

FY 2009 Annual Program Performance Measures

DEPARTMENT:

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: Sec 106 MSHDA

PROGRAM: MSHDA

TIMELINE: October 1, 2008 through September 30, 2009

AGENCY STATEMENT

MSHDA provides financial and technical assistance through public and private partnerships to create and preserve safe and decent affordable housing, engage in community development activities, and address homeless issues.

ORGANIZATION:

Executive

Agency administration; governmental relations; public relations; marketing research; planning; organizational development; education and training technology; human resources

Asset Management

Financial and physical property operations oversight of Multifamily direct loans; preservation and transfer of physical assets; mortgage workouts and Contract Administration for HUD.

Community Development

Neighborhood Preservation Program (NPP); technical assistance; grants to nonprofit organizations and local governments; and property improvement.

Housing Voucher

Housing Choice Voucher (HCV) rental assistance through these programs: HCV, Family Self Sufficiency (FSS), and the "Key to Own" Homeownership Program.

Finance

Capital formation and financial management; loan servicing; accounting.

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Homeownership

Home mortgages, home ownership counseling, Individual Development Accounts.

Legal

Legal aspects of loan underwriting and bond and note sales; loan closings; review of administrative procedures and legislation; public hearings; fair housing; compliance; Low Income Housing Tax Credit (LIHTC) and modified pass through lending.

Rental Development and Homeless Initiatives

Multifamily direct rental housing development loans and Section 236/202 preservation loans; supportive housing loans; technical services including design review, construction monitoring, inspection, appraisals, environmental review, energy conservation and fire safety. Loans and grants to finance or gap finance construction of supportive housing and financial support of homeless initiatives.

Southeast Michigan Development

The Southeast Michigan Development Division was established to provide assistance to our partners through outreach and marketing of several MSHDA programs in the counties of Wayne, Oakland Macomb and Monroe. Programs include Multi-family, Tax credits, Community Development, Brownfield Redevelopment and Preservation.

Specialized Technical Assistance and Revitalization Strategy (STARS)

Provides technical assistance related to Cool Cities, MainStreet, and Blueprints.

Urban Revitalization

The Urban Revitalization Division houses the Cool Cities and the Cities of Promise - initiatives of Governor Jennifer Granholm created to address the issues so central to the transformation of Michigan's economy. The goals of this division are to work with local and state agency partners to improve quality of life, and create vibrant urban centers and thriving downtowns across our state. The Michigan Cities of Promise is an interagency initiative that is working to rekindle and encourage hope for eight of Michigan's most vulnerable cities - Benton Harbor, Detroit, Flint, Hamtramck, Highland Park, Muskegon Heights, Pontiac, and Saginaw. It is a whole cloth, quality of life initiative, that aims to reduce poverty, and increase community and economic development. The Michigan Cool Cities Initiative is an urban strategy to revitalize Michigan's cities by attracting the talent and jobs of the emerging economy. It is a collaborative model for economic engagement and community revitalization.

FUND SOURCE:

Federal Funds

State Restricted Funds

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LEGAL BASIS

Michigan P.A. 346 of 1966, as amended
U.S. Housing Act of 193

CUSTOMER IDENTIFICATION

People with very low and moderate incomes (direct)
Local Governments (indirect)
Downtown Development Authorities (indirect)
Landlords (indirect)
For profit housing developers (indirect)
Financial Institutions (indirect)
Management companies (indirect)
Nonprofit organizations (indirect)
Realtors (stakeholder)
Builders (stakeholder)

FY 2009 AGENCY GOALS/MAJOR OBJECTIVES

Homeownership and Home Improvement

- Re-open MCC Single Family Loan Program on a temporary basis
- Outsource 800 call center
- Create foreclosure intake software
- Create and implement Energy Efficiency Loan program to use with SF Loan programs
- Originate \$3.5 million in PIP loans
- Expand energy-efficient standards to rehabilitation projects

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Affordable Rental Housing

- Monitor and prepare underperforming rental projects for final closing
- Develop small scale asset management system/protocol
- Facilitate the progress of construction on MSHDA financed developments
- Allow all mortgage and construction draw applications to be processed, stored, submitted, and accessed electronically by MSHDA staff and outside customers
- Compress the underwriting time for processing of deals

Homeless and Supportive Housing

- Issue a minimum of 1,800 Housing Assistance Recovery Program (HARP) vouchers
- Commit a minimum of 300 Project Based Vouchers for supportive housing tenants
- Lease a minimum of 200 Supportive Housing units
- Provide a minimum of 800 people with TBRA subsidized housing
- Sustaining Momentum for Michigan's Campaign to End Homelessness

Vibrant Communities, Neighborhoods, and Downtowns

- Provide partners with tools and resources to achieve or maintain long-term neighborhood sustainability
- Work with partners to assure that inventory of unsold homes are marketed appropriately
- Increase ongoing communication/feedback with partners on programs
- Work collaboratively with state agency and other high value partners to create places where talent wants to live, provide incentives for regional collaboration, and work to energize our cities
- Educate, enable, and empower communities to provide economic opportunities, and improve social conditions in a sustainable way
- Create an environment that attracts, retains, and/or grows business in the Cities of Promise, and generates opportunities for jobs
- Improve neighborhood physical conditions, market, and management, thereby creating a healthy neighborhood where individuals and families choose to live and stay

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FY 2009 AGENCY ACCOMPLISHMENTS

Homeownership and Home Improvement

- Re-opened MCC program to Lenders in July 2009
- Implemented major marketing campaign for "Save the Dream"
- Created foreclosure intake form and in testing for "Helping Hands" website
- Created and implemented NSP rehabilitation loans program for previously foreclosed or abandoned homes
- Originated \$3.3 million in PIP loans
- Financed \$259 million in single family mortgages

Affordable Rental Housing

- Began tracking underperforming projects much more closely and are working with owners to correct problems as they occur - several restructurings have been negotiated and/or closed during calendar year 2009
- Completed a census of small scale projects developed by Supportive Housing and Community Development over the past decade and are working to bring them into a common oversight system
- Processed 43 deals in the last 4 months of the year representing over \$160 million in ARRA funding - all applications were received in July or later
- Financed \$60 million in multifamily loans

Homeless and Supportive Housing

- Issued approximately \$23,000,000 in Homelessness Prevention and Rapid Re-Housing (HPRP) dollars across the state.
- Issued 193 Housing Assistance Recovery Program (HARP) vouchers.
- Issued approximately 261 Project Based Vouchers.
- Leased approximately 200 Supportive Housing units.
- Issued approximately 905 Tenant Based Rental Assistance (TBRA) coupons.
- Conducted the 4th Annual Summit on Ending Homelessness in Michigan.

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Vibrant Communities, Neighborhoods, and Downtowns

- Worked with partners to assist their efforts to maintain long-term neighborhood sustainability
- Continued working with partners to reduce inventory of unsold homes
- Continued ongoing communication/feedback with partners on programs
- Worked collaboratively with state agency and other high value partners to continue addressing the foreclosure crisis and the associated blight
- Distributed \$55 million to local governments and nonprofit organizations

FY 2010 AGENCY GOALS

Homeownership and Home Improvement

- Increase capacity for Homeownership Counseling Agencies
- Create and grow Social Media outlets for the Homeownership Division
- Evaluate and implement meaningful "resident owned communities" program
- Originate \$4.0 million in PIP loans
- Finance \$204 million in single family loans
- Allocate \$78 million in MCC

Affordable Rental Housing

- Monitor and prepare underperforming rental projects for final closing
- Develop small scale asset management system/protocol
- Facilitate the progress of construction on MSHDA financed developments
- Allow all mortgage and construction draw applications to be processed, stored, submitted, and accessed electronically by MSHDA staff and outside customers
- Compress the underwriting time for processing of deals
- Finance \$70 million in multifamily loans

Homeless and Supportive Housing

- Issue 50% of the Homelessness Prevention and Rapid Re-Housing funds to individuals or families to prevent homelessness or re-house those living in homelessness.
- Issue a minimum of 1,800 Housing Assistance Recovery Program (HARP) vouchers
- Commit a minimum of 620 Project Based Vouchers for supportive housing tenants
- Lease a minimum of 220 Supportive Housing units
- Provide a minimum of 800 people with TBRA subsidized housing

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- Sustain momentum for Michigan's Campaign to End Homelessness

Vibrant Communities, Neighborhoods, and Downtowns

- Provide partners with technical assistance to assist their efforts to maintain long-term neighborhood sustainability
- Work with partners to assure that inventory of unsold homes are marketed appropriately
- Increase ongoing communication/feedback with partners on programs - this includes regular meetings with the Community Economic Development Association of Michigan (CEDAM), and soliciting feedback from lenders and community agents on propose changes to the Property Improvement Program
- Continue to work collaboratively with state agency and other high value partners to foster and support local efforts to improve housing conditions, including addressing the foreclosure crisis and the associated blight

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LINE ITEM PROGRAM: **PAYMENTS ON BEHALF OF TENANTS**

Date: 12/14/09

PROGRAM STATEMENT/INFORMATION

The purpose of the Payments on Behalf of Tenants line item is to provide financial assistance to households with very low incomes to help pay their rent and to ensure that the housing they rent is decent and sanitary. MSHDA administers the federally funded Section 8 Housing Choice Voucher program statewide.

The goal of the Michigan State Housing Development Authority's Office of Housing Voucher Programs (HVP) is to assist Michigan's very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing. At least 85% percent of new admissions must have adjusted incomes at or below 30% of Area Median Income (AMI); and up to 15% of new admissions may have annual adjusted incomes at or below 50% of AMI. Once accepted into the program, recipients must select their own rental unit. MSHDA contracts with Housing Agents (nonprofits, local units of government, Limited Liability Corporations) to administer the statewide Housing Choice Voucher Program (HCV). Housing Agents also inspect rental units on the program to ensure they meet Housing Quality Standards determined by the Department of Housing and Urban Development.

It is also the goal of MSHDA's Housing Choice Voucher Family Self-Sufficiency and Homeownership programs to promote and provide education and opportunities for families to become economically self-sufficient and end the cycle of assistance to recycle the vouchers to additional families in need.

FY 2009 MAJOR OBJECTIVES

- Utilize 100% of available Housing Choice Vouchers (HCV) and ensuring 100% of the units meet HQS.
- Continue efforts to assist the homeless through the HCV statewide Homeless Assistance Recovery Program (HARP). Manage the continued effort to create the best Family Self-Sufficiency (FSS) Program in the nation. Determine and guide the FSS program staff with marketing and program guideline structure to ensure our enrollment increases to the desired number of slots.
- Commit up to 600 PBV to be utilized in developments that have a special needs population that are funded through the approved CY 2008-2009 Qualified Action Plan (QAP) for the LIHTC Program.
- Link 30 new successful participants with MSHDA's Key to Own, HCV Homeownership program.
- Provide Downpayment Assistance to 15 voucher holders in exchange for the voucher in 2009.

FUND SOURCE

Federal funds

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LEGAL BASIS

Michigan P.A. 346 of 1966, as amended
U.S. Housing Act of 1937

FY 2009 PROGRAM EFFECTIVENESS

During FY 2009, the program distributed approximately \$143 million in subsidies to 24,574 recipients with an average income of \$10,073 with an average household size of 2. The recipients paid approximately 30% to 40% of their income for rent and the program paid on the average of \$486 per household to make up the difference.

During FY 2009, 100% of available vouchers were utilized.

During FY 2009, at minimum 24,574 inspections were made of units occupied by program participants to insure they met HQS.

PROGRAM IMPROVEMENT PLANS

MSHDA is working on improvements to its new database management software. Process Improvement Teams on voucher allocation, Payment Inquiries, EIV/PIC reporting, and portability will provide us with options to work smarter with fewer resources.

FY 2010 OBJECTIVES

- Utilize 100% of available Housing Choice Vouchers (HCV) and ensuring 100% of the units meet HQS.
- Continue efforts to assist the homeless through the HCV statewide Homeless Assistance Recovery Program (HARP). Manage the continued effort to create the best Family Self-Sufficiency (FSS) Program in the nation. Determine and guide the FSS program staff with marketing and program guideline structure to ensure our enrollment increases to the desired number of slots.
- Exceed commitment of 600 PBV to be utilized in developments that have a special needs population that are funded through the approved CY 2009-2010 Qualified Action Plan (QAP) for the LIHTC Program.
- Link 30 new successful participants with MSHDA's Key to Own, HCV Homeownership program.
- Provide Downpayment Assistance to 15 voucher holders in exchange for the voucher.