STATE OF MICHIGAN
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GOVERNOR
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING
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EXECUTIVE DIRECTOR

MEMORANDUM

To: County Allocation Grantees

From: Bill Parker, Director of Field Services
Office of Community Development

Date: August 11, 2009

Subject: Change in Funding Cycle, Grants Increases and Extensions

Over the past few years, MSHDA has experienced delays in receiving CDBG funds awarded by HUD. This year the awards announced in January of 2009 only became available in IDIS this week. As a result of these delays, MSHDA OCD has decided to change the cycle for funding CDBG county allocation grants from a 30 month term starting January 1, to a start day of July 1. Therefore the next NEW grants awarded will begin July 1, 2010 (instead of January 1, 2010) and end December 31, 2012. MSHDA OCD expects 100% of the grant funds to be committed within the first 24 months of the grant term; the final six months will be used to expend all grant dollars.

In an effort to bring all counties into this new grant cycle, and avoid any gaps in funding, MSHDA OCD will be extending and increasing most current county allocation grants Your Community Development Specialist will evaluate your grant progress and increase and/or extend your grant as appropriate. In addition, the amount budgeted for administrative fees will increase in proportion to the overall increase (example an increase of $50,000 will have $41,000 allocated to projects and $9,000 (18% of $50,000) for administration).

Some County Allocation Grants may be on an abnormal schedule or not active at this time, so there will be exceptions to the general policy to increase and extend grants as noted above. It is also possible that Grants substantially behind on the expected progress (15% expended after six months, 40% after twelve, 70% after 18 months and 100% after 24 months) may not receive an extension or increase.

If you have any questions, please contact your CD Specialist.