

SENATE BILL NO. 656

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR BEAN.

2475S.01H

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 620, RSMo, by adding thereto seven new sections relating to rural workforce housing, with a penalty provision.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 620, RSMo, is amended by adding thereto
2 seven new sections, to be known as sections 620.2030, 620.2032,
3 620.2034, 620.2035, 620.2036, 620.2038, and 620.2040, to read
4 as follows:

620.2030. 1. Sections 620.2030 to 620.2040 shall be
2 known and may be cited as the "Rural Workforce Housing
3 Investment Act".

4 2. For purposes of sections 620.2030 to 620.2040, the
5 following terms mean:

6 (1) "Department", the department of economic
7 development;

8 (2) "Director", the director of the department of
9 economic development;

10 (3) "Eligible activities of a nonprofit development
11 organization":

12 (a) New construction of owner-occupied or rental
13 housing in a community with demonstrated workforce housing
14 needs;

15 (b) Substantial repair or rehabilitation of
16 dilapidated housing stock; or

17 (c) Upper-story housing development;

18 (4) "Matching funds", dollars contributed by
19 individuals, businesses, foundations, local and regional
20 political subdivisions, or other nonprofit organizations to
21 a workforce housing investment fund administered by a
22 nonprofit development organization;

23 (5) "Nonprofit development organization", a regional
24 or statewide nonprofit development organization approved by
25 the director;

26 (6) "Qualified activities", include, but are not
27 limited to, purchase and rental guarantees, loan guarantees,
28 loan participations, and other credit enhancements, or any
29 other form of assistance designed to reduce the cost of
30 workforce housing related to eligible activities of the
31 nonprofit development organization;

32 (7) "Qualified investment", a cash investment in a
33 workforce housing investment fund administered by a
34 nonprofit development organization;

35 (8) "Rural community", any city or county with a
36 population of fewer than fifty thousand inhabitants as
37 determined by the most recent federal decennial census;

38 (9) "Workforce housing":

39 (a) Housing that meets the needs of modern working
40 families;

41 (b) Housing that is attractive to new residents
42 considering relocation to a rural community;

43 (c) Owner-occupied housing units that cost not more
44 than two hundred seventy-five thousand dollars per unit to
45 construct or rental housing units that cost not more than
46 two hundred thousand dollars per unit to construct. For
47 purposes of this subdivision, housing unit costs shall be
48 updated annually by the department based upon the most
49 recent increase or decrease in the Producer Price Index for

50 all commodities, published by the United States Department
51 of Labor, Bureau of Labor Statistics;

52 (d) Owner-occupied and rental housing units for which
53 the cost to substantially rehabilitate exceeds fifty percent
54 of a unit's assessed value;

55 (e) Upper-story housing; and

56 (f) Housing that does not receive federal or state low-
57 income housing tax credits, community development block
58 grants, or loans or grants from the Missouri housing trust
59 fund under section 215.034;

60 (10) "Workforce housing investment fund", a fund that
61 has been created by a nonprofit development organization and
62 certified by the department to encourage development of
63 workforce housing in rural communities.

620.2032. 1. There shall be established within the
2 department of economic development a workforce housing grant
3 program to foster and support the development of workforce
4 housing in rural communities.

5 2. A nonprofit development organization may apply to
6 the department for approval of a workforce housing grant for
7 the creation of a workforce housing investment fund. The
8 application shall be in a form and manner prescribed by the
9 director. For fiscal years ending on or before June 30,
10 2028, grants shall be awarded by the director on a
11 competitive basis until grant funds are no longer
12 available. Grant maximums shall not exceed one million
13 dollars to any one nonprofit development organization over a
14 two-year period, with no more than two million dollars
15 cumulative for any single grantee for all fiscal years
16 ending on or before June 30, 2028. Grants shall require a
17 minimum one-to-one in matching funds to be considered a
18 qualified grant application. Unallocated workforce housing

19 grant funds held by the department shall be available to be
20 awarded in the next program year.

21 3. Grants shall be awarded based upon:

22 (1) A demonstrated and ongoing housing need as
23 identified by a recent housing study;

24 (2) A community or region that has a low unemployment
25 rate and is having difficulty attracting workers and filling
26 employment positions;

27 (3) A community or region that exhibits a demonstrated
28 commitment to growing its housing stock;

29 (4) Projects that can reasonably be ready for
30 occupancy in a period of twenty-four months; and

31 (5) A demonstrated ability to grow and manage a
32 workforce housing investment fund.

33 4. A workforce housing investment fund shall be
34 required to receive annual certification from the department.

35 5. A nonprofit development organization shall:

36 (1) Invest or intend to invest in workforce housing
37 eligible activities;

38 (2) Use any fees, interest, loan repayments, or other
39 funds it receives as a result of the administration of the
40 grant to support qualified activities; and

41 (3) Have an active board of directors with expertise
42 in development, construction, and finance that meets at
43 least quarterly to approve all qualified investments made by
44 the nonprofit development organization. A nonprofit
45 development organization shall have a formal plan and proven
46 expertise to invest unused workforce housing investment fund
47 balances and shall have an annual audit of all financial
48 records conducted by an independent certified public
49 accountant.

620.2034. 1. There is hereby created in the state
2 treasury the "Rural Workforce Housing Investment Fund",
3 which shall consist of moneys appropriated to the fund by
4 the general assembly. The state treasurer shall be
5 custodian of the fund. In accordance with sections 30.170
6 and 30.180, the state treasurer may approve disbursements.
7 The fund shall be a dedicated fund and, upon appropriation,
8 moneys in this fund shall be used solely as provided in
9 sections 620.2030 to 620.2040. The department shall
10 administer the fund and may seek additional private funds,
11 nonstate funds, or funds from other interested parties to
12 use in the workforce housing grant program.

13 2. Notwithstanding any other provisions of law to the
14 contrary, any moneys remaining in the fund at the end of the
15 biennium shall not revert to the credit of the general
16 revenue fund.

17 3. The state treasurer shall invest moneys in the fund
18 in the same manner as other funds are invested. Any
19 interest and moneys earned on such investments shall be
20 credited to the fund.

620.2035. 1. If a nonprofit development organization
2 fails to engage in the initial qualified activity within
3 twenty-four months after receiving initial grant funding,
4 the nonprofit development organization shall return the
5 grant funds to the department for credit to the rural
6 workforce housing investment fund established under section
7 620.2034.

8 2. If a nonprofit development organization fails to
9 allocate any remaining initial grant funding on a qualified
10 activity within twenty-four months after engaging in the
11 initial qualified activity, the nonprofit development
12 organization shall return such unallocated grant funds to

13 the department for credit to the rural workforce housing
14 investment fund established under section 620.2034.

15 3. The director shall have discretion to transfer any
16 unused funds to any qualifying trust or fund before August
17 28, 2030. Beginning August 28, 2030, any funds held by the
18 department and not designated by the director to be
19 disbursed to an alternative trust or fund shall be
20 transferred to the Missouri housing trust fund established
21 under section 215.034.

620.2036. 1. Each nonprofit development organization
2 shall submit an annual status report to the director. The
3 report shall certify that the nonprofit development
4 organization meets the requirements of sections 620.2030 to
5 620.2040 and shall include a breakdown of program activities.

6 2. The annual report shall include, but not be limited
7 to:

8 (1) The name and geographical location of the
9 reporting nonprofit development organization;

10 (2) The number, amount, and type of workforce housing
11 investment funds invested in qualified activities;

12 (3) The number, geographical location, type, and
13 amount of investments made;

14 (4) A summary of matching funds and where such
15 matching funds were generated; and

16 (5) The results of the annual audit required under
17 subsection 5 of section 620.2032.

18 3. If a nonprofit development organization ceases
19 administration of a workforce housing investment fund, it
20 shall file a final report with the director in a form and
21 manner required by the director. Before August 28, 2030,
22 any unallocated grant funds shall be returned to the
23 department for credit to the rural workforce housing

24 investment fund. Beginning August 28, 2030, any unallocated
25 grant funds shall be returned to the department for credit
26 to the Missouri housing trust fund established under section
27 215.034.

28 4. If a nonprofit development organization fails to
29 file a complete annual report by February fifteenth, the
30 director may, in his or her discretion, impose a civil
31 penalty of not more than five thousand dollars for such
32 violation. All moneys collected by the department under
33 this subsection shall be remitted to the state treasurer for
34 distribution in accordance with Article IX, Section 7 of the
35 Constitution of Missouri.

620.2038. 1. The department shall use its best
2 efforts to ensure that grant funds awarded to nonprofit
3 development organizations are targeted to the geographic
4 communities or regions with the most pressing economic and
5 employment needs.

6 2. The department shall use its best efforts to ensure
7 that the allocation of grant funds provides equitable access
8 to the benefits provided by sections 620.2030 to 620.2040 to
9 all eligible geographical areas.

10 3. The department may contract with a statewide public
11 or private nonprofit organization that shall serve as agent
12 for the department to help carry out the purposes and
13 requirements of sections 620.2030 to 620.2040. The
14 department or its agent shall use for expenses only that
15 portion of the funds available for the workforce housing
16 grant program through the rural workforce housing investment
17 fund necessary to cover the actual costs of administering
18 the program including, but not limited to, the hiring of
19 staff.

620.2040. 1. The department shall submit an annual
2 status report to the general assembly and the governor that
3 includes, but is not limited to:

4 (1) The number and geographical location of nonprofit
5 development organizations establishing workforce housing
6 investment funds;

7 (2) The number, amount, and type of workforce housing
8 investment funds invested in qualified activities; and

9 (3) The number, geographical location, type, and
10 amount of investments made by each nonprofit development
11 organization.

12 2. The report to the general assembly shall be
13 submitted electronically.

14 3. Information received, developed, created, or
15 otherwise maintained by the department in administering and
16 enforcing sections 620.2030 to 620.2040, other than
17 information required to be included in the report to be
18 submitted by the department to the governor and the general
19 assembly under this section, may be deemed confidential by
20 the department and not considered public records subject to
21 disclosure under chapter 610.

22 4. The director may promulgate all necessary rules and
23 regulations for the administration of sections 620.2030 to
24 620.2040. Any rule or portion of a rule, as that term is
25 defined in section 536.010, that is created under the
26 authority delegated in this section shall become effective
27 only if it complies with and is subject to all of the
28 provisions of chapter 536 and, if applicable, section
29 536.028. This section and chapter 536 are nonseverable and
30 if any of the powers vested with the general assembly
31 pursuant to chapter 536 to review, to delay the effective
32 date, or to disapprove and annul a rule are subsequently

33 held unconstitutional, then the grant of rulemaking
34 authority and any rule proposed or adopted after August 28,
35 2025, shall be invalid and void.

✓