

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
COMMUNITY DEVELOPMENT DIVISION

Subject: REHABILITATION IMPROVEMENTS

Effective Date: September 1, 2015

This policy outlines the general criteria for eligible housing rehabilitation improvements funded by MSHDA's Community Development Division (CDD).

In general, all assisted properties must meet local codes, local ordinances, and standards after rehabilitation. If no local standards exist, units must meet Uniform Physical Conditions Standards (UPCS) at a minimum. Grantees must have written Rehabilitation Standards as part of their local Program Guidelines.

ELIGIBLE HOUSING REHABILITATION IMPROVEMENTS MUST

- Substantially protect or improve the property to Uniform Physical Condition Standards (UPCS), local codes, or improve energy efficiency (**Attachment A**).
- Meet applicable new construction or rehabilitation standards.
- Be necessary for persons with disabilities and/or meet Visitability Standards (**Attachment B**).
- Mitigate, control or abate lead-based paint hazards or asbestos hazards.
- Not be considered luxury items or of a quality above what is normally required.
- Correct overcrowded conditions necessary to meet codes or UPCS. This could include the addition of a living room, kitchen area with adequate storage and preparation space, or a bedroom for every two persons. (The number of bedrooms in a unit should not require persons of the opposite sex other than husband and wife to occupy the same bedroom. Exceptions to this include infants and very young children.)
- Correct other livability conditions necessary to meet codes or UPCS. For example, UPCS requires that every home have a working oven, stove (or range) with top burners that work, and a refrigerator with working freezer, adequate in size for the household. Therefore, CDD funds may be used to purchase or repair these appliances. They need not be permanently affixed or built-in. Refer to: (**Attachment C**), Appliance Guidance.

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- Landscaping up to \$1,000 as part of a rehab project, if a landscaping plan has been approved by MSHDA and all plant material charged to grant funds will be visible from the street. When the project is a Homeowner Rehabilitation project, the \$1,000 landscaping improvements are not subject to lien requirements.
- Reconstruction or replacement of the housing unit is eligible if the cost to rehabilitate unit exceeds the cost to reconstruct or replace the unit. Grantees must receive prior approval from MSHDA before reconstructing or replacing a unit with grant funds. When replacing a housing unit, grantees should follow "CDD's Expectations for Replacement Housing Projects: (**Attachment D**)".

- Repair of an existing garage. A new garage is eligible only for Acquisition Development Resale new construction projects where a garage would be a standard amenity for the neighborhood.
- Facade improvements may qualify as part of a CDBG, or MSHDA-assisted rental rehab project when:
 - The project is principally housing rehab in scope, and the façade improvements are considered an integral part of the housing rehab activity; and
 - The facade improvements are generic or uniform to the building. Examples of this would include painting, new windows or roof serving the entire structure. No facade improvements should be specific or exclusive to the commercial space (i.e., no commercial signs, commercial entryway enhancements, awnings or other improvements exclusively serving the commercial space) unless the project is jointly funded by MEDC and MSHDA in a mix-use building project. Façade improvements will trigger Davis-Bacon requirements on the entire building.

CDBG or HOME funded rehabilitation projects and/or other CDD assistance can only be applied to building improvements which meet the criteria described above. When proposing an acquisition, development resale (ADR) project, grantees are encouraged to consider and incorporate the suggestions outlined in “MSHDA’s Site Amenities for ADR Projects” (**Attachment E**), whenever possible.

FILE DOCUMENTATION

Use CDD’s Required Documents Checklists for lists of documents needed in each activity file. Required Document Checklists for each component are on CDD’s website under Grantee Tools.

If you have questions, contact your CD Specialist at 517-373-1974.

Attachments

- A. Energy Efficiency Requirements
- B. Visitability Standards
- C. Appliance Guidance
- D. Expectations for Replacement Housing
- E. Suggested Site Amenities for ADR Projects