



A NEW PROGRAM
IS HEADING YOUR WAY!



**Michigan State Housing Development Authority
Housing Initiatives Division's MSHDA Mod Program
"Rural/Direct Funded" Letter of Interest**

April 15, 2019

MSHDA will provide up to \$1,960,000 in funding statewide for new construction of modular single-family spec models to support workforce housing needs within the community.

Interest submissions are being invited from any qualified nonprofit 501(c)(3) agency which is actively servicing a neighborhood; has at least one full-time employee; is not operating the agency via their principal residence; and has an operating budget exceeding \$30,000 per year **OR** any rural local unit of government with a population of less than 5,000 **OR** non-rural local units of government with a population of less than 50,000 that are not direct recipients of U.S. Department of Housing and Urban Development federal funds exceeding \$350,000 of CDBG and/or HOME program allocation per year.

Awards will be made based on population, geographical distribution, community need, timing and the proposed use of the MSHDA Mod funds.

All Program Information is posted on MSHDA's website:

https://www.michigan.gov/mshda/0,4641,7-141-5564_91681---,00.html

IMPORTANT DATES

Submission Deadline: Midnight, Monday, June 3, 2019

May 10, 2019 - Email all questions by this date to HIDmailbox@michigan.gov with a Subject Line Reference entitled, "MSHDA Mod Question".

May 13, 2019 - Responses to questions posted in writing on MSHDA's website above.

May 15, 2019 - 1:00p.m.– 2:00p.m. EST - Join us for a Q & A conference call (877.402.9753 Access Code 3292085) to review all submitted questions and our responses. *

June 3, 2019 – Midnight - Submission Deadline. Email Cover Letter, Letter of Interest and Required Documents to HIDmailbox@michigan.gov **AND** mail one original copy to MSHDA, Housing Initiatives Division, 735 East Michigan Ave., Lansing, MI 48912 within three business days of submission. NOTE: Late submissions cannot be considered.

July 8, 2019 - Anticipated Award Announcement.

All submissions become the property of MSHDA, are subject to FOIA, and cannot be returned.



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PROGRAM SPECIFICATIONS

Eligibility:

All proposed activities are restricted to income qualified neighborhood areas (Reference Eligibility Guidance via Exhibits B-1 and B-2 on MSHDA's website), and must be "designed to improve the quality of life of the residents of low, moderate and middle-income housing or of an area undergoing neighborhood conservation or renewal."

- Area boundaries that are primarily residential.
- Census tracts/block groups that are in 120% or below area median income (AMI) areas.
- Households receiving direct assistance must be at or below 120% AMI.

Program Parameters:

- Maximum loan is \$196,000 per agency.
- Up to 15 percent of the award may be used for Developer Fee.
- All cost overruns are the responsibility of the grantee and cannot be covered by MSHDA.
- The sale of the MSHDA financed spec model is restricted to households that are at or below 120% AMI. The sale of the additional non-MSHDA financed modular homes are not income restricted.
- No costs incurred prior to approval and execution of grant agreement will be reimbursed.
- The program is structured as a repayable grant based on the sale of the spec model within 5 years.

APPLICATION STEPS – REQUIRED DOCUMENTS

1. Complete and sign the **Cover Letter**.
2. Provide all information below in a **Letter of Interest and attach to Cover Letter**.
 - A. Narrative summary outlining these eight components below:
 - a) Location of proposed area/site and site control/ownership status.
 - b) Infrastructure needs/estimated cost/anticipated timing.
 - c) Housing experience of staff anticipated to undertake implementation.



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- d) Anticipated amount of leveraged funds and source.
 - e) Provide area eligibility confirmation.
 - f) Status of economic growth/demonstration of workforce housing need.
 - g) Anticipated feasibility analysis (est. construction cost vs. estimated market price).
 - h) Anticipated sales price based on appraisal estimate of the spec model and anticipated spec model cost. Be sure to identify how any gaps will be filled with non-MSHDA resources so that a full return on investment will be made to MSHDA.
- B.** If applicable, identify neighborhood engagement activities/efforts that are currently and/or anticipated to occur within the area and indicate whether it is a local and/or state designated investment or incentive target area (Opportunity Zone, NEZ, Main Street, Blueprint, Rising Tide areas, etc.)
- C.** Attach a Pictorial Overview of Project and Proposed Modular Home which identifies proposed type and specs such as: 3-bedroom, 2-bath, 1880 square feet on slab with no garage. Model selection should fit into existing neighborhood. Identify the entire proposed project area/site(s) (include a map). Photographs must be clearly labeled. Videos will be accepted.
- 3.** Provide at least one letter of interest/support from the applicant's authorized official **AND** acknowledgement letter(s) from the Local Government Director of Planning **or** the Chief Elected Local Government Official **or** the Chief Administrative Officer **or** the Community and Economic Development Director of the assisted area(s) verifying that this initiative has local community and neighborhood support.
- 4.** Provide a Sworn Sentence, dated, signed, and on letterhead from a Financial Representative, CPA, Accountant and/or Auditor certifying "Your agency is either governmentally exempt or not delinquent in relation to any local, county, state or federal taxing jurisdiction property, income or business taxes".



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WHAT TO EXPECT AFTER LETTER OF INTEREST IS SUBMITTED

All Letters of Interest will be evaluated based on the following criteria: eligibility, timing, feasibility, local support, site selection/design/neighborhood fit, geographical distribution and overall area impact associated with alleviating a housing shortage and workforce housing need. If selected, an agency will be assigned a MSHDA Mod Champion, who will be available to assist with the next steps in the award process.

*MSHDA reserves the right to reject any and all submissions, or parts thereof, or to waive any informality or defect in any submission if it is in the best interest of MSHDA and the State of Michigan.

MSHDA has the right to select entities for further consideration of funding at their own discretion based on the proposals submitted, regional distribution, and any criteria determined relevant including but not limited to conference calls and/or site visits.

The submission is not a binding agreement and the notice of selection under this submission does not guarantee project funding. Upon final approval from MSHDA, each selected entity must complete a formal application. Upon successful submission of an application, a written agreement will be executed between the selected agency and MSHDA which will at that time guarantee project funding. No project costs may be incurred prior to formal written authorization from MSHDA. MSHDA is not liable for any costs incurred prior to execution of a grant agreement.