivision of the state; or any business, organization, corporation, association or other legal entity meeting criteria established by the Mississippi Development Authority (MDA) Community Services Division (CSD), through a housing revolving loan program for the construction of single family residential housing for persons of low or moderate income. The legislation provided that MDA will administer the MSFRHF and funds shall be loaned to eligible projects for construction financing.

Source: House Bill 530, 1999 Regular Session

Rule 6.2 Program Objective.

- A. Promote home ownership.
- B. Provide low cost construction funds for housing production.
- C. Expand the supply of decent, safe, sanitary, and affordable housing.

Source: House Bill 530, 1999 Regular Session

Rule 6.3 Allocation. The total amount of bonds issued to MDA was \$5,000,000 less the issuance costs of \$10,940.32. Therefore, \$4,989,059.68 was available for the purpose of construction financing.

Source: House Bill 530, 1999 Regular Session

Rule 6.4 Lending Guidelines. The maximum and minimum loan amounts are \$750,000 and \$100,000, respectively. The loan amounts will be divided according to Participant's Pro Rata Share. MDA, Fannie Mae, and MS Home Corporation (MHC) are considered as Participants under the program. The total funding sources for the program are as follows:

- A. MS Home Corporation: \$2,000,000;
- B. MDA: \$5,000,000, and;
- C. Fannie Mae: \$5,000,000.

The Ownership/Participation Percentages consist of 41.667% and 50%. Interest rates assigned by Participants are blended to leverage the cost and availability of construction financing. MDA's interest rate is assigned at 3% on funds disbursed. Loans may be for a term up to 2 years with a possible six months extension at the discretion of the Participants. The loans are made in the form of lines of credits and are reviewed for renewal on an annual basis. Loans that are funded shall not have a loan to value ratio that is greater than 80%.

Source: House Bill 530, 1999 Regular Session

Rule 6.5 Eligible Borrowers. Eligible borrower entities include the following:

- A. For-profit corporations;
- B. Nonprofit corporations;
- C. Cooperatives,
- D. Public agencies other than the MS Home Corporation,
- E. General and limited partnerships;
- F. Limited liability companies, and;
- G. Sole proprietorships

Source: House Bill 530, 1999 Regular Session

Rule 6.6 Implementation and Assessment. MS Home Corporation serves as the Lead Lender that implements the program and is the primary point of contact for all loans funded under MSFRHF. MHC underwrites all loans to meet its credit requirements and other loan conditions, in addition, to Fannie Mae and MDA's guidelines. However, MHC submits to Participants loan documents for review and authorization before finalizing the loan approval. The documents are required to support underwriting review, assessment of ability to construct residential units, and credit analysis of the borrower. MHC submits to MDA and Fannie Mae by the 15th of each month, reports identifying the borrowers, outstanding loan balances, committed funds, total funded amounts, and repayment of funds. MDA requires the lead lender to remit the amount of interest due on loans on a monthly basis, Principal funds remains with MHC as long as the borrower's

line of credit is active. The principal amount is only returned to MDA, when a line of credit is closed.

Source: House Bill 530, 1999 Regular Session

Rule 6.7 Fees. Fees are charged to cover administrative costs. All allowable fees are the obligation of the borrower.

Source: House Bill 530, 1999 Regular Session

Rule 6.8 Intended Borrower's. Loans are made to low to moderate-income families. The maximum annual family income shall be equal to or less than 115% of median family income for the county as defined by the Department of Housing and Urban Development or \$42,672.00, whichever is less.

Source: House Bill 530, 1999 Regular Session

Rule 6.9 Summary. As of July 31, 2005, there are twenty (20) borrowers of MSFRHF funds reporting on file. Presently, a total of \$3,127,098.15 has been committed to borrowers. The remaining funds available are 3,222,669.07. A total of sixty-one (61) homes have been constructed.

Source: House Bill 530, 1999 Regular Session

Part 4 Chapter 7: HOME Program

Rule 7.1 Organizational Status (Legal Status) and Mission Requirements for CHDO Certification

A. Organized Under State/Local Law. An organization must show evidence to MDA either in its charter or articles of incorporation, that it is organized under state or local law.

B. Non-Profit Status. A tax exemption ruling from the Internal Revenue Service as evidenced by a 501(c) (3) or (c) (4) Certificate from the IRS.

C. Purpose of Organization. The organization's primary purpose must be the provision of decent housing that is affordable to low- income people. This must be evidenced by a statement in the organization's charter, articles of incorporation, by-laws, or resolutions.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.2 Additional Considerations.

A. Strategic Plan. CHDOs and CHDO aspirants are required to submit a comprehensive strategic plan to MDA. In order to be a comprehensive plan, the document submitted must address the following:

- (i). The mission, goals, and vision of the organization
- (ii). Whom you will serve
- (iii). The organization's role in the community

- (iv). The programs, services, and products you offer
 - (v). The resources needed to succeed
 - (vi). The best way to combine resources, programming and relationships to accomplish the organization's mission
- B. F/A – 110 Conformity Statement. You will be required to submit a statement that commits your organization to comply with the federal regulations A-110. You may request a copy of this regulation from MDA if you need one. This statement must be on the organization's letterhead.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.3 Requirements. There are three specific requirements related to the organization's board, which must be evidenced in the organization's by-laws, charter, or articles of incorporation. These are:

- A. Low Income Representation. At least $\frac{1}{3}$ of the organization's board must be representatives of a low-income community served by the CHDO. The CHDO is required to certify the status of low-income representatives. There are three (3) methods to meet the HOME requirement that stipulates $\frac{1}{3}$ of the organization's board be representatives of a low-income community serviced by the CHDO. If a potential board member fits one of the following descriptions, then he/she count towards fulfilling this requirement:
- (i). The person lives in a low-income neighborhood where 51% or more of the residents are low-income. This resident does not have to be low-income. In order to qualify under this criteria, the board member must live in a low-income neighborhood where 51% or more of the residents are low-income. The board member does not have to be low-income. Neighborhood means a geographic location designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation that is within the boundary but does not encompass the entire area of a unit of general local government; except that if the unit of general local government has a population under 25,000, the neighborhood may, but need not encompass the entire area of the unit of a general local government.
 - (ii). The person is a low-income resident of the community. In order to qualify under this criteria, the board member must be a low-income resident of a community that the CDHO is certified to serve. Low-income is defined as 80% or less of area median family income.
 - (iii). The person was elected by a low-income neighborhood organization to serve on the CHDO board. The organization must be composed primarily of residents of the low-income neighborhood and its primary purpose must be to serve the interests of the neighborhood residents. Such organizations might include block groups, neighborhood associations, and neighborhood watch groups. In order to qualify under this criteria, the board member must be elected by a low-income neighborhood organization to serve the CHDO Board. The group must be a neighborhood organization and it may not be the CHDO itself. If the board member is qualifying under this criterion, a copy of the signed resolution from the neighborhood organization naming the individual as their representative on the CHDO is required.
- B. Public Sector Limitations. No more than $\frac{1}{3}$ of the organization's board may be

representatives of the public sector. States or local governments who charter CHDOs may not appoint more than $\frac{1}{3}$ of the board, and the board members appointed by the state or local government may not appoint the remaining $\frac{2}{3}$ of the board members. If a person qualifies as a low-income person and a public official, their role as a public sector representative supersedes their residency or income status. Therefore, the official counts toward the $\frac{1}{3}$ public sector limitation.

C. For Profit Limitations. If a CHDO is sponsored by a for-profit entity, the for-profit may not appoint more than $\frac{1}{3}$ of the board. The board members appointed by the for-profit may not appoint the remaining $\frac{2}{3}$ of the board members.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.4 Additional Considerations.

A. Board Stability. There should be stability/continuity of board members over the last several years.

B. Development Oversight. The Board should have a committee structure or other means of overseeing planning and development.

C. Board Skills. The Board members should have professional skills directly relevant to housing development. For example, real estate, legal, architectural, planning, construction, finance and management experience are all professional skills that are relevant to housing development.

D. Decision-Making. The Board should demonstrate the ability to make timely decisions using an appropriate process.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.5 Requirements for Sponsorship.

A. Control. The CHDO is not controlled, nor receives directions from individuals or entities seeking profit from the organization, as evidenced by the organization's by-laws or a Memorandum of Understanding.

B. Creation or Sponsorship by a For-Profit Entity. If sponsored or created by a for-profit entity, the for-profit entity's primary purpose does not include the development of management of housing, as evidenced in the for-profit organization's by-laws.

C. Freedom to Contract for Goods and Services. If sponsored or created by a for-profit entity, the CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced by its by-laws, charter, or articles of incorporation.

D. Sponsorship by a Religious Organization. If sponsored by a religious organization, the CHDO is a separate secular entity from the religious organization, with membership available to all persons, regardless of religion or membership criteria, as evidenced by its by-laws, charter, or articles of incorporation.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.6 Organizational Structure Requirements. The HOME Program establishes requirements for the organizational structure of a CHDO to ensure that the governing body or the organization is controlled by the community it serves. These requirements are designed to ensure that the CHDO is capable of decisions and actions that address the community's needs without undue

influence from external agendas.

A. History of Serving the Community. The organization has a history of serving the community within which housing to be assisted with HOME funds is to be located, as evidenced by either documentation of at least one (1) year of experience in serving the community or for new organizations, documentation that its parent organization has at least one (1) year of experience serving the community.

B. Low Income Input. Input from the low-income community is not met solely by having low-income representation on the board. The CHDO must provide a formal process for low-income program beneficiaries to advise the CHDO on design, location of sites, development and management of affordable housing. The process must be described in writing and must be documented in the organization's by-law, resolutions, or a written statement of operating procedures approved by the governing body. Each project undertaken by the CHDO should allow potential program beneficiaries to be involved and provide input on the entire project from project concept and site selection to property management. One way to accomplish this requirement is to develop a project advisory committee for each project or community where a HOME assisted project will be developed. Proof of input from the potential low-income program beneficiaries in all aspects of the project will be required for HOME project funding.

C. Clearly Defined Service Area. The organization must have a clearly defined geographic service area, which can be described and documented. CHDOs may serve individual neighborhoods or large areas. However, while organization may include the entire community in their service area (such as a city, town, village, county, or multi-county area), they may not include the entire state.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.7 Additional Considerations.

A. Needs. Current plans should be well grounded in an understanding of current housing conditions; housing needs, and need for supportive services. The organization should have an analysis of the local housing market and the housing needs of low-income households.

B. Relations. The organization should have a good reputation and a positive relationship with the community it services.

C. Local Government Relations. The CHDO should have a positive relationship with the local government(s) of the community(s) that it serves.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.8 Financial Management Requirements.

A. Conformance to Accountability Standards. The organization must conform to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems", as evidenced by notarized statement by the board president or Chief Financial Officer (CFO), or a certification from a Certified Public Accountant (CPA), or a HUD approved audit summary.

B. No Individual Benefit. No part of a CHDO's net earnings (profits) may benefit any members, founders, contributors, or individuals. This requirement must also be

evidenced in the organization's charter or articles of incorporation.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.9 Additional Considerations regarding Financial Management Requirements:

- A. Audit. Audit information will be reviewed.
- B. Budgeting. The organization should conduct annual budgeting of its operations and all activities and programs. It should track and report budget versus actual income and expenses.
- C. Reporting. Financial reporting should be regular, current and sufficient for the board to forecast and monitor the financial status of the corporation.
- D. Cash Flow Management. The organization should know its current cash position and maintain control over expenditures.
- E. Internal Controls. The organization should have adequate internal controls to ensure separation of duties and safeguarding of corporate assets. There should be sufficient oversight of all financial activities.
- F. Procurement/Conflict of Interest. The organization should have a conflict of interest policy governing board members, employees, and development activities, particularly in procurement of contract services and the award of housing units for occupancy.
- G. Insurance. The organization should maintain adequate insurance, including liability, fidelity, bond workers compensation, property hazard and project. In regards to bonding provisions (surety bond), the organization shall obtain a minimum bonding of \$75,000 to protect the interest of the organization and any entity, which shall award funds unto the organization. If funded, the CHDO is required to increase the surety bond to \$150,000 for each principal.
- H. Financial Stability. The current balance sheet and budget should indicate a sufficient, diversified and stable funding base to support essential operations.
- I. Portfolio Financial Condition. If the organization has a portfolio of properties, they should be in stable physical and financial condition.
- J. Liquidity. Whether the organization has liquid assets available to cover current expenses shall be considered, as well as whether the organization has funds available for predevelopment expenses or equity investments required for development.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.10 Capacity to Carry Out Activities. The organization must have demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by either experience of key staff that has completed similar projects to HOME funded activities or the organization should have contracts with consultants who have relevant housing experience to train key staff.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.11 Additional Considerations for Activities.

- A. Portfolio. The organization's portfolio of projects and properties should evidence competent management and oversight.
- B. Previous Performance. The organization should have exhibited competence with any

previous CHDO activities.

C. Management Capacity. The organization's management should have the capacity and ability to manage additional development activities.

D. Procedures. There should be policies and procedures in place to govern development activities.

E. Project management. The organization should have procedures for monitoring the progress of a project and the capacity to monitor project-level cash flow and schedules.

F. Personnel. There should be staff that is assigned responsibilities for housing development and personnel policies and job descriptions should be clear.

G. Staff Skills. The strength of staff in the following areas shall be considered:

- (i). Legal/financial aspects of housing development
- (ii). Management of real estate development
- (iii). Oversight of design & construction management
- (iv). Marketing, intake
- (v). Property management (if applicable)

H. Training. Staff should be encouraged to obtain training and develop skills.

I. Member involvement. The organization's membership should be active and in

J. Support of the organization's housing activities.

K. Use of consultants. To what extent the CHDO has access to and makes use of qualified development consultants shall be considered, as well as how these consultants interact with staff.

L. Funding access. The organization should have the ability to raise funds for the capital requirements of a project.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.12 MDA Reservations. MDA reserves the right to determine if the housing development experience and financial stability of the non-profit organization is adequate for certification and if the organization has the capacity to carry out HOME funded activities.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.13 Effective Period of CHDO Certification. In order to maintain a current state CHDO Certification, the CHDO must submit a complete application for funding through the MDA. The CHDO must be awarded grant funds. The certification period will be effective for the two (2) or three (3) year period of the contract. CHDOs will no longer be required to be recertified annually.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.14 The Consolidation Plan. Activities conducted by CHDOs must be consistent with the state's Consolidated Plan. The Consolidated Plan identifies housing and community development needs in the state's jurisdiction and provides long-term strategy for addressing those needs. The Consolidated Plan indicates the level of resources, which are allocated to each program. Each year the state must develop an Action Plan, which spells out which activities it will carry out and how much money will be spent in each area. The Consolidated Planning

process is an opportunity for CHDOs to provide input to the state on how its funds are allocated.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Rule 7.15 How to Apply for CHDO Certification.

- A. Complete the CHDO Certification Application, including all requested documentation forms.
- B. Submit one (1) original and one (1) copy of the entire application. The application should be bound with a binder clip, 3-ring binders or any other forms of binding.
- C. The application may be mailed or hand delivered to the address below.

Source: 42 USCA § 12701 *et seq.*; Pub. L. 101-625, title I *et seq.*; 24 CFR 92

Part 4 Chapter 8: Emergency Shelter Grants Program

Rule 8.1 Program Overview. The Emergency Shelter Grants Program (ESG) is authorized by the Stewart B. McKinney Homeless Assistance Act of 1988 as Amended. Under the Emergency Shelter Grants Program, the Department of Housing and Urban Development (HUD) allocates funds by formula grant among eligible states and units of general local government. States and units of local government may use the ESG funds for renovation, rehabilitation or conversion of buildings for use as emergency shelters for the homeless, for the payment of operation and maintenance expenses, for the provision of essential services to homeless clients, and for homeless prevention activities. The program is designed to be the first step in a continuum of assistance to enable homeless individuals and families to move toward independent living as well as to prevent homelessness. The State of Mississippi proposes in the 2011 Emergency Shelter Grants Program to use the funds for operation and maintenance expenses. ESG funds will be distributed statewide to eligible local units of government and non-profit organizations that operate homeless shelters. Recaptured or De-obligated ESG funds may be used to supplement State Administration, to supplement existing projects which may require additional funds, to fund other eligible applicants, or to fund ESG eligible activities.

Source: 42 U.S.C. 11301

Rule 8.2 Program Objective. The ESG Program funds will be made available to address the following:

- A. Shelter facility improvements (minor), operation and maintenance expenses
- B. Equipment purchase is limited to \$5,000.00 per unit

The use of ESG funds for the purchase of motor vehicles is prohibited.

Source: 42 U.S.C. 11301

Rule 8.3 Administration. The Governor designated the Mississippi Development Authority (MDA) as the agency responsible for administering ESG funds.

Source: 42 U.S.C. 11301

Rule 8.4 2011 Allocation. The 2011 ESG funds to be made available to the State of Mississippi will be published in the Federal Register. The One-Year Action Plan is based on an allocation of \$2,002,150. This allocation is contingent upon the availability of funds to the State of Mississippi from the U. S. Department of Housing and Urban Development. The State will reserve less than five percent (\$100,000) to assist in the administration of ESG funds. If requested, the State may make available administrative funds to grantees, not to exceed two percent of the grant requested.

Source: 42 U.S.C. 11301

Rule 8.5 Application Submission Date. The Application Submission date will be May 20, 2011, no later than 4:00 p.m. Applications were submitted to Community Services Division, 501 North West Street, Suite 5-A, Jackson, Mississippi. No applications were accepted after 4:00 p.m. MDA's time clock was the clock used for meeting the application submission deadline.

Source: 42 U.S.C. 11301

Rule 8.6 Eligible Applicants. Local units of government and non-profit organizations that operate existing homeless shelters are eligible to submit applications in the ESG Program. Non-profit agencies applying for ESG funds to carry out homeless assistance must obtain certification that the project is approved by the local unit of government, per Section 42 of the McKinney Act as amended. The City of Jackson, being an entitlement city, receives a direct allocation of ESG funds from HUD. Therefore, applications from non-profits in the City of Jackson will not be accepted for funding by the Community Services Division.

Source: 42 U.S.C. 11301

Rule 8.7 Match Requirements. Applicants must provide matching funds. Pursuant to 24 CFR Part 576 and 42 U.S.C. 11375 the ESG Program requires that ESG funds provided by HUD be matched with an equal amount of funds from other sources. The match amount may include the amount of funds from other sources, the value or fair rental value of any donated material or building (this source can only be utilized as match one time), the value of any lease on a building, any salary paid to staff to carry out the program of the recipient, and the value of the time and services (at a rate of \$5.00 per hour) contributed by volunteers to carry out the program of the recipient.

Source: 42 U.S.C. 11301

Rule 8.8 Grant Size. The maximum grant size is \$75,000 and there is no minimum grant size. The State reserves the right to adjust the amount awarded, based on the amount of funds available.

Source: 42 U.S.C. 11301

Rule 8.9 Threshold Requirements.

A. Applications submitted by a local unit of government must include a copy of the

Resolution authorizing submission of this application. The Resolution must be adopted by the local unit of government and must be signed and dated by the local unit of government's Chief Elected Official.

B. Applications submitted by non-profit organizations operating homeless shelters must include a copy of the authorizing resolution. The Resolution must be adopted by the non-profit organization's Board and must be signed and dated by the President of the Board.

C. Applications from non-profit organizations operating homeless shelters must also include a letter from the local unit of government approving the submission of the application. The letter must refer to the current ESG Program Year for which the application is being submitted and be signed by the Chief Elected Official.

D. To be eligible for 2011 funds, at least 80% of the 2010 project funds must be drawn in the IDIS system at the time an application is submitted. Any project funded with 2009 funds must be expended and a closeout package submitted to be eligible to apply for 2011 funds. And if funded, no funds may be drawn down on the new grant until the previously funded ESG project is closed out with CSD.

E. Match requirement must be documented in the application. The matching amount must be equal to the amount of ESG funds being requested. The match amount may include funds from other sources, the value or fair rental value of any donated material or building (this source can only be utilized as match one time), the value of any lease on a building, any salary paid to staff to carry out the program, and the value of the time and services (at a rate of \$5.00 per hour) contributed by volunteers to carry out the program. If match includes funds from other sources or the value of the time and services contributed by volunteers to carry out the program, applicants must provide a copy of the Memorandum of Understanding or Agreement, or letter of support from the entities providing match. This documentation must identify the match type, match amount and must cover the grant Program Year time period for this application. If a facility is to be used as matching funds, a recent appraisal (less than two years) of the facility must be included. A current appraisal is also required if the local unit of government is submitting an application on behalf of an existing shelter. If the value of any lease on a building is to be used as matching funds, a copy of the lease information indicating the lease amount must be included. If donated materials are to be utilized as match, documentation from the donor indicating the type of materials and their value, and the date or proposed date of the donation must be submitted in the application.

F. Applicants must not have any unresolved audit or monitoring findings. In addition, if a community or organization has ANY CSD concerns that have not been resolved, then CSD may not review the application and the application may be disqualified from consideration in funding. This includes but is not limited to, failing to submit required reports, etc.

G. Contracts will be sent out after the award is made. Environmental clearance and special conditions clearance must be completed within four (4) months of the award date or the contract may be voided. No request for cash will be processed until the environmental clearance is granted. Waivers to the four (4) months rule may be granted on a case-by-case basis. The Division Director will be the only signature authority for waivers.

H. Any application that has been prepared by an application preparer who is involved in a pending debarment or suspension proceeding before a state or federal agent shall not be

reviewed until such time as the debarment proceeding has been finally resolved. Additionally, no person who is involved in a suspension or debarment proceeding shall be allowed to administer a CDBG, ESG or HOME project until such time as the suspension or debarment process or finding is resolved.

I. The shelter board must be composed of at least one (1) homeless or former homeless person in a decision-making capacity.

Source: 42 U.S.C. 11301

Rule 8.10 Activities. Efforts will be made to maintain the operation of existing facilities that have a demonstrated history of efficient management, including services to the hard-to-reach homeless. The following information will be required in each funding request:

- A. The nature and extent of homeless need for emergency shelter within the applicant's jurisdiction and the manner in which the applicant proposes to address the need;
- B. Identification of agencies proposed to provide services through the program, any on-going services they provide to the homeless population, and a description of the agencies' relationship to the local government;
- C. A description of proposed program activities and the budget request relating to: payment of maintenance, operation, insurance, utilities, and furnishings;
- D. A description of the source(s), amount(s), and status of matching funds;
- E. The extent to which the proposed activities will carry out the objectives established by the State;
- F. The applicant's method and timeframe to implement the proposed activities; and
- G. The applicant's certification that activities assisted through the program will comply with applicable regulations regarding historic properties and environmental considerations.

Source: 42 U.S.C. 11301

Rule 8.11 Distribution. The ESG funds will be distributed in accordance with the State's Consolidated Plan. The selection process is based on the possible award of 150 points on the ESG Application. The State intends to distribute ESG funds statewide to eligible applicants using a competitive application process. The State has designed specific criteria that will be used to rate the applications. Points will be assigned to each rating criterion based on the data provided in the application and consistent with the needs in the Consolidated Plan. Each application will stand on its own.

Source: 42 U.S.C. 11301

Rule 8.12 Applicant Obligations. Applicants may be contacted for clarification of the information presented in the application, but additional information that can affect the rating of the project cannot be submitted. Applicants with the highest scores will be funded until funds are exhausted. In case of a tie, the application that has the highest poverty rate for the entity's respective county will rate higher. The State will use the most recent rate. If a tie still exists, the unemployment rate for the entity's respective county will be used. The Community Services Division will also reject any applications if they are incomplete or do not provide desired services.

Source: 42 U.S.C. 11301

Rule 8.13 Site Visits. Site visits will be conducted to verify information submitted in the application for applicants receiving the highest ratings. A site visit does not imply or denote that an applicant will be funded. The State reserves the right to decrease the points awarded in any rating factor based on information gained during a site visit. The following Habitability Standards need to be met for applicant to receive funding:

- A. Structure and Materials: The shelter building should be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents.
- B. Access: The shelter must be accessible, and there should be a second means of exiting the facility in the case of emergency or fire.
- C. Space and Security: Each resident should have adequate space and security for themselves and their belongings. Each resident must have an acceptable place to sleep.
- D. Interior Air Quality: Each room or space within the shelter/facility must have a natural or mechanical means of ventilation. The interior air should be free of pollutants at a level that might threaten or harm the health of residents.
- E. Water Supply: The shelter's water supply should be free of contamination.
- F. Sanitary Facilities: Each resident should have access to sanitary facilities that are in proper operating condition. These facilities should be able to be used in privacy, and be adequate for personal cleanliness and the disposal of human waste.
- G. Thermal-Environment: The shelter/facility must have any necessary heating/cooling H. facilities in proper operating condition.
- H. Illumination and Electricity: The shelter/facility should have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There should be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.
- I. Food Preparation: Food preparation areas, if any, should contain suitable space and equipment to store, prepare and serve food in a safe and sanitary manner.
- J. Sanitary Conditions: The shelter should be maintained in a sanitary condition.
- K. Fire Safety-Sleeping Areas: There should be at least one working smoke detector in each occupied unit of the shelter facility. In addition, smoke detectors should be located near sleeping areas where possible. The fire alarm system should be designed for a hearing-impaired resident.
- L. Fire Safety-Common Areas: All public areas of the shelter must have at least one working smoke detector.

Source: 42 U.S.C. 11301

Rule 8.14 Selection Process. The selection process is based on the awarding of points. Specific selection criteria will be used to rate applications. All applications will be rated and points assigned to each based on data provided in the application. Thus, it is important to provide complete and concise information for all questions.

Source: 42 U.S.C. 11301

Rule 8.15 Complete Questionnaire. In order to receive points, all questions must be answered completely. If the space provided to answer questions is not sufficient and the applicant needs additional space to answer a question in its entirety, the applicant must clearly reference the location of this additional information (i.e., see Attachment A, See By-laws, page 3). Applicants must be very specific when indicating additional space is needed to answer any questions.

Source: 42 U.S.C. 11301

Rule 8.16 Rating Factors. The rating factors and maximum points for the Application for the 2011 Emergency Shelter Grants Program Year are as follows:

Rating Factor	Points
Target Population	35
Program Design	20
Applicant Capacity	50
Documented Need	20
Community Coordination	25
Total Points Available	150

Source: 42 U.S.C. 11301

Rule 8.17 Explanation of Rating Factors.

A. Target Population: Applications that target two or more of the following populations will receive a maximum of 35 points. Applications that target only one population will be rated based on the scale below. In order to receive points, documentation that indicates the applicant's Target Population must be submitted. Applicants may submit marketing material, Articles of Incorporation, By-laws or some formal document containing the organization's Mission Statement or Purpose. (Applicants must also specifically identify which document contains the information and provide the page numbers). Local units of government must submit this information on behalf of the shelters they will be assisting with ESG funds.

Category	Points
Families	30
Victims of Domestic Violence	25
Veterans	20
Others	15
Children	10
Elderly	5

B. Program Design: Applicants will be rated on how their programs are designed to address the items listed below regarding their targeted population(s). In order to receive points the applicant must submit a formal copy of its Policies and Procedures document or Operational Manual describing these activities. Applicants must specifically identify which document contains the information and provide the page number.

- (i). The hard to reach homeless (outreach activities)
- (ii). The provision of supportive housing and ultimately permanent affordable housing
- (iii). The utilization of clients in the construction, renovation, maintenance or operation of the shelter facility pursuant to 24 CFR 576 (b).
- (iv). The inclusion of at least one current or former homeless person serving in a

policy-making capacity pursuant to 24 CFR 576 (b).

Criteria	Points
Program design includes 4 Areas	20
Program design includes 3 Areas	5
Program design includes 2 Areas of less	0

C. Applicant Capacity:

(i). Applications will be awarded points based on the applicant's current ability to operate homeless programs. Applicants will be rated on their personnel's ability to perform administrative and operational functions. In order to receive points the applicant must submit a formal copy of its Policies and Procedures document or Operational Manual that describes the activities listed below. (Applicants must also specifically identify which document contains the information and provide the page number).

- (a) Client application process and procedures for intake
- (b) Client tracking system (what type of statistics does your organization obtain and maintain on your clients, i.e., income information, educational level, employment status, health information, household size, marital status, gender, age, average length of stay, chronic homelessness, substance abuse history, etc)
- (c) Client follow-up system (location and condition of client after leaving shelter)
- (d) Financial accounting system
- (e) Policy regarding the termination of assistance and grievance procedure pursuant to 24 CFR Part 576.56 (a) (3). Applicants must have in place a policy that governs the termination of assistance provided by ESG funded activities to participants who violate program requirements. The policy must provide the procedure that governs the termination and grievance process.

Criteria	Points
Organization has standard operating procedures for all 5 Areas	15
Organization has standard operating procedures for 4 Areas	5
Organization as standard operating procedures for less than 4 Areas	0

(ii). Applicant's ability to provide and/or coordinate supportive services for clients. In addition to providing overnight sleeping accommodations, applicants are encouraged to provide supportive services to clients either directly or through partnering with other entities. In order to receive points, marketing materials, Articles of Incorporation, By-laws containing Mission Statement or Purpose, Policies and Procedures document or Operational Manual, must be submitted for documentation. If services are provided by another entity, a copy of the Memorandum of Understanding or Agreement, or letter of support with these entities indicating the provision of services must be submitted. The Memorandum of Understanding or Agreement, or letter of support, must cover the grant Program Year period.

Criteria	Points
Job training related services are available	5
Child care related services are available	5
Counseling/Therapy services are available	5
Medical related services are available	5
Transportation services are available	5
Budgeting/Financial Management Training services are available	5

(iii). Applicant has previous experience administering a state or federal grant program. In order to receive points, applicants must identify the grant received and submit a copy of the grant award letter. Applicants will receive points based on the following:

Criteria	Points
Applicant has experience administering a grant program	5
Applicant does not have experience administering a grant program	0

D. Documented Need: Applicant sufficiently documents need for services proposed in application. Please include the following information (information must be based on a January through December calendar year):

- (i). Homeless statistical information for applicant's locale
- (ii). The overall number of individuals served for last year (for any services provided)
- (iii). The number of individuals from the applicant's specific target population served last year (for any services provided)
- (iv). The number of nights of sleeping accommodation services provided last year
- (v). The number of nights of sleeping accommodation services provided last year for individuals in the applicant's target population
- (vi). The average length of stay of clients last year
- (vii). The number of other shelters in applicant's locale
- (viii). The number of other shelters in applicant's locale that serve the same target population as the applicant
- (ix). Information regarding economic conditions in the applicant's locale
- (x). Information regarding the levels of entitlement assistance in the applicant's locale

The above listed items must be addressed in the Documented Need Narrative for points to be awarded. Applicants may certainly include any additional information that they deem necessary.

Criteria	Points
Applicant clearly identifies need for proposed services	20
Applicant does not clearly identify need for proposed services	0

E. Community Coordination: Applicant will provide additional needed services for their clients from resources in the community. To receive points, applicants must provide a copy of the Memorandum of Understanding or Agreement, or letter of support with each activity indicating coordination and the provision of services. The Memorandum of Understanding

of Agreement, or letter of support, must cover the grant Program Year period.

Criteria	Points
Applicant has 4 or more community resources	25
Applicant has 3 community resources	15
Applicant has 2 community resources	5
Applicant has less than 2 community resources	0

Source: 42 U.S.C. 11301

Rule 8.18 Review Process. The ESG Application Review process will consist of the following: first level review, second level review, and supervisory sign off. This ensures a fair and competitive process.

Source: 42 U.S.C. 11301

Rule 8.19 Federal Requirements. All recipients will be required to comply with certain federal and state requirements. The following briefly describes major requirements that may apply.

- A. The requirements of OMB Circular No. A-87, *Cost Principles for State and Local Governments*, which addresses allowable cost shall apply to State recipients or any governmental sub recipient receiving ESG funds
- B. Non-profit organizations must follow the requirements of:
 - (i). OMB Circular No. A-122, *Cost Principles for Non-Profit Organizations*
 - (ii). 24 CFR Part 84, *Grants and Agreements with Institutions of Higher Education, Hospital, and other Non-Profit Organizations*
 - (iii). 24 CFR Part 84.21(d), *Bonding and Insurance*
 - (iv). 24 CFR Part 84.21(a), *Standards for Financial Management Systems*
 - (v). 24 CFR Part 84.51, *Monitoring and Reporting Program Performance*, Paragraph 2
 - (vi). 24 CFR Part 84.40-84.50, *Procurement Standards*
 - (vii). 24 CFR Part 84 or 84, *Conflict of Interest*
- C. Recipients are responsible for audit costs. Audits must be conducted in accordance with:
 - (i). 24 CFR Part 44, *Non-Federal Governmental Audit Requirements*, and;
 - (ii). OMB Circular A-133, *Audits of Institutions of Higher Education and other Non-Profit institutions*.
- D. Local units of government must follow the requirements for procurement of:
 - (i). MDA (CSD) Policy Statement #94-002
 - (ii). 24 CFR Part 85,
 - (iii). State of Mississippi Procurement laws, or
 - (iv). Mississippi Development Authority requirements, whichever one is more stringent.
- E. All contracts for ESG funds are subject to audit in accordance with OMB Circular A-133.
- F. ESG funds from each federal fiscal year (i.e., the allocation and any reallocated funds from the particular federal fiscal year appropriated) will be closed out when all the

requirements of 24 CFR Part 576.85, Closeouts, have been met.

G. Each applicant must establish and maintain sufficient records to enable the State to determine whether the applicant has met the requirements of 24 CFR Part 576.87, Recordkeeping.

H. Applicants must comply with the requirements of 24 CFR Part 576.79, Conflict of Interest.

I. The federal requirements of 24 CFR Part 576.51, Displacement, Relocation, and Acquisition, concerning relocation must be followed at all times when a unit to be rehabilitated is occupied prior to the beginning of construction to rehabilitate the unit.

Source: 42 U.S.C. 11301

Part 4 Chapter 9: Community Development Block Grant Programs

Rule 9.1 National Objectives. The State Community Development Block Grant (CDBG) program was established to aid in the development of viable communities that provide their residents with suitable living environment and economic opportunities. Mississippi's State CDBG program is designed to be consistent with this primary objective by providing funds for local projects with activities that meet one of the following national objectives of the Community Development Act of 1974, as amended:

- A. Benefits to Low/Moderate Income Persons;
- B. Give maximum feasible priority to activities that will benefit low- and moderate-income persons;
- C. Slum or blight;
- D. Aid in the prevention or elimination of slum or blight;
- E. Urgent Needs
- F. Meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and where other financial resources are not available to meet such needs.

Source: 24 CFR 570.480-497

Rule 9.2 State Objectives. The State has designed the program to be consistent with national objectives and to address economic and community development needs of the citizens of Mississippi. Several state objectives have been established to meet this purpose:

- A. Increase local capacity to deliver resources
- B. Streamline procedures for implementing grants
- C. Encourage early completion of ongoing grants
- D. Encourage MBE/WBE and Section 3 participation in the program
- E. Assist non-entitlement units of government increase business and employment opportunities
- F. Assist non-entitlement units of government improve the availability and adequacy of basic community facilities
- G. Assist non-entitlement units of government improve the availability and adequacy of community service facilities and self help activities
- H. Ensure adherence to all applicable federal and state regulations by all parties involved

in projects funded with these funds

Source: 24 CFR 570.480-497

Rule 9.3 Adjustments. The State reserves the right to make adjustments to the amount designated for any program category based on the demand created by the applications. The CDBG Program allows for one percent of the yearly allocation to be used by the State for technical assistance. However, MDA intends to use the full amount allowed by HUD regulations as State Administration. These funds will be used in accordance with HUD CPD Notice 99–09.

Source: 24 CFR 570.480-497

Rule 9.4 Transfer of Funds. The State reserves the right to transfer any unobligated funds into any category to help meet the timely distribution requirement. If HUD makes a special allocation to the State, the State reserves the right to fund any current application from the special allocation. Should the State’s HUD allocation be adjusted, the State will adjust program categories.

Source: 24 CFR 570.480-497

Rule 9.5 Maximum Grant Size. The State reserves the right to adjust maximum grant size, local match requirements, job creation goals, cost per jobs, and certain threshold requirements in order to assist local communities with projects on a case-by-case basis due to a State and/or Federal natural disaster declaration.

Source: 24 CFR 570.480-497

Rule 9.6 Application Costs. Application preparation cost may be awarded to funded applications as a pre-award cost.

Source: 24 CFR 570.480-497

Rule 9.7 Receipt of Program Income. The State will receive program income from prior CDBG awards. The State requires communities to return program income generated to the State; however, MDA may permit the local units of government to retain program income to continue the activity from which such income is derived on a case-by-case basis.

Source: 24 CFR 570.480-497

Rule 9.8 Program Income Fund. Program income returned to the State will be placed in a Program Income Fund and distributed for eligible CDBG activities as approved by MDA. Up to 2% of these funds may be used for state administrative purposes.

Source: 24 CFR 570.480-497

Rule 9.9 Rules, Policies, and Other Requirements. All rules, policies, and other requirements of

the State's CDBG program are applicable to the program income funds received and distributed by the State.

Source: 24 CFR 570.480-497

Rule 9.10 Recaptured Funds. The State will recapture funds previously awarded to a CDBG recipient for reasons such as, failure to satisfy a national policy objective, failure to comply with contractual conditions, or if awarded funds are not expended prior to the expiration of the grant contract. The State may allocate any recaptured funds into any program category. The State reserves the right to substitute recaptured funds for previously committed funds from any year in order to hasten completion of a program year. Any requests for supplemental funds will be considered on a case-by-case basis with funds granted only in those instances where the State can readily determine that additional funding is justified. Grant ceilings are not applicable when considering the awarding of these funds.

Source: 24 CFR 570.480-497

Rule 9.11 Eligible Applicants. All cities and counties, except the entitlement cities of Biloxi, Gulfport, Hattiesburg, Jackson, Moss Point, and Pascagoula are eligible applicants for funding under Mississippi's CDBG program.

Source: 24 CFR 570.480-497

Rule 9.12 General Criteria.

- A. Applicants may be contacted for clarification of information presented in the application after submission, but additional information that can affect the rating of the project cannot be submitted.
- B. A single activity should have a contiguous group of beneficiaries. Multiple activities may be considered on a case-by-case basis.
- C. Water projects that have fire protection as the primary purpose will be classified as a fire protection project unless there are major problems with the water system.
- D. If matching funds are being sought through another program (ARC, DEQ, RDA, EDA, CAP, etc.), applicants are required to submit evidence of the matching application.
- E. The State will review and rate all applications, but no award will be made (if F. applicable) until the final commitment and/or approval of matching funds. Applicants will have until _____ to secure final commitment and/or approval of matching funds. If by that time final commitment and/or approval is not in place, the State will remove the application from funding consideration.
- F. Swimming pools will not be eligible for funding under the Self-Help category.
- G. CDBG funds may not be used for general operating and maintenance expenses. The general rule is that any expense associated with repairing, operating, or maintaining public facilities, improvements and services is ineligible. Examples of operating and maintenance expenses that are generally ineligible include: maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, center for persons with disabilities, parking and other public facilities and improvements. Other examples of maintenance and repair activities for

which CDBG funds may not be used include the filling of pot holes in streets, repairing of cracks in sidewalks, the mowing of grass in city or county parks, and the replacement of street light bulbs. This is taken from the State Community Development Block Grant Program's Guide to National Objectives and Eligible Activities for State CDBG Program pages 2-112 and 2-113.

Source: 24 CFR 570.480-497

Rule 9.13 Surveys. Project area and town wide surveys will be accepted. If using a survey to determine the low- and moderate-income benefit, it must have been conducted after **April 1, 2008**. Applicants using surveys to indicate population and income information must use the State approved Grant Survey Form provided by MDA and must include the signed Grant Survey Summary and Disclosure Form in the application. No other survey forms will be allowed unless the content is approved by MDA prior to the survey being taken. Surveys that do not meet the 80% response rate will not be accepted. Surveys must contain an adult household member signature or be initialed by the adult household member in order to be counted. Surveys will not be allowed/counted if they are not signed/initialed by the adult household member. If surveys were used for determining low- and moderate-income benefit, the application preparer is responsible for the surveys being correlated to a legible map and in proper order.

Source: 24 CFR 570.480-497

Rule 9.14 Maps. A general project area map, showing the general location of the proposed project, with a more detailed insert (detailing project location), is required to be submitted with the application. Other map requirements are discussed in the application. The survey map must accompany the application.

Source: 24 CFR 570.480-497

Rule 9.15 Purpose. The purpose of the Emergency category is to provide funding for any eligible CDBG activity necessary to address a community development need having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community.

Source: 24 CFR 570.480-497

Rule 9.16 Available Funds/Grant Size. If funds are available from any available program funds then awards will be made for Emergency projects. The maximum grant size shall be \$100,000. The maximum amount of Administrative funds for the Emergency Category shall be \$1,500 including Application Preparation. Application Preparation fee will be limited to \$500 per project.

Source: 24 CFR 570.480-497

Rule 9.17 Submission Dates. The State will accept FY 2011 Emergency Public Facilities applications beginning August 2, 2011.

Source: 24 CFR 570.480-497

Rule 9.18 Threshold Requirements. Applicants must have no unresolved audit or monitoring findings. In addition, if a community has ANY CSD concerns that have not been resolved, then CSD may not review the application and the application may be disqualified from consideration in funding. This includes but is not limited to delinquent loan payments, failing to submit required reports, etc. Applications that are incomplete will not be reviewed and will be placed on the bottom of the list of request until such time as all information is submitted. Applicants that have an ongoing CDBG grant over three years old must get permission from the State to apply for an FY 2011 Emergency grant. In addition, applicants who have an ongoing Emergency Public Facilities or Urgent Needs grant will not be eligible to submit an additional Emergency CDBG Request.

Source: 24 CFR 570.480-497

Rule 9.19 Application Process. Applicants must first contact the State regarding the submittal of an Emergency application. The initial contact should be by letter or fax and should address the following:

- A. The problem (or threat) and the proposed solution
- B. A cost estimate and documentation that reflects efforts to secure other funds was not successful
- C. How the situation poses an imminent threat to the health and welfare of affected residents, and
- D. Community's budget for previous two years.

If the condition meets the Emergency criteria and the applicant finds it preferable, pre-agreement costs can be negotiated with the local unit of government. No application may be submitted without prior approval. Applications will be considered in the order received until all funding is exhausted. Benefit to low- and moderate-income persons is the preferred national objective; however, it is possible to receive funding under the Urgent Needs national objective. Projects receiving Emergency funds must be closed out within twelve months of award receipt, or funds will be recaptured. Based on MDA's evaluation of the request, a letter may be issued inviting a CDBG Emergency application. The letter will state the amount of CDBG funds that may be requested. The local unit of government will be given 45 days to submit the application.

Source: 24 CFR 570.480-497

Rule 9.20 Selection Process. Requirements for funding consideration include the following:

- A. The problem (or threat) must be an eligible community development need that has a particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community.
- B. The situation, if not addressed, must be a permanent threat to public health or welfare.
- C. The application must address other financial resources not being available to meet such needs, including a copy of the applicant's latest budget.
- D. The situation addressed by the applicant must be unanticipated and beyond the control of the local government.

- E. The application must include documentation on the beneficiaries, including low- and moderate-income persons.
- F. The application must include documentation that the emergency occurred or was discovered within the last 18 months.

Source: 24 CFR 570.480-497

Part 4 Chapter 10: Public Facilities—Community Self-Help Program

Rule 10.1 Purpose. The Community Self-Help program is an effort to help communities address needs such as water, wastewater, downtown improvements, recreation (swimming pools and general maintenance are not eligible) and other CDBG eligible activities. The Community Self-Help program is a resource for small communities to meet local needs with less money. Self-Help is the development and use of a community's own resources (human, material and financial) to solve problems for less cost. This approach begins with the answer to a key question, "What can we afford?" and then initiates a local focus of control based on the applicant's design and plans for solving the problem. Self-Help refers to the collective effort of people working together to create or improve a service or facility (for example, a water system) that they will use in common, and which is not exclusively owned by any one person or household. Self-Help and volunteerism are not synonymous. Self-Help includes the use of volunteers as one technique among many that can reduce the cost of a needed community improvement. Self-Help is an exercise in communities developing and building their own capacity to come together to solve problems in a collective way.

Source: 24 CFR 570.480-497

Rule 10.2 Available Funds/Grant Size. A total of up to \$400,000 has been set aside for the Community Self-Help program. The maximum grant size is \$100,000. The maximum amount of Administrative funds for the Self-Help Category shall be \$5,000 including Application Preparation. Application Preparation fee will be limited to \$1,500 per project.

Source: 24 CFR 570.480-497

Rule 10.3 Submission Date. Assessment forms will be accepted beginning August 2, 2011. The Community, Local Government, and Financial Information Assessment forms must be completed and sent to MDA. After staff review, MDA will make a decision whether or not to invite an application. Only invited applications will be considered due to the limited amount of funds available. The letter inviting an application will state the amount of CDBG funds that may be requested. The local unit of government will be given 45 days to submit the application.

Source: 24 CFR 570.480-497

Rule 10.4 Threshold Requirements. Applicants must have no open Public Facilities, Emergency/Urgent Needs, Planning or Self-Help grants and have no unresolved audit or monitoring findings. In addition, if a community has ANY CSD concerns that have not been resolved, then CSD may not review the applications and the application may be disqualified

from considerations in funding. This includes but is not limited to delinquent loan payments, failing to submit required reports, etc. All projects must benefit a minimum of 51% low and-moderate income persons and show a 30% cost savings. Swimming pools will not be eligible for funding under the Self-Help category. This includes construction or rehabilitation of swimming pools.

Source: 24 CFR 570.480-497

Rule 10.5 Selection Process. Applications will be evaluated on the basis of feasibility, readiness, capacity and how the project fits into the overall improvement efforts of the community.

Source: 24 CFR 570.480-497

Part 4 Chapter 11: Economic Development—Public Improvements

Rule 11.1 Purpose. The purpose of the CDBG Economic Development Public Improvements category is to assist units of local government in the funding of eligible infrastructure improvements in the support of better paying private sector jobs; Projects having retained jobs and those creating public sector jobs shall be reviewed on a case-by-case basis and if funds are limited, these type projects will have a lower priority for funding. The use of these funds is directly associated with the creation or retention of jobs of which at least 51% must be low- and moderate-income. Each project will be reviewed for eligibility on a case-by-case basis.

Source: 24 CFR 570.480-497

Rule 11.2 Available Funds/Grant Size. The State will set aside \$12,600,000 to provide funding for eligible CDBG economic development activities. A maximum grant size of \$650,000 and a minimum of \$100,000 will apply to all applicants. Projects associated with creating 250 or more jobs may be eligible to receive a maximum of \$1,000,000. There will be no increase of grant size for joint applicants. Upon receipt of written justification, MDA reserves the right to adjust the maximum grant size, local match requirement, job creation goals, and cost per job with economic development projects on a case-by-case basis. The maximum amount of Administrative funds for the Economic Development grant category shall be \$40,000 including application preparation. Application preparation fee will be limited to \$5,000 per project.

Source: 24 CFR 570.480-497

Rule 11.3 Submission Date. CSD will accept proposals throughout the year.

Source: 24 CFR 570.480-497

Rule 11.4 Threshold Requirements

A. Applicants must have no unresolved audit or monitoring findings. In addition, if a community has ANY CSD concerns that have not been resolved, then CSD may not review the application and the application may be disqualified from consideration in funding. This includes but is not limited to delinquent loan payments, failing to submit

required reports, etc.

B. The proposed activities must be associated with creating and/or retaining 20 or more jobs. However, Small Governments may be considered for funding with a minimum of 15 jobs. Projects having retained jobs and those creating public sector jobs shall be reviewed on a case-by-case basis and if funds are limited these type projects will have a lower priority for funding. MDA may consider proposals that are based on full time job equivalents. One full-time job is equivalent of a minimum of 1,820 annual work hours.

C. CDBG assistance per job must be \$20,000 or less.

D. The applicant must have a Memorandum of Agreement executed with the business to create and/or retain the jobs and to make the investment as described in the application. The highest official within both the local government and the benefiting business/industry must sign this agreement.

E. CDBG participation is limited to a maximum of 50% of the total project cost.

F. Any eligible applicant for 2011 Economic Development funds that has an Economic Development grant over three years old must receive special permission from MDA to apply.

G. Applicants from Tier 1 or 2 counties must provide a minimum of 10% local cash match towards the eligible infrastructure improvements. Applicants from a Tier 3 county must make a best effort to provide a 10% local cash match. Federal or state loans may be used to meet this requirement. In-kind services may also be used to meet this requirement.

Source: 24 CFR 570.480-497

Rule 11.5 Application Process. Based on MDA's project review process, the local unit of government seeking Economic Development funding must first submit a project proposal. Based upon an initial review of the proposal, MDA may require a meeting with relevant parties to discuss the project. Then, MDA may issue a letter inviting a CDBG Economic Development application. The local unit of government will be given 90 days to submit the application.

Source: 24 CFR 570.480-497

Rule 11.6 Selection Process. Applications will be evaluated based on the following:

- A. Eligibility and project readiness
- B. Local financial commitment
- C. Business investment
- D. Wages paid and benefits offered
- E. Company's financial condition

Applications that were not funded in Program Year 2010 because no funds were available may be considered for funding under the Program Year 2011 guidelines.

Source: 24 CFR 570.480-497

Rule 11.7 Performance Measures. Beginning October 2006, HUD required that all recipients provide additional information to better measure the achievements of Federal programs. By law, all Federal agencies are required to measure outcomes of their programs and these measurements will be directly linked to funding decisions. The following information includes an objective,

possible outcomes, and possible indicators for each program category. This information will be used to assist MDA in reporting performance outcome measures to HUD.

Source: 24 CFR 570.480-497

Rule 11.8 Job Category Definitions.

A. Officials and Managers: Occupations requiring administrative personnel who set broad policies, exercise overall responsibility for execution of these policies, and direct individual departments or special phases of a firm's operations. Includes: officials, executives, middle management, plant managers, and superintendents, salaried supervisors who are members of management, purchasing agents and buyers, and kindred workers.

B. Professional: Occupations requiring either college graduation or experience of such kind and amount as to provide a comparable background. Includes: accountants and auditors, airplane pilots and navigators, architects, artists, chemists, designers, dieticians, editors, engineers, lawyers, librarians, mathematicians, natural scientists, registered professional nurses, personnel and labor relations workers, physical scientists, physicians, social scientists, teachers, and kindred workers.

C. Technicians: Occupations requiring a combination of basic scientific knowledge and manual skill which can be obtained through about 2 years of post high school education such as is offered in many technical institutes and junior colleges, or through equivalent on-the-job training. Includes computer programmers and operators, drafters, engineering aides, junior engineers, mathematic aides, licensed practical or vocational nurses, photographers, radio operators, scientific assistants, surveyors, technical illustrators, technicians (medical, dental, electronic, physical science) and kindred workers.

D. Sales: Occupations engaging wholly or primarily in direct selling. Includes: advertising agents and sales workers, insurance agents and brokers, real estate agents and brokers, sales-workers, demonstrators, retail sales workers, and sales clerks, grocery clerks and cashiers, checkers, and kindred workers.

E. Office and Clerical: Includes all clerical-type work regardless of level of difficulty, where the activities are predominantly nonmanual though some manual work not directly involved with altering or transporting the products is included. Includes: bookkeepers, cashiers, collectors (bills and accounts), messengers and office helpers, office machine operators, shipping and receiving clerks, stenographers, typists, and secretaries, telegraph and telephone operators, and kindred workers.

F. Craft Workers (skilled): Manual workers of relatively high skill level having a thorough and comprehensive knowledge of the processes involved in their work. Exercise considerable independent judgment and usually receive an extensive period of training. Includes: the building trades, hourly paid supervisors and lead operators (who are not members of management), mechanics and repairers, skilled machining occupations, compositors and typesetters, electricians, engravers, job setters (metal), motion picture projectionists, pattern and model makers, stationary engineers, tailors, and kindred workers.

G. Operatives (semi-skilled): Workers who operate machines or other equipment or perform other factory-type duties of intermediate skill level which can be mastered in a few weeks and require only limited training. Includes: apprentices (auto mechanics,

plumbers, bricklayers, carpenters, electricians, machinists, mechanics, building trades, metalworking trades, printing trades, etc.), operatives, attendants (auto service and parking), blasters, chauffeurs, delivery workers, dressmakers and sewers (except factory), dryers, furnace workers, heaters (metal), laundry and dry cleaning, operatives, milliners, mine operatives and laborers, motor operators, oilers and greasers (except auto), painters (except construction and maintenance), photographic process workers, boiler tenders, truck and

tractor drivers, weavers (textile), welders and flame cutters, and kindred workers.

H. Laborers (unskilled): Workers in manual occupations which generally require no special training to perform elementary duties that may be learned in a few days and require the application of little or no independent judgment. Includes: garage laborers, car washers and greasers, gardeners (except farm) and ground keepers, stevedores, wood choppers, laborers performing lifting, digging, mixing, loading and pulling operations, and kindred workers.

I. Service Workers: Workers in both protective and nonprotective service occupations. Includes: attendants (hospital and other institutions, professional and personal service, including nurses aides and orderlies), barbers, char-workers and cleaners, cooks (except household), counter and fountain workers, elevator operators, firefighters and fire protection guards, doorkeepers, stewards, janitors, police officers and detectives, porters, waiters and waitresses, and kindred workers.

Source: 24 CFR 570.480-497

Part 4 Chapter 12: Mississippi Main Street Investment Grant Fund

Rule 12.1 Purpose. The Mississippi Main Street Investment Grant Fund (MMSIGF) program, administered by the Mississippi Development Authority (MDA), is designed for making grants to municipalities to assist with maintaining and improving the viability of Revitalization Zones. The proceeds of a grant made to a municipality under this section may be used for maintaining and/or improving the viability of a Revitalization Zone through means deemed appropriate by the governing authorities of the municipality. The Mississippi Main Street Investment Grant Fund was authorized under Miss. Code Ann. § 57-1-601.

Source: Miss. Code Ann. § 57-1-601

Rule 12.2 The Mississippi Development Authority has designed the program guidelines to assure that these legislatively appropriated funds are invested to provide long-term sustainable improvements in locally defined and planned Revitalization Zones. To achieve this purpose, MDA has created three program priorities defined in detail within the Guidelines. These three priorities are as follows: Priority 1: Economic Development Improvements; Priority 2: Community Development Improvements; and Priority 3: Public Improvements. MDA award decisions will be weighted toward those grant applications that maximize job creation, private capital investment and long-term sustainable community development activities that will lead to future job creation and private capital investment.

Source: Miss. Code Ann. § 57-1-601

Rule 12.3 Amendments. These guidelines may be amended by MDA at any time. MDA, at its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the Act and is not prohibited by State Law.

Source: Miss. Code Ann. § 57-1-601

Rule 12.4 Eligible Applicants. Municipalities with a population of less than fifteen thousand (15,000) according to the latest federal decennial census at the time the municipality submits an application to MDA.

Source: Miss. Code Ann. § 57-1-601

Rule 12.5 Eligible Projects. Projects must be directly related to the implementation of a municipal determined and MDA approved Revitalization Zone.

Source: Miss. Code Ann. § 57-1-601

Rule 12.6 Revitalization Zone. An area in a municipality that is officially designated by ordinance or resolution of the governing authorities of the municipality as a revitalization zone and approved and certified by MDA as meeting the requirements of this section. Revitalization zones may embrace two or more separate parcels of real property. Revitalization zones may be publicly or privately owned.

Source: Miss. Code Ann. § 57-1-601

Rule 12.7 Priorities

- A. Economic Development Improvements - Projects that lead to growth of the state and local economy through private capital investment and new and improved job creation. (Specific companies to be identified.)
- B. Community Development Improvements - Projects that improve public infrastructure to indirectly benefit business location and expansion in the revitalization zone. Examples: Revitalization Zone public infrastructure such as water, sewer, roads, sidewalks, lighting, building facades, etc.
- C. Public Improvements- Projects that improve general public infrastructure that enhance the quality of the revitalization zone. Examples: Public building improvements, parks, recreation, etc.

Source: Miss. Code Ann. § 57-1-601

Rule 12.8 Grant Amounts. The amounts will be determined by MDA based upon the funds available at each application period and based upon the amounts requested in each application. The grant may not exceed ninety percent (90%) of the total project cost.

Source: Miss. Code Ann. § 57-1-601

Rule 12.9 Mississippi Employment Protection Act. All loan recipients and benefitting businesses entering into contracts with the Mississippi Development Authority represents and warrants that it will ensure compliance with the Mississippi Employment Protection Act and will register and participate in the status verification system of all newly hired employees. The term “employee” as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, “status verification system” means the illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program or any other successor electronic verification system replacing the E-Verify Program. The Applicant agrees to maintain such compliance and, upon request of the State, to provide copy of each such verification to the State. The Applicant further represents and warrants that any person assigned to perform services hereunder meet the employment eligibility requirements of all migration laws of the State of Mississippi. The Applicant understands and agrees that any breach of these warranties may subject the Applicant to the following: (a) termination of this Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to the Applicant by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) or both. In the event of such cancellation/termination, the Applicant would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit. (S.B. 2988, 2018 Regular Session).

Source: Miss. Code Ann. § 71-11-3; 57-1-371; 57-1-373

Rule 12.10 Minority Business Enterprises. MDA encourages the use of Minority-owned Business Enterprises (MBE) and Women-owned Business Enterprises (WBE). The Applicant must comply with all nondiscrimination and equal employment opportunity requirements.

Source: Miss. Code Ann. § 57-1-601

Rule 12.11 Ineligible Costs.

- A. Mississippi Main Street Investment Grant Fund (MMSIGF) Program funds cannot be used for administrative costs, legal or appraisal fees. Program funds may not be used for working capital, gaming enterprises, or for general expenditures which would normally be covered under a local municipality’s general operating budget. Funds must be used only for the activities identified in the application and approved in the grant agreement.
- B. The Applicant may not utilize MMSIGF proceeds to make a loan or grant to any private entity, public entity, or individual(s). An applicant may allow another organization, entity or individual to implement the grant activity on their behalf, but the grant applicant will remain the responsible party for all program requirements. The applicant may not use the funds to retire any debts, except for current construction type loans directly related to the project.

Source: Miss. Code Ann. § 57-1-601

Rule 12.12 Application Process. To apply for MMSIGF Program, a completed grant application that is submitted by an eligible applicant must include the following attachments:

- A. A detailed description of the project and narrative explaining how the specific improvements will enhance the Revitalization Zone.
- B. The name of the proposed Revitalization Zone, which shall include the name of the municipality in which the Revitalization Zone is to be located, together with the words 'Revitalization Zone.'
- C. A description of the Revitalization Zone by metes and bounds.
- D. A map showing the parcels of the real property included in the Revitalization Zone and the present use of such parcels.
- E. A master plan for the Revitalization Zone that has been approved by sixty percent (60%) of the property owners within the Zone at the time of application submittal.
- F. Sources and Uses of Funds: Budget with detailed cost estimates.
- G. Detailed timeline for project implementation and completion.
- H. If applicable, executed copy of the applicant's resolution committing other public funds and evidence that the matching funds are in place.
- I. If applicable, documentation of additional private investment.
- J. E-Verification for the applicant.
- K. Resolution from the applicant municipality authorizing submittal of the application.

Source: Miss. Code Ann. § 57-1-601

Rule 12.13 Fulfillment of Grant Application Requirements. The Applicant must fulfill the requirements of the standard grant application, which must be submitted to MDA for review and acceptance. An Applicant may only submit one application per funding period. MDA may reject any grant application that it deems is incomplete.

Source: Miss. Code Ann. § 57-1-601

Rule 12.14 Application Submission and Deadline. The Applicant must submit one original of the application to MDA. Complete applications must be submitted with bottom tabbed dividers in between each attachment. All documentation should have original signatures. The application deadline will be announced by MDA.

Source: Miss. Code Ann. § 57-1-601

Rule 12.15 Application Submission Address

Mississippi Main Street Investment Grant Fund
Mississippi Development Authority
Community Incentives Division

Post Office Box 849
Jackson, MS 39205

Source: Miss. Code Ann. § 57-1-601

Rule 12.16 Property Acquisition Proposal. If property acquisition is proposed, the Applicant must not purchase a building or facilities from individual(s), company(ies), or corporation(s) with MMSIGF proceeds, and subsequently lease them to the seller (previous owner) within 5 years of acquisition. The Applicant may not purchase a building that has been constructed in the last six months and may not purchase an existing building or facility for more than the appraised value. Before releasing any MMSIGF proceeds, the Applicant must provide title insurance on all real property acquisitions or title opinion on all other projects from the Applicant's attorney.

Source: Miss. Code Ann. § 57-1-601

Rule 12.17 Limitation on Grant Amount Designated for Engineering or Architectural Costs. Up to 8% of the principal grant amount may be used for design work, i.e., engineer or architect. Engineering and/or architectural costs above 8% must be paid from other funding sources.

Source: Miss. Code Ann. § 57-1-601

Rule 12.18 Time Limitation on Use of Grant Funds. The Applicant will be required to expend all MMSIGF proceeds within two years from the date of grant approval, unless a waiver at MDA's discretion is granted upon good cause shown. If the funds are not drawn within the two years, MDA will have the option to adjust the grant to the actual disbursements and recall the remaining funds.

Source: Miss. Code Ann. § 57-1-601

Rule 12.19 Selection Process. MDA staff will evaluate the application to determine if the project meets minimum program criteria. A staff review committee (CID Division Director, Community Development Bureau Manager, Program Manager) will evaluate and rank the Revitalization Zone project applications for application completeness and according to the MDA priorities. The MDA staff review committee will make a formal recommendation to MDA Executive Director for consideration and selection.

Source: Miss. Code Ann. § 57-1-601

Rule 12.20 Implementation Process. Upon being awarded a MMSIGF grant, a binding grant agreement will be executed between the Mississippi Development Authority and the local unit of government for the specific amount awarded to the applicant, and for the particular activity selected by the community.

Source: Miss. Code Ann. § 57-1-601

Rule 12.21 Construction and Expenses. Neither MDA nor non-MDA funds may be expended on the proposed project prior to the effective grant award date. Any expenses incurred before the effective date of the grant agreement will not be reimbursed by MDA. Construction may not begin prior to the effective grant award date. All funded projects are required to enter the construction phase within 12 months of the award date. Where construction has not begun within 12 months, the applicant must satisfactorily demonstrate why the project should be kept open or the award may automatically be voided.

Source: Miss. Code Ann. § 57-1-601

Rule 12.22 Procurement. All Applicant contracts and purchases must be made in accordance with normal bid and purchase laws of a municipality.

Source: Miss. Code Ann. § 57-1-601

Rule 12.23 Disbursement of Funds. All funds awarded must be spent for improvements within the scope of the original project description as stated in the grant application. Additionally, all funds will flow through the local municipality.

- A. MDA will release MMSIGF program proceeds for services rendered, on a reimbursement basis, for approved eligible costs incurred for the project.
- B. Local sponsors will have two (2) years from the date of the agreement to request reimbursement for MMSIGF funds. Failure to implement and complete the project within that time frame may result in the agreement being voided and funds de-obligated

Source: Miss. Code Ann. § 57-1-601

Rule 12.24 Requests for Cash. MMSIGF funds are requested by using the MDA provided Request for Cash form. The Request for Cash form provides the necessary information about the recipient, project, and budget, along with the required signatures to authorize the request. The costs reported must be equal to the amount requested and disbursed including any matching funds. Signatures on both forms are required in order to process the request.

Source: Miss. Code Ann. § 57-1-601

Rule 12.25 Authorized Signatory Letter Requirement. An Authorized Signatory Letter must be sent no later than with the first Request for Cash and at any time there is a change in administration. The Authorized Signatory Letter will advise CID of the authorized signatories for the MMSIGF project.

Source: Miss. Code Ann. § 57-1-601

Rule 12.26 Address to Submit Completed Requests for Cash. Completed requests for cash must be submitted to:

The Mississippi Development Authority
Community Incentives Division
Post Office Box 849
Jackson, Mississippi 39205-0849

Source: Miss. Code Ann. § 57-1-601

Rule 12.27 Submissions Must be Complete and Accurate. All forms submitted must be accurately completed or the request cannot be processed and will be returned to the recipient. Forms submitted with errors will delay the process and greatly impact the turnaround time for funds being released because all information must be verified and approved for payment prior to submission to DFA. According to State Statute, 45 days is allowed for the processing of cash requests. If after the 45th day payment has not been received, please contact the Program Manager to check on the status of your request.

Source: Miss. Code Ann. § 57-1-601

Rule 12.28 Requests Submitted at End of Fiscal Year. Requests for Cash overlapping the State's fiscal year (June 30th) or the sub-recipient's fiscal year must be separated into two separate requests.

Source: Miss. Code Ann. § 57-1-601

Rule 12.29 Requests for Construction Expenses. All requests for construction expenses must include an itemized invoice approved by the engineer.

Source: Miss. Code Ann. § 57-1-601

Rule 12.30 Matching Funds. Matching Funds must be expended at a proportionate rate with MMSIGF Funds and recorded on the Request for Cash.

Source: Miss. Code Ann. § 57-1-601

Rule 12.31 Contract Modifications. The Community Incentives Division requires all MMSIGF recipients to receive approval prior to making contract amendments, modifications or extensions. MMSIGF recipients must submit correspondence and documentation associated with the request, signed under the original signature of the chief elected official or appointed executive officer, supporting the need for the change(s) or extension.

Source: Miss. Code Ann. § 57-1-601

Rule 12.32 Budget Modifications. The Community Incentives Division must approve any changes to the original budget prior to local action.

Source: Miss. Code Ann. § 57-1-601

Rule 12.33 Limitations on Use of Excess Funds. No approved applicant will be allowed to use excess funds to pay for project costs not accounted for in the original project description (outside the original application and approved scope of work). Additionally, if the recipients complete their project for less than the amount awarded, the excess funds can be requested for additional project work as long as there is no change from the scope of the original project.

Source: Miss. Code Ann. § 57-1-601

Rule 12.34 Grant Closeout. Once all funds have been disbursed or construction of project activities are complete, the local municipality should submit a completed close-out package to CID. Close-out packages should be checked for accuracy prior to submission to CID. Incorrect and/or incomplete close-out packages will be returned for corrections and will significantly delay the closing of the grant.

Source: Miss. Code Ann. § 57-1-601

Rule 12.35 File Maintenance. Maintaining an efficient filing system is critical to the administration and monitoring of your project. A successful monitoring experience hinges on the quality with which the local municipality maintains its filing system and the ease of obtaining information from those files.

Source: Miss. Code Ann. § 57-1-601

Rule 12.36 Establishment of a File System. When establishing a file system, local municipalities should consider using two categories to set up their files: grant files and project files. The grant files should contain documentation and information that relate to the overall funding and administration of your project. The project files should contain specific documentation and information pertaining to the MMSIGF project and should be maintained for a minimum of five (5) years from grant closeout or for the period required as specified by governing regulations.

Source: Miss. Code Ann. § 57-1-601

Rule 12.37 Audit. Funds provided under the MMSIGF Program are subject to audit and/or monitoring by the MDA, Office of the State Auditor, or other appropriate agency such as, Department of Environmental Quality, and/or Department of Health, etc.

Source: Miss. Code Ann. § 57-1-601

Adopted: March 28, 2023

Rule 13.1 Program Objective.

- A. The Mississippi Main Street Revitalization Grant Program Act (MMSRGP) administered by the Mississippi Development Authority (MDA), is designed for making grants available to selected Main Street Designated Community

programs to finance projects that will develop land use strategies and conduct activities that facilitate the conservation of Mississippi's historic, cultural, natural, and scenic resources.

- B. The MMSRGP Act is authorized under Senate Bill 2359, 2023 Regular Legislative Session (the "Act"). Funding for grants to eligible applicants is derived from appropriations or funds otherwise made available by the State Legislature.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.2 Eligible Recipient. Eligible recipients include a Main Street Designated Community that is a good-standing member of the MMSA (Mississippi Main Street Association), has obtained Section 501(c)(3) tax-exempt status or Section 501(c)(6) tax-exempt status from the Internal Revenue Service and possesses matching funds to match twenty percent (20%) of the total project cost.

A Main Street Designated Community will be ineligible under this program if their community was a recipient of a Main Street Revitalization Grant in the previous year.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.3 Eligible Projects. The intent of the Act is to make grants available to selected Main Street Designated Community programs for projects that will lead to the revitalization of Mississippi's downtowns. Eligible costs for the expenditure of grant funds include the acquisition of land and any improvements thereon, preservation of historic downtown structures and sites, and initiatives that will produce a revitalization to the economy of the historic downtown areas.

Projects must have the potential to generate increased economic activity in the region. The MMSA will consider projects in relation to the following criteria:

- A. The demonstration of local financial need;
- B. Projects that demonstrate high local impact;
- C. Projects that produce a high level of public benefit;
- D. Projects that demonstrate best practices in preservation;
- E. Projects that will have local administration and implementation capacity;
- F. The distribution of geographic size and location of the project;

G. Projects that will be completed on time; and

H. Whether the community in which the project is located has not received funding under this section for the previous year.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.4 Approval Process for Grants. The MMSA shall accept applications from eligible recipients, prioritize their applications and submit a list of suggested recipients to the Legislature no later than December of each year. The Legislature will review and determine the projects for which to award grants to the selected eligible recipients through the MDA in an appropriation bill.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.5 Match Requirements. The Mississippi Development Authority will provide grant funds to the Main Street Designated Communities on a reimbursement basis, not to exceed Five Hundred Thousand Dollars (\$500,000.00) per community each year. Grantees shall not receive compensation for their required twenty percent (20%) local match. Main Street Designated Communities with a population greater than ten thousand (10,000) will be required to have a local cash match of twenty percent (20%). Main Street Designated Communities with a population of less than ten thousand (10,000), will be required to have a local cash match of ten percent (10%) for the first One Hundred Thousand Dollars (\$100,000.00) requested, then will be required to have a local cash match of twenty percent (20%) for any amount over One Hundred Thousand Dollars (\$100,000.00).

Matching Funds must be expended at a proportionate rate with grant funds and recorded on the Request for Cash.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.6 Mississippi Employment Protection Act. All grant recipients entering into grant agreements with the Mississippi Development Authority must represent and warrant that they will ensure compliance with the Mississippi Employment Protection Act and will register and participate in the E-Verify System, the federal employment status verification system, of all newly hired employees.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.7 Repayment of Funds. Grant Agreements require repayment of funds by grantees if the grant was based upon fraudulent information provided by the applicant or the applicant fails to meet performance metric requirements as described in the grant agreement.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.8 Eligible Costs. Grants may be awarded for prospective purchases or for acquisitions of which the applicant has closed. In the latter case, the applicant shall demonstrate:

- A. The closing occurred no more than twelve (12) months prior to the date of application for the grant; and
- B. The subject purchase was made to help preserve and revitalize the location and economy of a historic downtown community.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.9 Application Requirements. The application must be submitted by deadlines and procedures established by MMSA and include the following:

- A. The name, address, and contact information of the applicant and the benefiting entity, if different;
- B. A detailed description of the project and a narrative explaining how the project relates to the statutory priorities of the Act;
- C. Current employment levels at the project site and an estimated increase, if any, as a result of the project (if applicable);
- D. A description of the applicant's investment in the project and all public and/or private sources of funding that have been secured and that will be utilized exclusively for the project;
- E. Cost estimate: a cost estimate must be submitted by an engineer, architect, or appropriate official;
- F. Timeline for implementation and completion of the project;
- G. Budget sheet;
- H. Project Maps and/or Construction Drawings, if applicable;
- I. Executed copy of the local unit of government's resolution of authorization to apply for grant funds (if the applicant is a public entity);
- J. Executed copy of the local unit of government's resolution committing matching funds to the project (if the applicant is a public entity);
- K. Documentation of additional funds, if applicable (all matching funds must be committed and in place with documentation at the time of application);
- L. Supporting documentation, such as pictures, company commitment letters,

letters of support from stakeholders, etc., if applicable;

M. Proof that E-Verification systems are in place, if applicable;

N. Proof of Secretary of State Status, if applicable.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.10 Audit. Funds provided are subject to audit and/or monitoring by the MDA, Office of the State Auditor, or other appropriate agency.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.11 Implementation and Financing. Grantees must adhere to Mississippi state procedures and guidelines relating to the implementation and financing of the approved project. Grantees must also submit any and all audit and financial statements as required by the State of Mississippi.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.12 Minority and Women Owned Business Enterprises. MDA encourages the maximum opportunity for increased participation by minority and women-owned business enterprises in the procurement of goods and services. MDA's Minority Business Division and the Mississippi Procurement Technical Center can assist with minority and women-owned business enterprise outreach efforts. See www.mmbr.org or www.msccpc.com for more information.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.13 Disbursement of Funds. All funds awarded must be spent for improvements within the scope of the original project description as stated in the grant application.

Grant funds are requested by using the MDA provided Request for Cash form. The Request for Cash form provides the necessary information about the recipient, project, and budget, along with the required signatures to authorize the request. The costs reported must be equal to the amount requested and disbursed including any matching funds. Signatures are required in order to process the request.

All forms submitted must be accurately completed or the request cannot be processed and will be returned to the recipient. Forms submitted with errors will delay the process and greatly impact the turnaround time for funds being released because all information must be verified and approved for payment prior to submission to DFA. According to State Statute, 45 days is allowed for the processing of cash requests. If after the 45th day payment has not been

received, please contact the Program Manager to check on the status of your request.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.14 Grant Agreement Modifications. MDA requires all grant recipients to receive approval prior to making contract amendments, modifications, or extensions. Grant recipients must submit correspondence and documentation associated with the request, signed under the original signature of the chief elected official or appointed executive officer, supporting the need for the change(s) or extension.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.15 Reporting. Reporting requirements are subject to Mississippi law.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.16 Authorized Signatory Letter Requirement. An Authorized Signatory Letter must be sent no later than with the first Request for Cash. The Authorized Signatory Letter will advise MDA of the authorized signatories for the project.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.17 Close Out Process. Once all funds have been disbursed or project activities are complete, the grantee should submit a completed close-out package to MDA. Close-out packages should be checked for accuracy prior to submission to MDA. Incorrect and/or incomplete close-out packages will be returned for corrections and will significantly delay the closing of the grant.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.18 File Maintenance. Maintaining an efficient filing system is critical to the administration and monitoring of your project. A successful monitoring experience hinges on the quality with which the grantee maintains its filing system and the ease of obtaining information from those files.

When establishing a file system, grantees should consider using two categories to set up their files: grant files and project files. The grant files should contain documentation and information that relate to the overall funding and administration of your project. The project files should contain specific documentation and information pertaining to the project and should be maintained for a minimum of five (5) years from grant closeout or for the period required as specified by governing regulations.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Rule 13.19 Waiver. These guidelines may be amended by MDA at any time. MDA, at its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the Act and is not prohibited by State Law.

Source: Senate Bill 2359, 2023 Regular Legislative Session

Program Contacts. With questions or to request more information regarding the Mississippi Main Street Revitalization Grant Program Act, contact:

Mississippi Development Authority
Community Incentives Division
P.O. Box 849
Jackson, Mississippi 39205
601.359.3619

Adopted: November 15, 2023