

Housing Initiatives Division's Neighborhood Enhancement Program (NEP)

"Rural/Direct Funded - Round Five" Guidance

Request for Letter of Interest Submissions – Deadline is December 5, 2019

Up to Two Million Dollar Grant Opportunity Announced September 24, 2019

MSHDA is pleased to announce that the NEP program will provide up to Two Million Dollars in MSHDA funding statewide for activities directly tied to stabilization and enhancement of Michigan's 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 where people are engaged and facilitating change. The funding is designed for innovative, neighborhood housing-oriented activities that benefit area residents. Selection of awards will be made based on population, geographical distribution, neighborhood need and proposed use of the NEP funds. Respondents must be able to mobilize quickly to meet the immediate action response that is desired.

Eligible Applicants:

Nonprofit 501(c)(3) Agency

Defined as an agency that 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

Local Units of Government

Two Types:

Rural – less than 5,000 in population

Non-Rural - population between 5,001- 49,999 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.

OR

Direct Funded MSHDA Mod Areas where an executed MSHDA Mod grant agreement is in place prior to December 5, 2019.

Component Type(s)/Eligible Activities:

Note: the list below of eligible activities is not inclusive as we are looking for community leaders to identify innovative activities to address their neighborhood's specific needs. MSHDA, at its discretion, will determine the specific activities it will fund during the review process. We highly encourage creativity based on actual neighborhood need. MSHDA encourages submissions from eligible entities that have a neighborhood need for housing and potentially neighborhood/public amenity enhancements.

Component A - Required:

Housing Enhancements to owner-occupied single-family homes (minimum of at least 50% of total request)

A minimum of 50% of the request must be from Component A

Eligible Activities include: single family owner occupied exterior rehabilitation/repair – accessibility improvements to driveways, porches, stairs, railings, windows, exterior painting/siding; windows, doors, etc.

Component B - Optional:

Neighborhood/Public Amenity Enhancements (maximum of 50% of total request).

Eligible Activities include: improvements benefitting the entire neighborhood not located on private property but located on publicly owned property.

Examples: park improvements such as pavilions, basketball courts, playgrounds, walking paths, dog parks, entranceway signage/lighting, orchards, community spaces/gardens

Ineligible Activities:

While this funding is flexible, Round 5 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, street lights 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. This funding cannot be re-granted and/or serve as a matching resource for another State and/or Federal Program.

For additional guidance on eligible activities please submit a question to the hidmailbox@michigan.gov

Funding Parameters:

Maximum Allocation is based on population size and entity type:

\$30,000 – Areas with populations 0-49,999

or

\$50,000 – Areas with populations 50,000+ - Nonprofits Only

or

\$40,000 - MSHDA Mod Neighborhood

Minimum Allocation = \$10,000 per agency.

Multiple activities of smaller amounts can be combined to reach this minimum threshold.

Planning and Administration - up to 10 percent of the grant award

Documented and itemized program planning and administration tracking required.

Cost Overruns are the responsibility of the grantee and cannot be covered by MSHDA.

We do not require leverage to participate and we do not require leverage to come directly from the homeowners.

Note: If the community chooses to identify leverage, all leverage identified must be committed/secured.

Eligible Neighborhoods: A neighborhood is a defined community-based residential area where people live and share amenities/resources.

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.

All proposed activities are restricted to income qualified neighborhood areas (see Eligibility Guidance via website), 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 and are at least 50% low/moderate income areas
- 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

Eligible Occupied Property Definition: A single-family property which is zoned residential that: a) has no unaddressed 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.

Activity Eligibility Guidance

- No specific sites/addresses need to be pre-identified for homeowner activities.
- Specific sites/assisted homeowners are selected post award via a local application process. Note: Homeownership activities are restricted to households that are at or below 120% AMI; that are current on taxes or in good standing via an approved repayment plan that are current on their insurance and/or with proposed activities will be able to secure insurance; and is willing to have an energy audit conducted.
- A lien will be placed on each assisted single-family property assisted with a NEP amount equal to or exceeding \$7,500.
- 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.
- Trusts/Land Contracts require that all parties provide written participation approval and that the combined income of all parties must be at or below 120% AMI to qualify.

Previous NEP recipients are eligible to apply only if previous grants are completed prior to 12/31/19 and closed prior to 1/31/20.

What if I have questions?

All questions related to the NEP Program should be directed in writing to HIDmailbox@michigan.gov with a Subject Line Reference entitled, "NEP 5 Question" no later than **Monday, November 18, 2019.**

In addition, MSHDA will hold a Q & A conference call and go over all submitted questions and responses on **Thursday, November 21, 2019** from 1–2 p.m. EST. The Conference Call Number is 877.402.9753, Access Code 3292085.

Questions and Answers will be posted in writing on the MSHDA website www.michigan.gov/mshda under Neighborhoods following the conference call.

Submission Instructions:

If after reviewing the program details your community is eligible and interested, submit the required items below

1. Completed Cover Page (Refer to Pages 6-7)
2. Letter of Interest including items 2a and 2b (Refer to Page 8)
3. Additional Required Documents (Refer to Page 9)
 - Pictorial Overview (3a)
 - Neighborhood/Area Description and Map (3b)
 - Additional Support Letter (3c)

Completed and fully executed [electronic submissions](#) should be sent to the hidmailbox@michigan.gov no later than **midnight on Thursday, December 5, 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.

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. Funding reservation amounts are contingent on actual responses received and may be adjusted by MSHDA at its discretion.

It is anticipated that decisions will be made on or before **February 29, 2020**. 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 partnership profile and application process in **March/April 2020** and grant administration/activity implementation.

Tentatively Save The Date for upcoming training sessions for all selected entities which will be held at the MSHDA Lansing Office on **Wednesday, March 18, 2020 from 9 a.m. – 2 p.m.** to meet your Champion and receive Matt 2.0 system training. In addition, a separate compliance training is anticipated to be held on **Thursday, April 16, 2020 from 10 a.m. – 2 p.m.**

An executed grant agreement must be in place prior to **May 2020**. The effective date to begin activities is anticipated to be after **May 1, 2020** with a completion date of **December 31, 2020**.

Submission Requirement Step 1: Complete the Cover Page below and submit as the cover sheet:

Agency Name:	Phone:
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Address:		Fax:
City, County, State:		Zip:
Main Contact Name/Title:		Email:
If Applicable - MSHDA Org #:		
Community Population:		
Applicant Type:		
<input type="checkbox"/> Nonprofit - 501c3 (attach certificate)		<input type="checkbox"/> Local Unit of Government less than 50,000 in population
<input type="checkbox"/> MSHDA Mod Community (Executed Grant Agreement Prior to 12/5/19)		

Eligibility Verification: _____% low/mod area utilizing 2019 Census data (refer to website instructions – contact Tonya Young at 517-335-4337 or youngt4@michigan.gov if you need additional guidance)

Category A: 0- 49,999 Residents Eligible for up to \$30,000

Select One:

☐ Urban Community ☐ Rural Community - defined as less than 5,000 in population

Select One:

☐ Qualified Local Unit of Government* ☐ Qualified Non-Profit Agency**

Category B: 50,000 Residents or More Eligible for up to \$50,000 - Non-Profits Only

Category C: Direct Funding to MSHDA Mod neighborhoodsEligible for up to \$40,000

Select One:

☐ Urban Community ☐ Rural Community

*Qualified Local Unit of Government is defined as entities that are not direct recipients of U.S. Department of Housing and Urban Development federal funds exceeding \$350,000 total allocations combined per CDBG and/or HOME program.

**Qualified Non-Profit Agency is defined as entities that are currently actively servicing a neighborhood; have 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.

FUNDING REQUEST INFORMATION:

MSHDA AMOUNT IS LIMITED TO THRESHOLDS IDENTIFIED ABOVE WHICH CAN INCLUDE ADMINISTRATION

NEP PROJECT DOLLARS REQUEST \$ _____

NEP ADMINISTRATIVE DOLLARS REQUEST \$ _____

Administrative dollars cannot exceed 10% of NEP requested. WHICH IS _____ % OF TOTAL NEP REQUEST

Example: \$50,000 NEP REQUEST/PROJECT CAP IS \$45,000 ADMIN CAP IS \$5,000 - TOTAL GRANT REQUEST OF \$50,000

Note: Admin isn't automatically disbursed. Disbursement is incrementally made contingent upon actual project dollar expenditures.

Category A:	Requested Amt:	Proposed # Units:	Leveraged Funds:***
Housing Enhancement (Required)	\$ _____	_____	\$ _____

Minimum of 50% of Request

Note: A minimum of 50% of the Housing Enhancement dollars must be for exterior only improvements. The remaining 50% of the Housing Enhancement dollars can be used for both exterior/interior improvements at the grantee's discretion. The Housing Enhancement dollars will be released proportionately for example 2% - exterior and 2% - interior (stand- alone).

Category B: Neighborhood/Public Amenity Enhancement	Requested Amt:	Proposed # Units:	Leveraged Funds:***
	\$ _____	_____	\$ _____

Category C: MSHDA ModNeighborhood Enhancement	Requested Amt:	Proposed # Units:	Leveraged Funds:***
	\$ _____	_____	\$ _____

NEP FUNDING REQUEST TOTAL AMOUNT: \$ _____

***Source of Leveraged Funds (If Applicable): _____ (Attach Supporting Documentation)

Submission Requirement Step 2: Provide a letter of interest/support from the applicant's authorized official.

Unsigned and/or Undated Letters will not be accepted.

Required content within the dated and signed Letter of Interest from the applicant on letterhead.

Label response as **Narrative Item #2a:**

A narrative summary outlining the components being requested, how the funds are anticipated to be used, the neighborhood being selected (include name and boundaries) and the staff anticipated to undertake implementation of the program.

Label response as **Narrative Item #2b:**

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.).

Submission Requirement Step 3: Provide Required Documentation:

Label documents as **Item #3a**: Attach a Pictorial Overview of Project Photographs must be clearly labeled. Videos are also acceptable.

Label document as **Item #3b**: Provide a narrative description of the entire neighborhood and the proposed project area (include a map if applicable),

Label letter(s) as **Item #3c**:

Provide 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.

Note: Detroit Non-Profit Agencies: Contact Tonya Young at 517-335-4337 or via e-mail at youngt4@michigan.gov for additional details.

Label letter as **Item #3d**:

Provide a sworn statement 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.

Complete and fully executed electronicsubmissions should be sent to the hidmailbox@michigan.gov

All submissions **MUST** be received no later than **Thursday, December 5, 2019 by midnight**. 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.



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 **2020**.

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 **February 29, 2020**.

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.