



Housing Initiatives Division's Neighborhood Enhancement Program
"Rural/Direct Funded - Round Four"
Letter of Interest Submission - Million Dollar Opportunity

March 21, 2019

The program will provide up to One Million Dollars in MSHDA funding statewide for activities directly tied to stabilization and enhancement of Michigan's neighborhoods with up to \$500,000 reserved for rural communities. MSHDA would like to identify multiple entities that have a neighborhood need for one of the three eligible neighborhood components: 1) Housing Enhancements to owner-occupied single-family homes; 2) Neighborhood Beautification; and/or 3) Public Amenity Enhancements. See the component table (Exhibit A) for examples of the activity's applicants may apply for. This list is not inclusive as we are looking for community leaders to identify innovative activities to address their neighborhood's specific needs. Each proposed activity must fall into one or more of the three categories and include a housing component activity that consists of a minimum of 50% of the request. The cover letter outlines how much funding is available based on a community's population. The funding is designed for impactful, innovative, neighborhood housing-oriented activities that benefit area residents.

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

Respondents must be able to mobilize quickly to meet the immediate action response that is desired. The grant term is anticipated to be June 1, 2019 to December 31, 2019.

Selection of awards will be made based on population, geographical distribution, neighborhood need and proposed use of the NEP funds. If after reviewing the program details your community is eligible and interested to submit, the submission deadline is midnight on Tuesday, April 23, 2019 to hidmailbox@michigan.gov and in addition one original copy will need to be received by our office, MSHDA, Housing Initiatives Division, 735 East Michigan Avenue, Lansing, MI 48912 within 3 business days after the deadline.



Additional Information/Guidance:

NEP will provide MSHDA funding statewide for activities directly related to stabilization and enhancement of Michigan neighborhoods. The program’s intent is to fund tangible housing-oriented activities that are: implementation ready; highly visible; impactful to the neighborhood and resident’s quality of life; and where there is buy-in and demonstrated support within the neighborhood and community. The goal of this funding is to assist and then showcase Michigan neighborhood(s) where people are engaged and facilitating change.

Eligible Neighborhoods

All proposed activities are restricted to income qualified neighborhood areas (see Eligibility Guidance via Exhibits B-1 and B-2), they must also be “designed to improve the quality of life of the residents of low- or moderate-income housing or of an area undergoing neighborhood conservation or renewal.”

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

Activity Eligibility Guidance

MSHDA at its discretion will determine the specific activities it will fund during the review process. While this funding is flexible, Round 4 funding is not for the following activities: housing activities already being funded by MSHDA to other entities; rock the block events; demolition; rubbish removal; stand-alone down payment assistance; land acquisition; downtown oriented activities such as streetscape/façade; non-housing oriented activities; gap financing for multi-family tax credit deals; match for crowdfunding; technical assistance; emergency funding; public infrastructure such as streets, curbs, sidewalks, and any activities within the public right of way; and any other activities already funded by another entity/agency including but not limited to economic development, direct business assistance, workforce training, etc. This is also not replacement funding, it cannot be re-granted and/or serve as a matching resource for another State and/or Federal Program.

Individual homeowner beautification requests must be reasonable – individual items such as mailboxes, fountains, decorative landscape lighting are ineligible. The program’s purpose is to improve and enhance the neighborhood. All beautification items must be offered to all applicants consistently via clear program guidelines and intake/selection methodology.

Interior improvements to enclosed porch areas are not eligible unless exterior visible and tangible neighborhood results will also be made. NEP is designed to provide funding for structural enhancements tied directly to accessibility and/or safety only that positively enhance the neighborhood.



The replacement of doors and/or windows cannot be a standalone activity. NEP is designed to provide funding for comprehensive improvements to doors, windows, railings, light fixtures, paint, concrete steps, etc.

NEP does not reimburse for event food and/or event-oriented items (silverware, napkins, wipes, office supplies, etc.).

Funding Requirements

- The minimum program allocation is \$5,000 per agency. Multiple activities of smaller amounts can be combined to reach this minimum threshold.
- The maximum program allocation is based on population (see cover letter for additional information). Multiple activities of smaller amounts can be combined but cannot exceed the maximum threshold.
- Up to 10 percent of the grant award may be used for documented and itemized program planning and administration.
- All cost overruns are the responsibility of the grantee and cannot be covered by MSHDA.

Activity Requirements

- All activities undertaken must enable that individual MSHDA funded component to be brought up to HQS and/or local code based on whichever one is stricter when applicable.
- A lien, based on the amount of investment, will be placed on each assisted single-family property with the minimum amount being \$7,500.
- We do not require leverage to participate and we do not require leverage to come directly from the homeowners. When applying all leverage identified must be committed/secured.
- Homeownership activities are restricted to households that are at or below 120% AMI; that are current on taxes and insurance; and willing to have an energy audit conducted.
- No specific sites/addresses need to be pre-identified for homeowner activities.
- Homeowners are selected post award via a local application process.
- Eligible Occupied Property Definition: A single-family property which is zoned residential that: a) has no mortgage and/or tax delinquencies; b) is not subject to a foreclosure proceedings, court-ordered receivership or nuisance abatement; c) has utilities services turned on; d) is permanently occupied by homeowners that identify the assisted address as their primary residence; and e) is affixed to a permanent foundation.
- Neighborhood Definition: A defined community-based residential area where people live and share amenities/resources.
- Previous recipients are eligible to apply only if previous grants are closed prior to 4/30/19.
- Proposals may include more than one neighborhood served by an agency – however each neighborhood must realize a significant impact. Agency funding prioritization of neighborhoods must be provided if more than one is proposed. MSHDA reserves the right to select portions of proposals for funding based on availability and overall impact.



How Do I Apply? Submission Requirements:

1. Provide the required **Cover Letter (Attachment 1)**.
2. Provide the required **Local Letter of Interest (Attachment 2)**.

****Unsigned and/or Undated Letters will not be accepted.**

Within the letter provide three items:

- Item #1: A narrative summary outlining the components being requested, how the funds are anticipated to be used and the staff anticipated to undertake implementation of the program.
 - Item #2: If applicable, identify neighborhood engagement activities/efforts that are currently and/or anticipated to occur within the proposed neighborhood boundaries and indicate whether the proposed area(s) are in a local and/or state designated investment or incentive target area (Opportunity Zone, NEZ, Main Street, Blueprint, Rising Tide areas, etc.)
 - Item #3: Attach a Pictorial Overview of Project and description of the entire neighborhood and the proposed project area (include a map if applicable), Photographs must be clearly labeled. Videos are also acceptable.
3. If not provided as Item #2 above, provide at least one letter of interest/support from the applicant's authorized official **and** acknowledgement letter(s) from the Local Government Director of Planning **or** the Chief Elected Local Government Official **or** the Chief Administrative Officer **or** the Community and Economic Development Director of the assisted area(s) verifying that this initiative has local community and neighborhood support. (**Attachment 3**)
 4. Provide a **Sworn Statement (Attachment 4)** dated, signed, and on letterhead from a Financial Representative, CPA, Accountant and/or Auditor certifying that your agency is either governmentally exempt or not delinquent in relation to any local, county, state or federal taxing jurisdiction property, income or business taxes.

To be considered for NEP Round 4 funding, please submit the required items above to the hidmailbox@michigan.gov no later than **Tuesday, April 23, 2019**. In addition, one original copy will need to be received by our office, MSHDA, Housing Initiatives Division, 735 East Michigan Avenue, Lansing, MI 48912 within 3 business days after the deadline.



Additional Submission Information:

Complete and fully executed electronic submissions should be sent to the HIDMailbox@michigan.gov and **MUST** be received no later than **Tuesday, April 23, 2019**. Submissions that are late **will not be considered with no exceptions**. Note: Large e-mail attachments have State of Michigan system limits that will require documents to be sent in multiple e-mails. In addition, one original copy will need to be sent to our office, MSHDA, Housing Initiatives Division, 735 East Michigan Avenue, Lansing, MI 48912 within 3 business days after the deadline.

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

If multiple, equally qualified submissions are received, preference will be given to entities that submit organized and complete submissions demonstrating that communities which are qualified, experienced, financially solvent, locally and neighborhood supported, which outline housing-oriented impactful activity proposals and methodology that is reasonable and can be completed within 2019.

MSHDA has the right to select entities for further consideration of funding at their own discretion based on the proposals submitted, regional distribution, and any criteria determined relevant including but not limited to conference calls and/or site visits. The timeline for making an award determination and notifying all respondents is anticipated to be no later than May 30, 2019.

All submissions are considered public information and are subject to discover under the Freedom of Information Act (FOIA).

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



What if I have questions?

All questions related to the NEP Program should be directed in writing to HIIDmailbox@michigan.gov with a Subject Line Reference entitled, "NEP 4 Question" no later than **Wednesday, April 17, 2019.**

In addition, MSHDA will hold a Q & A conference call and go over all submitted questions and responses on **Thursday, April 18, 2019** from 1–2 p.m. Eastern Standard Time. The Conference Call Number is 877.402.9753, Access Code 3292085.

Questions and Answers will be posted in writing on the MSHDA website under Neighborhoods, NOFA, and Grant Programs (http://www.michigan.gov/mshda/0,4641,7-141-5564_14770---,00.html) following the conference call.

Once I Apply What is Next?

All Letters of Interest will be evaluated based on the following criteria: Eligibility, Timing Feasibility, Local Support, potential selected component(s) need/impact on the proposed neighborhood. A conference call and/or site visit may be warranted.

It is anticipated that decisions will be made on or before May 3, 2019. Once selected, an agency will move towards the next step in the award process and a Neighborhood Enhancement Team Champion will be designated to assist with the preparation and completion of an electronic application in May 2019.

Tentatively Save The Date for an upcoming training session for all selected entities which will be held at the MSHDA Lansing Office on **Wednesday, May 8, 2019 from 9 – 2** to meet your champion, obtain computer access and training on the Matt 2.0 system, and get started on the application process.

For Rural Awards a neighborhood champion will provide hands on assistance with grant application and activity implementation if needed.

An executed grant agreement must be in place prior to June 30, 2019. The effective date to begin activities will be after July 1, 2019 with a completion date of December 31, 2019.