

MSHDA COVID-19 Response & Recovery

Stakeholder Roundtable Summary

In August 2020, PPA conducted three virtual roundtables with stakeholder organizations that work within the key issue areas relevant to MSHDA. The focus of the roundtables was to identify current and projected challenges faced by the organizations themselves and their customer base, and to discuss solutions to these challenges. Roundtable participants were selected by MSHDA with assistance from PPA. PPA carried out the recruiting, scheduling, facilitation, and data analysis for the roundtables.

The three roundtables were organized according to the following three stakeholder groups:

- Homelessness and supportive housing (9 participants)
- Owner-occupied housing (11 participants, plus 2 observers from MSHDA)
- Rental housing (10 participants)

This document summarizes the challenges and solutions identified by the roundtable participants and provides additional information from other sources to aid MSHDA in defining those items it would like to address in its two-year pandemic response and recovery plan.

For each of the topic areas, the findings are organized into short-term, medium-term, and long-term challenges and suggested solutions for organizations and their customers. Although the participants were prompted for responses in all topic areas, they did not mention challenges/solutions for all topic areas.

Owner-Occupied Housing

In the owner-occupied housing space, roundtable participants identified few challenges related to their organizations, indicating that they were weathering the pandemic relatively well. However, they mentioned numerous challenges faced by individuals and families. This is a key area of need across the roundtables; many participants noted that the pandemic amplified existing inequities related to housing insecurity for vulnerable populations.

**Table 1: Organizational Challenges and Solutions:
Owner-Occupied Housing Roundtable**

Challenges	Solutions
Immediate	
<ul style="list-style-type: none"> None discussed 	<ul style="list-style-type: none"> None discussed
Medium Term (Within 12 Months)	
<ul style="list-style-type: none"> Potential loss of resources due to loss of members or sponsors 	<ul style="list-style-type: none"> MSHDA should keep its usual commitments to partners for sponsorships and other; help partners deliver outreach where needed
Long Term (12-24 Months)	
<ul style="list-style-type: none"> None discussed 	<ul style="list-style-type: none"> None discussed

Previous interviews and research about homeownership and the effects of COVID-19 noted that training, peer learning, and funding for housing and foreclosure crisis counselors would be helpful.

**Table 2: Individual and Family Challenges and Solutions:
Owner-Occupied Housing Roundtable**

Challenges	Solutions
Immediate	
<ul style="list-style-type: none"> Rise in delinquent mortgage payments 	<ul style="list-style-type: none"> Assist with forbearance planning Observe what partners (e.g., Habitat) have done to keep people housed Address not just low-income households but others at higher income levels who are laid off longer term Partner with others to do Hardest Hit advocacy
<ul style="list-style-type: none"> Concern about added FHFA financing costs 	<ul style="list-style-type: none"> United advocacy from Michigan
<ul style="list-style-type: none"> Homeowners reluctant to sell at this time 	<ul style="list-style-type: none"> Homeowner education/guidance
<ul style="list-style-type: none"> Higher construction costs due to COVID-19 	<ul style="list-style-type: none"> None identified
<ul style="list-style-type: none"> Low broadband access in rural Michigan, preventing access to housing services 	<ul style="list-style-type: none"> Partner to provide devices and internet service
Medium Term (Within 12 Months)	
<ul style="list-style-type: none"> Home repair needs unmet due to loss of income or other financial challenges 	<ul style="list-style-type: none"> None identified
<ul style="list-style-type: none"> Commercial real estate payments are below norm and will affect financial institutions (also could hurt affordable stock) 	<ul style="list-style-type: none"> Need gap filler since deferments are hard to do
<ul style="list-style-type: none"> Some land contract terms are hurting home owners (e.g., double-digit interest rates) 	<ul style="list-style-type: none"> Establish a policy to prevent gauging Allow land-contract down payment assistance

<ul style="list-style-type: none"> ● Likely growth in property tax delinquency ● Michigan Supreme Court ruling that counties cannot keep profits from tax auctions 	<ul style="list-style-type: none"> ● Step Forward ● Tax deferments
<ul style="list-style-type: none"> ● Continuing need for homeowner assistance with forbearances 	<ul style="list-style-type: none"> ● Proactive outreach by lenders before expiration—e.g., consumer counseling, escrow analyses, interest collection plans ● Flexibility to extend forbearances ● Program letting people stay in homes as renters/caretakers
Long Term (12-24 Months)	
<ul style="list-style-type: none"> ● Continuing need to increase homeownership; lack of access to affordable housing, access to credit 	<ul style="list-style-type: none"> ● Use HCVs to help people get into homes ● Fund flexible, robust down payment assistance ● Down Payment Act advocacy ● Financial education/counseling, ● Channel HUD funds differently ● Partner with other organizations

In the near term, sources also raised familiarity with technology as an immediate challenge, in addition to access to broadband and access to basic needs insecurity. On those fronts, community partnerships and disseminating information about resources through community ambassadors and other channels were seen as solutions.

Other sources from earlier research suggested adjusting eligibility requirements and streamlining the process to expand access to supports and make it easier to get supports would help homeowners facing financial challenges.

Long term, other sources mentioned the mismatch between existing housing supply and the geographic areas with economic opportunity in addition to restrictive housing policies (e.g., exclusionary zoning) that block access to high-opportunity communities (disproportionally impacting people of color) as issues that are highlighted by the pandemic. Specific solutions were not identified.

Homelessness

In the homelessness space, the participants discussed numerous organizational burdens related to changes in workflow due to the pandemic, which were compounding issues that existed before the pandemic (e.g., unmet housing need). The most common issues related to the difficulty in communicating and accessing resources among a population that often lacks Internet access and is accustomed to obtaining resources through personal interaction.

**Table 3: Organizational Challenges and Solutions:
Homelessness Roundtable**

Challenges	Solutions
Immediate	
<ul style="list-style-type: none"> ● Lack of transparency in CARES Act and FEMA funding 	<ul style="list-style-type: none"> ● Advocate for greater transparency; work to ensure that funds prioritize rapid rehousing
<ul style="list-style-type: none"> ● Current staff overextended with higher call volume, customer demand, and COVID-related grants to spend down 	<ul style="list-style-type: none"> ● Ask more of current staff ● More hires ● Reduce required Eviction Diversion Program data entry requirements, extend deadlines
<ul style="list-style-type: none"> ● Awareness of racial disparities and need for staff training 	<ul style="list-style-type: none"> ● Offer resources to help providers learn, adapt, and integrate DEI into community-level organizations' strategic plans
<ul style="list-style-type: none"> ● Getting required signatures from customers 	<ul style="list-style-type: none"> ● Waive signatures for verification documents
Medium Term (Within 12 Months)	
<ul style="list-style-type: none"> ● Lack of long-term processes and protocols for continued health and safety 	<ul style="list-style-type: none"> ● Create tools, offer guidance
<ul style="list-style-type: none"> ● Extra COVID-related costs not covered by existing funds ● Corporate partners, foundations have reduced support 	<ul style="list-style-type: none"> ● Operating grants ● Reestablish efforts to help organizations bill Medicaid for housing supports (approval is in place, but organizations need help billing)
Long Term (12-24 Months)	
<ul style="list-style-type: none"> ● Current staff overextended with higher call volume, customer demand, and COVID-related grants to spend down 	<ul style="list-style-type: none"> ● Form community-based emergency response teams that can be deployed when needed (modeled on Red Cross's recession response teams)
<ul style="list-style-type: none"> ● Waiting lists/unmet need for affordable housing 	<ul style="list-style-type: none"> ● Build more housing

For the immediate term, other sources consulted prior to the roundtables noted that access to personal protection equipment and paying for overflow shelter were primary concerns. Otherwise, the roundtable on homeless and supportive housing encompassed the information found elsewhere.

**Table 4: Individual and Family Challenges and Solutions:
Homelessness Roundtable**

Challenges	Solutions
Immediate	
<ul style="list-style-type: none"> ● Waiting lists/unmet need for emergency shelter, especially non-congregate shelter ● Increased length of time needing shelter 	<ul style="list-style-type: none"> ● Clarify funding opportunities for 2021 QAP ● Add vouchers and other resources ● Increase access to hotels and private rentals where emergency shelters are insufficient (especially for those with substance abuse history)
<ul style="list-style-type: none"> ● Lack of access to resources, housing due to Internet/communication limitations 	<ul style="list-style-type: none"> ● More direct outreach/awareness building, including 1:1 calls and helping seniors use technology ● Facebook and Instagram communication for youth ● New broadband equipment ● Negotiate with Internet providers to boost signal strength
<ul style="list-style-type: none"> ● Emotional and psychological impact of social isolation on residents for whom in-person interaction was often their main (or only) social outlet 	<ul style="list-style-type: none"> ● Virtual support groups ● 1:1 phone and virtual check ins ● Extra communication about safety measures ● Contacts from trusted messengers/community ambassadors
<ul style="list-style-type: none"> ● Increased food insecurity 	<ul style="list-style-type: none"> ● Schedule drop offs/pick ups ● Work with partners to get discounted supplies (e.g., baby formula through hospital system)
Medium Term (Within 12 Months)	
<ul style="list-style-type: none"> ● Working-poor single mothers cannot work from home, but also need to look after their kids who cannot return to school ● Early Head Start, Head Start are reopening at 50% capacity 	<ul style="list-style-type: none"> ● None discussed
<ul style="list-style-type: none"> ● Ongoing issues with K-12 families being able to do remote learning while homeless 	<ul style="list-style-type: none"> ● Emergency shelter
Long Term (12-24 Months)	
<ul style="list-style-type: none"> ● Need connection with health care system (e.g., for access to testing, vaccines, care) 	<ul style="list-style-type: none"> ● DHHS and MSHDA exert influence to prioritize integration of health care and housing ● Form new or stronger partnerships; meet often ● Data matching, sharing ● Funding to support efforts
<ul style="list-style-type: none"> ● Systemic racism; lack of equitable access 	<ul style="list-style-type: none"> ● Advocate for prevention of tenant selection practices that exclude vulnerable populations

This roundtable covered and added to the identified needs and ideas for solutions found in prior research.

Rental Housing

The rental housing space is perhaps the most acutely affected by the COVID-19 crisis, with numerous short-term challenges related to increased demand on cash-strapped nonprofits as well as already-vulnerable populations facing eviction if further assistance is not provided. Over the long term, existing structural issues related to the overall shortage of rental housing and the potential for economic instability to spread to higher income brackets.

**Table 5: Organizational Challenges and Solutions:
Rental Housing Roundtable**

Challenges	Solutions
Immediate/Current	
<ul style="list-style-type: none"> ● Difficulty of community engagement for orgs structured around in-person interaction 	<ul style="list-style-type: none"> ● Some activities can be migrated online
<ul style="list-style-type: none"> ● Demand for services is up, but staff capacity is the same 	<ul style="list-style-type: none"> ● Get CDCs/CDOs back into the housing portfolio space
<ul style="list-style-type: none"> ● Changes in use of office space, technology, child care considerations due to many staff working from home 	<ul style="list-style-type: none"> ● Quick operational decisions for short term; strategic considerations for long term
Medium Term (Within 12 Months)	
<ul style="list-style-type: none"> ● Funders telling nonprofits to pivot their work to focus on COVID as a condition of continued (and often reduced) funding 	<ul style="list-style-type: none"> ● Nonprofits need to do strategic planning/take a more comprehensive approach
<ul style="list-style-type: none"> ● Communities trying to figure out how to be more resilient (e.g., emergency plans, staying safe, changing social infrastructure) 	<ul style="list-style-type: none"> ● None identified
<ul style="list-style-type: none"> ● The amount of tax equity will decrease; insurance companies may drop out of the market or participate at lower amounts 	<ul style="list-style-type: none"> ● Solutions: Focus on specific deals and smaller deals, increase returns for investors to retain them, adjust QAP to have multiple rounds
Long Term (12-24 Months)	
<ul style="list-style-type: none"> ● Lack of tenant protections 	<ul style="list-style-type: none"> ● Advocate for statewide tenants' rights policy

Other sources mentioned difficulty filling frontline care positions and housing discrimination testing procedures as immediate challenges. Interviewees also noted that, medium term, delays in tax-credit property construction and developer challenges could have an effect. Others commented that there was a need to offer forbearance

programs and short-term relief for multifamily loans due to COVID-19. Long term, interviewees suggested fellowship programs or one-year practicums to serve in a Fair Housing Center as helpful in building capacity. In addition, the interviews generated a suggestion to develop and disseminate a rental assistance plan for any future similar circumstances that arise, like the pandemic. Other existing information sources recommended adding to the affordable housing stock by purchasing low-cost units, if prices drop as a result of the pandemic, and providing grants or subsidized loans to property owners in exchange for accepting or extending affordability requirements. Expanding LIHTC programming was also mentioned.

**Table 6: Individual and Family Challenges and Solutions:
Rental Housing Roundtable**

Challenges	Solutions
Immediate	
<ul style="list-style-type: none"> ● Economic insecurity due to job loss and delayed unemployment benefits, leading to about 7-10% units with unpaid rent for unsubsidized families (and unpaid resident portions for subsidized units) in single-family and multifamily units ● Risk of increasing debt, eviction 	<ul style="list-style-type: none"> ● Increase communication by property managers to encourage rent payment, help renters connect with resources/services ● Use Eviction Diversion Program ● Increase resources for eviction prevention (e.g., put CDBG funds toward housing vs. health concerns through MEDC)
<ul style="list-style-type: none"> ● Supportive services property residents are verbal communicators and need social spaces, which are currently closed 	<ul style="list-style-type: none"> ● Figure out ways to reopen these spaces safely ● Manage properties by going there and talking to people
Medium Term (Within 12 Months)	
<ul style="list-style-type: none"> ● Increasing economic insecurity without Federal stimulus will harm small landlords and unsubsidized 2-8 unit properties 	<ul style="list-style-type: none"> ● Provide tax deferments or tax relief, mortgage deferments ● Support formation of cooperatives, community land trusts to lower risk, share maintenance costs, etc. ● Technical assistance to small landlords/smaller properties
<ul style="list-style-type: none"> ● Nonprofits facing increased needs for services and lack sufficient capacity 	<ul style="list-style-type: none"> ● Get CDCs back into this space ● Increase process efficiency within MSHDA programs ● Better communication with partners about what MSHDA has to offer
Long Term (12-24 Months)	
<ul style="list-style-type: none"> ● With increased damage to economy, more effects on upper-end of the housing market that is not currently hurting 	<ul style="list-style-type: none"> ● Address issue in collaboration with municipalities ● Open services to 150% AMI

<ul style="list-style-type: none"> ● Lack of affordable rental housing 	<ul style="list-style-type: none"> ● Joint advocacy ● Building and rehab: Incentivize adaptive reuse of commercial (e.g., unused office space), light industrial, and retail properties ● Increase efficiency of tax credits as part of QAP (i.e., requested cost per unit) ● Make MSHDA housing development decisions more consistent and transparent
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For this current period, interviewees identified locating alternative housing as a priority. Other sources suggested prioritizing lowest-income and most severely cost-burdened households for eviction diversion assistance. Where evictions are pursued, some suggested further prioritizing cases involving violence, nuisance, and property damage, as well as creating eviction prevention plans with high-risk households and limiting eviction rates per landlord. In addition, an interviewee noted that more information on fair housing would be helpful in the short term.

For the medium term, other sources identified loss of affordable housing stock as a possibility if emergency sales and speculation occurs. To address this, it was suggested that landlords and tenants be provided with model renegotiation or forbearance agreements, with provisions for common scenarios that lead to eviction.

In the long term, other sources noted a lack of access to high-opportunity areas. Suggestions for longer-term strategies to address challenges in rental housing included implementing eviction-prevention processes with high-risk households and introducing more vocational programming.

Equity Challenges and Solutions

Beyond what was mentioned in the roundtables, PPA found challenges involving equity concerns and potential responses through the interviews and other sources. These fell into the medium-term and longer-term time frames. COVID-19 has highlighted disparities, but these issues are systemic and have causes beyond the pandemic, so MSHDA will need to strike a balance between how it responds to these issues in the COVID-19 context and what waits for further consideration as part of the Phase II strategic planning (for the statewide housing plan).

Table 7: Equity Issues Related to the Pandemic and Housing

Challenges	Solutions
Medium Term (Within 12 Months)	
<ul style="list-style-type: none"> ● Lack of racial data shared or reported across agencies 	<ul style="list-style-type: none"> ● Mandate that all reporting agencies report data by race
<ul style="list-style-type: none"> ● Restrictive housing policies (e.g., exclusionary zoning) that block access to high-opportunity communities and disproportionately impact communities of color 	<ul style="list-style-type: none"> ● Have someone reviewing zoning full time. ● Increase investment in housing counseling, mediation, and loss mitigation programs for homeowners of color
Long Term (12-24 Months)	
<ul style="list-style-type: none"> ● Communities of color are more vulnerable to housing displacement 	<ul style="list-style-type: none"> ● Prioritize the most vulnerable renters and communities of color for rental assistance and access to housing in high-opportunity neighborhoods ● Coordinate resources and services across agencies and program areas to address intersecting disparities ● Promote local zoning for affordable housing; advocate for ending exclusionary zoning (e.g., through a national missing-middle housing law) ● Engage people with lived experience of homelessness, housing instability, and affordable housing usage in program planning and development ● Increase overall investment in affordable housing, especially in high-opportunity neighborhoods and communities, to provide access to jobs and transportation and reduce concentration of poverty