

**Neighborhood Stabilization Program 2
NOFA Submission**

**State of Michigan
Jennifer M. Granholm, Governor**

**Submitted to:
The U. S. Department of Housing and Urban Development**

**By:
Michigan State Housing Development Authority
Keith Molin, Executive Director**

**Lead Applicant For
Michigan NSP2 Consortium**

13 July, 2009

**Appendix 3 - Application Checklists and Aids
(Removing Negative Elements Rubric)**

a. Application Forms: (Not subject to the page limitations.)

 X SF-424, Application for Federal Assistance (signed by the Authorized Organization Representative (AOR) who is legally authorized to submit the application on behalf of the applicant

 N/A SF-424 Supplement, Survey on Ensuring Equal Opportunities for Applicant ("Faith Based EEO Survey (SF-424-SUPP)")

 N/A NSP2 Non-profit Organization Qualification-- Narrative describing qualification as an eligible applicant and Evidence of Nonprofit or and Tax Exempt Status (in accordance with this NOFA).

 X Consortium Agreement, if applicable.

 X Program Summary

b. Narrative Statements Addressing: (Subject to the page limitations described above.)

Pg. 1 Factor 1 – Need and Market Conditions

Pg. 6 Factor 2 – Demonstrated Capacity

Pg.25 Factor 3 - Soundness of Approach

Pg.39 Factor 4 - Leveraging, integration, removal of negative effects

Pg.40 Factor 5 - Energy efficiency

Pg.42 Factor 6- Neighborhood transformation and economic opportunity

c. Disclosures: (Not subject to the page limitations.)

N/A SF-LLL, Disclosure of Lobbying Activities, as applicable.

X HUD-2880, Applicant/Recipient Disclosure/Update Report. ("HUD Applicant Recipient Disclosure Report")

d. Appendices: (Not subject to the page limitations.)

X A copy of your code of conduct.

N/A Leveraging documentation—firm commitment letters. (See factor 4.)

X Signed Certifications. (See Appendix IV for the relevant certifications.)

X Calculation of removal of negative effects using HUD provided rubric

X Summary of citizen comments including URL where plan is posted

N/A Documentation of firm commitment executed and dated by each for-profit partner

X Definitions

X Paper Submission of Threshold Elements

Other information should not be submitted and will not be considered in scoring the application.

Application for Federal Assistance SF-424

Version 02

*1. Type of Submission:

- Preapplication
- Application
- Changed/Corrected Application

*2. Type of Application

- New
- Continuation
- Revision

* If Revision, select appropriate letter(s)

*Other (Specify)

3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

*5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

*a. Legal Name: Michigan State Housing Development Authority

*b. Employer/Taxpayer Identification Number (EIN/TIN):
38-6000134

*c. Organizational DUNS:
087743191

d. Address:

*Street 1: 735 East Michigan Avenue
Street 2: P.O. Box 30044
*City: Lansing
County: Ingham
*State: Michigan
Province: _____
*Country: USA
*Zip / Postal Code 48909

e. Organizational Unit:

Department Name: Michigan State Housing Development Authority

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mr. *First Name: Keith
Middle Name: _____
*Last Name: Molin
Suffix: _____

Title: Executive Director

Organizational Affiliation:

*Telephone Number: 517-373-6022	Fax Number: 517-373-7657
*Email: molink@michigan.gov	

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424	Version 02
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***9. Type of Applicant 1: Select Applicant Type:**
State Government, lead applicant
Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

***10 Name of Federal Agency:** U.S. Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:
14.256

CFDA Title:
Neighborhood Stabilization Program 2

***12 Funding Opportunity Number:**
FR-5321-C-01

*Title:
NSP2

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):
Battle Creek, Benton Harbor, Detroit, Flint, Grand Rapids, Hamtramck, Highland Park, Kalamazoo, Lansing, Pontiac, Saginaw, and Wyandotte

***15. Descriptive Title of Applicant's Project:**

The Michigan State Housing Development Authority, acting as the lead applicant, is submitting a consortium application to complete eligible activities under the Neighborhood Stabilization Program 2.

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant: 3,5,6,7,8,9,13,14

*b. Program/Project:

17. Proposed Project:

*a. Start Date: 12-01-2009

*b. End Date: 11-30-2012

18. Estimated Funding (\$):

*a. Federal	290,000,000
*b. Applicant	_____
*c. State	_____
*d. Local	_____
*e. Other	_____
*f. Program Income	_____
*g. TOTAL	290,000,000

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on _____
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E. O. 12372

***20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

- Yes
- No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

Authorized Representative:

Prefix: Mr. _____ *First Name: Keith _____
Middle Name: _____
*Last Name: Molin _____

Suffix: _____	
*Title: Executive Director	
*Telephone Number: 517-373-6022	Fax Number: 517-373-7657
* Email: molink@michigan.gov	
*Signature of Authorized Representative 	*Date Signed: July 13, 2009

Authorized for Local Reproduction

Standard Form 424 (Revised 10/2005)
Prescribed by OMB Circular A-102



STATE OF MICHIGAN

JENNIFER M. GRANHOLM
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

LANSING

KEITH MOLIN
EXECUTIVE DIRECTOR

Michigan NSP2 NOFA Consortium Agreement

This Michigan NSP2 NOFA Consortium Agreement ("Agreement") is made on this 13th day in the month of July, 2009, by and between Michigan State Housing Development Authority, 735 E. Michigan Avenue, Lansing, Michigan 48912 ("MSHDA" and "Lead Member") and the following:

City of Battle Creek, 10 N. Division St., East Michigan Ave., Battle Creek, MI 49017 in collaboration with **Calhoun County Land Bank**, 315 West Green St., Marshall, MI 49068;

City of Benton Harbor, 200 E. Wall St., Benton Harbor, MI 49022-4430 in collaboration with **Berrien County Land Bank**, 701 Main Street, St. Joseph, MI 49085;

City of Detroit, 65 Cadillac Square, Suite 2300, Detroit, Michigan 48226; in collaboration with **Michigan Land Bank Fast Track Authority**, 3028 West Grand Avenue, Suite 4-600, Detroit, Michigan 48202;

City of Flint, 1101 S. Saginaw Street, Flint, Michigan 48502 in collaboration with **Genesee County Land Bank**, 425 South Saginaw St., 2nd Floor, Flint, MI 48502;

City of Grand Rapids, **300 Monroe Avenue NW, Grand Rapids, MI 4950** in collaboration with **Michigan Land Bank Fast Track Authority**, 3028 West Grand Avenue, Suite 4-600, Detroit, Michigan 48202;

City of Hamtramck, 3401 Evaline, Hamtramck, MI 48212 in collaboration with **Wayne County Land Bank Corporation**, 400 Monroe Street, Detroit, MI 48226;

City of Highland Park, 12050 Woodward Avenue, Highland Park MI 48203-3578 48212 in collaboration with **Wayne County Land Bank Corporation**, 400 Monroe Street, Detroit, MI 48226;

City of Kalamazoo, 445 W. Michigan Avenue, Kalamazoo, MI 49007 in collaboration with **Kalamazoo County Land Bank**, 201 W. Kalamazoo Avenue, Room 104, Kalamazoo, MI 49007;

City of Lansing, 316 N. Capitol, Suite D-2, Lansing, MI 48933 in collaboration with **Ingham County Land Bank**, 422 Adams Street, Lansing, MI 48906;

City of Pontiac, 47450 Woodward Avenue, Pontiac, MI 48342 in collaboration with **Michigan Land Bank Fast Track Authority**, 3028 West Grand Avenue, Suite 4-600, Detroit, Michigan 48202;

City of Saginaw, 1315 S. Washington Avenue, Saginaw, MI 48601-2567 in collaboration with **Saginaw County Land Bank** 111 S. Michigan Avenue, Saginaw, MI 48602 and;

City of Wyandotte, 3131 Biddle Avenue, Wyandotte, MI 48192 in collaboration with **Wayne County Land Bank Corporation**, 400 Monroe Street, Detroit, MI 48226

collectively ("Consortium Members") and known as the Michigan NSP2 NOFA Consortium ("Michigan NSP2 Consortium").



Equal
Housing
Lender

NSP2-PTA 087743191

735 EAST MICHIGAN AVENUE • P.O. BOX 30044 • LANSING, MICHIGAN 48909
WWW.MICHIGAN.GOV/MSHDA • (517) 373-8370 • FAX (517) 335-4797 • TTY (800) 382-4568

Printed by members of:



I. RECITALS

Whereas, The U.S. Department of Housing and Urban Development ("HUD") issued on May 4, 2009 a Notice of Funding Availability for \$1.93 billion Neighborhood Stabilization 2 ("NSP2") funds to address foreclosure recovery and neighborhood stabilization in high need and high risk communities consistent with the objectives and rules of the American Recovery and Reinvestment Act of 2009 ("ARRA");

Whereas, the Michigan State Housing Development Authority organized a Michigan NSP2 Consortium that consist of 12 cities working in collaboration with 8 land banks in high need and high risk communities in Michigan;

Whereas, the Michigan NSP2 Consortium under application # NSP2-PTA 087743191 requests \$290,000,000 in HUD NSP2 funds to help neighborhoods recover from foreclosures and market decline in accord with the economic and sustainable development principles expressed in ARRA;

Whereas, MSHDA agrees to serve as Lead Member Applicant on behalf of the Michigan NSP2 Consortium and MSHDA is an established administrator of a range of HUD funds capable of serving as contract administrator that will ensure compliance with all HUD and ARRA regulations;

Whereas, the above-listed cities and land bank authorities in Michigan offer a broad range of skills, expertise, and day-to-day working relationships with NSP grantees, sub-recipients and subcontractors in Michigan and each organization agrees to participate as a Partner in the Michigan NSP2 Consortium and;

Whereas, the Consortium members in each city share a vision for foreclosure recovery and neighborhood stabilization in targeted communities that meet HUD NSP2 high risk and high need foreclosure and vacancy criteria and agree to work in a collaborative manner to re-position such communities for sustainable neighborhood economic development in the new Michigan economy;

Therefore be it resolved, the above-mentioned members of the Michigan NSP2 Consortium hereby agree and resolve to the following terms of the relationship between the Lead Member Applicant and the responsibilities of each Consortium Member of the Michigan NSP2 Consortium as follows:

- A. Each above-listed Consortium Member agrees to participate as a Consortium Member in the Michigan NSP2 NOFA application submission due July 17, 2009;
- B. Each above-listed Consortium Member agrees to participate in the Consortium with MSHDA serving as the Lead Applicant and HUD Contract Administrator, in such role, it will be signing agreements related to NSP2 funding and projects;
- C. Consortium Members will provide MSHDA will all materials necessary within the required time frames to assemble a competitive and compelling application for funds consistent with HUD NSP2 rules and regulations;
- D. Consortium Members commit to a range of investments of non-federal funds that will help leverage NSP2 funds awarded by HUD and support projects in NSP2 High

Need and High Risk neighborhoods specified in the Michigan NSP2 NOFA application;

- E. Consortium Members commit to participate in all training and technical assistance provided by MSHDA to help coordinate and enhance the performance of partnerships between local governments, land banks and community developers;
- F. The Michigan State Land Bank Fast Track Authority will serve as:
1. Interim land bank for counties that are establishing new land banks as needed,
 2. Statewide resource to assist in expanding the capacity of existing land banks as needed and
 3. Liaison with the National Community Stabilization Trust for access to bulk purchases of properties eligible for NSP2 funds;
- G. Upon a positive notice from HUD of a funding award, and no later than December 1, 2009, MSHDA and Consortium Members will execute NSP2 Funding Agreements that specify the terms of funding, development, management and administration compensation for each Consortium Member and the communities they serve.

II. ALLOCATIONS PER NSP2 FUNDING REQUEST

Based on the research and analysis of neighborhood and market data, MSHDA and Consortium Members agree to the following allocation of NSP2 funds in accord with the aggregate MSHDA NSP2 funding request of \$290,000,000:

2009 MSHDA Michigan NSP2 NOFA Consortium Funding Allocation Plan				
	City	Land Bank Authority		
1	Battle Creek	Calhoun County	\$10,000,000	3%
2	Benton Harbor	Berrien County	\$18,000,000	6%
3	Detroit	Michigan State Land Bank Fastrack Authority	\$52,850,000	18%
4	Flint	Genesee County	\$32,500,000	11%
5	Grand Rapids	Michigan State Land Bank Fastrack Authority	\$20,150,000	7%
6	Hamtramck	Wayne County	\$18,000,000	6%
7	Highland Park	Wayne County	\$18,000,000	6%
8	Kalamazoo	Kalamazoo County	\$18,500,000	6%
9	Lansing	Ingham County	\$22,500,000	8%
10	Pontiac	Michigan State Land Bank Fastrack Authority	\$18,000,000	6%
11	Saginaw	Saginaw County	\$22,500,000	8%
12	Wyandotte	Wayne County	\$10,000,000	3%
	Administration		\$29,000,000	10%
Total:			\$ 290,000,000	100%

III. RESPONSIBILITIES OF LEAD ENTITY

As Lead Member and HUD Contract Administrator, MSHDA will do the following:

- A. Negotiate and execute the NSP2 Funding Agreement with HUD;
- B. Function as fiscal agent for all NSP2 Funds;
- C. Serve as primary interface with HUD Grant Technical Representative staff;
- D. Negotiate and execute Funding Agreements with each Consortium Partner per HUD NSP2 Requirements;
- E. Input all project and expenditure activities into Disaster Relief Grants Reporting System and submit additional compliance reports as required by HUD;
- F. Coordinate technical briefing sessions with Consortium members so that all parties are kept up to date on NSP2 management and HUD compliance requirements;
- G. Coordinate trainings and technical assistance so Consortium Members achieve a high level of performance within HUD NSP2 regulations and neighborhood impact;
- H. Monitor performance and quality of NSP2 eligible activities by Consortium Members;
- I. Keep records of accomplishments towards performance measures;
- J. Assemble evaluations and performance measures data regarding effectiveness of training and TA and make available to HUD;
- K. Coordinate all billing under the LOCCS system;
- L. Process LOCCS draws of payment to Consortium Members and subcontractors;
- M. Draft and submit quarterly reports for HUD CPD review;
- N. Prepare final close out report; and
- O. Take other steps necessary to ensure that Michigan NSP2 Consortium is in full compliance with all HUD requirements.

IV. RESPONSIBILITIES OF CONSORTIUM MEMBERS

Consortium Members will deliver the following services that will be defined in more detail through Funding Agreements between MSHDA and each Consortium Member:

- A. Manage foreclosure recovery and neighborhood stabilization services in high risk and high need communities based on eligible HUD NSP2 activities:
 - (A) Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers
 - (B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties
 - (C) Establish land banks for homes and residential properties that have been foreclosed upon

- (D) Demolish blighted structures
- (E) Redevelop demolished or vacant properties as housing;
- B. Based on NSP2 Eligible activities, rehabilitate existing and build new housing that is affordable to buyers and/or renters that earn less than 50% of Area Median Income that totals at least 25% of each Consortium Member's allocation of NSP2 funds;
- C. Cultivate economic development opportunities for local community developers and real estate and management service providers and employment opportunities for mechanics and laborers in the building trades;
- D. Rehabilitate existing and build new housing that meets the policy objectives of ARRA for sustainable development and energy efficiency;
- E. Submit compliance reporting and monitoring information to MSHDA so that it can complete all compliance reporting activities as required by HUD.

V. TIME OF PERFORMANCE

- A. This Agreement shall begin on July 13, 2009 and end on December 31, 2012, unless such time shall be extended by written agreement of Consortium Members. Term of this Agreement and provisions herein shall automatically be extended to cover any additional time period during which any Consortium Member remains in control of NSP2 funds or other NSP2 funded assets, including program income, resulting from the Consortium's NSP program.

VI. MAINTENANCE AND EXAMINATION OF RECORDS

- A. Each Consortium Member assumes the responsibility to maintain such records as required by HUD and as are necessary for the Lead Member to ensure compliance of the Michigan NSP2 Consortium Program with all applicable requirements and with the Consortium's NSP2 application. The Consortium Members agree that any duly authorized representative of the Lead Member shall until the expiration of five (5) years after the expiration of this Agreement, or such longer period may be required due to an audit finding, upon reasonable notice, have access to and the right to examine any books, documents, papers and record of the Consortium Members, involving transactions related to the Consortium's NSP2 program.

VII. LEGAL AUTHORITY

- A. Each Consortium Member assures and guarantees that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into this NSP2 Application Agreement.
- B. The person signing and executing this Agreement on behalf of the Consortium Members do hereby represent and warrant that he / she/ or they have been fully authorized by the respective Consortium Member to execute this Agreement on behalf of the Consortium Member and to validly and legally bind the Consortium Member to all terms, performances and provisions herein set forth.

By signing below all Consortium Members Agree to the terms of this MSHDA Michigan NSP2 NOFA Consortium Agreement:

Michigan State Housing Development Authority
735 East Michigan Avenue
Lansing, MI



Signature of Chief Executive Officer

Keith Molin, Executive Director
Name and Title

July 13, 2009
Date

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City of Battle Creek
220 East Michigan Avenue Suite 220
Battle Creek, MI 49016-1717

Calhoun County Land Bank
315 West Green Street
Marshall, MI 49068



Signature of Chief Executive Officer



Signature of Chief Executive Officer

Ken Tsuchiyama, City Manager

Printed Name and Title

JON B. BARTLETT,

Printed Name and Title

EXECUTIVE DIRECTOR
CALHOUN COUNTY LAND
BANK AUTHORITY

7/13/2009
Date

7/8/2009
Date

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City of Benton Harbor
200 E. Wall St.
Benton Harbor, MI 49022-4430

Berrien County Land Bank
701 Main Street
St. Joseph, MI 49085



Signature of Chief Executive Officer
Wilce L. Cooke, Mayor

Signature of Chief Executive Officer

Wilce L. COOKE, Mayor

Printed Name and Title

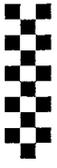
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7-13-2009

Date

Date

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512-373-7657

Michigan NSP2 Consortium Agreement

Page 8
July 13, 2009

City of Benton Harbor
200 E. Wall St.
Benton Harbor, MI 49022-4430

Berrien County Land Bank
701 Main Street
St. Joseph, MI 49085

Signature of Chief Executive Officer



Signature of Chief Executive Officer

Printed Name and Title

JUST WITKOWSKI Treasurer

Printed Name and Title

Date

7/13/09

Date

2/12

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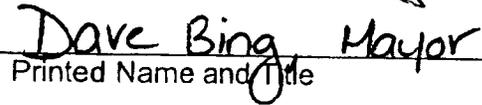
Michigan NSP2 Consortium Agreement

Page 9
July 2009

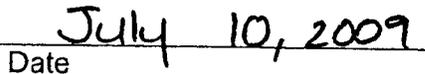
City of Detroit
65 Cadillac Square, Suite 2300
Detroit, Michigan 48226



Signature of Chief Executive Officer



Printed Name and Title



Date

3/12

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City of Detroit
65 Cadillac Square, Suite 2300
Detroit, Michigan 48226

Michigan Land Bank Fast Tract Authority
3028 West Grand Avenue, Suite 4-600
Detroit, MI 48202.

Signature of Chief Executive Officer

Carrie Lewand-Monroe

Signature of Chief Executive Officer

Printed Name and Title

Carrie Lewand-Monroe, Executive Director

Printed Name and Title

Date

7/9/09

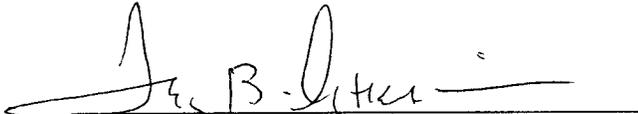
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City of Flint
1101 S. Saginaw Street
Flint, Michigan 48502

Genesee County Land Bank
425 South Saginaw St., 2nd Floor
Flint, MI 48502



Signature of Chief Executive Officer



Signature of Chief Executive Officer

Tracy B. Atkinson

Printed Name and Title

DOUGLAS K. WEILAND, EXECUTIVE DIRECTOR

Printed Name and Title

7/7/09

Date

7/7/09

Date

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City of Grand Rapids
300 Monroe Avenue NW
Grand Rapids, MI 4950



Signature of Chief Executive Officer

Eric DeLong, Interim City Manager

Printed Name and Title

7/7/09

Date

Michigan Land Bank Fast Track
Authority,
3028 West Grand Avenue, Suite 4-600,
Detroit, Michigan 48202;

Signature of Chief Executive Officer

Printed Name and Title

Date

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City of Grand Rapids
300 Monroe Avenue NW
Grand Rapids, MI 4950

Michigan Land Bank Fast Track
Authority,
3028 West Grand Avenue, Suite 4-600,
Detroit, Michigan 48202;

Signature of Chief Executive Officer

Carrie Lewand-Monroe

Signature of Chief Executive Officer

Printed Name and Title

Carrie Lewand-Monroe, Executive Director

Printed Name and Title

Date

7/9/09

Date

5/12

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City of Hamtramck
3401 Evaline
Hamtramck, MI 48212

Wayne County Land Bank Corporation
400 Monroe St.
Detroit, MI 48226



Signature of Chief Executive Officer

Signature of Chief Executive Officer



Printed Name and Title

Printed Name and Title

7.8.09

Date

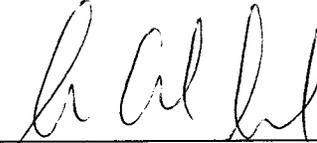
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City of Hamtramck
3401 Evaline
Hamtramck, MI 48212

Wayne County Land Bank Corporation
400 Monroe St.
Detroit, MI 48226

Signature of Chief Executive Officer



Signature of Chief Executive Officer

Printed Name and Title

MURKIA AWALISA MULLEN EXECUTIVE DIRECTOR

Printed Name and Title

Date

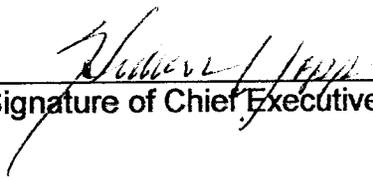
7-10-09

Date

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City of Highland Park
12050 Woodward Avenue
Highland Park, MI 48203-3578

Wayne County Land Bank Corporation
400 Monroe St.
Detroit, MI 48226



Signature of Chief Executive Officer

Signature of Chief Executive Officer

HUBERT YOPP, MAYOR

Printed Name and Title

Printed Name and Title

July 7, 2009

Date

Date

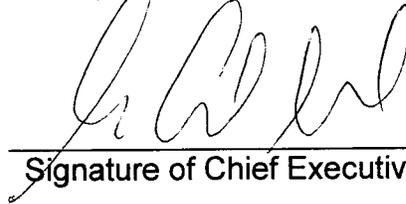
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City of Highland Park
12050 Woodward Avenue
Highland Park, MI 48203-3578

Wayne County Land Bank Corporation
400 Monroe St.
Detroit, MI 48226

Signature of Chief Executive Officer



Signature of Chief Executive Officer

Printed Name and Title

TURKIA AHMAD MULLIN, EXEC. DIRECTOR

Printed Name and Title

Date

7-10-09

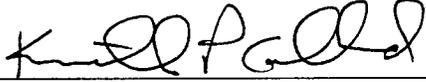
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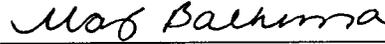
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City of Kalamazoo
445 W Michigan Avenue
Kalamazoo, MI 49007

Kalamazoo County Land Bank
201 W. Kalamazoo Avenue, Room 104
Kalamazoo, MI 49007



Signature of Chief Executive Officer



Signature of Chief Executive Officer

Kenneth P. Collard, City Manager
Printed Name and Title

Mary Baikema, Treasurer
Printed Name and Title

July 8, 2009
Date

July 6, 2009
Date

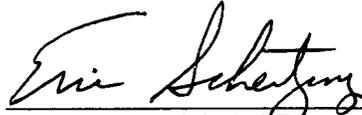
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City of Lansing
316 N. Capitol, Suite D-2
Lansing, MI 48933

Ingham County Land Bank
422 Adams St.
Lansing, MI 48906



Signature of Chief Executive Officer



Signature of Chief Executive Officer

Virg Bernero Mayor

Printed Name and Title

Eric Schertzing, Chair

Printed Name and Title

7-9-09

Date

07.09.2009

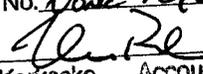
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9/12

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I hereby certify that funds are available

Acct. No. None required



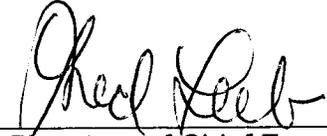
Tom Korkoske Accounting Manager
City of Lansing

APP. JED AS TO FORM 

CITY ATTORNEY

City of Pontiac
47450 Woodward Avenue
Pontiac, MI 48342

Michigan Land Bank Fast Tract Authority
3028 West Grand Avenue, Suite 4-600
Detroit, MI 48202.



Signature of Chief Executive Officer

Signature of Chief Executive Officer

FRED LEEB

Printed Name and Title
EMERGENCY FINANCIAL OFFICER

Printed Name and Title

Date

7/8/09

Date

10/12

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City of Pontiac
47450 Woodward Avenue
Pontiac, MI 48342

Michigan Land Bank Fast Tract Authority
3028 West Grand Avenue, Suite 4-600
Detroit, MI 48202.

Signature of Chief Executive Officer

Carric Lewand-Monroe

Signature of Chief Executive Officer

Printed Name and Title

Carric Lewand-Monroe, Executive Director

Printed Name and Title

Date

7/9/09

Date

10/12

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City of Saginaw
1315 S. Washington Avenue
Saginaw, MI 48601-2567

Saginaw County Land Bank
111 South Michigan Avenue
Saginaw, MI 48602



Signature of Chief Executive Officer

Signature of Chief Executive Officer

Joyce Segals Mayor

Printed Name and Title

Printed Name and Title

07/08/09

Date

Date

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Michigan NSP2 Consortium Agreement

Page 17
July 13, 2009

City of Saginaw
1315 S. Washington Avenue
Saginaw, MI 48601-2567

Saginaw County Land Bank
111 South Michigan Avenue
Saginaw, MI 48602

Signature of Chief Executive Officer

Marvin D Hare

Signature of Chief Executive Officer

Printed Name and Title

Marvin D Hare, Chairman

Printed Name and Title *Saginaw County
Land Bank Authority*

Date

July 8, 2009

Date

11/12

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City of Wyandotte
3131 Biddle Avenue
Wyandotte, MI 48192

Wayne County Land Bank Corporation
400 Monroe St.
Detroit, MI 48226



Signature of Chief Executive Officer

Signature of Chief Executive Officer

Joseph R. Peterson
Printed Name and Title

Printed Name and Title

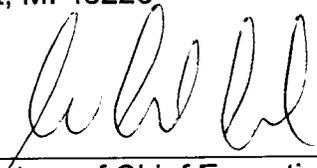
July 7, 2009
Date

Date

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City of Wyandotte
3131 Biddle Avenue
Wyandotte, MI 48192

Wayne County Land Bank Corporation
400 Monroe St.
Detroit, MI 48226



Signature of Chief Executive Officer

Signature of Chief Executive Officer

Printed Name and Title

TURKSA AWADA MULLIN, Executive Director
Printed Name and Title

Date

7-10-09
Date

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Appendix A: Schedule of Leveraged Funds

Conveyance of Properties at Nominal Cost

Waiver of Back Taxes

In-kind Services



STATE OF MICHIGAN

JENNIFER M. GRANHOLM GOVERNOR MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

LANSING

KEITH MOLIN EXECUTIVE DIRECTOR

July 14, 2009

Honorable Secretary Shawn Donovan and Office of Block Grant Assistance U.S. Department of Housing and Urban Development 451 Seventh Street, SW, Room 7286 Washington, DC 20410

Subject: Michigan NSP2 Consortium Program Summary # NSP2-PTA 087743191

Dear Secretary Donovan and Staff of the Office of Block Grant Assistance:

On behalf of Governor Jennifer Granholm, it is my honor to submit the Michigan NSP2 Consortium NOFA application submission for \$290,000,000 in NSP2 funds.

The "Michigan NSP2 Consortium" represents an unprecedented coalition of MSHDA serving as Lead Applicant, eight (8) Land Banks and twelve (12) City governments working in a coordinate manner to remove blight and re-position neighborhoods in 93 NSP2-eligible census tracts to be full participants in the economic recovery of Michigan.

Of the 97,000 households that live in the Michigan NSP2 Consortium target area, 76% earn less than 120% of area median income. In the last two years, home values have dropped by as much as 52% in some cities. Based on Realtor data it will take 6.2 years to absorb the current inventory of properties for sale in the target area. The loss of population and manufacturing jobs, foreclosures, and poor access to credit has brought these communities to market failure. A new paradigm is needed to foster development of neighborhoods that are located within walking distance to employment, education, healthcare and/or transit centers. The redevelopment of these neighborhoods will incorporate the values of sustainability and high quality of life for people who earn a range of incomes. The Consortium Cities and Land Banks embrace this challenge.

Table with 4 columns: City, Land Bank Authority, Proposed NSP2 Funds, and percentage. Rows include Battle Creek, Benton Harbor, Detroit, Flint, Grand Rapids, Hamtramck, Highland Park, Kalamazoo, Lansing, Pontiac, Saginaw, Wyandotte, and Administration. Total: \$ 290,000,000 100%



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#NSP2-PTA 087743191

The Michigan NSP2 Consortium plan will be implemented in two phases over ten years. Phase I will be implemented over the NSP2 3-year program period and will focus blight removal, production of housing to meet the low-income set-aside and expansion of land banks to acquire, stabilize and re-position properties for redevelopment. As a result of large scale blight removal and coordination of market-driven neighborhood revitalization planning that focuses on re-sizing neighborhoods, Phase II will be managed in years 4 to 10 as market opportunities emerge. Phase II redevelopment of NSP2 properties held in land banks will include new home production with a focus on mixed-income homebuyers and renters, green space and improved neighborhood amenities.

The combination of \$290 million in NSP2 capital and expansion of Land Banks collaborating with partner cities represents a bridge from blight removal to redevelopment that heretofore these communities have not been able to utilize. The Michigan NSP2 Consortium has an answer to the question, "*What will you do with the properties after they get demolished?*" NSP2 funds will yield strategically assembled buildable lots that can be conveyed to developers as the implementation of stabilization and revitalization plans yield market demand.

The \$290 million will help the Michigan NSP2 Consortium acquire 6,250 or 39% of the 16,000 foreclosed, abandoned and vacant and blighted properties in the 93 census tract target area. The Consortium will rehabilitate and build 1,500 homes, of which 749 (or 28%) will be sold or rented to households earning less than 50% AMI.

The Consortium will demolish or deconstruct 2,500 structures (or 40%) of all properties acquired. Property demolition is an essential first step to remove the de-stabilizing forces of blight. Cleared and well-managed land helps people begin to re-think what is possible for re-use of older neighborhoods.

Michigan is on the threshold of a new economy, poised for redevelopment of its cities based on a strategy that maximizes its assets—ranging from access to skilled labor and manufacturing capacity, and strategic confluence of road, water and railways that traverse throughout North America, to an affordable housing stock and outstanding public research universities. How can we strategically invest both our NSP2 funds and our ingenuity to shape the New Michigan Urban Neighborhood?

With lessons learned from the Cities of Promise Program and with some of the most progressive Land Bank and Brownfield laws in the nation, MSHDA seeks to leverage NSP2 funds to address two challenges:

- Support for large-scale re-use planning and development that can attract the investment necessary to create sustainable neighborhoods of choice that are re-positioned to meet the opportunities of the new Michigan economy and
- Assistance at sufficient scale to expand capacity of Land Banks and Partner Cities so that they can reach their potential to implement local NSP programs and beyond.

Each Partner City and Land Bank selected the target neighborhoods and census tracts based on the combined foreclosure and vacancy risk score provided by HUD and because these areas have revitalization or redevelopment plans.

MSHDA will serve as HUD NSP2 Contract Administrator focusing on underwriting, funds management, filling in any gaps in production and compliance. MSHDA has the

depth of staff and network of development, HOME and CDBG technical assistance providers to monitor and intervene so that all communities can succeed.

The Consortium Partner Cities will manage production on a local level in close partnership with the Land Banks, especially as it relates to refinements of revitalization plans and coordination of resources to implement such plans that may further leverage NSP 1 and NSP2 funds.

The Land Banks will manage acquisition and site preparation of homes and lots made ready for rehab or new construction in accord with local revitalization plans that meet the sustainable development objectives of ARRA. For areas where there is weak demand for sales and/or additional properties need to be acquired to yield a concentration of contiguous lots that may be attractive for larger scale and redevelopment projects, the land banks will hold and manage such properties within years 4 to 10 as market demand re-emerges.

The transition from a heavy industrial to a more diversified economy with a focus on alternative energy, creative and technological innovation, and sustainable use of natural resources is Michigan's agenda for recovery. As residents must change how they do business and find work, we too must consider how to change the role neighborhoods to support this new Michigan economy.

Our vision focuses on the concept that Michigan cities that have experienced economic decline need to "***Clear The Way For Neighborhood Economic Development***" The Michigan NSP2 Consortium will over three years, expend 100% of its NSP2 funds to:

1. Make concentrated investments in neighborhoods where there is a "***Sense of Place,***" a neighborhood identity grounded by anchor institutions that employ, educate, provide healthcare and/or transportation services to residents;
2. Balance housing rehabilitation for new homebuyers and renters with blighted property demolition as population declined;
3. Re-size neighborhoods based on the value of sustainability rather than sprawl;
4. Through integrated planning, targeted demolition and rehab, assemble a critical mass of properties to get neighborhoods ready for new market opportunities and;
5. Employ an estimated 1,200 residents of Michigan. This ranges from deconstruction, to construction workers and real estate professional service providers and, to new professional program management jobs.

I respectfully urge you to fund our request for \$290,000,000 in NSP2 funds so that the New Michigan Urban Neighborhood can lead our cities into economic recovery

Please call me at 517-373-6022 should you have questions. Thank you for your consideration.

Sincerely,



Keith Molin, Executive Director,
Michigan State Housing Development Authority

RATING FACTOR 1: NEED/EXTENT OF THE PROBLEM**A. Target Geography**

If someone opened a newspaper or magazine over the last year, they probably read something about events that have proven to be pivotal to communities in Michigan—from the problems of the “Big Three” automakers to the foreclosure crisis that continues to inflict damage on Michigan’s housing market. These ongoing issues, in addition to many others, signal the depth of Michigan’s need for assistance in stabilizing its struggling neighborhoods. For much of the decade, Michigan has been the one state referred to by the phrase “the one state recession,” and for good reason. A number of negative trends have combined here to an extent that is rarely seen in other states. Unlike areas beset with natural disasters, which occur suddenly with great impact, the economic storm that Michigan is enduring has continued for decades, with effects just as severe and widespread.

Access to \$290 million in NSP2 funds will provide the working capital necessary to begin mitigating the effects of four factors – decline in manufacturing employment, elevated foreclosure rates, limited access to credit, and loss of population . Specifically NSP2 funds will be used to strategically acquire foreclosed upon, abandoned, vacant and blighted properties that are located within walking distance to employment, education and health care institutions in HUD NSP2 Eligible Census Tracts. The result of NSP2 activities will allow the Michigan NSP2 Consortium (“Consortium”) to address the over-supply of housing and begin to re-size their cities and re-position their neighborhoods for the economic recovery of Michigan.

While the causes of the state’s current situation are many, the result has been devastating for families and communities in a number of different contexts. This section of the Consortium’s response describes the nature and extent of need for neighborhood stabilization in its target geography. In it, the Consortium concentrates on the four factors that have contributed to the decline, and how they interrelate.

1. Decline in Manufacturing Employment

The first of these factors, and probably the most important, is the decline in manufacturing employment that has taken place over the last 40 years, especially in the automotive industry. A large number of workers in the Consortium’s target geography are (or were) employed in this manufacturing sector, and historically Michigan has been closely associated with its development. However, as the industry started to falter in the 1970s, job losses started to mount. They have been particularly high over the last decade. The counties that include the Consortium’s target area lost a total of approximately 182,000 jobs between 2003 and 2008 alone. Forty-eight percent of these, or about 88,000, were manufacturing jobs. Further, the transportation equipment manufacturing sector accounted for 60% of manufacturing job loss. Other manufacturing sectors that have shed workers include the furniture and pharmaceutical industries, important in west Michigan. .

While this has been a continuing trend, it has accelerated greatly over the last year, with the dramatic slowdown in auto sales and the bankruptcies of Chrysler, General Motors, Visteon and Lear. Since manufacturing work is generally a high-wage sector, these changes have led to lower incomes, higher rates of bankruptcy among affected households, and continued high rates of mortgage foreclosures in Michigan.

2. Elevated Foreclosure Rates

These elevated foreclosure rates are the second contributor to the target area's decline. The current housing crisis that has hit nationally has been present in Michigan since the third quarter of 2006, when data from RealtyTrac showed that the Detroit MSA had the largest amount of foreclosure activity nationally. In addition to income loss from unemployment, subprime lending was an important ingredient in Michigan foreclosures. As this type of lending tended to target minority populations which have historically had little access to credit (according to the Center for Responsible Lending's *A Snapshot of the Subprime Market*), much of the continuing fallout occurs in urban centers, especially the southeastern portion of the state.

The impacts of foreclosures on local housing markets in the Consortium's target area have been strong and stark, affecting property values, local tax bases, and the quality of life in many communities. One measure of this is the proportion of the average sales price to the median market value of housing. This varies in the Consortium's target areas from a high of about 52% in Battle Creek to below 10% in the English Village neighborhood in Detroit. This fact indicates that, in most of the Consortium's target geography, homes are currently selling for about half of what their value truly is.

Detroit has been an epicenter of this issue, and has seen some of its worst effects. For example, according to the Michigan Association of REALTORS (MAR), the median home sale price in the city has declined from over \$61,400 in December 2006 to \$17,700 in December 2008. May 2009 data show that the average is now just under \$11,400. In Detroit's target geographies, the average sales price over the last six months is between \$5,000 and \$9,000. Statewide, MAR finds that sales prices are down by just over 26% from May 2008 levels, moving from about \$122,000 to \$89,000. In areas of the state that have not been as affected by the foreclosure crisis, prices have not fallen as quickly. For example, the northeastern portion of the Lower Peninsula saw a price decrease of only four percent (\$88,300 to \$85,000); the western and central Upper Peninsula's sales price dipped only six percent, moving from \$92,500 to \$87,300.

As noted by sales data collected by the Consortium's partners, the volume of sales in the target area is low. Sales volumes range from about five per month in Wyandotte to about 32 units per month in Grand Rapids. Slow sales are due to a number of factors, including decreased buying power among consumers of housing, fear of moving into ownership due to job concerns, and issues in the credit market.

3. Access to Credit

Access to credit is the third major contributor to neighborhood decline. While the current crisis in foreclosures is a visible sign of the problem, inner city areas have historically been underserved by mortgage lenders. In part, this limited access to mainline sources of credit helped establish a high demand for more expensive, "predatory" loan products in the neighborhoods that make up the target geography.

Further, as sources of credit have tightened up as a result of recent lending practices and a relative shortage of credit capital to lend (in terms of the amount of money available to lend and heightened underwriting standards on loans), it has been more difficult for lower-income families to obtain mortgages. This can be seen in data from the Home Mortgage Disclosure Act, or HMDA.

For the target area, the number of total applications for home purchase loans fell by over 43% between 2006 and 2007, decreasing from nearly 7,900 to about 4,800. Figures for 2008 are unavailable until this fall, but it is expected that they will show a further dramatic decline.

Successful applications (labeled “originations” or “approvals” in the HMDA data) declined by 45% during the same period. In 2007, about 53% of mortgage applications were successful, compared with 59% the previous year. While this shows that some progress has been made in credit access, it is still a much lower figure than in other areas of the state; in both years, the acceptance rate for all of the state’s metropolitan statistical areas was just over 67%. The 2008 data is expected to show further erosion in the approval percentage in the Consortium’s target area also.

4. Loss of Households and Population

The final contributing factor in the decline is the continued loss of households in the target geography. Across the target geography, the estimated household count in 2008, according to Claritas (a third-party demographic data vendor), was just under 97,000. This reflects a decrease of over seven percent from the 2000 Census, when about 104,000 households resided in it. The decrease between 1990 and 2008 is over 14%.

This loss of households has its roots in the movement of population away from central cities and into suburban locales. It is a migration stream with a long history in this country, and the situation in Michigan is emblematic of the trend. Its causes include the movement of jobs away from central cities, perceived benefits to families of living in a suburban context (educational opportunities, open space, smaller communities, etc.), and other factors.

The ramifications of this process are important. In addition to lost tax base and smaller populations, it is one of the causes of continued high numbers of vacant units in the target area. This adds to the supply of vacant units in these neighborhoods, and as a result both slows the absorption of the stock and acts to depress sales prices and home values.

The four factors reviewed in this section (job loss, foreclosures, access to credit and out-migration of households) have all combined to create serious challenges for community development in Michigan. Each tends to reinforce the others, creating circumstances that require strong, concerted and targeted efforts to rectify.

B. Market Conditions and Demand Factors

1. Absorption Rates over the Next Three Years

Vacancy in the target area is one of the visible problems we have described. Due to the economic recession and loss of revenues from state and local taxes, cities, counties and states could not address this problem without HUD Neighborhood Stabilization Program funds. According to the United States Postal Service, there were a total of 15,938 vacant units in the target geography. Information from the consortium members, taken from local REALTORSs and public records, indicates that current sales volume is 213 units per month area-wide. This means that it would take 6.2 years for this vacant stock to be absorbed. This is an aggressive estimate, since unemployment is expected to continue rising through 2010, hitting an expected 15.8%, which will likely mean additional vacant units and an even slower housing market.

2. Causes of Abandonment and Foreclosure

The NOFA describes three possible causes of abandonment and foreclosure in target geographies: overbuilding, over-valuation or loss of employment. Of these, the most important cause in Michigan’s case is loss of employment.

As stated previously, Michigan’s manufacturing employment base has been decimated over the last few decades. Communities dependent upon this economic activity have been harmed by this trend in many ways, including the erosion of household financial assets as incomes and

home values fall. This tends to increase the likelihood of foreclosure in the target area. In addition, decreases in local government revenues caused by business failures, outmigration and shrinking worker incomes lead to reductions in services, which can have a direct impact on how vacant units and public spaces are cared for.

The other two factors (overbuilding and over-valuation) are not as important as loss of employment in causing abandonment and foreclosure in Michigan's case. The nature of the neighborhoods included in the target geography is such that very little new residential construction has taken place in them for decades. That activity has been more common in suburban and exurban locales around the state's core cities, and for the most part it has been targeted to more affluent households than the geography's typical residents.

Overvaluation has not been much of a concern either; in many portions of the target geography, the opposite has been more of a problem. With sales prices for some units at about one-tenth the level of a year ago, appraisals are coming in at much lower levels. This makes it difficult for buyers to obtain financing and private mortgage insurance for home purchases.

3. Income Characteristics

Income levels in the target geography are low, especially in comparison to more suburban areas. The largest income group earns less than the 50% area median income (AMI) level. They number just under 37,000 households, and account for about 38% of the total. The next largest cohort, households earning over 120% of AMI, includes about 22,800 and accounts for about 24%. The 20,000 households that earn between 50% and 80% of AMI comprise about 21% of the target area, while the last segment (earning between 80% and 120% of AMI) includes about 17,000 households and 18% of the total. All told, low and moderate income households are a majority, at about 59% of the household count. In addition, 76% of households in the target area are under 120% of AMI.

Number of Households in Required Income Ranges	Households	Percentage
0% to 50% AMI	36,900	38%
51% to 80% AMI	20,000	21%
81% to 120% AMI	17,100	18%
Over 120% AMI	22,800	24%

Low and moderate income households also comprise a strong majority of those that pay more than 30% of their income for shelter. Overburden is a serious problem throughout the target area, afflicting about 39,000 (or 40%) of its resident households. Not surprisingly, the lion's share of households that are overburdened are in the under 50% AMI cohort. About 28,000 households are in this circumstance, comprising about 71% of all overburdened households in the target area. About 19% of households in the 50% to 80% AMI band are overburdened as well. The fact that 90% of lower income households are paying excessive amounts of money for shelter is a strong indicator of the need for additional safe, modern and affordable housing units in the target area.

4. Other Relevant Factors

The factors that have given Michigan its current difficulties are a combination of loss of employment, restructuring of the American auto industry, the foreclosure crisis, continuing lack

of access to credit, and a substantial decrease in the number of households in the Consortium's target geography. These factors were described in detail under Rating Factor 1, Part A.

5. NSP2 Activities to stabilize Target Geography

The NSP2 program envisions strategies that fall within five eligible uses of NSP2 funds, namely establishing financing mechanisms, purchase and rehabilitation of housing units that are abandoned or foreclosed on, demolition of blighted structures, establishment of land banks and the redevelopment of demolished or vacant structures into housing. Of these uses, the consortium will concentrate on:

- Expansion of land banks to purchase and hold properties and produce buildable lots to be conveyed to developers as revitalization plans get implemented
- Purchase, rehabilitation and redevelopment of foreclosed and abandoned property for sale and/or rent to low-moderate-middle income (LMMI) households through acquisition, rehabilitation and homebuyer assistance
- Demolition of blighted and vacant structures.

Given the current state of the target geography's housing market, these strategies hold the most promise for the stabilization and reconnection of these areas to their regional economies.

The expansion of land bank activity is pivotal in this regard. It allows the consortium to take foreclosed properties directly, without the units adding to the surplus already on the market. The magnitude of NSP2 funds combined with the legislative infrastructure and capacity of land banks provide the bridge for cities to link large-scale blight removal with subsequent implementation of their revitalization plans that transforms neighborhood markets.

The purchase and rehabilitation of abandoned housing is also vital. As noted previously, there are nearly 16,000 vacant properties in the target geography, all in varying condition. Purchasing and rehabbing the best of these units will aid in efforts to increase the supply of quality units that house low-, moderate-, and middle-income households. Homebuyer assistance programs will ensure that qualified homebuyers are able to live in quality housing with affordable monthly payments. This is an important need in these communities, since the overburden data points to a housing affordability gap among lower income households.

Finally, the demolition portion of the Consortium strategy is necessary for the success of the other two activities. In many of the neighborhoods in the target geography, blighted structures are common; about half of the total vacant structures have stood empty for over one year. The ability to remove these structures will aid in remarketing these neighborhoods to both current and future residents. It will increase levels of public safety and quality of life for their neighbors. Finally, it will improve housing values, as homebuyers (and renters) will find those neighborhoods more attractive, and increase demand for housing units within them. However, it is important that the Consortium gain HUD's permission to demolish more than the 10% limit set out in the NOFA in order to fully benefit from this activity. To that end, we are also submitting a waiver to that limit, which is found in Rating Factor 3, Part a, paragraph (2)(d)(iii).

Longer-term benefits of NSP2 will begin to decrease the over-supply of housing caused by population loss and provide working capital to implement coordinated revitalization plans that will create new market opportunities. The consortium chose target geographies that demonstrate a need for NSP2 funds, but also are anchored by institutions and employment centers, possess a sense of place that promotes community and walkability, and often surround the downtown business district. The consortium will concentrate the NSP2 investment, and leverage the social, economic and sustainable opportunities of the target geographies to maximize impacts that

achieve measurable neighborhood transformation (e.g. increased sales prices, lower vacancy rates, lower demand on public safety services, etc). Therefore, by using NSP2 funds to stabilize and re-position the target geographies, these neighborhoods will benefit from, and assist in, the recovery of the regional economy.

RATING FACTOR 2: DEMONSTRATED CAPACITY

A. Past Experience of the Applicant

The Consortium has demonstrated experience at the state and local level to successfully implement and achieve measurable results with NSP2 funds. Because it has the staff, capacity and experience managing large amounts of investment capital, MSHDA is the lead applicant and will coordinate the implementation, funds management, reporting and monitoring of NSP2.

In addition to working directly with MSHDA, city community development departments and county land banks will collaborate in their local, respective target geographies and use their direct project and asset management experience to acquire, rehabilitate, and redevelop and land bank property to stabilize neighborhoods and provide high-quality housing affordable to households earning at or below 120% AMI. Specifically, cities will act as planner, project manager and local funds manager for their local target geographies. County land banks will acquire, hold and dispose of foreclosed residential property. Both local partners will work with and oversee private and non-profit developers and contractors to rehabilitate and redevelop property to meet the marketability, accessibility and energy efficiency standards that are attractive and affordable to low-, moderate-, and middle-income households.

The narrative below demonstrates how the experience of these partners fits into their role in the Consortium and describes tasks undertaken, actual results achieved, and specific skills and resources applied from these three groups. The attached additional pages will describe the specific experience of each of the city and land bank consortium members.

1. Michigan State Housing Development Authority

The Michigan State Housing Development Authority (MSHDA), established in 1966, provides financial and technical assistance through public and private partnerships to create and preserve safe and decent affordable housing. MSHDA seeks to improve the quality of life for all Michigan residents and to create vibrant communities by providing safe, affordable housing through homeownership and rental programs; ending homelessness; and revitalizing neighborhoods and downtowns.

As Michigan's state Housing Finance Agency (HFA,) MSHDA funds its lending activity and operating expenses through the sale of tax-exempt and taxable bonds and notes to private investors, not from state tax revenues. Proceeds of the bonds and notes are loaned at below-market interest rates to developers of rental housing, and also used to fund home mortgages and home improvement loans. Through prudent lending and financial management practices, MSHDA has achieved and maintains an AA stand-alone rating from Standard & Poor's.

Additionally MSHDA serves the cities of the State of Michigan by managing federal funding from HUD for affordable housing and community development. These activities include:

- MSHDA is the lead agency for Michigan's State Consolidated Plan, coordinating the Community Development Block Grant (CDBG) and Housing for Persons with AIDS (HOPWA) with the Michigan Economic Development Corporation (MEDC) by the Michigan Department of Community Health (MDCH), respectively.

- MSHDA implements the State Participating Jurisdiction's HOME Investment Partnership Program since its inception in 1992.
- MSHDA receives 25 to 38 percent of the state's CDBG allocation for housing annually under an interdepartmental agreement with MEDC.
- MSHDA administers the Emergency Shelter Grant (ESG) program, annually supplementing its federal allocation with \$5 million in its own non-federal funds to expand services to homeless individuals and families.
- MSHDA manages the State of Michigan Neighborhood Stabilization Program, an allocation of \$98.6 million, and has developed a varied program involving entitlement cities and other local units of government, nonprofits, local lenders and for-profit developers.
- MSHDA is the state Public Housing Authority (PHA) that manages the housing choice voucher program, which serves up to 24,105 households each year statewide.
- MSHDA is the administering agency for the state allocation of Low-Income Housing Tax Credits (LIHTC) financing the development of 7,017 affordable units during the past two years.
- MSHDA administers the Homeless Prevention and Rapid Re-Housing Program (HPRP) federal annual allocation of \$23.5 million

The above program results and responsibilities over the past two years demonstrate that MSHDA can effectively and efficiently implement and monitor Michigan's \$290 million request in NSP2 funds. Having received one of the largest single allocations of NSP1 in the United States created opportunities for MSHDA to earn experience in the successful management and coordination of the consortium members, utilizing its allocation to gain necessary knowledge of the NSP federal regulations to comply with NSP2.

In addition to the track record reported above, MSHDA has successful experience implementing a range of activities specifically required by the Neighborhood Stabilization Program:

a) City and regional planning

In the 1990s, MSHDA secured passage of state legislation ratifying its "Neighborhood Preservation Program" (NPP), which specifically authorizes MSHDA funding for comprehensive neighborhood revitalization and community development activities in support of its affordable housing investments. To assure impact and synergy with local revitalization efforts, each neighborhood identified may be no more than 16 blocks, and must demonstrate local investment in complementary activities to support the target area. During the past two years, MSHDA's Office of Community Development funded Neighborhood Preservation Programs by providing over \$6.8 million in 20 neighborhoods for housing and related community development activities.

b) Acquisition and disposition of foreclosed real estate

Over the past two decades, MSHDA has provided gap financing with HOME and MSHDA non-federal funds for the acquisition and redevelopment of over 4,000 units of foreclosed, abandoned and vacant homes and lots in approved neighborhood target areas. Together with the Neighborhood Preservation Program described above, MSHDA designed and implemented its own state-level "Neighborhood Stabilization Program" to increase homeownership and stabilize property values. During the last two years, even in the current depressed market, 36 grantees have completed and sold 117 single family homes, using gap financing totaling \$7,320,045.

c) Rehabilitation of housing

Rehabilitation of housing stock is key to preserving neighborhoods and providing quality affordable housing for low-income homeowners and renters. During the past two years, MSHDA oversaw and grantees completed 927 single-family rehabilitation projects using \$11,997,497 in grant funds, and 99 rental projects, involving \$4,023,136 of funding for 32 cities.

d) Redevelopment of vacant property

A core product of MSHDA is the development of vacant property for rental housing either through rehabilitation or new construction.

During the past two years, the MSHDA Multifamily Development and Homeless Initiatives division has placed 1,302 affordable rental units in service totaling \$133,179,004 in investment.

MSHDA also has a market-driven acquisition-rehabilitation program called Homebuyer Purchase-Rehab (HPR). HPR combines subsidy funding (usually HOME) with a conventional first mortgage to cover down payment assistance and the increased equity realized by rehabilitation improvements. Supplementing conventional mortgage financing with a second mortgage for down payment and rehabilitation assistance provides low-income homebuyers with the resources they need to assure successful homeownership. Homebuyers purchase affordable, high-quality rehabbed homes with mortgages totaling no more than 103 percent loan-to-value. All units must be in neighborhoods that are walkable and connected to schools, parks, or commercial services.

In the past two years, 40 MSHDA grantees have completed 124 single-family homes, using \$3,283,470 in gap financing.

e) Program marketing and management of waiting lists of potential residents

In a housing market expected to be depressed throughout the NSP2 program, MSHDA will focus its marketing efforts on image-building of target geographies and marketing units to stabilize and/or increase the area's absorption rate. MSHDA will utilize its own marketing department and resources coupled with the nation's leading network of local homeownership counselors.

MSHDA's marketing and communications program expanded during the last two years. Specific campaigns include "Save the Dream" to inform and assist residents facing foreclosure. It is a hotline that handles thousands of calls and where homebuyers are linked to over 300 housing counselors. Through its "LINKS to Homeownership" program, MSHDA has developed one of the most extensive state-funded homeownership counseling networks in the nation. LINKS counselors provide wrap-around counseling services to provide homebuyer education, credit repair counseling, pre-purchase property inspections, financial management counseling, home maintenance training, and foreclosure prevention counseling to homebuyers, homeowners and participants in family self-sufficiency programs.

In the past two years, MSHDA's local approved LINKS counselors have provided services to 12,500 households, using \$636,000 in federal funds and \$1,587,000 in MSHDA's non-federal funding. With this kind of capacity, MSHDA can successfully market programs and manage the resulting demand.

f) Accessing operating and investment capital

The core business of MSHDA involves attracting investment capital and managing its affairs as a self-supporting agency of Michigan state government. MSHDA expects to use these skills and resources to develop lease-purchase and/or alternative mortgage financing products to maximize the rapid absorption of units in areas of the cities that have been hard-hit by job loss and population decline in recent years.

During the past two years, MSHDA has issued \$416 million in Rental Housing Revenue Bonds and \$717 million in Single-Family Mortgage Revenue Bonds (MRBs). During this time, MSHDA has executed \$530 million in new mortgages on 6,076 units. In addition, MSHDA has loaned over \$4.9 million from its own reserves for home improvement loans to 365 moderate-income homeowners, with a total portfolio of outstanding home improvement loans in excess of \$11 million.

g) Working productively with other organizations

As a financially strong Housing Finance Agency, MSHDA accomplishes its mission by providing capital to local partners for housing and community development activities in the public interest. Additionally, as a seasoned administrative agency for federal housing and community development programs, MSHDA trains, equips and monitors local partners to assure the effective implementation of projects. This is done by combining federal gap financing and other subsidies with investment capital to assure the cost-effective completion of projects.

Examples of successful collaboration during the past two years include:

- Provision of Technical Assistance: Michigan is only one of two states that consistently receives technical assistance funding directly from HUD. MSHDA expended \$746,741 in technical assistance resources from July 1, 2007 to June 30, 2008, including over \$550,000 of its own non-federal funding. During this period, MSHDA has provided direct TA services to approximately 65 non-profits and local units of governments and delivered over 40 training sessions across Michigan on a variety of topics.
- Statewide Habitat for Humanity production: MSHDA has provided consistent support to Habitat for Humanity in its efforts to build a statewide network of affiliates that leads the nation in Habitat production. In the past two years, local Habitat affiliates have produced 293 units, with the support of \$3,355,494 in HOME funds from MSHDA.
- CHDO Production. MSHDA has built a statewide network of over 40 Community Housing Development Organizations (CHDOs) which are responsible, high-capacity producers of affordable housing that empower their communities to meet their own affordable housing needs.
- The Michigan NSP2 Consortium. This application itself, and the strong consortium it represents, is evidence of MSHDA's ability to work with local partners. The collaborative model MSHDA has proposed for this consortium requires that its members commit to a major investment and enhance the way cities and counties work together in a very short period of time. This paradigm shift involves (a) thinking in terms of innovative ways to manage land use given declining populations, (b) to develop new partnerships among cities, counties, and land banks, and (c) to invest substantial resources in the redevelopment of very tightly defined geographies. The fact that these major cities have moved quickly to commit to these far-reaching changes testifies to their confidence in MSHDA's leadership and the strength of state-wide working relationships.

2. Local Consortium Partners

Local consortium partners have experience and capacity that demonstrate their ability to successfully manage the requested \$290 million in NSP2 funds, comply with NSP2, CDBG and federal regulations, and achieve measurable results. For NSP1, these members were allocated

\$171.2 million. In addition to NSP, the local consortium partners managed over \$260 million in HOME, CDBG and other public and private investment capital during the past two years. The local consortium partners have successfully implemented a range of activities specifically required by the Neighborhood Stabilization Program:

a) City and regional planning

Over the course of two years, local consortium members have developed a total of 73 neighborhood, city and regional plans. These plans have studied and created strategies ranging from city-wide master and comprehensive plans, to targeted neighborhood revitalization plans, housing market analyses to understand and identify potential target markets, and to address their vacant and abandoned properties. These plans are in addition to their HUD Consolidated Plans they develop and update annually.

b) Acquisition and disposition of foreclosed real estate

Under the Michigan Land Bank Fast Track Act, land banks have essential tools to manage the process of stabilizing urban areas. Land banks are able to acquire and divest themselves of property. The state and county land banks in the consortium have acquired and managed approximately 15,900 tax foreclosed parcels. Many remain in the land bank, but an estimated 15% (or 2,400) have been disposed of since May 2007.

Michigan land banks facilitate redevelopment by expediting quiet title actions, holding property tax-free, issuing tax-free bonds, and leveraging Brownfield Tax Increment Financing (TIF) or Brownfield Tax Credits for redeveloping any land bank sites.

Therefore, when a land bank engages in redevelopment activities on foreclosed properties, the Brownfield law allows land banks to seek financing credits for eligible activities such as demolition, construction, lead and asbestos abatement, infrastructure improvement, and site preparation. Most importantly, when a land bank seeks Brownfield financing it can put thousands of scattered properties into one Brownfield plan and allow the TIF from the higher value properties to offset the cost of the low value properties in the same plan. Overall, when a land bank uses grant funds in combination with Brownfield financing, those grant funds are leveraged in such a way that they will positively impact many more homes and neighborhoods than simply spending those same grant funds dollar for dollar.

c) Rehabilitation of housing

Cities and land banks in the consortium rehabilitated 6,099 units of housing since May 2007. Cities managed approximately 60% of them through their homeowner rehabilitation programs. Program design ranged from small exterior improvement grants to full code rehabilitation deferred soft second loans. The remaining were through purchase or rental rehab programs where cities and land banks partnered and/or worked with local non-profit and private developers to acquire, rehabilitate and dispose of mainly single-family houses to low and moderate income households.

d) Redevelopment of Vacant Property

Cities and land banks redeveloped 933 units of housing mainly through infill new construction in urban neighborhoods and adaptive reuse of commercial or institutional buildings into multi-family affordable housing projects, such as permanent supportive or senior housing. Similar to MSHDA, cities and land banks did not build as many new units as they rehabbed because of the oversupply of existing housing stock caused by job and population loss throughout Michigan.

e) Program marketing and management of waiting lists of potential residents

Compared to MSHDA, cities and land banks have a different role in both program marketing and management of lists of potential residents. They have specific units to market and often collaborate with their local developers and social service providers to link potential homebuyers and renters with their low and moderate-income units.

f) Accessing operating and investment capital

Cities and land banks in the consortium accessed over \$260 million in HOME, CDBG and other federal, state and local sources of funds. Sources include the Federal Home Loan Bank, equity investors, LISC, foundations, and allocations from the state such as MSHDA, Department of Environmental Quality and Department of Transportation. *Most importantly, they have been awarded over \$170 million in NSP1 funds.*

g) Working productively with other organizations

Several land banks and cities have established relationships where they collaborate to implement neighborhood revitalization projects and partner on blight removal. Often, they partner with local developers to rehabilitate or redevelop the vacant property or lot. Many have strategic partnerships with local LISC offices and major philanthropic groups, such as the Mott and Kellogg Foundation, to collaborate on comprehensive community and economic development. In addition, seven of the 12 cities work directly with MSHDA as part of the Cities of Promise program that provides funds for blight removal and revitalization projects, as well direct technical assistance to build local capacity and implement specific projects.

B. Management Structure

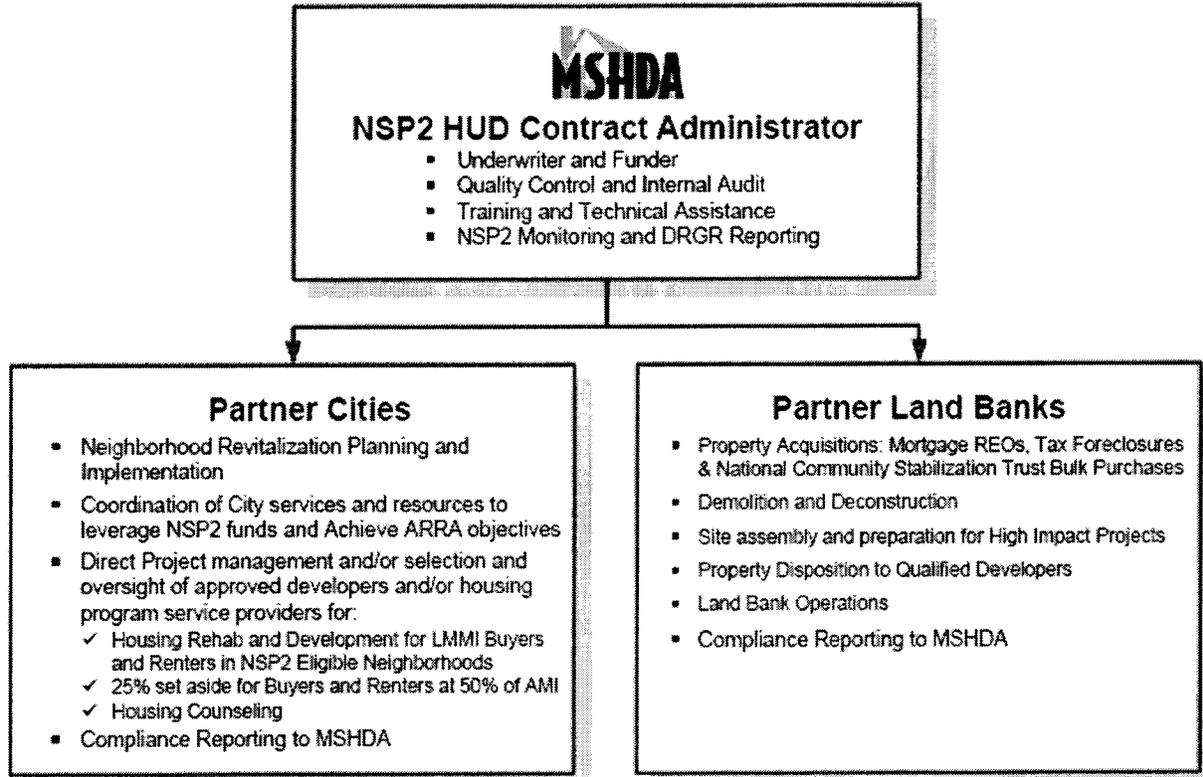
MSHDA will manage the Michigan NSP2 Consortium in close partnership and collaboration with the 12 cities and 8 land banks that executed the Consortium Agreement. Each partner city and land bank selected the target neighborhoods and census tracts from among those determined eligible by HUD's combined foreclosure and vacancy risk scores based on (a) the strategic importance of these areas and (b) the active presence of local institutions and employers that serve as anchors for redevelopment. These areas also have a sense of place that promotes sustainability and/or are supported by existing revitalization or redevelopment plans in various stages of implementation.

MSHDA will serve as HUD NSP2 Contract Administrator focusing on underwriting, funds management, assuring compliance and providing multifamily development capacity. MSHDA has the depth of staff and a network of housing development, HOME and CDBG technical assistance providers required to monitor and intervene so that all communities adhere to the production schedule specified in Rating Factor 3, Part B.

Partner cities will manage production on a local level in close partnership with the land banks, especially on refinements to revitalization plans and coordination of resources to implement such plans that may further leverage NSP 1 and NSP2 funds. Each consortium partner will implement the Integrated Approach to Neighborhood Stabilization, which includes:

- Making the NSP-funded homes "billboards for revitalization"—the most attractive, most functional and affordable homes on the block that anchor the stabilization of property values on a block or street;
- Knocking on the doors of adjacent homeowners on blocks where there are NSP-funded homes and offer homeowner rehab and/or façade improvement services that could be funded by HOME or CDBG funds;
- Conducting Code Enforcement of vacant and/or absentee owned rental properties;

- Investing in Streetscape Improvements that help raise the value of blocks or streets;
- Providing community organizing support to residents through Neighborhood Stabilization Ambassadors on their blocks or streets. These ambassadors will encourage them to take responsibility for investment and civility on their block or street, and reach out to their friends, family, and colleagues to help sell NSP-funded homes.



1. MSHDA Structure and Role as Lead Consortium Member (Organizational Chart)

MSHDA is a quasi-government agency organized under the *Michigan Department of Energy Labor and Economic Growth (DELEG.)* MSHDA’s permanent staff of approximately 280 persons includes project managers, attorneys, accountants, and specialists in public and real estate finance, construction, and federal funds management. Relationships with consortium members will be led by *MSHDA’s Office of Community Development*. Staff of these work units will provide grant management, identify and retain technical assistance, and assure regulatory compliance.

MSHDA will coordinate with the *Michigan Land Bank Fast Track Authority*, another division of DELEG, to establish standard acquisition and disposition policy and procedures and build the capacity of local land banks.

Staff of MSHDA’s *Urban Revitalization Division* will provide additional support through MSHDA’s “Cities of Promise” program, coordinating blight reduction (e.g., demolition activities) in the target cities with the highest poverty rates (Detroit, Highland Park, Hamtramck, Pontiac, Flint, Saginaw, and Benton Harbor).

MSHDA's *Office of Rental Development and Homeless Initiatives* will provide underwriting and construction management support for multifamily development projects to be identified and funded within NSP2 target areas.

The *Office of Homeownership* will develop mortgage underwriting standards and assure the soundness of alternative mortgage products to support the absorption of units in target areas.

The *Office of Legal Affairs* will review and assist in development of document templates that standardize and ensure consistency and compliance for the financing of homebuyer, lease-purchase, and rental programs, grant execution between consortium partners, and procurement of local program partners.

The *Division of Public Policy, Marketing and Research* will provide regulatory coordination with the HUD field office, demographic analysis and NSP2 program evaluation and monitoring.

MSHDA's *Office of Finance* will provide overall financial management, approve and submit NSP2 draws to HUD, and perform the internal audit function for consortium members.

The *Office of the Auditor General*, an arm of the Michigan Legislature, will perform the internal audit function for MSHDA and is described under Rating Factor 3, Part F. (See Organizational Chart below)

2. City Role and Structure as Local Planner, Project Manager and Grants Manager

The role of partner cities is to:

- Refine Neighborhood Stabilization and Revitalization Plans that meet community approval and position target neighborhoods for long term recovery and prosperity for people who earn low-, moderate- and middle-incomes;
- Conduct Due Diligence of Properties targeted for Acquisition in terms of Environmental Review, appraisal review, code inspection, and reuse determination
- Cultivate and manage contracts with nonprofit and for profit developers and housing program service providers to manage housing rehab, new construction and services such as housing counseling and home sale marketing;
- Manage property disposition RFPs in close coordination with land banks in accord with neighborhood stabilization and revitalization plans and ARRA objectives;
- After disposition of properties from land banks to developers, maintain property and client files to make sure housing improvements and people served meet HUD NSP2 regulations;
- Provide production progress and clientele served reports to MSHDA so that they can provide effective monitoring and DRGR reporting to HUD.
- Many cities will engage existing staff from its CDBG- and HOME-funded housing and community development programs to manage its NSP2-funded activities.

Each city will dedicate City staff and/or hire contractors to staff the following functions:

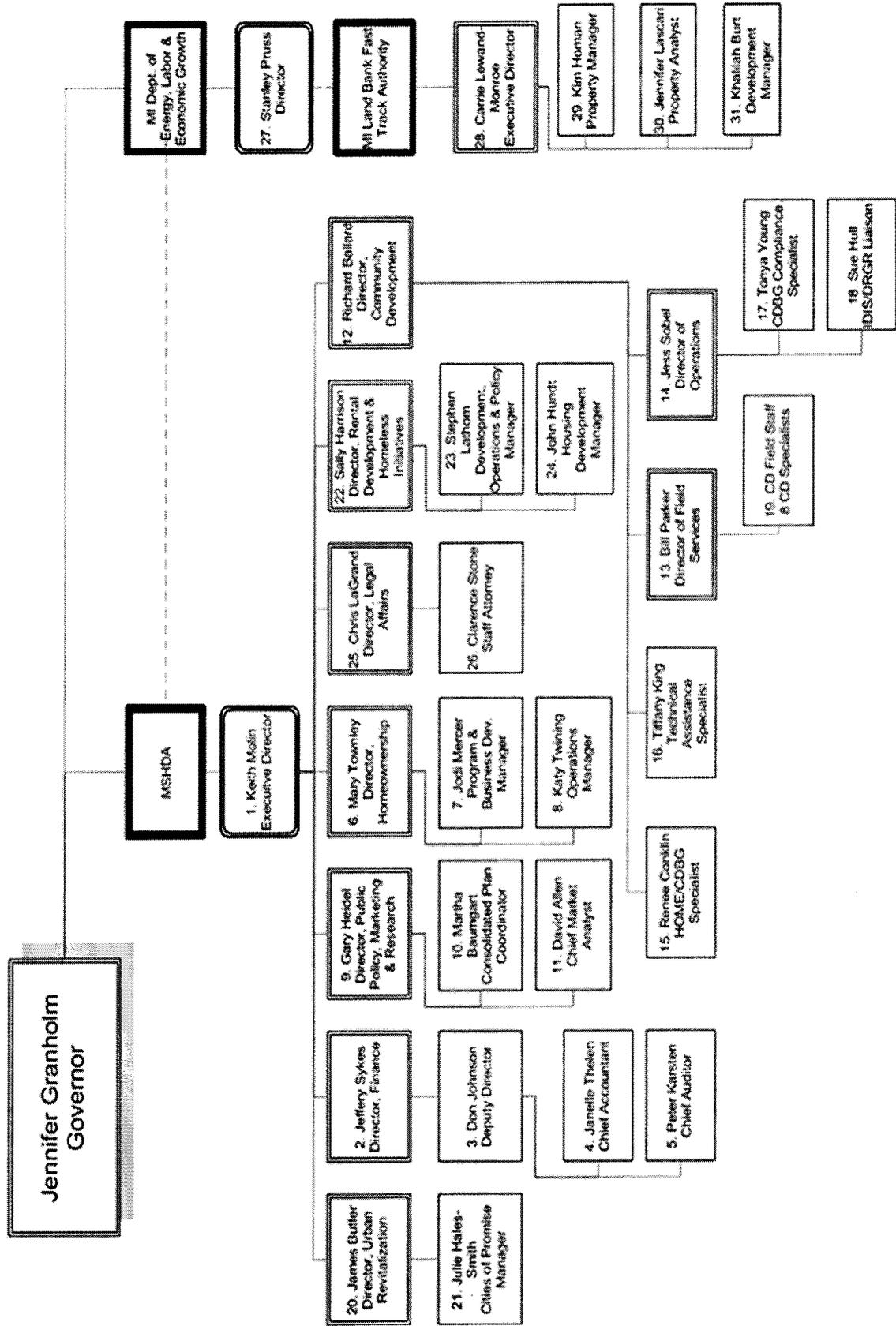
- Neighborhood Stabilization and Revitalization Planner
- Housing Inspector, Specifications Writer and Construction Manager
- Neighborhood Marketing and Sale Manager
- Housing Counselor
- NSP2 Compliance monitor and reporting manager

From the time of the NSP2 NOFA submission to Notice of Funding, MSHDA will work with partner cities to determine whether existing local staff is sufficient or additional staff and/or

professional contractors may be needed. Staff dedicated to local NSP2 contract management will be included in the NSP2 Funding Agreement between HUD, the city, and the land bank.

If at any time MSHDA determines there to be a staffing or capacity issue concerning program management, MSHDA will provide training and technical assistance to existing staff. If production continues to falter, then MSHDA will write into the Funding Agreement that in its role as Lead Entity it can place program and project management staff and/or consultants to stay on track in meeting NSP2 production goals.

a) MSHDA Organizational Chart



b) Directory of Key MSHDA NSP Staff

Ref	Name	Title	NSP Duties
1	Keith Molin	Executive Director	MSHDA CEO; Executive Direction
2	Jeffrey Sykes	Director, Finance	MSHDA CFO; overall financial management
3	Donald Johnson	Deputy Director, Finance	Supervision of accounting staff
4	Janelle Thelen	Chief Accountant	Approval of HUD draws
5	Peter Karsten	Chief Auditor	Internal audit function for consortium members
6	Mary Townley	Director, Homeownership	Oversight of single-family lending
7	Jodi Mercer	Program and Business Development Manager, Homeownership	Promotion of mortgage products, counseling
8	Katy Twining	Operations Manager	Development and deployment of mortgage products
9	Gary Heidel	Director, Public Policy, Marketing & Research	Oversight of promotion, intergovernmental relations
10	Martha Baumgart	Consolidated Plan Coordinator, Public Policy, Marketing & Research	Overall NSP program development, reporting
11	David Allen	Chief Market Analyst, Public Policy, Marketing & Research	Demographic analysis and program evaluation
12	Richard Ballard	Director, Community Development	Oversight of NSP project implementation
13	Bill Parker	Director of Field Services, Community Development	Supervision of staff providing grant management services
14	Jess Sobel	Director of Operations, Community Development	Supervision of NSP program operations
15	Renee Conklin	HOME/CDBG Specialist, Community Development	NSP policy development, specialist support for field staff, oversight of on-line systems
16	Tiffany King	Technical Assistance Specialist, Community Development	Coordination of NSP Technical Assistance
17	Tonya Young	CDBG Compliance Specialist, Community Development	NSP compliance support

Ref	Name	Title	NSP Duties
18	Sue Hull	IDIS/DRGR Liaison, Community Development	DRGR information compilation and entry, management of on-line data collection and reporting
19	CD Field Staff	8 FTE Community Development Specialists	Direct grant management support for consortium members
20	James Butler	Director, Urban Revitalization	Oversight of MSHDA Cities of Promise initiatives
21	Julie Hales-Smith	Cities of Promise Manager	Coordination with city governments on NSP-funded blight elimination projects
22	Sally Harrison	Director, Rental Development and Homeless Initiatives	Oversight of multifamily development programs
23	Stephen Lathom	Development, Operations, and Policy Manager, Rental Development and Homeless Initiatives	Oversight of multifamily development policy and construction
24	John Hundt	Housing Development Manager, Rental Development and Homeless Initiatives	Oversight of underwriting of multifamily development projects
25	Chris Lagrand	Director, Legal Affairs	Oversight of legal staff
26	Clarence Stone	Staff Attorney	Attorney assigned to document development for NSP

c) Directory of Key State NSP Staff, DELEG & Michigan Land Bank

Ref	Name	Title	NSP Duties
27	Stanley Pruss	Director	Executive direction, DELEG; MSHDA Board member
28	Carrie Lewand-Monroe	Executive Director, MLBFTA	Coordination of NSP land bank activities and relations with local land banks
29	Kim Homan	Property Manager, MLBFTA	Relationships with participating cities
30	Jennifer Lascari	Property Analyst, MLBFTA	Management of NSP Assisted Properties
31	Khalilah Burt	Development Manager, MLBFTA	Local land bank capacity building

d) Lead Applicant (MSHDA) References

Marjorie Green Community Investment and Relationships Manager.	Federal Home Loan Bank of Indianapolis	2017 Wild Cherry Path Okemos, MI 48864	517-230-2361 517-349-7525 (fax)	mgreen@fhlbi.com
Angie Gaabo, Executive Director	Community Economic Development Assn of MI	1000 S. Washington Sq. Lansing, MI 48910	517-485-3588 517-485-3043 (fax)	gaabo@cedam.info

3. Land Bank Structure and Role as Acquisitions and Asset Manager

The land banks will manage acquisition and site preparation of homes and lots made ready for rehab or new construction in accord with local revitalization plans that meet the sustainable development objectives of ARRA. Site preparation may include:

- Acquisition and clearing of all issues that may cloud title for new users
- Demolition or Deconstruction
- Environmental remediation
- Re-platting of sub-standard lots to produce modern and marketable buildable lots
- Upgrades to home site infrastructure such as new laterals, storm water management and underground utilities

For areas where there is weak demand for sales and/or additional properties need to be acquired to yield a concentration of contiguous lots for large-scale redevelopment projects, the land banks will hold and manage such properties within years 4 to 10, disposing of them as market demand re-emerges.

Additionally, the land banks will bring to their role as property and acquisition managers their unique powers to facilitate redevelopment under Michigan law including the ability to:

- Hold property tax-free;
- Accessing Brownfield Tax Credits and/or Tax Increment Financing on all property;
- Use of NSP2 for disposition and operating costs.

Each land bank will operate with a variation of the following staffing and management structure for NSP2 that suits local neighborhood needs and market conditions.

- **County Treasurer and Chairperson of Land Bank** – policy, executive management and network of contacts with lenders
- **Implementation Manager** – acquisition, demolition / deconstruction, site preparation and land bank property management
- **Real Estate Processor** -- administrative support, contract management and database management to acquisition, demolition, / deconstruction, site preparation and property management functions of the land bank.

Land banks will engage local real estate attorneys and title companies to help resolve title issues with properties targeted for acquisition.

Land bank staff will be in regular contact with partner cities to coordinate stabilization and revitalization activities. The land bank will not acquire a property with NSP2 funds without the agreement of the partner city that such property fits within the NSP2 target census tract and revitalization plans. As NSP2 production goals and the three year contract period are robust, the land bank and partner city will meet no less than every two weeks to monitor production.

a) Directory of Key Local Consortium Partner Staff

Locality	City Contact	Land Bank Contact
Battle Creek	Al Giguere, Community Development Supervisor City of Battle Creek	John Bartlett, Executive Director Calhoun County Land Bank
Benton Harbor	Regina Sistrunk, Deputy Director Community and Economic Development City of Benton Harbor	Bret Witkowski, Director Berrien County Land Bank
Detroit	Marja Winters, Deputy Director Planning and Urban Development City of Detroit	Carrie Lewand-Monroe, Executive Director Michigan Land Bank Fast Track Authority (MLBFTA)
Flint	Tracy Atkinson, Acting Director Community & Economic Development City of Flint	Amy Hovey Development Director Genesee County Land Bank
Grand Rapids	Connie M. Bohatch, Acting Chief Services Officer City of Grand Rapids	Carrie Lewand-Monroe, Executive Director MLBFTA
Hamtramck	Jason E. Friedmann, Director Community & Economic Development City of Hamtramck	Jill Ferrari, Sr. Executive Project Manager Wayne County Land Bank
Highland Park	Yvette Robinson, Community Development Director City of Highland Park	Jill Ferrari, Sr. Executive Project Manager Wayne County Land Bank
Kalamazoo	Jeff Chamberlain, Director Community Planning & Development City of Kalamazoo	Mary Balkema, Treasurer Kalamazoo County
Lansing	Dorothy Boone, Development Manager Planning & Neighborhood Development City of Lansing	Mary Ruttan, Executive Director Ingham County Land Bank Fast Track Authority
Pontiac	Patricia M. Lile, Block Grant Administrator City of Pontiac	Carrie Lewand-Monroe, Executive Director MLBFTA
Saginaw	Odail Thorns Director of Development City of Saginaw	Tom Miller, Sr. Executive Director Saginaw County Land Bank
Wyandotte	Mark Kowalewski, City Engineer Engineering and Building Department City of Wyandotte	Jill Ferrari Senior Executive Project Manager Wayne County Land Bank

INDIVIDUAL EXPERIENCE OF LOCAL CONSORTIUM PARTNERS

5 additional pages that do not count towards 40 page limit.

City of Battle Creek and Calhoun County Land Bank. The ***City of Battle Creek*** is an entitlement community that receives both CDBG (\$1,300,000) and HOME (\$300,000) funds annually. With its allocation, the City rehabilitated 123 units of housing since May 2007. The city has also received \$1,950,000 in NSP funds from MSHDA. The City's proposed NSP2 target area is adjacent to the Central Business District (CBD). Their NSP2 activities will support their NSP1 allocation along with an \$85 Million of public-private investment in their CBD. The City fosters a strategic partnership with key employers and institutions, including the Kellogg Company and Foundation, and Western Michigan University. The ***Calhoun County Land Bank Authority*** was formed in 2006, with a focus on managing abandoned, underutilized, or blighted properties and redeveloping them back into productive use. Since May 2007, it has acquired and disposed of more than 100 tax-foreclosed properties to developers, non-profit organizations, and individual tax owners.

City of Benton Harbor and Berrien Co. Land Bank. The ***City of Benton Harbor*** is an entitlement city that receives \$460,000 in CDBG funds annually. MSHDA allocated \$200,000 from their state NSP allocation. With its CDBG and NSP allocation, the City focuses on blight removal through demolition as well as the acquisition and rehabilitation of homes to create viable neighborhoods. In the last two years Benton Harbor has demolished 47 residential properties and expended \$82,859 of Blight Elimination grant funds. MSHDA and the City will take advantage of opportunities under NSP2 to build capacity in the City to ensure that the NSP2 funds are administered strategically and in compliance with HUD regulations. The ***Berrien County Land Bank Authority*** formed in January 2008, with a focus on the management of abandoned, underutilized, or blighted properties and their redevelopment. Since its formation, the land bank has been working with the Michigan Land Bank Fast Track Authority and the Genesee Institute to form their strategic plan and policies and procedures as well as develop their programs for the acquisition and disposition of abandoned and foreclosed property.

City of Detroit and Michigan Land Bank Fast Track Authority. The ***City of Detroit*** Planning Division annually completes approximately 50 master plan interpretations; over 200 site plan reviews; over 200 historic permit reviews; issues nearly 90 historic district violations; completes over 2,000 Section 106 reviews; and nearly 30 design reviews. Within the time period of May 4, 2007 through May 4, 2009, the Real Estate Development program under this Division acquired 3,908 Tax-Foreclosed Properties at a cost of \$1,380,535 from Wayne County. Acquisition and maintenance (budget of \$125,000) of these parcels allows the City to develop a strategy to leverage Development activities within the City.

The City's Housing Department completes a minimum of 750 units annually ranging from the City's Senior Emergency Home Repair Program, the Minor Home Repair Program (50 targeted Sponsoring Community Organizations), City-Wide Lead and ChildHELP (both programs provide lead remediation, as well as rehabilitation services to owner occupied and rental units), and the HOME Program. The City has an impressive track record of redeveloping vacant properties. In the past year; approximately 509 units were developed from previously vacant structures and/or vacant land.

The City partners with MSHDA to support an extensive Housing Counseling network to assist potential homebuyers to qualify for mortgages and to increase their financial literacy. The City of Detroit provides down payment assistance and mortgage closing costs, through both

HOME and HOME funded ADDI program. The Department has operational agreements with eight (8) participating financial institutions, where eligible Detroit residents can apply for funding assistance as first-time homebuyers.

The City's Planning and Development Department administers the CDBG, HOME, Emergency Shelter and Housing Opportunities for Persons with Aids. For the 2007-2008 FY, the City of Detroit received \$41,070,061 in CDBG funds, and \$10,573,014 in HOME funds. The total amount of bond-funded public improvement facilitation is \$42.5 million dollars. Also for 2007-08 the Recreation Department was allocated \$2 million in capital reinvestment bond funds for parks, landscapes, recreation centers and facilities. For 2008-09, the City of Detroit received \$42,781,292 in CDBG funds, and \$10,283,483 in HOME and ADDI funds.

The **Michigan Land Bank Fast Track Authority** (MLBFTA) participates in a number of collaborative efforts to support neighborhood and city planning by local units of government, non-profits and community development corporations throughout the State. Currently, MLBFTA staff participates in MSHDA Cities of Promise economic development and neighborhood strategy subcommittees for Detroit, Highland Park and Hamtramck, where many of the MLBFTA properties are located.

The MLBFTA currently is responsible for the disposition of over 7,000 tax-reverted residential and commercial structures and vacant property. In 2007, MLBFTA acquired 180 mortgage foreclosed properties from Fannie Mae. It also manages and markets its Side Lot Disposition Program aimed at conveying non-buildable and adjoining lots to residential property owners throughout the State of Michigan. From 2007-2009, the MLBFTA successfully sold over 200 vacant properties.

The MLBFTA manages and markets its Residential Property Conveyance Program aimed at conveying vacant and tax-foreclosed properties for residential purposes. From 2007-2009, the MLBFTA successfully sold over 600 structures for rehabilitation. The management and processing of these conveyance applications is handled by MLBFTA staff.

Most recently, the MLBFTA received \$10 million dollars of NSP 1 Funds from MSHDA to demolish over 600 properties throughout the state of Michigan, with the bulk of those demolitions to occur in Detroit.

City of Pontiac and Michigan Land Bank Fast Track Authority. The **City of Pontiac** has worked with MSHDA's Cities of Promise Partnership Team to break down, analyze and re-engineer their Substandard Buildings process. Following this process, to date, in this fiscal year they have demolished 124 buildings and have 170 privately owned homes with rehab agreements in process. In December 2008 Pontiac adopted an updated master plan that provides a well-articulated vision for Pontiac's future. The plan includes clear goals, objectives, and an economic development strategy chapter. It highlights several definitive sites to focus economic development efforts on, and provides a detailed implementation schedule. The city of Pontiac has recently been cited by the HUD field office for deficiencies in its HOME-funded rehab program. However, as a condition for the restoration of funding, HUD has specifically requested that MSHDA provide on-site technical assistance to Pontiac. MSHDA will be working with Pontiac through the balance of 2008 to bring its programs back into HOME compliance and will provide continuing support as needed throughout the NSP2 program to assure quality services to the residents of Pontiac.

City of Flint and Genesee County Land Bank: The **City of Flint** has funded the preparation of redevelopment plans under P.A. 344 for several neighborhood redevelopment areas, including Flint Park Lake, Smith Village and Northeast Village. Working with the Genesee County Land Bank, the City acquired 34 tax foreclosed properties in its redevelopment areas. In conjunction

with its neighborhood partners, the City has also funded and implemented the following housing activities: 250 single family rehabilitation projects including owner-occupied rehab, acquisition/development/rehab, citywide emergency rehabilitation, disability modification, redevelopment of 151 vacant properties, 33 homebuyer projects; and pre- and post-purchase housing counseling services benefiting 315 households. Partners include Salem Housing CDC, Court Street Village, Flint NIPP, and Metro Housing Partnership. The City receives annual entitlement allocations from CDBG, HOME, and Emergency Shelter Grant (ESG). The City of Flint's First Time Homebuyers Down payment Loan Assistance Program offers down payment assistance to qualified Flint buyers (who have not owned a home in the past three years) for the purchase of their first home.

The ***Genesee County Land Bank*** was the forerunner of land bank legislation in Michigan and now is a national leader in land bank and urban redevelopment. It has acquired 1,620 tax foreclosed properties since its inception in 2002; has rehabilitated 29 single family homes with a goal of creating the "best house on the block" and has partnered with local CDCs to rehabilitate an additional 15 single family homes.

City of Grand Rapids: In the past two years, the ***City of Grand Rapids*** has successfully managed the following housing rehabilitation initiatives: Lead Hazard Control Program (209 assisted units), Housing Rehabilitation Program (82 assisted units), Minor Home Repairs (3,202 housing units assisted) and Exterior Home Maintenance Program (exterior painting of 21 homes occupied by seniors and disabled homeowners). The City's multi-family projects included accessibility improvements for a 125-unit apartment building for seniors (Mt. Mercy), funding for the development of 11 (of 21) affordable rental units converted from an industrial building (Roosevelt Park Lofts) and the Carmody Apartments Project which involved the renovation of 19 existing units of affordable housing (nine completed to date). The City also provided funding for the acquisition, development and resale of eight single family housing units and provided up to \$5,000 in downpayment and closing cost assistance to 27 first-time homebuyers. Homeless prevention projects include: 25 affordable rental units for occupancy by low-income seniors requiring supportive services and the development of 11 rental units (of 116) for homeless veterans. This last project was recently recognized by the Affordable Housing Tax Credit Coalition with the Charles L. Edson Tax Credit Excellence Award for metropolitan housing.

City of Kalamazoo and Kalamazoo County Land Bank: The ***City of Kalamazoo*** has engaged in planning activities in all of its targeted neighborhoods. The City has acquired and disposed of 100 foreclosed properties. Either directly or in conjunction with its sub-recipients, it has rehabilitated 367 housing units using CDBG and HOME funds and disbursed a total of \$11,405,651 from its CDBG and HOME programs (including program income, and state and local leveraged funds).

The ***Kalamazoo County Land Bank*** is currently in its formation stage and will be officially created by late-summer, 2009.

City of Lansing and Ingham County Land Bank. The ***City of Lansing*** has acquired and rehabilitated 15 properties. One commercial structure has been acquired for rehabilitation. In the past two years, 50 homes, one commercial building, one church and one multifamily structure have been demolished; an additional 123 permits have been issued for demolition. The number of units rehabilitated in one to four unit buildings, using CDBG, HOME and Lead Hazard Reduction Grants was 102. Fifteen single family homes and 22 rental units in multifamily projects have been rehabilitated. HOME funds have been committed to a 42 unit multifamily rehab project. Twelve new single family dwellings for owner occupancy have been constructed on vacant lots. Funds are committed to the redevelopment of the former Library

building at the School for the Blind site with construction due to start in August, 2009. Grant funds managed for past two years include: \$1.7 million in HOME, \$4.4 million in CDBG, \$2 million in ESG, \$1.2 million in SHP, \$1.3 million in Lead Hazard Reduction, \$1.3 million from the Federal Emergency Management Agency (FEMA) and \$6 million in NSP1. An estimated 725 clients received foreclosure prevention counseling during the past two years. Thirty-seven homebuyers were assisted with HOME Down Payment Assistance funds.

The **Ingham County Land Bank**, in partnership with the Ingham County Brownfield Redevelopment Authority, has created and amended two brownfield plans impacting 675 parcels, predominately in this proposal's target area of Lansing. The land bank has acquired four years of tax foreclosed parcels (219). Under the HUD Good Neighbor Program another 70 mortgage foreclosures have been acquired. The capacity of two new housing organizations in Lansing was built, representing the Hispanic and faith-based communities. A full-time contract worker was added in 2008. Energy Star building standards were adopted in 2008 and achieved LEED Gold (the first in this area) for the land bank's seventh new home. The land bank aggressively markets its high quality homes using professionally-developed brochures, sales literature and press releases, Parade of Homes participation; and web-based marketing. Their housing inventory is actively managed to prioritize redevelopment and neighborhood stabilization efforts. Housing activities using HOME funds began in 2009. Revolving lines of credit of \$4,000,000 are maintained.

City of Saginaw and Saginaw County Land Bank. The **City of Saginaw** is currently implementing an extensive revitalization plan, completed in June 2008, for the Cathedral District, a key NSP2 target area. There are identified target areas, time lines and interventions for demolition and the decrease in the number of blighted homes. The City of Saginaw has acquired homes for redevelopment from the Saginaw County Land Bank. The City of Saginaw has assisted with the rehabilitation of 45 properties to date in the three targeted areas. Four agencies are providing program marketing and managing waiting lists for homebuyers.

The **Saginaw County Land Bank** has both partnered and been the lead agency for three plans, involving 800 properties. The land bank's staff has had extensive experience in the proposed targeted areas. It presently owns 600 properties and recently acquired 800 more through foreclosure proceedings.

City of Hamtramck and Wayne County Land Bank. The **City of Hamtramck** has acquired over four hundred (400) properties through the Wayne County Nuisance Abatement Program, Wayne County Land Bank, Wayne County Treasurer, Michigan Land Bank, and several other sources. Over 100 homes have been rehabilitated utilizing HUD CDBG funding. Low income residents displaced by urban renewal efforts of the 1960's have benefited from 30 rehabilitated homes and 104 new homes. The City has encouraged an urban farming movement that is taking advantage of vacant property awaiting redevelopment. Currently, the City is administering \$1.48 million in HOME funds for residential rehabilitation, \$750,000 in HOME funds for Home Buyer Assistance, and approximately \$400,000 per year in CDBG Funds for various community services and redevelopment projects.

By the end of this year, the **Wayne County Land Bank** will have acquired and disposed of over 2,400 properties that were foreclosed upon. Through its Transforming Underutilized Residential and Business Opportunities (TURBO) Program, the Wayne County Land Bank has completed 42 redevelopment projects throughout Wayne County. Through HOME funding, Wayne County's First Time Homebuyer Program markets home buying opportunities, down payment assistance and manages waiting lists. Through HOME, Wayne County has successfully financed the development of rental properties and worked with management agencies to identify

eligible residents based on applicable income restrictions. Wayne County is in a position to successfully leverage its CDBG and HOME dollars for the NSP2 project. Wayne County has contractual relationships with several housing counseling agencies. Wayne County also has an award-winning Mortgage Foreclosure Prevention Program that provides ongoing counseling and case management to people facing foreclosure.

City of Highland Park & Wayne County Land Bank. The ***City of Highland Park*** began updating the City Master Plan and Zoning Ordinance in 2009. The city has acquired and demolished 53 properties since 2008.

City of Wyandotte & Wayne County Land Bank; To promote investment in real estate, the ***City of Wyandotte*** has established a total of 7 Neighborhood Enterprise Zones (NEZs) since 1992. An NEZ promotes homeownership because it reduces property taxes by over 60 percent on real estate investments for 15 years. A total of 145 new homes have been constructed in Wyandotte's NEZs. In addition, Wyandotte established a Brownfield Redevelopment Authority (BRA) in 1997, to review and approve Brownfield Redevelopment Plans that promote the revitalization of properties that are functionally obsolete, blighted or environmentally distressed throughout the city. By 2009, the BRA and the City have approved 11 Plans that, upon completion, will facilitate more than \$196,000,000 million in property investment, 232,300 square feet of new or renovated commercial and industrial space, 435 jobs and 163 housing units. To assure housing quality throughout the city, Wyandotte has implemented a strict code-enforcement program requiring inspection of rental homes and an upon-sale code-compliance inspection of single family homes since 1987.

RATING FACTOR 3: SOUNDNESS OF APPROACH

A. Proposed Activities

1. Overall Neighborhood Stabilization Program

The Michigan NSP2 Consortium requests \$290,000,000 in NSP2 funds for large-scale acquisition of foreclosed upon, abandoned, vacant and blighted properties in neighborhoods targeted for revitalization and census tracts that meet the HUD NSP2 vacancy and foreclosure threshold. Michigan is managing a shift from heavy industry to a more diversified economy that will offer a range of manufacturing, technology, alternative energy, health, education, and tourism that all leverage the unique human and natural resources and transportation infrastructure assets of the state.

MSHDA requests assistance from NSP2 so that it can work with its 12 partner cities and eight land banks to get neighborhoods ready to be full participants in Michigan’s economic recovery.

2009 MSHDA Michigan NSP2 NOFA Consortium Funding Allocation Plan				
	City	Land Bank	Proposed NSP2 Funds	
1	Battle Creek	Calhoun County	\$10,000,000	3%
2	Benton Harbor	Berrien County	\$18,000,000	6%
3	Detroit	Michigan State Land Bank Fast Track Authority	\$52,850,000	18%
4	Flint	Genesee County	\$32,500,000	11%
5	Grand Rapids	Michigan State Land Bank Fast Track Authority	\$20,150,000	7%
6	Hamtramck	Wayne County	\$18,000,000	6%
7	Highland Park	Wayne County	\$18,000,000	6%
8	Kalamazoo	Kalamazoo County Land Bank	\$18,500,000	6%
9	Lansing	Ingham County	\$22,500,000	8%
10	Pontiac	Michigan State Land Bank Fast Track Authority	\$18,000,000	6%
11	Saginaw	Saginaw County	\$22,500,000	8%
12	Wyandotte	Wayne County	\$10,000,000	3%
	Administration		\$29,000,000	10%
Total:			\$ 290,000,000	100%

The vision for the Michigan NSP2 Consortium is that the New Michigan Urban Neighborhood will:

- Promote human-scale living rather than automobile-based sprawl
- Be more compact so that residents can walk, bicycle, or take transit to neighborhood services and employment centers
- Offer greater socio-economic and cultural diversity and sense of connectedness
- Offer rehabilitated and new homes that are energy efficient, reduce emissions, and promote health and economic value for residents.

If awarded the full \$290,000,000 requested, HUD will provide Michigan with the capital needed to launch the development of the New Michigan Urban Neighborhoods that will contribute and benefit in the economic recovery. Michigan NSP2 Consortium has the following components:

- Utilize land banks to strategically acquire foreclosed upon, abandoned, vacant and blighted properties in NSP2 eligible census tracts that are located within walking distance to employment, educational and healthcare centers;

- Utilize cities to leverage the NSP2 investment with their planning and CDBG, HOME and state and local sources to provide homeowner rehab, code enforcement, rental rehab and streetscape and infrastructure improvements on blocks where there is an NSP-assisted home;
- Address the 25% at 50% of AMI Low-Income Set-Aside of NSP2 funds by rehabilitating foreclosed-upon homes or redeveloping vacant residential lots that will be sold or rented to households earning 50% or less of AMI within the three year NSP2 spend down period;
- Remove blighting and market de-stabilizing forces through demolition and deconstruction, clearing the way for a new paradigm for mixed-income and sustainable neighborhood economic development;
- Utilize land banks to manage properties as community green space until market-based re-use opportunities emerge;
- Develop housing for people who earn up to 120% of AMI in years 4 to 10 as the market re-emerge in target areas funded with NSP2 to remove blight, conduct strategic site assembly and coordinate planning that focuses on supporting neighborhood employment, education and/or healthcare institutions.

The Michigan NSP2 Consortium program builds upon the existing efforts of the following planning and development programs:

- ***MSHDA Cities of Promise Program*** which provides funding and technical support for planning and neighborhood development. The state of Michigan general fund and MSHDA reserves provide funding for Cities of Promise (COP). COP often links with MSHDA Neighborhood Preservation Program grants that focus on complementary investments such as homeowner rehab and streetscape improvements;
- ***Michigan Land Bank and Brownfield Laws*** which help clear title, acquire vacant blighted properties and raise development capital through bond issues;
- ***NSP1-funded programs*** managed by the partner cities many of which overlap NSP2 target census tracts and;
- ***Local CDBG, HOME and local trust fund programs*** in target neighborhoods in the selected census tracts for this application. Many cities chose census tracts based on neighborhoods that are eligible for CDBG funds and some have Neighborhood Revitalization Strategy Areas (NRSAs).

The timing for the delivery of stabilization of housing markets in the 12 partner cities:

Timing	Action	Outcome	Performance Measures
Year 1 to 3	Acquisition of foreclosed upon, abandoned, vacant and blighted properties	Blight removal and stabilized property values	* # of Demolitions or Deconstructions * # Rehabs or New Homes
Year 1 to 3	Demolition and Deconstruction of vacant and blighted properties that cannot be salvaged	Blight removal and stabilized property values	* Sale Prices of Existing and New Homes * Occupancy
Year 1 to 3	Rehab and New Construction of Homes for Low-Income Renters and Buyers (25% at 50% of AMI set-aside)	Stabilization of Property Values and re-population	* Vacancy Rates * Population in census tracts
Year 1 to 10	Property Management Via Land Banks including re-platting and maintenance	Managed green space and build-able lots for	* Square Footage of Greenspace * # of Buildable Lots
Year 2 to 3	City Neighborhood Stabilization Interventions: homeowner rehab, code enforcement, streetscape improvements	Investment to attract future development	* Amount of Non-Federal and Private funds Invested in NSP2 Target Areas
Year 4 to 10	Mixed-Income Housing Development based on market-demand	Market growth, mixed-income re-population; increased local tax base, improved quality of life	* Sale Prices of Existing and New Homes * Home Sales Absorption Rates * Vacancy and Occupancy Rates * Population in census tracts * Household Incomes * Real Estate Tax Revenue

The Michigan NSP2 Consortium recognizes the links between housing, neighborhood development and economic development. Therefore, NSP2 activities will promote employment and expanded business opportunities as follows:

- Deconstruction will not only promote re-cycling of materials and sustainable development, it will offer employment opportunities for entry-level laborers.
- Program and Project Management of NSP2 will offer professional level employment opportunities for at least three years in each city. With a portion of the \$29 million allocated towards NSP2 administration costs, each city and land bank can add professional staff and/or contractors for neighborhood planning and development activities such as:
 - Project Manager
 - Real Estate Processor
 - Land Bank Demolition / Deconstruction and Property Manager
 - Neighborhood Stabilization and Revitalization Planner
 - Housing Inspector, Specifications Writer and Construction Manager
 - Neighborhood Marketing and Sale Manager
 - Housing Counselor
 - NSP2 Compliance monitor and reporting manager
- Housing Rehab and New Construction will offer employment opportunities for journeymen and laborers in the building trades as well as real estate and professional service providers for marketing and sales, appraisal, title, environmental inspections and loan origination.

Each City could generate an average of 100 new full and part-time jobs or 1,200 jobs for the State of Michigan for the next three years if fully funded with \$290,000,000 in NSP2 funds.

2. Uses for funds and firm commitments

a) NSP Eligible Use by CDBG Activity

Target Market*		NSP2 Eligible Use and CDBG Activity Budget											
		Use A - Financing Mechanisms		Use B - Purchase, Rehab & Sale or Rent of Abandoned or Foreclosed Resid. Properties		Use C - Land Bank Acquis. & Mgt of Foreclosed Resid. Properties		Use D - Demolition Blighted Structures		Use E - Redevelop Demolished or Vacant Properties		Total Subsidy Needed	
		Units	NSP Funds	Units	NSP Funds	Units	NSP Funds	Units	NSP Funds	Units	NSP Funds	Total Units	%
12		Ave Cost /Unit											
(a) Acquisition (CFR 570.201)													
Tax Foreclosed Residential Lots		\$497	-	-	1,891	\$ 852,500	-	-	165	\$ 169,000	2,056	12%	\$1,021,500
Tax Foreclosed Residential Structures		\$2,030	-	156	\$ 588,333	1,101	\$ 1,963,133	-	-	-	1,257	7%	\$2,551,467
REO Residential Lots		\$4,841	-	-	-	249	\$ 895,000	-	-	65	314	2%	\$1,520,000
REO Residential Structures		\$23,788	-	1,120	\$ 28,673,000	1,394	\$ 31,069,000	-	-	50	2,564	15%	\$60,992,000
Non-Foreclosed Residential Lots		\$9,576	-	-	-	15	\$ 307,500	-	-	44	59	0%	\$565,000
Rehab & Preserve (CFR 570.202)											6,250	36%	\$66,649,967
Rehab - Purchase		\$26,210	-	799	\$ 20,942,000	-	-	-	-	-	799	5%	\$20,942,000
Rehab - Rental		\$92,000	-	477	\$ 43,884,100	-	-	-	-	-	477	3%	\$43,884,100
New Construction - Purchase		\$72,735	-	-	-	-	-	-	-	219	219	1%	\$15,929,000
New Construction - Rental		\$142,714	-	-	-	-	-	-	-	105	105	1%	\$14,985,000
(b) Disposition											1,600	9%	\$95,740,100
Land Bank		\$8,995	-	-	-	4,650	\$ 41,826,000	-	-	-	4,650	27%	\$41,826,000
(d) Demolition											4,650	27%	\$41,826,000
Demolition		\$9,598	-	-	-	-	-	1,324	\$ 12,703,500	-	1,324	8%	\$12,703,500
Deconstruction		\$13,642	-	-	-	-	-	1,177	\$ 16,049,500	-	1,177	7%	\$16,049,500
(e) Housing Counseling											2,500	14%	\$28,753,000
Homebuyer (8 hours)		\$1,500	-	799	\$ 1,198,500	-	-	-	-	219	1,018	6%	\$1,527,000
Homebuyer Post or Lease Purchase		\$9,810	-	395	\$ 3,875,000	-	-	-	-	-	395	2%	\$3,875,000
(i) Relocation											1,413	8%	\$5,402,000
Relocation			-	-	-	-	-	-	-	-	-	0%	\$0
(n) Homebuyer Assistance													
Down Payment Assistance		\$22,229	-	799	\$ 18,174,271	-	-	-	-	219	1,018	6%	\$22,628,933
ADMINISTRATION											1,018	6%	\$22,628,933
Sub-Total:			0	\$0	\$117,335,204	9,300	\$76,913,133	2,500	\$28,753,000	1,066	17,431	100%	\$261,000,000
TOTAL Michigan NSP2 Request:			-	-	-	-	-	-	-	-	-	0%	\$290,000,000

CDBG Activity

Low-, Mod- and Middle-Income Housing Benefit	75%	\$217,500,000
25% NSP2 Set-aside for Buyers & Renters earning less than 50% AMI	25%	\$72,500,000
<i>Home Purchase and Lease-Purchase</i>	\$86,649,76	207
	\$17,936,500	
<i>Rental</i>	\$117,865,50	542
	\$63,883,100	
TOTAL LOW-INCOME SET-ASIDE:	749	\$81,819,600
	28%	
TOTAL:		\$290,000,000

All consortium Partners will operate in close coordination with MSHDA to make sure NSP2 program activities are completed in a timely manner, in compliance with HUD NSP2 and CDBG regulations and consistent with local neighborhood revitalization plans that help meet the objectives of the ARRA.

b) Narrative on Proposed Activities

(i) Activity Description:

The Consortium describes each of the proposed activities based on the CDBG Activity and corresponding NSP Eligible Use.

CDBG Activity	NSP2 Funds	%	Units	Responsible Entity
(a) Acquisition (CFR 570.201)	\$66,649,967	23.0%	6,250	Land Banks
Rehab & Preservation (CFR 570.202)	\$95,740,100	33.0%	1,600	Cities & contracted builders
(b) Disposition via Land Banks	\$41,826,000	14.4%	4,650	Land Banks
(d) Demolition	\$28,753,000	9.9%	2,500	Land Banks
(e) Housing Counseling	\$5,402,000	1.9%	1,413	Cities and contracted providers
(n) Homebuyer Assistance	\$22,628,933	7.8%	1,018	Cities
Administration & Compliance	\$29,000,000	10.0%		MSHDA, Cities and Land Banks
TOTAL Michigan NSP2 Request:	\$290,000,000	100%		

Acquisition (NSP2 Use “B” and “E”): The Michigan NSP2 Consortium estimates that it will acquire 6,250 properties with \$66,649,967 in NSP2 funds. All property will be acquired at a one-percent discount rate. Land banks manage all tax and REO mortgage foreclosed property acquisitions and acquisition of vacant and blighted non-foreclosed properties in target census tracts. Partner cities will provide Environmental Reviews, code and environmental inspections and order URA compliant NSP2 appraisals for eligible properties acquired with NSP2 funds. MSHDA will supervise all NSP2 acquisition due diligence to ensure compliance systems for property files and DRGR reporting. MSHDA will release NSP2 funds for acquisition only after all NSP2 due diligence requirements are satisfied.

Rehab and Preservation (NSP2 Use “B”): The Michigan NSP2 Consortium estimates that it will rehab and build new 1,600 homes at a cost of \$95,740,100 in NSP2 funds for buyers and renters who earn low-, moderate- and middle-incomes over the three-year NSP2 program period. Land banks will dispose of these properties to qualified nonprofit and/or for-profit developers based on market demand and assemblage of critical mass of concentrated properties for neighborhood stabilization impact. The cities will participate in the due diligence and selection of qualified developers and will engage them contractually, similar to how they engage developers and contractors under the CDBG and HOME programs. MSHDA will release NSP2 funds for rehab and new constructions only after all NSP2 due diligence requirements are satisfied.

Of the 1,600 rehabbed or new homes, the Michigan NSP2 Consortium will sell or rent 749 units or 47% to buyers or renters who earn less than 50% AMI.

Disposition via land banks (NSP2 Use “C”): The Consortium estimates that it will expend \$41,826,000 to manage and place back into productive service 4,650 properties that need to be stabilized, re-platted and/or re-positioned for mixed-income housing development or green space over years 4 to 10 of NSP2 program. These properties are located in areas that need concentrated investment to improve market conditions. As revitalization plans are implemented and market conditions improve, the land banks will coordinate with partner cities and issue RFPs to qualified developers with strict development controls that specify size, type, amenities and affordability of new homes for sale or rent in redeveloped areas.

It will cost on average \$9,000 per property held in land banks for the full three years or \$3,000 per year or \$250 a month to insure and maintain the properties held in land banks. This is a vitally important investment as well-maintained and re-platted lots are integral to setting the stage for changing perceptions about a distressed area’s development potential.

Demolition and Deconstruction (NSP2 Use “D”): The Consortium estimates that it will expend \$28,753,000 to demolish or deconstruct 2,500 vacant and blighted structures that contribute to neighborhood market de-stabilization. While the cost for this demolition of 2,500 houses is 9.9% of the requested \$290,000,000 in NSP2 funds, it totals 40% of the 6,250 units to be acquired. Land banks will manage demolition and deconstruction activities on behalf of partner cities. No property will be demolished without sign-off of the partner city.

Total Units Demolished:	53%	1,324
Total Units Deconstructed:	47%	1,177
Demo / Deconstruct Units:		2,500
Demo / Deconstruct Budget	\$28,753,000	
Demo / Deconstruct % NSP2 \$ Request	9.91%	
Demo / Deconstruct % Units Acquired	40.0%	

The Consortium requests \$290,000,000 from HUD to begin the process of market stabilization and re-positioning of target neighborhoods so that they can become desirable, based on the criteria of affordability, value, sustainability and a sense of community connectedness that trumps suburban sprawl. MSHDA estimates that of the 6,250 properties acquired 2,500 will be demolished or deconstructed. Demolition of 2,500 structures at scale in targeted high-risk census tracts will remove blight and establish a new canvas from which to plan and develop sustainable villages of neighborhood revitalization.

Housing Counseling: The Consortium estimates that it will expend \$5,402,000 to serve 1,488 homebuyers and renters who may be participating in pre- and post-purchase housing counseling. MSHDA is budgeting \$1,500 for the minimum of 8 hours for pre-purchase housing counseling per home sale settlement. MSHDA is also budgeting \$9,810 or \$3,270 or \$273 a month for professional post-purchase counseling for new buyer and transformation homebuyer education training for renters participating in lease purchase programs. The pre- and post-purchase Housing Counseling services help support new homebuyers so that they achieve success over the long term. Given absorption rates of 6+ years, Michigan needs to cultivate homebuyers and requires non-traditional approaches such as Lease-Purchase. MSHDA will work closely with partner cities to identify housing counseling agencies to provide pre- and post-purchase counseling that achieves NSP2 goals.

Homebuyer Assistance: The Consortium estimates that it will expend \$22,628,933 to help 1,018 households purchase new or rehabilitated homes. The homebuyer subsidy will average \$22,229 and can be used for down payment assistance and principal reduction that can help low-, moderate- and middle-income buyers become more bankable for home purchase mortgages. Partner cities will originate this NSP2 Housing Assistance using standardized MSHDA subsidy documentation.

Administration: The Consortium certifies that it will not expend more than \$29,000,000 or 10% of the request amount of NSP2 funds for Administration. MSHDA will take a portion of this Admin fee for its costs for program management as Lead Entity, training and technical assistance as needed, funds management and compliance monitoring and reporting to HUD. As part of the Funding Agreement negotiation, MSHDA will determine how much of the Admin fee it will allocate to each partner city and land bank to help pay for their administrative costs. MSHDA will also invest a portion of its NSP2 funds to address system-wide needs that cannot be funded by one city alone. These initiatives may include:

- Due Diligence and seed capital to facilitate bulk purchase of REO properties via the National Community Stabilization Trust;
- Uniform program management systems and documentation for land banks;
- Uniform program management systems and documentation for Lease Purchase Programs.

(ii) Range of Interest Rates:

MSHDA will use NSP funds for down payment assistance and principal reduction. MSHDA will require fixed-rate financing at or near the best available conventional rate, including FHA-insured mortgages, Rural Development (RD) mortgages and MSHDA mortgages.

(iii) Duration or term of assistance; Tenure of Beneficiaries:

Acquisition and rehabilitation assistance will be provided to assure that units may be developed either as owner-occupied or rental properties in accordance with applicable affordability requirements outlined under Rating Factor 3, Part D - Continued Affordability. Eligible occupants (both owner-occupiers and renters) will be evaluated by Consortium members and HUD-approved counseling agencies and local lenders. Evaluation criteria will be based on the qualification of households for financing at conventional rates, including conventional, FHA and MSHDA mortgages may purchase redeveloped units. NSP funds may be used to provide down payment assistance or other financing mechanisms to help participating households meet mortgage underwriting criteria. Those who do not qualify or who prefer to rent may continue to rent rehabilitated or redeveloped NSP-units. Costs of such counseling may be paid out of this activity.

(iv) Discount Rate:

Where acquisition is required, properties will be acquired at a discount from the appraised market value in their as-is condition. The Consortium will achieve a discount rate of at least 1% on all the properties acquired with NSP2 funds.

(v) Location or address information:

Specific addresses and blocks are not yet identified. Specific addresses will be within the Targeted Census Tracts as identified in the narrative.

c) Commitment of other funds.

Funds are not firmly committed for this project, but the Consortium anticipates that state and local sources will be leveraged with NSP over time.

d) Demolition and Preservation

(i) Mix of Demolition versus Preservation of Housing Units

Michigan now has more housing than market demand, especially in post-industrial cities with aging infrastructure, stressed city services and a perception of a low-value quality of life. Systemic manufacturing job loss has the ripple effect of population loss. Last year Michigan lost 46,000 households. Older post-industrial cities where developers built work force housing close to factories and mills that now no longer exist feel this the hardest. Currently MSHDA projects a 6.2-year absorption period to sell every vacant property in the Consortium’s target area. While Michigan has an abundance of affordable housing, much of that stock also suffers from functional obsolescence and decay. Further, much of it is located in difficult-to-market areas.

The Michigan NSP2 Consortium requests \$290,000,000 from HUD to stabilize markets and reposition targeted neighborhoods so that they can become desirable based on the criteria of affordability, value sustainability, and a sense of community connectedness. Demolition of 2,500 structures and rehabilitation of 1,324 units at scale in targeted high-risk census tracts will remove blight and establish a new canvas from which to plan and develop sustainable villages of neighborhood revitalization.

(ii) Estimated Demolition and Conversion of Low- and Moderate-Income Property

Number of Demolitions. The number of low- and moderate-income dwelling units reasonably expected to be demolished or converted as a direct result of NSP-assisted activities: **2,500***

*The Consortium estimates that all of these demolitions are low- and moderate-income units given they are in low-, moderate- and middle-income census tracts and the condition of the structures.

Number of Estimated NSP Affordable Units. Number of NSP affordable housing units made available to low-, moderate, and middle-income households reasonably expected to be produced by activity, income level, and time schedule as provided for in DRGR:

	Units <50% AMI	Units 51-80% AMI	Units 81-120% AMI
Rehab – Purchase	207	296	296
Rehab – Rental	477	0	0
New Construction – Purchase	0	110	110
New Construction – Rental	65	20	20

Number of Low-Income Housing Units (i.e. 50% AMI or below). Number of dwelling units reasonably expected to be made available for households earning no more than 50 percent of area median income: **749**

(iii) DEMOLITION WAIVER

As noted in the market conditions section above, the housing markets in many of the neighborhoods serviced by the consortium are dysfunctional. This situation has its roots in the decades-long decline of the Michigan industrial economy and the loss of 88,000 manufacturing jobs in the last five years. Other important causes are the foreclosure crisis which has been

ongoing in Michigan for a number of years, tightened access to mortgage credit which restricts otherwise creditworthy homebuyers from entering the market, and continuing population decline.

This has led to the current buildup of a large numbers of vacant properties (16,000, or about one for every 16 current households) in the consortium’s neighborhoods. This concentration of vacant units has led in turn to a number of problems in the housing market:

- As a result of the vacancy caused by foreclosure, homes fall into neglect and disrepair. Structural damage and dilapidation often result from this.
- Sales have slowed considerably since the middle portion of the decade. The absorption period for the current vacant inventory is about six years. This does not take into account additional vacancies occurring because of further anticipated job losses through 2010.
- The glut of supply has severely depressed housing prices; in many of the Consortium neighborhoods sales prices are, at best, half of their median market values.
- Due to considerably lower sales prices, appraisals are not showing adequate value to support loans. In addition, tighter underwriting criteria (in terms of necessary down payments and loan-to-income ratios) have restricted the ability of especially first-time homebuyers to purchase units. This has further slowed the absorption of the vacant housing stock.

All of these trends lead to the conclusion that the number of vacant units in the target geography must be decreased. However, the market cannot absorb them in a timely fashion, due to a lack of demand. This dynamic will remain in place after the three-year program timeline for NSP2. Without demolition to remove the blighted structures, they will continue to negatively impact target neighborhoods and prevent the stabilization of areas most impacted by abandonment and foreclosure.

The Consortium respectfully requests a waiver of the 10% demolition limit. The plans call for a 15% share, inclusive of acquisition costs. This level of demolition activity will allow us to deal effectively with the problems that vacancy presents. The Consortium included acquisition costs in the calculations to ensure a conservative estimate. If acquisition is excluded, the consortium budget for Eligible Use D – Demolition is 9.9% of NSP2 funds requested and is discussed further under Rating Factor 3, Part A.

	Average Per Unit Costs	Amount	Percent of Total Request
Demolition Costs(Use D)	\$11,500	\$28,753,000	9.9%
Acquisition of Demolished Units	\$16,600	\$41,500,000	14.3%
Total		\$70,253,000	25.2%

B. Project Completion Schedule

Timing	Action	Responsible Entity	Performance Goals	Total Performance Goals	Performance Measures
Administration					
Month 1	Execute Grant Agreement with HUD	MSHDA, Cities, and Land Banks	Not Applicable	Executed and returned to HUD	Not Applicable
Month 3-33	Performance Report Requirements (Quarterly)	MSHDA, Cities, and Land Banks	Quarterly Report	11 Quarterly Reports	Due 10 days after respective quarter reporting on
Month 33-36	Performance Report Requirements (Monthly)	MSHDA, Cities, and Land Banks	Monthly Report	3 Monthly Reports	Due 10 days after respective monthly reporting on
Month 22-36	Obligation & Expenditures Report Requirements	MSHDA, Cities, and Land Banks	Monthly Report	15 Monthly Reports	Due 10 days after respective monthly reporting on
Month 24	50% Expenditure of Funds	MSHDA, Cities, and Land Banks	At least 50% of NSP2 Funds Expended	50% of NSP2 Funds expended in Month 24	Not Applicable
Month 36	100% Expenditure of Funds	MSHDA, Cities, and Land Banks	All NSP2 Funds Expended	100% of NSP2 Funds expended in Month 36	Not Applicable
Project Management					
Month 1-36	Acquisition of foreclosed upon, abandoned, vacant and blighted properties	Cities and Land Banks	174 Properties per Month	6,240 Properties	* # of Demolitions or Deconstructions * # Rehabs or New Homes
Month 1-36	Demolition and Deconstruction of vacant and blighted properties that cannot be salvaged	Cities and Land Banks	70 Demolitions per Month	2,510 Demolitions	* Sale Prices of Existing and New Homes * Occupancy
Year 1 to 3	Rehab and New Construction of Homes for Low-Income Renters and Buyers (25% at 50% AMI set-aside)	Cities and Land Banks	44 units redeveloped or rehabbed	1,600 units redeveloped or rehabbed	* Vacancy Rates * Population in census tracts
Year 1 to 10	Property Management Via Land Banks including re-platting and maintenance	Cities and Land Banks	129 properties land banked per month	4,645 properties land banked	* Square Footage of Greenspace * # of Buildable Lots

C. Income Targeting

Low-, Mod- and Middle-Income Housing Benefit				75%	\$217,500,000
25% NSP2 Set-aside for Buyers & Renters earning less than 50% AMI				25%	\$72,500,000
<i>Home Purchase and Lease-Purchase</i>	\$86,649.76	207	\$17,936,500		
<i>Rental</i>	\$117,865.50	542	\$63,883,100		
TOTAL LOW-INCOME SET-ASIDE:		749	\$81,819,600	28%	
				TOTAL:	\$290,000,000

Partner cities estimate that they will rehab and build new 207 homes for sale, and will rehab and build 542 new rental homes for households earning less than 50% of AMI. This represents 28% of funds requested. Therefore, the Consortium will meet the 25% at 50% of AMI low-income set-aside by producing 749 for-sale and rental units within the three year expenditure period.

Of the 1,600 rehabilitated and new homes to be produced, another 426 are targeted for households earning 50% to 80% AMI and 80% to 120% AMI respectively.

Allocation of Housing Units Improved With NSP2 Funds By Income Group as % of Area Median Income					
	0%-50%	50%-80%	80-120%	Total	
Rehab - Purchase	26% 207	37% 296	37% 296	799	
Rehab - Rental	100% 477	0% -	0% -	477	
New Construction - Purchase	0% -	50% 110	50% 110	219	
New Construction - Rental	62% 65	19% 20	19% 20	105	
	749	426	426	1,600	

With 4,655 properties to be held in the land bank the number of NSP-assisted homes will increase beyond 1,600 in years 4 to 10 as market opportunities emerge. The Consortium will abide by the same general percentage distributions between households earning 0% to 120% AMI for these new homes coming out of land bank management.

D. Continued Affordability

MSHDA assures, to the maximum extent possible and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and foreclosed-upon homes and residential properties will remain affordable to individuals and families whose incomes do not exceed 120% of AMI or, for units originally assisted with funds under the requirements of HERA, Section 2301(f)(3)(A)(ii), remain affordable to individuals and families whose incomes do not exceed 50% of AMI.

The Consortium adopts the HOME definition of “affordable rents” at 24 CFR 92.252 (a), (c), and (f). The Consortium adopts HOME program standards for ensuring continued affordability as defined at 24 CFR 92.252 (e) and CFR 92.254. MSHDA will primarily use the recapture provisions, but reserves the right to use the reuse provision at its discretion. All projects assisted with NSP funds will be subject to the following affordability restrictions:

Investment per Unit Minimum Length of the Affordability Period

Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years
New construction of rental housing	20 years

MSHDA assures that each NSP2-assisted homebuyer will receive and complete at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan, or will obtain a written exception from the HUD field office for good cause.

MSHDA further supports long-term affordability for assisted homebuyers by assuring that it will not permit homebuyers to obtain sub-prime mortgages. MSHDA further assures that all buyer financing will meet the “First Mortgage Requirements for Community Development (CD)-Funded Homebuyer Projects.” These standards require MSHDA financing where available. If MSHDA financing is not available, these standards generally require (a) an interest rate within 1 percent of generally available conventional financing, (b) a limit of 1 percent plus \$200 on lender fees, (c) a fixed 30-year term, and (d) prohibition of single-premium credit life insurance. These standards are published in full at:

http://www.michigan.gov/documents/mshda_2005_HRF_Master_114626_7.pdf

MSHDA assures that if NSP2 funds assist a property that was previously assisted with HOME funds, but on which affordability restrictions were terminated through foreclosure or

transfer in lieu of foreclosure, MSHDA will revive the HOME affordability restrictions for the greater of the remaining period of HOME affordability.

E. Consultation, outreach, communications

1. Consultation during Development of Proposal

On June 12, 2009, Mr. Keith Molin, MSHDA's Executive Director, sent a white paper to local Michigan cities and land banks, including NSP1 recipients; outlining MSHDA's planned strategy for a statewide consortium application for NSP2 funding from HUD. The e-mail invited participation by local partners to join in a Michigan NSP2 Consortium to implement a new urban neighborhood strategy within the jurisdiction of each participating consortium member. Additionally, Mr. Molin presented the white paper to eight mayors from the Cities of Promise (COP) at their annual conference on June 17. COP cities are among the most distressed Michigan urban cities which are suffering further distress by foreclosures. MSHDA staff presented the white paper at the quarterly meeting of the Southeast Michigan Council of Governments (SEMCOG) attended by the majority of city and county governments located in southeast Michigan.

On June 17, an informational conference call was hosted by MSHDA for all interested parties to receive comments and answer questions regarding the proposed consortium design. Based on public input from the conference call, a clarification memo was e-mailed to all interested parties identifying further refinements to the NSP2 consortium design. Twelve cities and eight local land banks chose to join the Michigan consortium application. Site visits were conducted with each city and local land bank in the last two weeks of June to identify appropriate target areas which meet the NSP2 eligibility criteria and principles.

On July 2nd and 3rd, a public notice for the proposed NSP2 Michigan Consortium application was advertised in nine newspapers. Two of these newspapers, the *Detroit Free Press* and the *Detroit News* have statewide circulation. The remaining seven serve the jurisdictions of the Michigan NSP 2 consortium members. These papers are: the *Battle Creek Enquirer*, *Flint Journal*, *Grand Rapids Press*, *Kalamazoo Gazette*, *Lansing State Journal*, *Saginaw News*, and the *Herald-Palladium*, which serves Berrien County.

The public notice identified that a 10 day public comment period was being provided for comments related to the proposed NSP2 Michigan Consortium application to HUD. The public comment period ran from July 2, 2009 through July 12, 2009. The public notice identified the proposed use of the NSP2 funds, the targeted geography and the proposed funding request. The public notice clearly identified that the full proposed program description was available for review and comment on the Michigan State Housing Development Authority's (MSHDA) Website at <http://www.michigan.gov/mshda>.

If funded, MSHDA as the lead applicant will continue the collaborative consultation approach already established by the consortium members as the NSP2 program is implemented. MSHDA will standardize a monthly phone conference call and host quarterly meetings for all consortium members. Additionally, MSHDA will dedicate space on its Website for posting program information, updates and requirements for queries and comment on the NSP2 proposal.

2. Affirmative Marketing Actions

MSHDA, along with all twelve city consortium members, run formula funded CDBG programs; either as direct HUD grantees or subrecipients of state or county programs. As required by the CDBG program, each has an outreach and affirmative marketing plan. We will follow these HUD approved plans for the implementation of NSP2.

MSHDA will use proven techniques from the HOME and NSP1 programs to ensure qualified families, both renters and homebuyers, have been identified when NSP2 units become available. Qualified families will be identified through 1) affirmative marketing and outreach efforts, 2) MSHDA's Links to Homeownership counseling network, 3) MSHDA's Lender Network, and 4) local CHDOs, nonprofits, Michigan Community Action Agencies and consumer credit counseling agencies.

3. Continual Consultation and Outreach

MSHDA will dedicate space on its Website in order to continually communicate program design, policies, progress, opportunities and results of the NSP2 funding. Local consortium members will have links to MSHDA's Website on their Websites. This will assure that local citizens and interested parties are informed by the most up to date NSP2 information. MSHDA currently administers three other ARRA programs: TCAP, Monetization and HPRP. Per ARRA requirements, a reporting system relative to program production and outcome results has been developed at MSHDA and at the state level. NSP2 performance and production reports will be provided by each consortium member, aggregated and posted on the MSHDA Website and the State of Michigan ARRA Website for public review.

MSHDA will also present regular updates of the NSP2 program, similar to its practice with its NSP1, at the annual and quarterly meetings of established advocacy groups such as SEMCOG, Michigan Community Development Association, Community Economic Development Association of Michigan, Michigan Municipal League, Michigan Association of Realtors and the Michigan Bankers Association.

MSHDA along with all twelve city consortium members has an existing complaint resolution process as required by the CDBG program. MSHDA will require, as part of the consortium funding agreement, that each consortium member adopts a timely complaint resolution policy (within 15 days) for the NSP2 program.

F. Performance and Monitoring

1. Monitoring Plan

MSHDA, as the lead applicant, will ensure that NSP2 funds are committed and expended in accordance with federal administrative and program requirements by implementing an annual monitoring plan that identifies annual monitoring objectives, improves monitoring procedures, and develops criteria for on-site monitoring of consortium members. This annual monitoring plan will serve as a strategy for determining compliance as well as guidance for MSHDA's monitoring staff.

MSHDA's monitoring objectives are to ensure accountability, assess program performance, respond to community needs and use resources efficiently and effectively. To ensure that all consortium members meet these objectives, MSHDA will monitor 1) program results/community impacts, 2) the timely expenditure of NSP2 funds, 3) program and administrative compliance, and 4) grantee capacity. Monitoring activities are conducted primarily through an on-going electronic grant management system and on-site monitoring visits.

Monitoring Strategy. The monitoring strategy employed by MSHDA's grant management staff will include performing a risk assessment on every active Consortium Member Funding Agreement to determine the level of monitoring (either on-going or on-site), developing a monitoring schedule, conducting monitoring reviews and following up on concerns and/or findings.

Consortium member risk assessments and determinations of the level of monitoring will be undertaken using the following criteria: experience, change in staffing, program complexity, unresolved past findings/issues, current issues, other special considerations. Every active NSP2 consortium member will be monitored each year—either on-site or on-going. Every consortium member, regardless of risk, will be monitored on-site at least once during the NSP2 funding period.

On-going Monitoring. Ongoing monitoring reviews are built into MSHDA's service delivery system and occur every year on open grants that are not being monitored on-site. Grant managers monitor program progress and performance, compliance, and financial management on an ongoing basis on MSHDA's interactive internet grant management system (OPAL).

MSHDA has adapted OPAL, used by the Office of Community Development since 2003 to track HOME and CDBG expenditures, IDIS reporting and program evaluation, to the new challenges presented by NSP1 and will use OPAL for NSP2. NSP1 is currently being awarded and drawn on-line, with every dollar tracked to a specific eligible activity under each eligible use for every project address. Identification of each assisted address by its characteristics (foreclosed, abandoned, vacant land, vacant structure, and/or blighted) is cross-checked with household income, LMMI census tract, and HUD-approved areas of greatest need to assure error-free compliance by all grantees. This business logic, built into OPAL's software, assures compliance with the complex and sometimes confusing combination of property, household and area characteristics required by the NSP regulatory framework. Continuous on-line monitoring will track the multiple overlapping requirements that are otherwise difficult to assure as project set-ups are approved and completed—e.g., all properties with financing mechanisms will be foreclosed, all units counted toward the low-income set-aside will be foreclosed or abandoned, all units demolished will be blighted and located in LMMI census tracts, etc.

Data will be entered and certified by NSP2 consortium members, reviewed and approved by MSHDA, and all totals will be continuously balanced to permit real-time progress reporting on commitments, unit production, compliance with the low-income set-aside and all other compliance reporting and program evaluation. Data outputs from OPAL are being customized to facilitate reporting on DRGR

Consortium members will use OPAL to report the following for each project/activity:

- Set-up with financial pro-forma
- Financial Status to request NSP2 payments and report expenditure details
- Leverage Funds Summary
- Program Income Summary
- Project Completion Report of total project costs, household demographics and contractor data.

An on-going monitoring review will be documented when the NSP2 Consortium Funding Agreement Review checklist is completed and relevant information entered into the OPAL system.

On-Site Monitoring. On-site monitoring visits will be documented using the NSP2 Consortium Funding Agreement Review checklist, the On-Site Monitoring Review checklist (patterned after HUD's CPD Monitoring Handbook) and OPAL.

2. Internal Audit Requirement

MSHDA, as lead applicant, will meet the internal audit requirements as described in the NSP2 NOFA two ways. First, MSHDA is subject to the internal audit procedures of the State of Michigan's Office of the Auditor General (OAG). The OAG has an independent responsibility

to conduct internal performance audits of State government operations, including MSHDA. The OAG is responsible for assuring that government officials and employees are accountable to the citizens of the State of Michigan for the proper handling of public funds and are responsible for managing State resources effectively, efficiently, and economically. One of the OAG's overall responsibilities is to provide citizens with a measure of accountability and assist state departments in the evaluation of their operations. The OAG performs audits of at least one major program within MSHDA once a year. If funded, the NSP2 program would be considered a high priority for internal audit by the OAG, due to the level of funding requested and the state's understanding and desire to adhere to the transparency requirements of all ARRA funding received by the State of Michigan.

Second, MSHDA will perform internal audits of the consortium members NSP2 activities through its Office of Finance Audit Unit. The Audit Unit is comprised of the Director and three auditors. The Audit Unit will be engaged up front to review and approve all NSP2 program management templates to be provided to the consortium members. The Audit Unit will use the management guidelines identified in the templates to assess risky management practices, missing or ineffective internal controls, or possible policy deficiencies over the term of the NSP2 funding. Where such risk areas are identified, MSHDA will provide technical assistance to the consortium member to correct deficiencies or minimize risk factors.

RATING FACTOR 4: LEVERAGING OTHER FUNDS OR REMOVAL SUBSTANTIAL NEGATIVE EFFECTS

A. Leverage

Each of the Consortium land banks expressed a willingness to convey tax-foreclosed parcels to NSP2-funded activities at a nominal value. In addition, the land banks expressed interest in exploring how to convey tax-foreclosed properties with waivers of all back taxes. They also will explore leveraging their state-issued Brownfield bonds to assist in the redevelopment of NSP2 target areas. While the Consortium did not have enough time to secure firm commitments by submission of the NSP2 Application with each of the units of county government, it is likely this can be accomplished by December 1, 2009.

B. Rubric for Addressing Vacant Properties

HUD's NOFA for the NSP2 program states that "[s]ome target neighborhoods with a foreclosure problem would be stabilized by a reduction in distressed housing stock and selected acquisition and rehabilitation." To help illustrate this aspect of the program's activities, a formula for the calculation of a "rubric score" is given. The Consortium qualifies for credit under this provision, since we plan to demolish/acquire/rehab more than 25 properties in the target area. The equation given to compute the score is:

$$(1.5 * (\text{Vacant acquisition/rehab}) + (\text{Vacant demolition})) / (\text{Vacant total in area}) = \text{Rubric Score}$$

Sources for the Rubric are:

- Total Vacant Properties in Target Area: United States Postal Service Data on Vacancy at www.huduser.org
- Total Vacant Properties addressed with Acquisition and Rehab: Table from Rating Factor 3, Part A (2) (a)
- Total Vacant Properties addressed through Demolition and New Construction: Table from Rating Factor 3, Part A (2) (a).

Filling in the values from the sources yields:

$$(1.5*(1,276) + (2771)) / (15,644) = 29.95$$

Therefore, the Consortium's rubric score is 29.95.

RATING FACTOR 5: ENERGY EFFICIENCY IMPROVEMENT AND SUSTAINABLE DEVELOPMENT FACTORS

A. Transit Accessibility

The mass transit needs of urban Michigan are generally served by busses operated by regional transit authorities. The target area of 93 census tracts proposed by the NSP2 Consortium is well-served by convenient bus service.

These census tracts have been selected by consortium members based, in part, on their strategic importance to the city and the larger metropolitan area. Typically these tracts are adjacent to central business districts, educational or health-care institutions, or other regional employment centers, upon which multiple bus routes converge. Residents of the NSP2 target area have convenient bus service to employment and shopping.

As a state, Michigan is completely devoid of light rail development. However, the NSP2 Consortium has compensated for this lack of access to commuter rail, subway, light rail and/or streetcars by focusing its redevelopment efforts specifically on target areas that are connected to regional employment by foot or by bicycle; the target area in every city encompasses or is adjacent to a major employment center which, if not accessed by bus, can be accessed by non-motorized transportation within 15 minutes. All city target areas are walk-able connected to substantial commercial and public facilities (such as parks, schools, employers, etc.) for which neighborhood residents are a target market. None of the Consortium's target areas include any suburban tracts or other auto-dependent geography.

B. Green Building Standards

NSP2 housing construction will meet the accessibility standards at 24 CFR part 8, and will be energy efficient and incorporate cost-effective green improvements. All gut rehabilitation (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories will be designed to meet the standard for Energy Star Qualified New Homes. All gut rehabilitation of mid -or high-rise multifamily housing will be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy). Other rehabilitation will meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-labeled products. Water efficient toilets, showers, and faucets, such as those with the WaterSense label, will be installed.

Where relevant, the housing will be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, fires); specifically, MSHDA will not approve new construction or rehabilitation of properties within a 100-year floodplain.

Specifically, all new construction undertaken with NSP2 will meet the HIGHER of the following standards:

- ***A 5-star Energy Star or better rating.*** By 2011 it is anticipated that the proposed “third generation” guidelines for energy star qualified homes. These standards will be adopted and used for NSP II projects initiated after the adoption and publication of these standards
- ***The requirements of the Michigan Uniform Energy Code, promulgated in 2003 but held up in court until October 24, 2008. The code is published at:***
http://www.michigan.gov/documents/dleg/dleg_bcc_muec_print_version_102408_254281_7.pdf

All gut/substantial rehabilitation for single family projects will achieve a 5-star Energy Star rating for New Homes, including an energy audit (blower door test and infra-red camera shots) that will identify prescriptive rehabilitation work specifications such that once work is completed, the unit would achieve a 5 star or better rating as certified by a HERS rater.

All moderate rehabilitation and energy retrofits of single family and multifamily properties will purchase only Energy Star-rated products and appliances.

C. Re-use of cleared sites

All demolition sites will be reused within the project period for one of the following uses: redevelopment for housing, expanded side lots for adjacent property owners, or approved community uses under land bank ownership. Approved community uses include community gardens, pocket parks, floodplain management areas, recreational areas, urban farming, or land assembly for revitalization and economic development projects

D. Deconstruction.

Deconstruction techniques are becoming widely practiced in Michigan, not only as a sound recycling practice but as a work experience program for unemployed individuals seeking to build basic job skills. The Michigan Land Bank Fast Track Authority will work with other divisions of DELEG to provide local capacity building that will assure that deconstruction activities are maximized by local city and land bank demolition and blight reduction programs, salvaging and re-using materials resulting from demolition activities. Several local consortium partners have established deconstruction programs.

E. Sustainable development practices

Consortium partners have chosen their target areas based on walkable connections to employment, institutional and commercial centers and other community anchors. All areas include, are adjacent to, or are in close walkable proximity to such centers. All target areas include or are near public transportation and are walkably-connected to adjacent commercial or residential neighborhoods on all sides; no target areas are in auto-dependent suburban tracts. All target areas are in strategically important neighborhoods of participating cities and all NSP2 activities are designed to increase the attractiveness of these areas for investment. The consortium designed NSP2 projects to concentrate investment and increase density that will enhance the frequency and quality of public transportation. Due to the job and population loss caused by the restructuring of Michigan's auto industry, all of the neighborhoods in NSP2 target areas are experiencing high rates of vacancy and must be re-sized and re-positioned to support the new Michigan economy, city and neighborhood. To do so, consortium members will assemble large tracts of vacant property in years 1-3 of NSP2 to permit the strategic vacating of

surplus streets, sidewalks and infrastructure and create a sustainable asset that will be maintained as community green space until a market re-emerges in years 4-10.

In addition, MSHDA will maximize the inclusion of sustainable development practices as follows:

- ***Sustainable site design:*** Activities will be conducted on small urban lots, to promote sustainable density. No activities will be conducted within 100 feet of wetlands, 1,000 feet of a critical habitat, or on steep slopes, farmland, or parkland. All projects involve the reuse or redevelopment of urban sites. Sites will include sustainable and energy efficient landscaping.
- ***Water conservation:*** irrigation will not be a component of most projects, and will be used only on multifamily projects, which will typically be on urban sites with small lawns and/or planted areas.
- ***Renewable Energy:*** small urban lots will be emphasized; renewable energy options will be considered and employed where practical and cost-effective.
- ***Energy Efficient materials:*** stone, brick and concrete and other durable and/or heat absorbing materials will be employed on new multifamily construction and where cost-effective on single family housing. All new construction will use layouts to reduce the amount of building material required. Local source materials will be used where possible.
- ***Healthy Homes:*** new construction and substantial rehab will promote Green Label certified practices. All appropriate precautions will be taken to prevent termite infestation. One-piece tub/shower enclosures will be used in new construction and where replaced, in substantial rehab.

RATING FACTOR 6: NEIGHBORHOOD TRANSFORMATION AND ECONOMIC OPPORTUNITY

A. Comprehensive and Regional Planning

The Michigan NSP2 Consortium hereby certifies that the activities proposed are part of and consistent with established comprehensive, regional, and multi-jurisdictional plans listed below for the participating cities:

Battle Creek's comprehensive plan is located at <http://ci.battlecreek.mi.us/Services/PlanningandZoning/ComprehensivePlan.htm>. Battle Creek has a land use plan illustrating proposed development patterns to year 2020. Having existing plans for open space and parks, tourism, and future land use will assist with the identification and selection of NSP2 projects within the city.

Kalamazoo's Downtown Future Land Use Map is a component of their comprehensive plan at <http://www.kalamazoocity.org/docs/ComprehensivePlan.pdf>.

Grand Rapids's comprehensive plan is found at: <http://grandrapids.govoffice.com/vertical/Sites/{938C328A-AD1C-45AA-A862-764C60A37DEF}/uploads/{5AFE4591-A67B-43D6-AE17-9B0A51DE4C14}.PDF>.

Lansing is currently in the process of reworking its Master Plan. The Master Planning process is on track to finish in 2010, and will become the working document from which Lansing will become a more vibrant and livable place.

Detroit, Flint, Hamtramck, Pontiac, Highland Park, Benton Harbor, and Saginaw are all designated members of the ***State of Michigan's Cities of Promise Program***, which provides funding and technical assistance for neighborhood revitalization planning and implementation.

See <http://www.citiesofpromise.org/>. Cities of Promise are MSHDA's priority areas for reduction of blight. Many of the census tracts served by Cities of Promise are NSP2 target areas. Cities of Promise planning, technical assistance and funding integrate investment in transit, walkability, community development, environmental sustainability, and healthy lifestyles.

Wyandotte has adopted 11 Brownfield Redevelopment Plans since 1997, which will leverage \$196 million in property reinvestment. Wyandotte has established seven Neighborhood Enterprise Zones that overlap with the target NSP2 census tracts.

Michigan is also a recipient of \$18 billion from the American Recovery and Reinvestment Act. The Michigan Department of Transportation anticipates it will receive funding for transit-oriented improvements. NSP2 Consortium cities should receive a significant portion of these funds. See

http://www.michigan.gov/documents/mdot/MDOT_MI_Transportation_Plan_Final_200346_7.pdf

The **Midwest Regional Rail Initiative** is a precursor of ARRA funds to construct a high-speed rail system connecting Pontiac and Detroit to Chicago, with many consortium cities en route. Below is a link to the letter of support outlining the initiative, which has been signed by 9 State Leaders http://michigan.gov/documents/recovery/Letter_gov_275025_7.pdf The Southeast Michigan Commuter Rail Project plan can be accessed at http://www.semcog.org/CorridorStudies_AADD.aspx

Michigan NSP2 Consortium Partners chose their target areas based on walkable connections to employment and commercial centers and other community anchors. All areas include, are adjacent to, or are in close walkable proximity to such centers. All target areas are in close proximity to public transportation and are connected by foot to adjacent commercial or residential neighborhoods on all sides. Not one target is in an auto-dependent suburban tract. All target areas are in strategically important neighborhoods of participating cities and all NSP2 activities are designed to increase the attractiveness of these areas for investment, increase density to support increased frequency and quality of public transportation and assemble vacant land to permit, over time, the vacating of surplus streets, sidewalks and infrastructure, creating a sustainable asset from blighted property. Through these priorities, Michigan's NSP2 approach is well-aligned with the efforts of consortium partners to community redevelopment, environmental sustainability and healthy lifestyles.

A. Conclusion – How NSP2 increases effectiveness of Comprehensive Plans

With its abundance of fresh water, transportation infrastructure, great public universities, wealth of natural resources and affordable land and housing, Michigan can re-establish itself as a leader in commerce in the 21st Century. The proposed NSP2 projects will serve as laboratories for the revitalization of Michigan's older post-industrial cities into a new diversified economic base.

This proposal documented how a hurricane of economic change hit Michigan. This unprecedented coalition of 12 cities and eight land banks reflects a commitment to change past practices and work in a more coordinated manner to realize the visions of the New Michigan Urban Neighborhood, which will be a contributor to the economic recovery of Michigan. The new paradigm is rooted in a diversity of businesses that leverage creativity, technological innovation, and sustainable stewardship of natural resources. The automobile and suburban sprawl will be replaced with a range of walking, cycling and public transit options, and neighborhoods that return to their heritage as villages on a human scale.

The \$290,000,000 request for NSP2 funds will provide the capital to initiate the implementation of this vision at a large scale. The plan is simple and direct:

- Acquire and stabilize 6,250 of the 16,000 vacant properties in the target census tracts;
- Remove blight through strategic demolition and selective rehab and new construction of homes for rent and sale;
- Manage properties and prepare buildable lots for re-use within the State's Land Bank and Brownfields Delivery System and
- Implement revitalization plans that integrate housing with economic development and infrastructure improvements that yield new market opportunities.

The storm of economic decline will pass. The proposed NSP2-funded projects will help lay the foundation for revitalization that serve people who earn a range of incomes and have the means to choose where they want to live.

Fair weather for revitalization is in the forecast for Michigan.

Thank you for your consideration of this important proposal.



STATE OF MICHIGAN

JENNIFER M. GRANHOLM GOVERNOR MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

LANSING

KEITH MOLIN EXECUTIVE DIRECTOR

July 14, 2009

Honorable Secretary Shawn Donovan and Office of Block Grant Assistance U.S. Department of Housing and Urban Development 451 Seventh Street, SW, Room 7286 Washington, DC 20410

Subject: Michigan NSP2 Consortium Program Summary # NSP2-PTA 087743191

Dear Secretary Donovan and Staff of the Office of Block Grant Assistance:

On behalf of Governor Jennifer Granholm, it is my honor to submit the Michigan NSP2 Consortium NOFA application submission for \$290,000,000 in NSP2 funds.

The "Michigan NSP2 Consortium" represents an unprecedented coalition of MSHDA serving as Lead Applicant, eight (8) Land Banks and twelve (12) City governments working in a coordinate manner to remove blight and re-position neighborhoods in 93 NSP2-eligible census tracts to be full participants in the economic recovery of Michigan.

Of the 97,000 households that live in the Michigan NSP2 Consortium target area, 76% earn less than 120% of area median income. In the last two years, home values have dropped by as much as 52% in some cities. Based on Realtor data it will take 6.2 years to absorb the current inventory of properties for sale in the target area. The loss of population and manufacturing jobs, foreclosures, and poor access to credit has brought these communities to market failure. A new paradigm is needed to foster development of neighborhoods that are located within walking distance to employment, education, healthcare and/or transit centers. The redevelopment of these neighborhoods will incorporate the values of sustainability and high quality of life for people who earn a range of incomes. The Consortium Cities and Land Banks embrace this challenge.

Table with 4 columns: City, Land Bank Authority, Proposed NSP2 Funds, and percentage. Rows include Battle Creek, Benton Harbor, Detroit, Flint, Grand Rapids, Hamtramck, Highland Park, Kalamazoo, Lansing, Pontiac, Saginaw, Wyandotte, and Administration. Total: \$ 290,000,000 100%



The Michigan NSP2 Consortium plan will be implemented in two phases over ten years. Phase I will be implemented over the NSP2 3-year program period and will focus blight removal, production of housing to meet the low-income set-aside and expansion of land banks to acquire, stabilize and re-position properties for redevelopment. As a result of large scale blight removal and coordination of market-driven neighborhood revitalization planning that focuses on re-sizing neighborhoods, Phase II will be managed in years 4 to 10 as market opportunities emerge. Phase II redevelopment of NSP2 properties held in land banks will include new home production with a focus on mixed-income homebuyers and renters, green space and improved neighborhood amenities.

The combination of \$290 million in NSP2 capital and expansion of Land Banks collaborating with partner cities represents a bridge from blight removal to redevelopment that heretofore these communities have not been able to utilize. The Michigan NSP2 Consortium has an answer to the question, *"What will you do with the properties after they get demolished?"* NSP2 funds will yield strategically assembled buildable lots that can be conveyed to developers as the implementation of stabilization and revitalization plans yield market demand.

The \$290 million will help the Michigan NSP2 Consortium acquire 6,250 or 39% of the 16,000 foreclosed, abandoned and vacant and blighted properties in the 93 census tract target area. The Consortium will rehabilitate and build 1,500 homes, of which 749 (or 28%) will be sold or rented to households earning less than 50% AMI.

The Consortium will demolish or deconstruct 2,500 structures (or 40%) of all properties acquired. Property demolition is an essential first step to remove the de-stabilizing forces of blight. Cleared and well-managed land helps people begin to re-think what is possible for re-use of older neighborhoods.

Michigan is on the threshold of a new economy, poised for redevelopment of its cities based on a strategy that maximizes its assets—ranging from access to skilled labor and manufacturing capacity, and strategic confluence of road, water and railways that traverse throughout North America, to an affordable housing stock and outstanding public research universities. How can we strategically invest both our NSP2 funds and our ingenuity to shape the New Michigan Urban Neighborhood?

With lessons learned from the Cities of Promise Program and with some of the most progressive Land Bank and Brownfield laws in the nation, MSHDA seeks to leverage NSP2 funds to address two challenges:

- Support for large-scale re-use planning and development that can attract the investment necessary to create sustainable neighborhoods of choice that are re-positioned to meet the opportunities of the new Michigan economy and
- Assistance at sufficient scale to expand capacity of Land Banks and Partner Cities so that they can reach their potential to implement local NSP programs and beyond.

Each Partner City and Land Bank selected the target neighborhoods and census tracts based on the combined foreclosure and vacancy risk score provided by HUD and because these areas have revitalization or redevelopment plans.

MSHDA will serve as HUD NSP2 Contract Administrator focusing on underwriting, funds management, filling in any gaps in production and compliance. MSHDA has the

depth of staff and network of development, HOME and CDBG technical assistance providers to monitor and intervene so that all communities can succeed.

The Consortium Partner Cities will manage production on a local level in close partnership with the Land Banks, especially as it relates to refinements of revitalization plans and coordination of resources to implement such plans that may further leverage NSP 1 and NSP2 funds.

The Land Banks will manage acquisition and site preparation of homes and lots made ready for rehab or new construction in accord with local revitalization plans that meet the sustainable development objectives of ARRA. For areas where there is weak demand for sales and/or additional properties need to be acquired to yield a concentration of contiguous lots that may be attractive for larger scale and redevelopment projects, the land banks will hold and manage such properties within years 4 to 10 as market demand re-emerges.

The transition from a heavy industrial to a more diversified economy with a focus on alternative energy, creative and technological innovation, and sustainable use of natural resources is Michigan's agenda for recovery. As residents must change how they do business and find work, we too must consider how to change the role neighborhoods to support this new Michigan economy.

Our vision focuses on the concept that Michigan cities that have experienced economic decline need to "***Clear The Way For Neighborhood Economic Development***" The Michigan NSP2 Consortium will over three years, expend 100% of its NSP2 funds to:

1. Make concentrated investments in neighborhoods where there is a "***Sense of Place,***" a neighborhood identity grounded by anchor institutions that employ, educate, provide healthcare and/or transportation services to residents;
2. Balance housing rehabilitation for new homebuyers and renters with blighted property demolition as population declined;
3. Re-size neighborhoods based on the value of sustainability rather than sprawl;
4. Through integrated planning, targeted demolition and rehab, assemble a critical mass of properties to get neighborhoods ready for new market opportunities and;
5. Employ an estimated 1,200 residents of Michigan. This ranges from deconstruction, to construction workers and real estate professional service providers and, to new professional program management jobs.

I respectfully urge you to fund our request for \$290,000,000 in NSP2 funds so that the New Michigan Urban Neighborhood can lead our cities into economic recovery

Please call me at 517-373-6022 should you have questions. Thank you for your consideration.

Sincerely,



Keith Molin, Executive Director,
Michigan State Housing Development Authority

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing and Urban Development

OMB Approval No. 2510-0011 (exp. 8/31/2009)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information Indicate whether this is an Initial Report or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code): Michigan State Housing Development Authority, 735 E. Michigan Ave., Lansing, Michigan, 48912	2. Social Security Number or Employer ID Number:
3. HUD Program Name Neighborhood Stabilization Program 2	4. Amount of HUD Assistance Requested/Received \$290,000,000.00
5. State the name and location (street address, City and State) of the project or activity: Battle Crk, Benton Hrbr, Detroit, Flint, Grand Rpd, Hamtramck, Highland Pk, Kalamazoo, Lansing, Pontiac, Saginaw, Wyandotte	

Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	--

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)

(Note: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.
I certify that this information is true and complete.

Signature: 	Date: (mm/dd/yyyy) 07/13/2009
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MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

CODE OF ETHICS AND RELATED STATE LAWS GOVERNING CONDUCT

The Michigan State Housing Development Authority (MSHDA) is governed by a Code of Ethics. MSHDA is also subject and operates subject to a number of State laws that govern conduct. Those are as follows:

- 1) STANDARDS OF CONDUCT FOR PUBLIC OFFICERS AND EMPLOYEES
- 2) CONFLICT OF INTEREST
- 3) INCOMPATIBLE PUBLIC OFFICES
- 4) CONTRACTS OF PUBLIC SERVANTS WITH PUBLIC ENTITIES
- 5) THE WHISTLEBLOWERS' PROTECTION ACT
- 6) POLITICAL ACTIVITIES BY PUBLIC EMPLOYEES

All of the above standards are considered to be related to a Code of Conduct and so have been included in this NSP2 Exhibit.

Michigan State Housing Development Authority

Code of Ethics

Effective: September 25, 2002

I. Policy Statement: To provide all employees of the Authority with a clear understanding of the behavior expected of them and to prevent improper conduct that may adversely affect public trust or confidence.

II. Policy:

- A. Employees shall comply with Civil Service Rules 2-8 and 2-9, entitled "Conflict of Interest" and "Disclosure of Interest and Contacts" respectively, and with Public Act 196 of 1973, as amended, entitled "Standards of Conduct for Public Officers and Employees".
- B. Employees shall comply with any conflict of interest provision, rule or regulation regarding any situation that may arise out of their work with any federal program administered by the Authority.
- C. Employees shall not divulge to an unauthorized person, confidential information acquired in the course of employment in advance of the time prescribed for its authorized release to the public.
- D. Employees shall not represent their personal opinion as that of the Authority.
- E. Employees shall use personnel resources, property, and funds under their official care and control judiciously and solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit.
- F. Employees shall not solicit or accept any gift or loan of money, goods, services, or other thing of value for the benefit of any person or organization, other than the state, which tends to influence the manner in which the employee or another public employee performs official duties. This restriction includes gifts directly to the employee or indirectly to the employee, such as a gift to any employee's relative or designated organization.

This restriction does not include a prohibition against *de minimis* contacts as defined by Civil Service Rule 2-9; a prohibition against accepting meals or beverages paid for by a firm or organization doing business with the Authority when offered in conjunction with or incidental to a business meeting, seminar, training session, or other organized function which has a purpose beyond the provision of the meal or beverage and is attended by a substantial number or persons; or a prohibition against accepting meals or beverages in instances where the firm or person has a contractual arrangement with the Authority pursuant to which such person or firm will bill the Authority for its costs and it does not appear that such costs will exceed the allowable group rate for such meal.

Michigan State Housing Development Authority

Code of Ethics

Effective: September 25, 2002

- G. Employees shall not engage in any business transaction or private arrangement for personal gain or financial gain for a member of the employee's immediate family, which accrues from or is based on the employee's official position or authority or on confidential information gained by reason of the employee's position or authority.
- H. Employees shall not engage in or accept employment or render services for any private or public interest, for compensation or otherwise, when that employment or service is incompatible or in conflict with the discharge of his or her official duties or when that employment may tend to impair his or her independence of judgment or action in the performance of his or her official duties.

Approval of all employment outside of the Authority must be obtained through the proper procedures and employees must keep the Authority informed of any contemplated changes in supplementary employment.

- I. No employee shall be a party, directly or indirectly, to any contract between himself or herself and the Authority.
- J. Employees shall not participate in the negotiation or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, or other regulation or supervision, relating to any business entity in which he or she has directly or indirectly, a financial or personal interest. The restriction includes other situations in which the employee is a partner, investor, or employee, whether for present profit or not. This restriction also includes business entities in which close relatives or other personal associates of the employee have an interest.
- K. If an employee has an ownership interest in or business dealings with an entity or individual seeking to conduct business with the Authority, the employee shall:
 - 1. Fully disclose any such ownership interest or business dealings; and
 - 2.
 - a. in the case of a current ownership interest, fully divest himself or herself of the interest and refrain from participating in all activities of the Authority relating to the entity or individual or subsidiary or affiliate thereof; or
 - b. in the case of business dealings which ended prior to employment by the Authority or a past ownership interest, disclosure shall be sufficient; or
 - c. in the case of business dealings while an employee of the Authority, refrain from participating in all activities of the

Michigan State Housing Development Authority

Code of Ethics

Effective: September 25, 2002

Authority relating to the entity or individual or subsidiary or affiliate thereof.

3. As an alternative to the provisions of 2 above, the entity or individual or subsidiary or affiliate thereof may withdraw from doing business directly or indirectly with the Authority.
 4. The Authority may require full divestiture in the case of a current interest, or cessation in the case of business dealings, if the employee's position and responsibilities are such that non-participation by the employee will hamper the Authority's ability to review and process the particular activity with which the entity or individual or subsidiary or affiliate thereof is involved.
 5. This section shall not apply to any interest or business dealings of a *de minimus* nature which are the same as the benefits to or dealings by other members of the public or broad segments of the public.
- L. Prior to being hired, or for continuing employees on an annual basis, employees shall make a complete disclosure of all business and income-producing interests including those held by a spouse. It is the responsibility of the employee to amend the financial disclosure at any time there is a change; however, no amendment is necessary for the sale or purchase of stocks listed on the New York Stock Exchange, the American Stock Exchange, or on the listed Over-the-Counter Markets, unless the stock is stock of a sponsor or proposed sponsor or subsidiary or affiliate of such sponsor of Authority-financed housing.

Disclosure statements and updates must be submitted to the Director of Legal Affairs. All information will be retained in confidence.

Disclosure statements are is not required for employed student assistants or student co-ops of the Authority.

- M. Employees may apply for and be eligible to receive a Mortgage Credit Certificate (MCC) provided that the employee does not participate in any way in the processing or approval of the MCC and that the proposed participation by the employee is submitted to and approved by the Authority
- N. Except as provided in this Section M, employees shall not involve themselves in personal business activities where the U.S. Department of Housing and Urban Development (HUD), Rural Development (RD) or Rural Housing Services (RHS), or state or city housing subsidies or financing are involved. The term "personal business activities" includes both the obtaining of housing subsidies or housing financing

Michigan State Housing Development Authority

Code of Ethics

Effective: September 25, 2002

either as an owner or investor or as an employee of an owner or investor and the representation as agent, consultant, attorney, or contractor of any entity utilizing or proposing to utilize public housing subsidies or housing financing.

Exceptions:

1. The term "personal business activities" does not include the utilization of a subsidized housing program with respect to one's personal residence
 2. This prohibition shall not apply to any interest or business dealings involving participation in a generally available HUD, RD, RHS, or city housing subsidy or financing program with respect to not more than one residential unit which was at some time the employee's principal residence.
 3. This prohibition does not apply to applications to HUD for loan insurance not involving housing subsidies.
- O. Unless permitted by state or federal law, employees who terminate employment with the Authority shall be not be involved in any manner with any development or program for which the employee, while employed by the Authority, was responsible for any decision making or had a direct involvement. This restriction is applicable for a period of six months after the employee leaves the Authority unless a longer period of time is required pursuant to state or federal statute.
- P. Employees should exercise discretion and judgment with regard to this policy at all times. Code of Ethics questions and questions regarding this policy should be submitted to the Authority's Director of Legal Affairs.

STANDARDS OF CONDUCT FOR PUBLIC OFFICERS AND EMPLOYEES
Act 196 of 1973

AN ACT to prescribe standards of conduct for public officers and employees; to create a state board of ethics and prescribe its powers and duties; and to prescribe remedies and penalties.

History: 1973, Act 196, Imd. Eff. Jan. 8, 1974;—Am. 1980, Act 481, Eff. Mar. 31, 1981.

The People of the State of Michigan enact:

15.341 Definitions.

Sec. 1. As used in this act:

(a) "Board" means the board of ethics.

(b) "Employee" means an employee, classified or unclassified, of the executive branch of this state. For the purpose of section 2b, employee shall include an employee of this state or a political subdivision of this state.

(c) "Public officer" means a person appointed by the governor or another executive department official. For the purpose of section 2b, public officer shall include an elected or appointed official of this state or a political subdivision of this state.

(d) "Unethical conduct" means a violation of the standards in section 2.

History: 1973, Act 196, Imd. Eff. Jan. 8, 1974;—Am. 1980, Act 481, Eff. Mar. 31, 1981.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.342 Public officer or employee; prohibited conduct.

Sec. 2. (1) A public officer or employee shall not divulge to an unauthorized person, confidential information acquired in the course of employment in advance of the time prescribed for its authorized release to the public.

(2) A public officer or employee shall not represent his or her personal opinion as that of an agency.

(3) A public officer or employee shall use personnel resources, property, and funds under the officer or employee's official care and control judiciously and solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit.

(4) A public officer or employee shall not solicit or accept a gift or loan of money, goods, services, or other thing of value for the benefit of a person or organization, other than the state, which tends to influence the manner in which the public officer or employee or another public officer or employee performs official duties.

(5) A public officer or employee shall not engage in a business transaction in which the public officer or employee may profit from his or her official position or authority or benefit financially from confidential information which the public officer or employee has obtained or may obtain by reason of that position or authority. Instruction which is not done during regularly scheduled working hours except for annual leave or vacation time shall not be considered a business transaction pursuant to this subsection if the instructor does not have any direct dealing with or influence on the employing or contracting facility associated with his or her course of employment with this state.

(6) Except as provided in section 2a, a public officer or employee shall not engage in or accept employment or render services for a private or public interest when that employment or service is incompatible or in conflict with the discharge of the officer or employee's official duties or when that employment may tend to impair his or her independence of judgment or action in the performance of official duties.

(7) Except as provided in section 2a, a public officer or employee shall not participate in the negotiation or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, or other regulation or supervision relating to a business entity in which the public officer or employee has a financial or personal interest.

History: 1973, Act 196, Imd. Eff. Jan. 8, 1974;—Am. 1978, Act 352, Imd. Eff. July 12, 1978;—Am. 1984, Act 53, Imd. Eff. Apr. 12, 1984.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.342a MCL 15.301 to 15.310 and MCL 15.321 to 15.330 not amended or modified; purpose

of act; validity of contract in violation of act; voting on, making, or participating in governmental decisions; "governmental decision" defined.

Sec. 2a. (1) This act shall not in any manner amend or modify the terms of Act No. 317 of the Public Acts of 1968, being sections 15.321 to 15.330 of the Michigan Compiled Laws and Act No. 318 of the Public Acts of 1968, being sections 15.301 to 15.310 of the Michigan Compiled Laws.

(2) This act is intended as a code of ethics for public officers and employees and not as a rule of law for public contracts. A contract in respect to which a public officer or employee acts in violation of this act, shall not be considered to be void or voidable unless the contract is a violation of another statute which specifically provides for the remedy.

(3) Subject to subsection (4), section 2(6) and (7) shall not apply and a public officer shall be permitted to vote on, make, or participate in making a governmental decision if all of the following occur:

(a) The requisite quorum necessary for official action on the governmental decision by the public entity to which the public officer has been elected or appointed is not available because the participation of the public officer in the official action would otherwise violate section 2(6) or (7).

(b) The public officer is not paid for working more than 25 hours per week for this state or a political subdivision of this state.

(c) The public officer promptly discloses any personal, contractual, financial, business, or employment interest he or she may have in the governmental decision and the disclosure is made part of the public record of the official action on the governmental decision.

(4) If a governmental decision involves the awarding of a contract, section 2(6) and (7) shall not apply and a public officer shall be permitted to vote on, make, or participate in making the governmental decision if all of the following occur:

(a) All of the conditions of subsection (3) are fulfilled.

(b) The public officer will directly benefit from the contract in an amount less than \$250.00 or less than 5% of the public cost of the contract, whichever is less.

(c) The public officer files a sworn affidavit containing the information described in subdivision (b) with the legislative or governing body making the governmental decision.

(d) The affidavit required by subdivision (c) is made a part of the public record of the official action on the governmental decision.

(5) As used in this section, "governmental decision" means a determination, action, vote, or disposition upon a motion, proposal, recommendation, resolution, ordinance, or measure on which a vote by the members of a legislative or governing body of a public entity is required and by which a public entity formulates or effectuates public policy.

History: 1973, Act 196, Imd. Eff. Jan. 8, 1974;—Am. 1984, Act 53, Imd. Eff. Apr. 12, 1984.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed §§4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.342b Report of violation; applicability of sanctions; civil fine.

Sec. 2b. (1) A public officer or employee who has knowledge that another public officer or employee has violated section 2 may report the existence of the violation to a supervisor, person, agency, or organization. A public officer or employee who reports or is about to report a violation of section 2 shall not be subject to any of the following sanctions because they reported or were about to report a violation of section 2.

(a) Dismissal from employment or office.

(b) Withholding of salary increases that are ordinarily forthcoming to the employee.

(c) Withholding of promotions that are ordinarily forthcoming to the employee.

(d) Demotion in employment status.

(e) Transfer of employment location.

(2) Whenever a public officer or employee who has reported or who intends to report a violation of section 2 may be subject to any of the sanctions under this section for reasons other than the public officer's or employee's actions in reporting or intending to report a violation of section 2, the appointing or supervisory authority before the imposition of a sanction shall establish by a preponderance of evidence that the sanction to be imposed is not imposed because the public officer or employee reported or intended to report a violation of section 2.

(3) A person who violates this section is liable for a civil fine of not more than \$500.00.

(4) A civil fine recovered under this section shall be submitted to the state treasurer for deposit in the general fund of this state.

History: Add. 1978, Act 352, Imd. Eff. July 12, 1978;—Am. 1980, Act 481, Eff. Mar. 31, 1981.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.342c Civil action; commencement of action; "damages" defined.

Sec. 2c. (1) A person who alleges a violation of section 2b may bring a civil action for appropriate injunctive relief, or actual damages, or both within 90 days after the occurrence of the alleged violation of this act.

(2) An action commenced pursuant to subsection (1) may be brought in the circuit court for the county where the alleged violation occurred, the county where the complainant resides, or the county where the person against whom the civil complaint is filed resides.

(3) As used in subsection (1), "damages" means damages for injury or loss caused by each violation of section 2b, including reasonable attorney fees.

History: Add. 1980, Act 481, Eff. Mar. 31, 1981.

15.342d Court order; costs.

Sec. 2d. A court, in rendering a judgment in an action brought pursuant to section 2b, shall order, as the court considers appropriate, reinstatement of the employee, the payment of back wages, full reinstatement of fringe benefits and seniority rights, actual damages, or any combination of these remedies. A court may also award the complainant all or a portion of the costs of litigation, including reasonable attorney fees and witness fees, if the court determines that the award is appropriate.

History: Add. 1980, Act 481, Eff. Mar. 31, 1981.

15.342e Posting notices of protections and obligations.

Sec. 2e. An employer shall post notices and use other appropriate means to keep his or her employees informed of their protections and obligations under this act.

History: Add. 1980, Act 481, Eff. Mar. 31, 1981.

15.343 Board of ethics; creation; function.

Sec. 3. (1) There is hereby created within the executive office of the governor a board of ethics.

(2) The function of the board shall be advisory and investigatory and the board is not empowered to take direct action against any person or agency.

History: 1973, Act 196, Imd. Eff. Jan. 8, 1974.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.344 Board of ethics; appointment, qualifications, and terms of members; vacancies; ex officio members; quorum; action by board; compensation; executive secretary; clerical or administrative assistance.

Sec. 4. (1) The board of ethics shall consist of 7 members appointed by the governor, with the advice and consent of the senate, 1 of whom shall be designated as chairman and all of whom shall be residents of the state and not associated with public employment. Not more than 4 members of the board shall be members of the same political party. Initial appointments shall be made for terms commencing 30 days after the effective date of this act. Of those first appointed 2 shall serve for 1 year, 2 shall serve for 2 years, and 3 shall serve for 3 years. For the 1 year, 2 year and 3 year terms, at least 1 member for each such term shall be of the same political party. In the event of a vacancy, the governor shall fill the vacancy for the remainder of the term. Subsequent to the initial appointments, members shall be appointed for terms of 4 years.

(2) The attorney general and the state personnel director shall serve ex officio without the right to vote.

(3) Four members of the board shall constitute a quorum and the affirmative vote of 4 members shall be necessary for any action. Members of the board shall serve without compensation but shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties. With the consent of the civil service commission, the state personnel director shall designate an employee of the department of civil service, acceptable to the board, to act as executive secretary of the board and shall provide clerical or administrative assistance from the department of civil service as the board may, from time to time, request.

History: 1973, Act 196, Imd. Eff. Jan. 8, 1974.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.345 Board of ethics; powers and duties.

Sec. 5. (1) The board shall:

(a) Receive complaints concerning alleged unethical conduct by a public officer or employee from any person or entity, inquire into the circumstances surrounding the alleged unethical conduct, and make recommendations concerning individual cases to the appointing authority with supervisory responsibility for the person whose activities have been investigated. All departments of state government shall cooperate with the board of ethics in the conduct of its investigations.

(b) Initiate investigations of practices that could affect ethical conduct of a public officer or employee.

(c) Hold public hearings.

(d) Administer oaths and receive sworn testimony.

(e) Issue and publish advisory opinions upon request from a public officer or employee or their appointing or supervisory authority relating to matters affecting ethical conduct of a public officer or employee.

(2) In the issuance of investigative reports and recommendations and advisory opinions, the board shall be advised as to legal matters by the attorney general.

(3) When a recommendation to an appointing authority is made by the board which affects a classified employee, the appointing authority shall initiate appropriate proceedings in accordance with such recommendation and pursuant to the rules of the civil service commission.

(4) When a recommendation to an appointing authority is made by the board concerning an unclassified employee or appointee, the appointing authority shall take appropriate disciplinary action which may include dismissal.

History: 1973, Act 196, Imd. Eff. Jan. 8, 1974.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.346 Rules.

Sec. 6. The board may promulgate rules governing its own procedures pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws. For a period of 1 year following the effective date of this act the board shall have full authority to exercise all of its functions in accordance with temporary rules of procedure promulgated by the board. Both the temporary and permanent rules of the board shall provide that:

(a) The board may request the attendance of any witness whose testimony, in the judgment of the board, will aid in the conduct of its investigations.

(b) A person appearing before the board shall submit either sworn or unsworn testimony as the board may decide and may at all times be represented and accompanied by counsel.

(c) A record of testimony taken before the board or a hearing officer designated by it shall be made in the manner prescribed by the board.

(d) The board may, when it appears necessary for the protection of individual rights, hold its meetings and hearings in private. All other meetings and hearings shall be open to the public.

History: 1973, Act 196, Imd. Eff. Jan. 8, 1974.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

Administrative rules: R 15.1 et seq. of the Michigan Administrative Code.

15.347 Appropriation.

Sec. 7. There is appropriated from the general fund of the state an amount necessary to implement this act but not to exceed \$10,000.00 for the fiscal year ending June 30, 1974.

History: 1973, Act 196, Imd. Eff. Jan. 8, 1974.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.348 Other acts not superseded; interpretation and administration of act.

Sec. 8. The provisions of this act shall not supersede the provisions of any other acts heretofore or hereinafter enacted and shall be interpreted and administered to the extent not inconsistent with other acts.

History: 1973, Act 196, Imd. Eff. Jan. 8, 1974.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

CONFLICT OF INTEREST
Act 318 of 1968

AN ACT to implement the provisions of section 10 of article 4 of the constitution relating to substantial conflicts of interest on the part of members of the legislature and state officers in respect to contracts with the state and the political subdivisions thereof; to provide for penalties for the violation thereof; to repeal all acts and parts of acts in conflict with this act; and to validate certain contracts.

History: 1968, Act 318, Eff. Sept. 1, 1968.

The People of the State of Michigan enact:

15.301 Conflict of interest; purpose.

Sec. 1. This statute is enacted for the purpose of implementing the provisions of section 10 of article 4 of the constitution. Therefore, this act shall be taken into consideration in determining the construction and effect to be given the constitutional section, insofar as the same is constitutionally possible.

History: 1968, Act 318, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.302 Direct or indirect interest in state contracts prohibited.

Sec. 2. No member of the legislature, herein referred to as a "legislator", nor any state officer shall be interested directly or indirectly in any contract with the state or any political subdivision thereof which shall cause a substantial conflict of interest.

History: 1968, Act 318, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.303 Definitions.

Sec. 3. As used in this act:

(a) The term "state officer" means only a person occupying one of the following offices established by the constitution: governor; lieutenant governor; secretary of state; state treasurer; attorney general; auditor general; superintendent of public instruction; member of the state board of education; regent of the university of Michigan; trustee of Michigan State University; governor of Wayne State University; member of a board of control of one of the other institutions of higher education named in section 4 of article 8 of the constitution or established by law as therein provided; president of each of the foregoing universities and institutions of higher learning; member of the state board for public community and junior colleges; member of the supreme court; member of the court of appeals; member of the state highway commission; director of the state highway commission; member of the liquor control commission; member of the board of state canvassers; member of the commission on legislative apportionment; member of the civil service commission; state personnel director; or member of the civil rights commission; together with his principal deputy who by law under specified circumstances, may exercise independently some or all of the sovereign powers of his principal whenever the deputy is actually exercising such powers.

(b) "Political subdivision" includes all public bodies corporate within but not including the state, including all agencies thereof or any non-incorporated body within the state of whatever nature, including all agencies thereof.

History: 1968, Act 318, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.304 Pecuniary interest; cases in which there is no substantial conflict of interest.

Sec. 4. (1) As used in section 2, "interested" means a pecuniary interest.

(2) If there is a conflict of interest on the part of a legislator or state officer in respect to a contract with the state or a political subdivision of the state, to be prohibited by this act his or her personal interest must be of such substance as to induce action on his or her part to promote the contract for his or her own personal

benefit.

(3) In the following cases, there is no substantial conflict of interest:

(a) A contract between the state or a political subdivision of the state and any of the following:

(i) A corporation in which a legislator or state officer is a stockholder owning 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or the stock has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

(ii) A corporation in which a trust, where a legislator or state officer is a beneficiary under the trust, owns 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or the stock has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

(iii) A professional limited liability company organized pursuant to the Michigan limited liability company act, Act No. 23 of the Public Acts of 1993, being sections 450.5101 to 450.6200 of the Michigan Compiled Laws, if a legislator or state officer is an employee but not a member of the company.

(b) A contract between the state or a political subdivision of the state and any of the following:

(i) A corporation in which a legislator or state officer is a stockholder owning more than 1% of the total stock outstanding in any class if the stock is not listed on a stock exchange or the stock has a present market value in excess of \$25,000.00 if the stock is listed on a stock exchange or a director, officer, or employee.

(ii) A firm, partnership, or other unincorporated association, in which a legislator or state officer is a partner, member, or employee.

(iii) A corporation or firm that has an indebtedness owed to a legislator or state officer.

(iv) A trustee or trustees under a trust in which a legislator or state officer is a beneficiary or trustee or a corporation in whose stock the trust funds are invested, if the investment includes more than 1% of the total stock outstanding in any class if the stock is not listed on a stock exchange or if the stock has a present market value in excess of \$25,000.00 if the stock is listed on a stock exchange, if the legislator or state officer does not solicit the contract, takes no part in the negotiations for or in the approval of the contract or any amendment to the contract, and does not in any way represent either party in the transaction and the contract is not with or authorized by the department or agency of the state or a political subdivision with which the state officer is connected.

(c) A contract between the state and a political subdivision of the state or between political subdivisions of the state.

(d) A contract awarded to the lowest qualified bidder, upon receipt of sealed bids pursuant to a published notice for bids provided the notice does not bar, except as authorized by law, any qualified person, firm, corporation, or trust from bidding. This subdivision does not apply to amendments or renegotiations of a contract or to additional payments under the contract which were not authorized by the contract at the time of award.

(e) A contract for public utility services where the rates for the services are regulated by the state or federal government.

History: 1968, Act 318, Eff. Sept. 1, 1968;—Am. 1994, Act 292, Imd. Eff. July 14, 1994.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.304a Contract arising from status of being both student and member of governing board.

Sec. 4a. In addition to the cases set forth in section 4, there shall not be deemed to be a conflict of interest with respect to a contract arising out of the status of being a student at an institution of higher education granting baccalaureate degrees or an institution established pursuant to section 7 of article 8 of the state constitution of 1963 where the student is elected or appointed to the governing board of the institution of higher education.

History: Add. 1974, Act 317, Imd. Eff. Dec. 15, 1974;—Am. 1976, Act 423, Imd. Eff. Jan. 11, 1977.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.305 Voidability of contracts; procedure; knowledge; limitation on actions; reimbursement; amicable settlement; evidences of indebtedness.

Sec. 5. (1) This act, following the evident intent of section 10 of article 4 of the constitution, is aimed to prevent legislators and state officers from engaging in certain activities under circumstances creating a substantial conflict of interest and is not intended to penalize innocent persons. Therefore, no contract shall be

absolutely void by reason of this act or the constitutional provision which it implements. Contracts involving a prohibited conflict of interest under this act and said constitutional provision shall be voidable only by decree of a court of proper jurisdiction in an action by the state or a political subdivision which is a party thereto, as to any person, firm, corporation or trust that entered into said contract or took any assignment thereof, with actual knowledge of such prohibited conflict. In the case of a corporation, the actual knowledge must be that of a person or body finally approving the contract for the corporation. All actions to avoid any contract hereunder shall be brought within 1 year after discovery of circumstances suggesting the existence of a violation of the constitutional provision as implemented by this act. In order to meet the ends of justice any such decree shall provide for the reimbursement of any person, firm, corporation or trust for the reasonable value of all moneys, goods, materials, labor or services furnished under the contract, to the extent that the state or political subdivision has benefited thereby. This provision shall not prohibit the parties from arriving at an amicable settlement.

(2) Negotiable and nonnegotiable bonds, notes or evidences of indebtedness, whether heretofore or hereafter issued, in the hands of purchasers for value, shall not be void or voidable by reason of this act or of the constitutional provision which it implements or of any previous statute, charter or rule of law.

History: 1968, Act 318, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.306 Existing contracts; validity.

Sec. 6. If the state or any political subdivision thereof has, prior to the effective date of this act, entered into any contract under which moneys, goods, materials, labor or services, have been actually received by the state or the political subdivision, which was void or voidable under any act, charter or rule of law because of conflict of interest on the part of a legislator or state officer at the time of the execution thereof, such contract shall be fully enforceable notwithstanding such conflict of interest, by any party thereto other than such legislator or state officer.

History: 1968, Act 318, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.307 Legislative committee on conflict of interest; appointment, duties and powers; prohibitions; violations.

Sec. 7. There is created a special committee of the legislature on conflict of interest (herein referred to as the committee) to consist of 3 members of the senate and 3 members of the house of representatives, at least 1 of whom from each house shall be a member of the minority party, to be appointed in the same manner as standing committees of the senate and the house. The committee shall have the following duties and powers:

- (a) It shall establish, by majority vote, its rules and procedures;
- (b) Its members shall serve without compensation, but shall be entitled to actual and necessary expenses while on the business of the committee;
- (c) It may, upon the request of any member of the legislature, render advisory opinions to legislators as to whether under the facts and circumstances of a particular case a legislator is interested directly or indirectly in a contract with the state or any political subdivision thereof which shall cause a substantial conflict of interest;
- (d) It may insure that the identity of persons involved in any request for advisory opinions shall not be disclosed in the request, advisory opinion or otherwise.

Any member of the legislature who is licensed as an attorney is prohibited from appearing in any nonadversary or nonministerial proceeding before any state department, office, board or commission of the executive branch of government.

Any member of the legislature willfully violating the provisions of this act shall be subject to appropriate disciplinary action by the house of which he is a member.

History: 1968, Act 318, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.308 Conflicts of interest; state officers, violations.

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Sec. 8. Any state officer willfully violating the provisions of this act shall be subject to appropriate disciplinary action by the governor if he is an administrative officer of the state or if he be a judicial officer of the state, then by the governor on a concurrent resolution adopted by 2/3 of the members elected to and serving in each house of the legislature.

History: 1968, Act 318, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.309 Conflicts of interest; controlling law.

Sec. 9. All acts and parts of acts in conflict herewith are hereby repealed, it being the intention hereof that the provisions of said section 10 of article 4 of the constitution as implemented by this act, shall constitute the sole law in respect to conflicts of interest involving legislators and state officers in contracts with the state or its political subdivisions.

History: 1968, Act 318, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.310 Effective date.

Section 10. This act shall take effect September 1, 1968.

History: 1968, Act 318, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

INCOMPATIBLE PUBLIC OFFICES
Act 566 of 1978

AN ACT to encourage the faithful performance of official duties by certain public officers and public employees; to prescribe standards of conduct for certain public officers and public employees; to prohibit the holding of incompatible public offices; and to provide certain judicial remedies.

History: 1978, Act 566, Imd. Eff. Dec. 29, 1978.

The People of the State of Michigan enact:

15.181 Definitions.

Sec. 1. As used in this act:

(a) "Governing board" means a board of regents, board of trustees, board of governors, board of control, or other governing body of an institution of higher education.

(b) "Incompatible offices" means public offices held by a public official which, when the official is performing the duties of any of the public offices held by the official, results in any of the following with respect to those offices held:

(i) The subordination of 1 public office to another.

(ii) The supervision of 1 public office by another.

(iii) A breach of duty of public office.

(c) "Institution of higher education" means a college, university, community college, or junior college described in section 4, 5, or 6 of article 8 of the state constitution of 1963 or established under section 7 of article 8 of the state constitution of 1963.

(d) "Public employee" means an employee of this state, an employee of a city, village, township, or county of this state, or an employee of a department, board, agency, institution, commission, authority, division, council, college, university, school district, intermediate school district, special district, or other public entity of this state or of a city, village, township, or county in this state, but does not include a person whose employment results from election or appointment.

(e) "Public officer" means a person who is elected or appointed to any of the following:

(i) An office established by the state constitution of 1963.

(ii) A public office of a city, village, township, or county in this state.

(iii) A department, board, agency, institution, commission, authority, division, council, college, university, school district, intermediate school district, special district, or other public entity of this state or a city, village, township, or county in this state.

History: 1978, Act 566, Imd. Eff. Dec. 29, 1978.

15.182 Holding incompatible offices.

Sec. 2. (1) Except as provided in section 3, a public officer or public employee shall not hold 2 or more incompatible offices at the same time.

History: 1978, Act 566, Imd. Eff. Dec. 29, 1978.

15.183 Public officer or employee as member of governing board of institution of higher education; member of school board as superintendent of schools; public officer or employee as member of board of tax increment finance authority, downtown development authority, or a local development finance authority; applicability; eligibility; conflict of interest; breach of duty; public officer or employee of community mental health services program; volunteer coach or supervisor of student extracurricular activity.

Sec. 3. (1) Section 2 does not prohibit a public officer's or public employee's appointment or election to, or membership on, a governing board of an institution of higher education. However, a public officer or public employee shall not be a member of governing boards of more than 1 institution of higher education simultaneously, and a public officer or public employee shall not be an employee and member of a governing board of an institution of higher education simultaneously.

(2) Section 2 does not prohibit a member of a school board of 1 school district from being a superintendent of schools of another school district.

(3) Section 2 does not prohibit a public officer or public employee of a city, village, township, school district, community college district, or county from being appointed to and serving as a member of the board of a tax increment finance authority under the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, a downtown development authority under 1975 PA 197, MCL 125.1651 to 125.1681, a

local development finance authority under the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or a brownfield redevelopment authority under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672.

(4) Section 2 does not do any of the following:

(a) Prohibit public officers or public employees of a city, village, township, or county having a population of less than 25,000 from serving, with or without compensation, as emergency medical services personnel as defined in section 20904 of the public health code, 1978 PA 368, MCL 333.20904.

(b) Prohibit public officers or public employees of a city, village, township, or county having a population of less than 25,000 from serving, with or without compensation, as a firefighter in that city, village, township, or county if that firefighter is not any of the following:

(i) A full-time firefighter.

(ii) A fire chief.

(iii) A person who negotiates with the city, village, township, or county on behalf of the firefighters.

(c) Limit the authority of the governing body of a city, village, township, or county having a population of less than 25,000 to authorize a public officer or public employee to perform, with or without compensation, other additional services for the unit of local government.

(5) This section does not relieve a person from otherwise meeting statutory or constitutional qualifications for eligibility to, or the continued holding of, a public office.

(6) This section does not allow or sanction activity constituting conflict of interest prohibited by the constitution or laws of this state.

(7) This section does not allow or sanction specific actions taken in the course of performance of duties as a public official or as a member of a governing body of an institution of higher education that would result in a breach of duty as a public officer or board member.

(8) Section 2 does not prohibit a public officer or public employee of a community mental health services program as defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a, from serving as a public officer or public employee of a separate legal or administrative entity created by 2 or more community mental health services programs under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, a joint board or commission created under 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536, or a regional entity created under section 204b of the mental health code, 1974 PA 258, MCL 330.1204b, whether or not the separate legal or administrative entity, joint board or commission, or regional entity may enter into contracts or agreements with 1 or more of the community mental health services programs.

(9) Section 2 does not prohibit a member of a school board from being appointed to or serving as a volunteer coach or supervisor of a student extracurricular activity if all of the following conditions are present:

(a) The school board member receives no compensation for service as a volunteer coach or supervisor.

(b) During the period he or she serves as a volunteer, the school board member abstains from voting on issues before the school board concerning that program.

(c) There is no qualified applicant available to fill a vacant position if the school board member is excluded.

(d) The appointing authority has received the results of a criminal history check and a criminal records check from the department of state police or the federal bureau of investigation for the school board member.

History: 1978, Act 566, Imd. Eff. Dec. 29, 1978;—Am. 1984, Act 72, Imd. Eff. Apr. 18, 1984;—Am. 1992, Act 10, Imd. Eff. Mar. 10, 1992;—Am. 1994, Act 317, Imd. Eff. Oct. 6, 1994;—Am. 2000, Act 455, Imd. Eff. Jan. 9, 2001;—Am. 2004, Act 110, Imd. Eff. May 20, 2004;—Am. 2008, Act 22, Imd. Eff. Mar. 12, 2008.

15.184 Injunction or other judicial relief or remedy.

Sec. 4. The attorney general or a prosecuting attorney may apply to the circuit court for Ingham county or to the circuit court for the county in which the alleged act or practice in violation of this act is alleged to have occurred or in which a party to the alleged violative act or practice resides, for injunctive or other appropriate judicial relief or remedy. However, this act shall not create a private cause of action.

History: 1978, Act 566, Imd. Eff. Dec. 29, 1978.

15.185 Action of public officer or employee; validity; judicial relief or remedy.

Sec. 5. An action of a public officer or public employee shall not be absolutely void by reason of this act. An action of a public officer or public employee shall be voidable only by discretionary action of a court of competent jurisdiction, as prescribed in section 4. However, any judicial relief or judicial remedy shall operate prospectively only.

History: 1978, Act 566, Imd. Eff. Dec. 29, 1978.

CONTRACTS OF PUBLIC SERVANTS WITH PUBLIC ENTITIES
Act 317 of 1968

AN ACT relating to the conduct of public servants in respect to governmental decisions and contracts with public entities; to provide penalties for the violation of this act; to repeal certain acts and parts of acts; and to validate certain contracts.

History: 1968, Act 317, Eff. Sept. 1, 1968;—Am. 1984, Act 81, Imd. Eff. Apr. 18, 1984.

The People of the State of Michigan enact:

15.321 Public servants, contracts with public entities; definitions.

Sec. 1. As used in this act:

(a) "Public servant" includes all persons serving any public entity, except members of the legislature and state officers who are within the provisions of section 10 of article 4 of the state constitution as implemented by legislative act.

(b) "Public entity" means the state including all agencies thereof, any public body corporate within the state, including all agencies thereof, or any non-incorporated public body within the state of whatever nature, including all agencies thereof.

History: 1968, Act 317, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.322 Public servant; soliciting, negotiating, renegotiating, approving, or representing a party to a contract with public entity prohibited.

Sec. 2. (1) Except as provided in sections 3 and 3a, a public servant shall not be a party, directly or indirectly, to any contract between himself or herself and the public entity of which he or she is an officer or employee.

(2) Except as provided in section 3, a public servant shall not directly or indirectly solicit any contract between the public entity of which he or she is an officer or employee and any of the following:

(a) Him or herself.

(b) Any firm, meaning a co-partnership or other unincorporated association, of which he or she is a partner, member, or employee.

(c) Any private corporation in which he or she is a stockholder owning more than 1% of the total outstanding stock of any class if the stock is not listed on a stock exchange, or stock with a present total market value in excess of \$25,000.00 if the stock is listed on a stock exchange or of which he or she is a director, officer, or employee.

(d) Any trust of which he or she is a beneficiary or trustee.

(3) In regard to a contract described in subsection (2), a public servant shall not do either of the following:

(a) Take any part in the negotiations for such a contract or the renegotiation or amendment of the contract, or in the approval of the contract.

(b) Represent either party in the transaction.

History: 1968, Act 317, Eff. Sept. 1, 1968;—Am. 1992, Act 9, Imd. Eff. Mar. 10, 1992.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.323 Applicability of MCL 15.322 to public servants; requirements of contract; making or participating in governmental decision; counting members for purposes of quorum; voting; affidavit; "governmental decision" defined.

Sec. 3. (1) Section 2 does not apply to either of the following:

(a) A public servant who is paid for working an average of 25 hours per week or less for a public entity.

(b) A public servant who is an employee of a public community college, junior college, or state college or university.

(2) A contract as defined in and limited by section 2 involving a public entity and a public servant described in subsection (1) shall meet all of the following requirements:

(a) The public servant promptly discloses any pecuniary interest in the contract to the official body that has

power to approve the contract, which disclosure shall be made a matter of record in its official proceedings. Unless the public servant making the disclosure will directly benefit from the contract in an amount less than \$250.00 and less than 5% of the public cost of the contract and the public servant files a sworn affidavit to that effect with the official body or the contract is for emergency repairs or services, the disclosure shall be made in either of the following manners:

(i) The public servant promptly discloses in writing to the presiding officer, or if the presiding officer is the public servant who is a party to the contract, to the clerk, the pecuniary interest in the contract at least 7 days prior to the meeting at which a vote will be taken. The disclosure shall be made public in the same manner as a public meeting notice.

(ii) The public servant discloses the pecuniary interest at a public meeting of the official body. The vote shall be taken at a meeting of the official body held at least 7 days after the meeting at which the disclosure is made. If the amount of the direct benefit to the public servant is more than \$5,000.00, disclosure must be made as provided under this subparagraph.

(b) The contract is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.

(c) The official body discloses the following summary information in its official minutes:

(i) The name of each party involved in the contract.

(ii) The terms of the contract, including duration, financial consideration between parties, facilities or services of the public entity included in the contract, and the nature and degree of assignment of employees of the public entity for fulfillment of the contract.

(iii) The nature of any pecuniary interest.

(3) This section and section 2 do not prevent a public servant from making or participating in making a governmental decision to the extent that the public servant's participation is required by law. If 2/3 of the members are not eligible under this act to vote on a contract or to constitute a quorum, a member may be counted for purposes of a quorum and may vote on the contract if the member will directly benefit from the contract in an amount less than \$250.00 and less than 5% of the public cost of the contract and the member files a sworn affidavit to that effect with the official body. The affidavit shall be made a part of the public record of the official proceedings. As used in this subsection, "governmental decision" means a determination, action, vote, or disposition upon a motion, proposal, recommendation, resolution, ordinance, order, or measure on which a vote by members of a local legislative or governing body of a public entity is required and by which a public body effectuates or formulates public policy.

History: 1968, Act 317, Eff. Sept. 1, 1968;—Am. 1981, Act 100, Imd. Eff. July 15, 1981;—Am. 1982, Act 207, Imd. Eff. July 1, 1982;—Am. 1984, Act 81, Imd. Eff. Apr. 18, 1984;—Am. 1984, Act 184, Imd. Eff. July 3, 1984;—Am. 1997, Act 145, Eff. Mar. 2, 1998

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.323a Construction of MCL 15.322.

Sec. 3a. Section 2 shall not be construed to do any of the following:

(a) Prohibit public servants of a city, village, township, or county with a population of less than 25,000 from serving, with or without compensation, as emergency medical services personnel as defined in section 20904 of the public health code, Act No. 368 of the Public Acts of 1978, being section 333.20904 of the Michigan Compiled Laws.

(b) Prohibit public servants of a city, village, township, or county with a population of less than 25,000 from serving, with or without compensation, as a firefighter in that city, village, township, or county if that firefighter is not any of the following:

(i) A full-time firefighter.

(ii) A fire chief.

(iii) A person who negotiates with the city, village, township, or county on behalf of the firefighters.

(c) Limit the authority of the governing body of a city, village, township, or county with a population of less than 25,000 to authorize a public servant to perform, with or without compensation, other additional services for the unit of local government.

(d) Prohibit public servants of this state from purchasing at a tax sale lands returned as delinquent for taxes under the general property tax act, Act No. 206 of the Public Acts of 1893, being sections 211.1 to 211.157 of the Michigan Compiled Laws, unless otherwise prohibited by the rules of the Michigan civil service commission or the department or agency of which that public servant is an employee.

History: Add. 1992, Act 9, Imd. Eff. Mar. 10, 1992;—Am. 1996, Act 203, Imd. Eff. May 17, 1996.

15.324 Public servants; contracts excepted; violation as felony.

Sec. 4. (1) The prohibitions of section 2 shall not apply to any of the following:

(a) Contracts between public entities.

(b) Contracts awarded to the lowest qualified bidder, other than a public servant, upon receipt of sealed bids pursuant to a published notice. Except as authorized by law, the notice shall not bar any qualified person, firm, corporation, or trust from bidding. This subsection shall not apply to amendments or renegotiations of a contract nor to additional payments made under a contract which were not authorized by the contract at the time of award.

(c) Contracts for public utility services where the rates are regulated by the state or federal government.

(d) Contracts to purchase residential property. A public servant of a city or village may purchase 1 to 4 parcels not less than 18 months between each purchase. This subdivision does not apply to public servants of a city or village who have been appointed or elected to their position or whose employment responsibilities include the purchase or selling of property for the city or village. This subdivision shall apply only to a city or village that has adopted an ethics ordinance which was in effect at the time the residential property was purchased.

(2) A person that violates subsection (1)(d) is guilty of a felony punishable by imprisonment for not more than 1 year or a fine of not less than \$1,000.00 or more than 3 times the value of the property purchased.

History: 1968, Act 317, Eff. Sept. 1, 1968;—Am. 2005, Act 198, Imd. Eff. Nov. 9, 2005.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.325 Public servants, voidability of contracts; procedure, knowledge, limitation, reimbursement, settlements, evidences of indebtedness.

Sec. 5. (1) This act is aimed to prevent public servants from engaging in certain activities and is not intended to penalize innocent persons. Therefore, no contract shall be absolutely void by reason of this act. Contracts involving prohibited activities on the part of public servants shall be voidable only by decree of a court of proper jurisdiction in an action by the public entity, which is a party thereto, as to any person, firm, corporation or trust that entered into the contract or took any assignment thereof, with actual knowledge of the prohibited activity. In the case of the corporation, the actual knowledge must be that of a person or body finally approving the contract for the corporation. All actions to avoid any contract hereunder shall be brought within 1 year after discovery of circumstances suggesting a violation of this act. In order to meet the ends of justice any such decree shall provide for the reimbursement of any person, firm, corporation or trust for the reasonable value of all moneys, goods, materials, labor or services furnished under the contract, to the extent that the public entity has benefited thereby. This provision shall not prohibit the parties from arriving at an amicable settlement.

(2) Negotiable and nonnegotiable bonds, notes or evidences of indebtedness, whether heretofore or hereafter issued, in the hands of purchasers for value, shall not be void or voidable by reason of this act or of any previous statute, charter or rule of law.

History: 1968, Act 317, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.326 Public servants, validity of existing contracts.

Sec. 6. If any public entity has, prior to the effective date of this act, entered into any contract under which moneys, goods, materials, labor or services have been actually received by the public entity, which was void or voidable under any act, charter or rule of law because of a conflict of interest on the part of a public servant at the time of the execution thereof, such contract shall be fully enforceable notwithstanding such conflict of interest, by any party thereto other than such public servant.

History: 1968, Act 317, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.327 Penalty for violation.

Sec. 7. Any person violating the provisions of this act is guilty of a misdemeanor.

History: 1968, Act 317, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.328 Other laws superseded; local ordinances.

Sec. 8. It is the intention that this act shall constitute the sole law in this state and shall supersede all other acts in respect to conflicts of interest relative to public contracts, involving public servants other than members of the legislature and state officers, including but not limited to section 30 of 1851 PA 156, MCL 46.30. This act does not prohibit a unit of local government from adopting an ordinance or enforcing an existing ordinance relating to conflict of interest in subjects other than public contracts involving public servants.

History: 1968, Act 317, Eff. Sept. 1, 1968;—Am. 1997, Act 145, Eff. Mar. 2, 1998.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.329 Repeal.

Sec. 9. The following acts and parts of acts are repealed:

Year of act	Public Act No.	Section numbers	Compiled Law sections (1948)
1895	3	6 of chapter 5	65.6
1895	215	16 of chapter 8	88.16
1931	328	122	750.122
1955	269	969	340.969
1966	317		15.161 to 15.172

History: 1968, Act 317, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

15.330 Effective date.

Sec. 10. This act shall take effect September 1, 1968.

History: 1968, Act 317, Eff. Sept. 1, 1968.

Compiler's note: Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.

THE WHISTLEBLOWERS' PROTECTION ACT
Act 469 of 1980

AN ACT to provide protection to employees who report a violation or suspected violation of state, local, or federal law; to provide protection to employees who participate in hearings, investigations, legislative inquiries, or court actions; and to prescribe remedies and penalties.

History: 1980, Act 469, Eff. Mar. 31, 1981.

The People of the State of Michigan enact:

15.361 Definitions.

Sec. 1. As used in this act:

(a) "Employee" means a person who performs a service for wages or other remuneration under a contract of hire, written or oral, express or implied. Employee includes a person employed by the state or a political subdivision of the state except state classified civil service.

(b) "Employer" means a person who has 1 or more employees. Employer includes an agent of an employer and the state or a political subdivision of the state.

(c) "Person" means an individual, sole proprietorship, partnership, corporation, association, or any other legal entity.

(d) "Public body" means all of the following:

(i) A state officer, employee, agency, department, division, bureau, board, commission, council, authority, or other body in the executive branch of state government.

(ii) An agency, board, commission, council, member, or employee of the legislative branch of state government.

(iii) A county, city, township, village, intercounty, intercity, or regional governing body, a council, school district, special district, or municipal corporation, or a board, department, commission, council, agency, or any member or employee thereof.

(iv) Any other body which is created by state or local authority or which is primarily funded by or through state or local authority, or any member or employee of that body.

(v) A law enforcement agency or any member or employee of a law enforcement agency.

(vi) The judiciary and any member or employee of the judiciary.

History: 1980, Act 469, Eff. Mar. 31, 1981.

15.362 Discharging, threatening, or otherwise discriminating against employee reporting violation of law, regulation, or rule prohibited; exceptions.

Sec. 2. An employer shall not discharge, threaten, or otherwise discriminate against an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because the employee, or a person acting on behalf of the employee, reports or is about to report, verbally or in writing, a violation or a suspected violation of a law or regulation or rule promulgated pursuant to law of this state, a political subdivision of this state, or the United States to a public body, unless the employee knows that the report is false, or because an employee is requested by a public body to participate in an investigation, hearing, or inquiry held by that public body, or a court action.

History: 1980, Act 469, Eff. Mar. 31, 1981.

15.363 Civil action in circuit court for injunctive relief or actual damages; "damages" defined; clear and convincing evidence required.

Sec. 3. (1) A person who alleges a violation of this act may bring a civil action for appropriate injunctive relief, or actual damages, or both within 90 days after the occurrence of the alleged violation of this act.

(2) An action commenced pursuant to subsection (1) may be brought in the circuit court for the county where the alleged violation occurred, the county where the complainant resides, or the county where the person against whom the civil complaint is filed resides or has his or her principal place of business.

(3) As used in subsection (1), "damages" means damages for injury or loss caused by each violation of this act, including reasonable attorney fees.

(4) An employee shall show by clear and convincing evidence that he or she or a person acting on his or her behalf was about to report, verbally or in writing, a violation or a suspected violation of a law of this state, a political subdivision of this state, or the United States to a public body.

History: 1980, Act 469, Eff. Mar. 31, 1981;—Am. 1982, Act 146, Eff. Mar. 30, 1983.

15.364 Court judgment; order; remedies; awarding costs of litigation.

Sec. 4. A court, in rendering a judgment in an action brought pursuant to this act, shall order, as the court considers appropriate, reinstatement of the employee, the payment of back wages, full reinstatement of fringe benefits and seniority rights, actual damages, or any combination of these remedies. A court may also award the complainant all or a portion of the costs of litigation, including reasonable attorney fees and witness fees, if the court determines that the award is appropriate.

History: 1980, Act 469, Eff. Mar. 31, 1981.

15.365 Violation; civil fine.

Sec. 5. (1) A person who violates this act shall be liable for a civil fine of not more than \$500.00.

(2) A civil fine which is ordered pursuant to this act shall be submitted to the state treasurer for deposit in the general fund.

History: 1980, Act 469, Eff. Mar. 31, 1981.

15.366 Diminishment or impairment of rights; collective bargaining agreement; protection of confidentiality of communications; disclosures.

Sec. 6. This act shall not be construed to diminish or impair the rights of a person under any collective bargaining agreement, nor to permit disclosures which would diminish or impair the rights of any person to the continued protection of confidentiality of communications where statute or common law provides such protection.

History: 1980, Act 469, Eff. Mar. 31, 1981;—Am. 1982, Act 146, Eff. Mar. 30, 1983.

15.367 Employer not required to compensate employee for participation in investigation, hearing, or inquiry.

Sec. 7. This act shall not be construed to require an employer to compensate an employee for participation in an investigation, hearing or inquiry held by a public body in accordance with section 2 of this act.

History: 1980, Act 469, Eff. Mar. 31, 1981.

15.368 Posting notices of protections and obligations required.

Sec. 8. An employer shall post notices and use other appropriate means to keep his or her employees informed of their protections and obligations under this act.

History: 1980, Act 469, Eff. Mar. 31, 1981.

15.369 Short title.

Sec. 9. This act shall be known and may be cited as “the whistleblowers' protection act”.

History: 1980, Act 469, Eff. Mar. 31, 1981.

POLITICAL ACTIVITIES BY PUBLIC EMPLOYEES
Act 169 of 1976

AN ACT to regulate certain political activities by certain public employees; to prescribe the powers and duties of certain state agencies; and to provide penalties.

History: 1976, Act 169, Imd. Eff. June 25, 1976;—Am. 1979, Act 15, Imd. Eff. May 24, 1979.

The People of the State of Michigan enact:

15.401 “Public employee” defined.

Sec. 1. As used in this act, “public employee” means an employee of the state classified civil service, or an employee of a political subdivision of the state who is not an elected official.

History: 1976, Act 169, Imd. Eff. June 25, 1976.

Constitutionality: In *Council No 11, AFSCME v Civil Service Commission*, 408 Mich 385; 292 NW2d 442 (1980), the Michigan Supreme Court held that 1976 PA 169 offends no provision of the Michigan constitution.

15.402 Employee of state classified civil service; permissible political activities; leave of absence.

Sec. 2. An employee of the state classified civil service may:

(a) Become a member of a political party committee formed or authorized under the election laws of this state.

(b) Be a delegate to a state convention, or a district or county convention held by a political party in this state.

(c) Become a candidate for nomination and election to any district, county, city, village, township, school district, or other local elective office without first obtaining a leave of absence from his employment. If the person becomes a candidate for elective office in the executive or legislative branches of the state or for the supreme court or court of appeals, the person shall request and shall be granted a leave of absence without pay when he complies with the candidacy filing requirements, or 60 days before any election relating to that position, whichever date is closer to the election.

(d) Engage in other political activities on behalf of a candidate or issue in connection with partisan or nonpartisan elections.

History: 1976, Act 169, Imd. Eff. June 25, 1976.

15.403 Employee of political subdivision of state; permissible political activities; resignation; leave of absence.

Sec. 3. (1) An employee of a political subdivision of the state may:

(a) Become a member of a political party committee formed or authorized under the election laws of this state.

(b) Be a delegate to a state convention, or a district or county convention held by a political party in this state.

(c) Become a candidate for nomination and election to any state elective office, or any district, county, city, village, township, school district, or other local elective office without first obtaining a leave of absence from his employment. If the person becomes a candidate for elective office within the unit of government or school district in which he is employed, unless contrary to a collective bargaining agreement the employer may require the person to request and take a leave of absence without pay when he complies with the candidacy filing requirements, or 60 days before any election relating to that position, whichever date is closer to the election.

(d) Engage in other political activities on behalf of a candidate or issue in connection with partisan or nonpartisan elections.

(2) However, a public employee of a unit of local government or school district who is elected to an office within that unit of local government or school district shall resign or may be granted a leave of absence from his employment during his elected term.

History: 1976, Act 169, Imd. Eff. June 25, 1976.

15.404 Active engagement in permissible activities; certain hours prohibited.

Sec. 4. The activities permitted by sections 2 and 3 shall not be actively engaged in by a public employee during those hours when that person is being compensated for the performance of that person's duties as a public employee.

History: 1976, Act 169, Imd. Eff. June 25, 1976.

15.405 Coercion of payment, loan, or contribution prohibited.

Sec. 5. A public employer, public employee or an elected or appointed official may not personally, or through an agent, coerce, attempt to coerce, or command another public employee to pay, lend, or contribute anything of value to a party, committee, organization, agency, or person for the benefit of a person seeking or holding elected office, or for the purpose of furthering or defeating a proposed law, ballot question, or other measure that may be submitted to a vote of the electors.

History: 1976, Act 169, Imd. Eff. June 25, 1976.

15.406 Complaint; hearing; order; injunction; rules.

Sec. 6. (1) An employee of a political subdivision of this state whose rights under this act are violated or who is subjected to any of the actions prohibited by section 5 may make a complaint to that effect with the department of labor. The department shall hold a hearing to determine whether a violation has occurred. If a violation has occurred, the department shall so state on the record and may order any of the following:

(a) Issuance of back pay.

(b) Reinstatement as an employee.

(c) Attorney fees.

(d) Reinstatement of all work-related benefits, rights or privileges which, but for the violation by the employer, would have been accrued by the employee.

(2) Upon motion by the department to the circuit court, the court may issue an injunction to enforce the order of the department.

(3) The department of civil service shall promulgate rules for hearing alleged violations of this act by a state employee.

(4) The department of labor shall promulgate rules for hearing alleged violations of this act by an employee of a political subdivision of this state. The rules shall be promulgated pursuant to Act No. 306 of the Public Acts of 1969, as amended.

History: 1976, Act 169, Imd. Eff. June 25, 1976;—Am. 1979, Act 15, Imd. Eff. May 24, 1979.

Administrative rules: R 408.22901 and R 408.22902 of the Michigan Administrative Code.

15.407 Compliance with federal laws or regulations; disciplinary actions.

Sec. 7. Public employees whose political activities are subject to restrictions imposed by laws or regulations of the United States shall comply with those restrictions notwithstanding any contrary provisions of this act. This act shall not be construed as prohibiting the state or a political subdivision thereof from instituting or implementing a disciplinary action against a public employee, in compliance with a determination of the United States civil service commission or a court of the United States pursuant to sections 1501 through 1508 of title 5 of the United States code.

History: 1976, Act 169, Imd. Eff. June 25, 1976.



STATE OF MICHIGAN

JENNIFER M. GRANHOLM
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

KEITH MOLIN
EXECUTIVE DIRECTOR

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the Neighborhood Stabilization Program 2, the State certifies that:

1. Affirmatively furthering fair housing. The applicant certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
2. Anti-displacement and relocation plan. The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
3. Anti-lobbying. The applicant must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
4. Authority of applicant. The applicant certifies that it possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
5. Acquisition and relocation. The applicant certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP2 program published by HUD.
6. Section 3. The applicant certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
7. Citizen participation. The applicant certifies that it is carrying out citizen participation in accordance with NSP2 requirements.
8. Use of funds. The jurisdiction certifies that it will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008, as modified by the American Reinvestment and Recovery Act by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.
9. The applicant certifies:
 - a. that all of the NSP2 funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
 - b. The applicant will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of



low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

10. Excessive force. The applicant, if an applicable governmental entity, certifies that it has adopted and is enforcing:
 - a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
 - b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
11. Compliance with anti-discrimination laws. The applicant certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.
12. Compliance with lead-based paint procedures. The applicant certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.
13. Compliance with laws. The applicant certifies that it will comply with applicable laws.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY



Signature/Authorized Official

July 13, 2009
Date

Keith Molin, Executive Director
Title

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

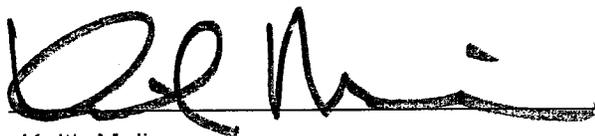
APPLICATION TO THE US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT FOR
NEIGHBORHOOD STABILIZATION 2 PROGRAM FUNDING

24 CFR PART 87 REQUIRED CERTIFICATION

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form–LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.



Keith Molin
Executive Director

July 13, 2009
Date

Calculation of Removal of Negative Effects – HUD Vacancy Rubric

HUD's NOFA for the NSP2 program states that "[S]ome target neighborhoods with a foreclosure problem would be stabilized by a reduction in distressed housing stock and selected acquisition and rehabilitation." To help illustrate this aspect of the program's activities, a formula for the calculation of a "rubric score" is given. Our consortium qualifies for credit under this provision, since we plan to demolish/acquire/rehab more than 25 properties in our target area. The equation given to compute the score is:

$$(1.5 * (\text{Vacant acquisition/rehab}) + (\text{Vacant demolition})) / (\text{Vacant total in area}) = \text{Rubric Score}$$

Sources for the Rubric are:

- Total Vacant Properties in Target Area: United States Postal Service Data on Vacancy at www.huduser.org
- Total Vacant Properties addressed with Acquisition and Rehab: Table from Rating Factor 3, Part A (2) (a)
- Total Vacant Properties addressed through Demolition and New Construction: Table from Rating Factor 3, Part A (2) (a).

Filling in the values from our sources yields:

$$(1.5 * (1,276) + (2771)) / (15,644) = 29.95$$

Therefore, the Consortium's rubric score is 29.95.

SUMMARY OF CITIZEN COMMENTS: MICHIGAN NSP2 CONSORTIUM

On July 2nd and 3rd, a public notice for the proposed NSP2 Michigan Consortium application was advertised in nine newspapers. Two of these newspapers, the Detroit Free Press and the Detroit News have statewide circulation. The remaining seven serve the jurisdictions of the Michigan NSP 2 consortium members. These papers are: the Battle Creek Enquirer, Flint Journal, Grand Rapids Press, Kalamazoo Gazette, Lansing State Journal, Saginaw News, and the Herald-Palladium.

The public notice identified that a 10 day public comment period was being provided for comments related to the proposed NSP2 Michigan Consortium application to HUD. The public comment period ran from July 2, 2009 through July 12, 2009. The public notice identified the proposed use of the NSP2 funds, the targeted geography and the proposed funding request. The public notice clearly identified that the full proposed program description was available for review and comment on the Michigan State Housing Development Authority's (MSHDA) Website at <http://www.michigan.gov/mshda>. The full NSP2 plan and subsequent program information will continue to be posted at this Website.

Two public comments were received supporting the collaborative nature of the NSP2 consortium.

One public comment was received from the Michigan Disability Rights Coalition requesting that, unless the terrain or lot size makes it prohibitive, all new construction be built with basic accessibility features, similar to those built with MSHDA's financing under the Michigan Inclusive Home Design Act (PA182) and that accessibility issues should be addressed in all reconstruction and rehabilitation wherever feasible.

It should be noted that although technically not comments on the proposed program application, 15 formal inquiries were received from individuals, contractors, and local realtors expressing great interest in participating in the program if and when funded. Numerous phone calls and letters were also received from contactors and individuals asking how they could participate in the program. We believe this represents the great need for NSP2 funds to address the extensive and debilitating impact foreclosures are having on Michigan's citizens and communities.

DEFINITIONS

(1) Definition of “blighted structure” in context of state or local law.

A blighted property is a blighted/abandoned/uninhabitable property that meets any of the following criteria:

- Declared a public nuisance in accordance with local housing, building, plumbing, fire, or other related code or ordinance.
- Attractive nuisance because of physical condition or use.
- Fire hazard or is otherwise dangerous to the safety of persons or property.
- Has had utilities, plumbing, heating, or sewerage disconnected, destroyed, removed, or rendered ineffective for a period of 1 year or more so that the property is unfit for its intended use.
- Has a subsurface structure or demolition debris that renders the property unfit for its intended use.

(2) MSHDA will adopt the HOME definition of “affordable rents” at 24 CFR 92.252 (a), (c), and (f).

MSHDA will adopt the HOME programs standards for ensuring continued affordability as defined at 24 CFR 92.252 (e) and CFR 92.254. MSHDA will primarily use the recapture provisions but reserves the right to use the reuse provision at its discretion. All projects assisted with NSP funds will be subject to the following affordability restrictions:

Investment per Unit Minimum Length of the Affordability Period

Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years
New construction of rental housing	20 years

(3) Definition of housing rehabilitation standards that will apply to NSP2 assisted activities.

MSHDA will require that all NSP funded rehabilitation activities be completed in compliance with the *State of Michigan Rehabilitation Code for Existing Buildings, Incorporating the 2003 Edition of the International Existing Building Code*, published by the Michigan Department of Energy, Labor, and Economic Growth, Bureau of Construction Codes and Fire Safety. MSHDA will require that NSP2 housing construction meet **Green Building Standards**.

NSP2 housing construction will meet the accessibility standards at 24 CFR part 8, and will be energy efficient and incorporate cost effective green improvements. All gut rehabilitation (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing

interior or exterior walls) of residential buildings up to three stories will be designed to meet the standard for Energy Star Qualified New Homes. All gut rehabilitation of mid -or high-rise multifamily housing will be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy). Other rehabilitation will meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-labeled products. Water efficient toilets, showers, and faucets, such as those with the WaterSense label, will be installed. Where relevant, the housing will be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, fires); specifically, MSHDA will not approve new construction or rehabilitation of properties within a 100-year floodplain.

Specifically, all new construction undertaken with NSP2 will meet the HIGHER of the following standards:

- A 5-star Energy Star or better rating. By 2011 it is anticipated that the proposed “third generation” guidelines for energy star qualified homes. These standards will be adopted and used for NSP II projects initiated after the adoption and publication of these standards
- The requirements of the Michigan Uniform Energy Code, promulgated in 2003 but held up in court until October 24, 2008. The code is published at:

http://www.michigan.gov/documents/dleg/dleg_bcc_muec_print_version_102408_254281_7.pdf

All gut/substantial rehabilitation for single family projects will achieve a 5-star Energy Star rating for New Homes, including an energy audit (blower door test and infra-red camera shots) that will identify prescriptive rehabilitation work specifications such that once work is completed, the unit would achieve a 5 star or better rating as certified by a HERS rater.

All moderate rehabilitation and energy retrofits of single family and multifamily properties will purchase only Energy Star products appliances.

Census Tracts in Michigan NSP2 Consortium Target Geography

geoid	sta	onlyname	nforeclose	nvacancy	fordq_num	fordq_rate	vac_rate	num_mort	pct_lchl	pct_hchl	ofneo_pric	pct_unem	unem_ch0708	Max Score
26025000200	MI	Calhoun County	18	20	94	16.9%	14.1%	558	3.0%	33.4%	7.4%	-7.0%	7.7%	0.9%
26025000300	MI	Calhoun County	20	20	65	23.2%	18.1%	280	1.9%	45.2%	16.3%	-7.0%	7.7%	0.9%
26025000400	MI	Calhoun County	20	20	58	23.1%	13.4%	250	0.5%	52.4%	10.6%	-7.0%	7.7%	0.9%
26025000500	MI	Calhoun County	19	20	105	19.0%	11.3%	552	1.5%	39.2%	8.8%	-7.0%	7.7%	0.9%
26025000600	MI	Calhoun County	19	20	80	21.3%	10.5%	376	2.2%	40.9%	14.1%	-7.0%	7.7%	0.9%
26025000700	MI	Calhoun County	19	20	92	20.8%	10.5%	441	1.8%	41.8%	12.0%	-7.0%	7.7%	0.9%
26025000800	MI	Calhoun County	18	20	101	18.0%	6.8%	563	0.8%	35.0%	8.6%	-7.0%	7.7%	0.9%
26025000900	MI	Calhoun County	15	14	93	13.9%	2.8%	669	2.8%	20.0%	8.3%	-7.0%	7.7%	0.9%
26025001000	MI	Calhoun County	19	19	149	20.4%	7.1%	732	3.1%	41.7%	11.3%	-7.0%	7.7%	0.9%
26025001100	MI	Calhoun County	18	16	100	17.5%	3.9%	573	3.1%	34.1%	8.7%	-7.0%	7.7%	0.9%
26025001200	MI	Calhoun County	18	15	102	17.3%	2.7%	590	2.0%	32.2%	8.9%	-7.0%	7.7%	0.9%
26025001300	MI	Calhoun County	18	19	95	16.9%	7.8%	561	4.3%	28.5%	11.3%	-7.0%	7.7%	0.9%
26025001400	MI	Calhoun County	17	17	115	14.8%	4.9%	778	2.2%	23.4%	8.2%	-7.0%	7.7%	0.9%
26025001700	MI	Calhoun County	16	17	108	10.9%	5.7%	984	4.6%	14.4%	4.7%	-7.0%	7.7%	0.9%
26021000300	MI	Berrien County	18	20	25	17.9%	22.4%	142	2.3%	48.9%	6.9%	-2.0%	8.1%	1.3%
26021000400	MI	Berrien County	19	20	11	19.5%	14.9%	59	0.0%	48.6%	10.8%	-2.0%	8.1%	1.3%
26021000500	MI	Berrien County	19	20	38	22.1%	22.5%	172	1.2%	62.4%	9.7%	-2.0%	8.1%	1.3%
26021000600	MI	Berrien County	19	20	94	20.3%	10.9%	465	1.2%	55.2%	9.1%	-2.0%	8.1%	1.3%
26163501900	MI	Wayne County	20	20	203	33.0%	14.3%	616	2.2%	49.8%	19.2%	-24.8%	9.9%	1.2%
26163502000	MI	Wayne County	20	20	157	32.3%	25.6%	485	2.4%	50.6%	16.9%	-24.8%	9.9%	1.2%
26163524700	MI	Wayne County	20	20	185	32.6%	16.4%	568	1.0%	62.2%	9.4%	-24.8%	9.9%	1.2%
26163524800	MI	Wayne County	20	20	170	31.2%	18.7%	545	0.8%	61.1%	6.4%	-24.8%	9.9%	1.2%
26163545300	MI	Wayne County	20	20	124	33.8%	23.0%	368	0.9%	67.3%	9.0%	-24.8%	9.9%	1.2%
26163545400	MI	Wayne County	20	20	35	33.0%	22.0%	107	0.0%	60.4%	11.3%	-24.8%	9.9%	1.2%
26163552000	MI	Wayne County	19	17	74	21.6%	4.7%	342	4.6%	25.7%	5.9%	-24.8%	9.9%	1.2%
26163552100	MI	Wayne County	20	19	91	24.8%	8.9%	367	2.1%	33.2%	8.5%	-24.8%	9.9%	1.2%
26163552200	MI	Wayne County	20	20	79	21.9%	15.7%	359	3.6%	24.3%	7.2%	-24.8%	9.9%	1.2%
26163552300	MI	Wayne County	20	20	73	24.6%	9.7%	325	4.3%	30.6%	10.3%	-24.8%	9.9%	1.2%
26163552600	MI	Wayne County	20	20	89	27.5%	14.3%	297	3.7%	44.3%	8.7%	-24.8%	9.9%	1.2%
26163553000	MI	Wayne County	20	20	30	23.1%	24.7%	128	1.0%	34.0%	3.0%	-24.8%	9.9%	1.2%
26163553100	MI	Wayne County	20	20	82	33.0%	28.0%	248	1.4%	65.6%	8.3%	-24.8%	9.9%	1.2%
26163553200	MI	Wayne County	20	20	34	34.7%	38.6%	97	1.1%	79.6%	3.2%	-24.8%	9.9%	1.2%
26163553300	MI	Wayne County	20	20	22	33.3%	19.6%	66	1.5%	67.7%	7.7%	-24.8%	9.9%	1.2%
26163580600	MI	Wayne County	19	19	142	21.4%	7.9%	665	6.0%	18.7%	10.4%	-24.8%	9.9%	1.2%
26163580700	MI	Wayne County	18	14	101	19.0%	2.5%	532	5.6%	15.8%	5.8%	-24.8%	9.9%	1.2%
26049000100	MI	Genesee County	20	19	133	24.8%	7.5%	534	0.7%	54.1%	8.5%	-17.8%	10.6%	2.4%
26049000300	MI	Genesee County	20	20	142	25.2%	23.2%	565	0.3%	54.3%	9.3%	-17.8%	10.6%	2.4%
26049000400	MI	Genesee County	20	20	39	24.4%	29.5%	161	1.1%	50.0%	4.5%	-17.8%	10.6%	2.4%
26049001500	MI	Genesee County	20	20	38	26.1%	36.7%	146	0.8%	66.9%	3.8%	-17.8%	10.6%	2.4%
26049001600	MI	Genesee County	19	19	215	19.7%	8.1%	1,092	1.7%	33.5%	6.6%	-17.8%	10.6%	2.4%
26049001700	MI	Genesee County	19	20	37	25.4%	15.9%	145	1.9%	64.2%	3.8%	-17.8%	10.6%	2.4%
26049002700	MI	Genesee County	19	20	134	19.9%	11.4%	671	2.4%	34.6%	6.8%	-17.8%	10.6%	2.4%
26049002800	MI	Genesee County	19	20	21	20.9%	22.4%	98	5.5%	46.2%	3.3%	-17.8%	10.6%	2.4%
26049002900	MI	Genesee County	19	19	34	21.3%	9.2%	158	2.7%	44.3%	4.7%	-17.8%	10.6%	2.4%
26049003200	MI	Genesee County	20	20	74	24.2%	14.5%	307	0.6%	53.9%	6.7%	-17.8%	10.6%	2.4%
26081002200	MI	Kent County	16	18	107	14.2%	7.7%	756	5.8%	19.9%	10.5%	-7.6%	6.9%	1.1%
26081002500	MI	Kent County	17	19	111	13.8%	10.4%	808	7.7%	23.9%	7.3%	-7.6%	6.9%	1.1%
26081002800	MI	Kent County	18	20	21	17.7%	14.9%	117	5.3%	31.0%	12.4%	-7.6%	6.9%	1.1%

Census Tracts in Michigan NSP2 Consortium Target Geography

26081002900	MI	Kent County	15	20	33	13.9%	14.2%	240	6.6%	17.1%	11.8%	-7.6%	6.9%	1.1%	20
26081003000	MI	Kent County	18	20	48	18.5%	17.0%	260	7.0%	29.8%	16.1%	-7.6%	6.9%	1.1%	20
26081003100	MI	Kent County	19	20	102	22.7%	22.9%	454	3.6%	42.1%	17.1%	-7.6%	6.9%	1.1%	20
26081003200	MI	Kent County	19	20	174	21.4%	21.9%	803	4.4%	43.2%	14.7%	-7.6%	6.9%	1.1%	20
26081003500	MI	Kent County	20	20	231	19.0%	11.2%	1,215	4.8%	27.8%	17.9%	-7.6%	6.9%	1.1%	20
26081003600	MI	Kent County	18	20	41	18.0%	18.7%	228	6.1%	36.2%	9.9%	-7.6%	6.9%	1.1%	20
26081003700	MI	Kent County	19	20	162	20.9%	15.2%	774	5.2%	34.5%	18.7%	-7.6%	6.9%	1.1%	20
26081003800	MI	Kalamazoo Count	19	20	95	19.7%	15.8%	482	8.7%	34.4%	16.7%	-7.6%	6.9%	1.1%	20
26077000100	MI	Kalamazoo Count	18	20	52	17.4%	11.5%	299	1.1%	41.9%	12.9%	-4.3%	6.4%	1.1%	20
26077000202	MI	Kalamazoo Count	20	20	24	22.8%	13.5%	107	2.0%	61.8%	16.7%	-4.3%	6.4%	1.1%	20
26077000300	MI	Kalamazoo Count	19	20	93	20.9%	13.0%	444	2.2%	54.1%	15.9%	-4.3%	6.4%	1.1%	20
26077000500	MI	Kalamazoo Count	13	17	52	12.1%	6.3%	425	5.0%	26.5%	8.4%	-4.3%	6.4%	1.1%	20
26077000600	MI	Kalamazoo Count	13	17	60	11.7%	7.0%	511	3.9%	26.3%	6.7%	-4.3%	6.4%	1.1%	17
26077000900	MI	Kalamazoo Count	17	20	22	15.9%	12.3%	141	1.5%	44.3%	6.9%	-4.3%	6.4%	1.1%	17
26077001000	MI	Kalamazoo Count	18	20	155	15.8%	11.7%	980	3.3%	40.0%	10.2%	-4.3%	6.4%	1.1%	20
26065000100	MI	Ingham County	18	20	63	17.0%	7.8%	372	5.1%	30.9%	14.6%	-9.3%	7.2%	1.1%	20
26065000200	MI	Ingham County	17	19	32	16.2%	8.2%	201	3.7%	39.4%	9.0%	-9.3%	7.2%	1.1%	19
26065000300	MI	Ingham County	18	19	82	17.9%	10.6%	461	3.2%	36.4%	10.5%	-9.3%	7.2%	1.1%	19
26065000400	MI	Ingham County	16	18	102	13.2%	8.1%	771	2.9%	22.8%	7.5%	-9.3%	7.2%	1.1%	18
26065000500	MI	Ingham County	16	20	67	19.2%	11.5%	349	2.1%	42.6%	12.0%	-9.3%	7.2%	1.1%	20
26065000600	MI	Ingham County	19	20	31	14.7%	12.1%	210	0.5%	25.1%	9.7%	-9.3%	7.2%	1.1%	20
26065000700	MI	Ingham County	18	20	71	17.6%	17.0%	401	1.3%	40.4%	8.6%	-9.3%	7.2%	1.1%	20
26065000800	MI	Ingham County	18	20	96	17.7%	11.4%	542	2.3%	37.5%	11.1%	-9.3%	7.2%	1.1%	20
26065000900	MI	Ingham County	16	18	61	14.9%	6.8%	410	5.6%	29.3%	9.1%	-9.3%	7.2%	1.1%	18
26065001200	MI	Ingham County	18	20	76	17.2%	12.1%	440	2.7%	41.7%	6.8%	-9.3%	7.2%	1.1%	20
26065001300	MI	Ingham County	18	20	21	18.0%	11.7%	115	1.9%	39.4%	10.6%	-9.3%	7.2%	1.1%	20
26065001400	MI	Ingham County	17	17	1	16.9%	7.0%	3	33.3%	66.7%	0.0%	-9.3%	7.2%	1.1%	20
26065001500	MI	Ingham County	18	19	50	18.1%	7.3%	275	4.3%	40.6%	11.0%	-9.3%	7.2%	1.1%	19
26065001600	MI	Ingham County	16	19	39	14.4%	10.2%	270	4.0%	26.1%	9.3%	-9.3%	7.2%	1.1%	19
26065002000	MI	Ingham County	18	20	112	18.0%	15.7%	621	1.7%	43.2%	8.1%	-9.3%	7.2%	1.1%	20
26065002100	MI	Ingham County	17	19	67	16.7%	10.8%	402	4.6%	35.6%	10.0%	-9.3%	7.2%	1.1%	20
26065006500	MI	Ingham County	15	19	90	13.2%	9.0%	681	4.6%	26.1%	5.9%	-9.3%	7.2%	1.1%	19
26125141600	MI	Oakland County	19	20	163	21.6%	11.9%	757	2.4%	42.9%	11.3%	-19.8%	7.1%	1.0%	20
26125142200	MI	Oakland County	20	19	90	23.1%	9.0%	389	2.3%	51.0%	10.6%	-19.8%	7.1%	1.0%	20
26125142300	MI	Oakland County	19	18	52	22.4%	6.0%	239	1.1%	53.2%	4.3%	-19.8%	7.1%	1.0%	20
26125142400	MI	Oakland County	19	20	113	22.4%	12.4%	506	2.7%	49.4%	9.6%	-19.8%	7.1%	1.0%	20
26145000100	MI	Saginaw County	19	20	11	21.8%	35.0%	50	0.0%	62.5%	6.3%	-10.0%	8.6%	1.5%	20
26145000400	MI	Saginaw County	18	20	16	18.1%	25.5%	88	0.0%	50.0%	2.8%	-10.0%	8.6%	1.5%	20
26145000600	MI	Saginaw County	17	20	55	18.3%	21.7%	337	1.0%	44.3%	1.0%	-10.0%	8.6%	1.5%	20
26145000700	MI	Saginaw County	19	20	34	19.2%	28.5%	176	1.6%	43.8%	10.9%	-10.0%	8.6%	1.5%	20
26145000800	MI	Saginaw County	19	20	79	20.5%	17.5%	385	0.0%	61.4%	2.8%	-10.0%	8.6%	1.5%	20
26145001600	MI	Saginaw County	17	20	104	15.3%	14.7%	683	3.1%	32.6%	6.5%	-10.0%	8.6%	1.5%	20
26145001700	MI	Saginaw County	18	20	44	18.3%	16.6%	243	1.0%	47.3%	5.4%	-10.0%	8.6%	1.5%	20
26145001800	MI	Saginaw County	18	20	61	18.6%	24.2%	329	1.6%	48.6%	5.7%	-10.0%	8.6%	1.5%	20
26145001900	MI	Saginaw County	17	20	69	16.5%	14.5%	418	2.7%	34.5%	9.1%	-10.0%	8.6%	1.5%	20