

# MAKING MICHIGAN A BETTER PLACE TO LIVE

PROGRAM GUIDE



**MSHDA**<sup>TM</sup>

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

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# OUR MISSION

We serve the people of Michigan by partnering to provide quality housing that is affordable, a cornerstone of diverse, thriving communities.





— MICHIGAN'S STATEWIDE —  
**HOUSING PLAN**



**The Vision: Michigan's successful housing ecosystem provides safe, healthy, affordable, accessible, and attainable housing for all in a community of their choice.**

Michigan's first statewide housing plan addresses complex, intersecting challenges through five statewide housing targets, eight priority areas, and 37 goals, plus 134 suggested strategies for addressing the goals. These resulted from an intensive and inclusive process involving thousands of residents and hundreds of organizational partners across the state. To view the full plan, visit [Michigan.gov/housingplan](https://Michigan.gov/housingplan).



# Housing Priorities, Goals, and Strategies

Each of the plan's eight priority areas has a set of goals, strategies, and outcome measures. Action planning and additional metrics will be determined at the state and regional levels.



## Equity and Racial Justice

Longstanding disparities in housing have compromised individual and family access to housing and generational wealth-building. To achieve the vision, housing opportunities must be equitable.



## Housing Ecosystem

The housing ecosystem consists of components that interconnect across the priority areas of the plan. Attention to the housing ecosystem is foundational to the effectiveness of actions taken to improve housing in the state.



## Preventing and Ending Homelessness

Ensuring stability for those who have experienced the lack of a home and who need intensive supports, as well as those who chronically experience housing instability, is the focus of this priority. This area was developed with and aligned to Michigan's Campaign to End Homelessness (MCTEH).



## Housing Stock

Michigan has a pressing need to develop, rehabilitate, and preserve housing across the state at price points for every level of income.



## Older Adult Housing

Housing for older adults (age 65 or older) is of special concern in Michigan due to the growth of its aging population.



## Rental Housing

Rental housing is an important housing option for Michigan residents who cannot afford or are not interested in homeownership.



## Homeownership

Homeownership is another key part of the housing continuum and presents opportunity for household financial benefit, generational wealth building, and community stability.



## Communication and Education

The plan includes a focus on inclusive communication and education, an essential complement to the other areas.



# SUPPORTING HOMEOWNERSHIP

**MSHDA's Homeownership Division delivers responsive homeownership products, education and technical assistance to empower our customers and strengthen and sustain Michigan communities. We work with our partners to provide creative solutions that maximize existing resources and preserve homeownership opportunities for future generations.**

## **MI 10K DPA Loan**

VISIT [MICHIGAN.GOV/  
HOMEOWNERSHIP](https://www.michigan.gov/homeownership) OR  
CALL TOLL-FREE AT 844-  
984-HOME (4663)

The MI 10K DPA Loan offers down payment assistance of \$10,000 in a 0% interest loan that must be used in conjunction with the MI Home Loan mortgage. The program is available statewide. Income and purchase price limits apply. Borrowers must contribute a minimum of 1% of the sales price (gifts allowed) and are required to complete a Homebuyer Education Course provided by a HUD approved Housing Counseling Agency. HUD approved agencies can be found at: MSHDA Housing Education Locator.

Applications are made through approved participating lenders. Find a list of MSHDA approved loan officers at: MSHDA Experienced Loan Officer Locator

## **MI Home Loan**

VISIT [MICHIGAN.GOV/HOMEOWNERSHIP](http://MICHIGAN.GOV/HOMEOWNERSHIP) OR  
CALL TOLL-FREE AT 844-  
984-HOME (4663)

MSHDA offers fixed-rate mortgage loans for the purchase of a new or existing home, multiple-section manufactured home (built after June 14, 1976) or condominium. Applications are made through approved participating lenders. Income and purchase price limits apply. Find a list of MSHDA approved loan officers at: [MSHDA Experienced Loan Officer Locator](#)

## **Housing Education**

VISIT [MICHIGAN.GOV/HOMEOWNERSHIP](http://MICHIGAN.GOV/HOMEOWNERSHIP) OR  
CALL TOLL-FREE AT 844-  
984-HOME (4663)

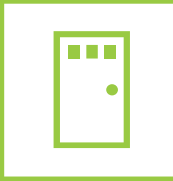
The Housing Education Program (HEP) partners with a network of HUD approved housing counseling agencies throughout the state to offer homebuyer education, pre-purchase individual counseling, post-purchase financial management and home maintenance, financial literacy, rental education, homeless prevention counseling, mortgage delinquency and default counseling, fair housing education, predatory lending, loan scams and fraud prevention, HECM reverse mortgage counseling and disaster relief housing counseling. Services are provided by HUD certified housing counselors in all 83 counties. Agencies offer in-person or online educational options for homebuyer education classes.

HUD approved agencies can be found at: [MSHDA Housing Education Locator](#)

## **Key to Own**

FOR MORE  
INFORMATION CALL  
855-MI-MSHDA

MSHDA's Key to Own program is a voluntary program for Housing Choice Voucher participants who want to convert their rental voucher into a homeownership voucher. Key to Own participants attend home buyer education and financial management classes with local MSHDA counselors to become mortgage ready. The program assists participants with purchasing a home by allowing MSHDA to pay a portion of their mortgage payment. The eligibility requirements for the program include having a MSHDA Housing Choice Voucher, being employed 30 hours per week earning at least \$15,000 per year or being elderly or disabled. The Key to Own program provides the ability to build equity and stability for families through homeownership.



# ENHANCING NEIGHBORHOOD HOUSING

**MSHDA's Neighborhood Housing Initiatives Division provides affordable housing solutions and opportunities to Michigan residents, neighborhoods and partners.**



## **Neighborhood Enhancement Program**

FOR MORE INFORMATION  
VISIT [MICHIGAN.GOV/MSHDA](https://MICHIGAN.GOV/MSHDA)

Neighborhood Enhancement Program grants are designed for high-impact and innovative neighborhood housing-oriented activities that benefit area residents. There are three eligible components: Exterior, interior, and neighborhood public amenity enhancements. The intent of the program is to support tangible housing-focused activities that are implementation ready and highly visible, with buy-in at the local level, including demonstrated support within the neighborhood.



## **MSHDA Mod Program**

FOR MORE INFORMATION  
VISIT [MICHIGAN.GOV/MSHDA](http://MICHIGAN.GOV/MSHDA)

This program uses modular home/modified technology products in critical need areas. The MSHDA Mod Program is a financing mechanism for modular home builds. These single-family homes are primarily built off-site in a manufactured housing facility, transported to a selected location and set on a foundation. Manufacturers offer options that fit seamlessly within most neighborhoods, including full basements, attached or detached garages, and can be designed with one or two stories. MSHDA Mod is structured as a practical workforce housing solution and attracts homebuyers to Michigan communities. Communities are encouraged to construct modular build/modified technology homes using MSHDA MOD construction financing. The activities financed include model delivery, taxes, site preparation, on-site finishing, and related construction costs. Investing in a newly constructed modular residence within your community could serve as a catalyst for future new homes at an attainable price and build local housing development capacity.

## **MSHDA MI-HOPE**

FOR MORE INFORMATION  
VISIT [MICHIGAN.GOV/MSHDA](http://MICHIGAN.GOV/MSHDA)

The Michigan Housing Opportunities Promoting Energy-Efficiency (MI-HOPE) program provides home repair grants to assist with energy-efficiency improvements to occupied homes. MI-HOPE is a federally funded program utilizing U.S. Department of the Treasury American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (SLFRF). This funding will be made available statewide based on a formal subrecipient award structure to 501(c) nonprofit agencies and units of government. Award determinations are based on competitive funding rounds and subsequent obligation and expenditure performance.

## **MSHDA SHRP**

FOR MORE INFORMATION  
VISIT [MICHIGAN.GOV/MSHDA](http://MICHIGAN.GOV/MSHDA)

The MSHDA Small-Scale Housing Rental Pilot Program (SHRP) uses the Neighborhood Stabilization Program – Program Income (NSP-PI) as a financing mechanism within the Neighborhood Housing Initiatives Division to make available small-scale rental development units in rural areas. Small-scale development can have a significant impact in smaller rural communities, which is where the pilot funding will be focused. The financed units will be constructed and made available to low, moderate, and middle-income households within the State of Michigan.

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# ENDING HOMELESSNESS

MSHDA's Rental Assistance and Homeless Solutions Division works with local communities and teams to promote stable housing opportunities and confront the issues facing low-income residents across Michigan. By assisting those in need with housing, education and community resources, we remove barriers for families and individuals working to achieve a better tomorrow.

## **Housing Choice Voucher (Section 8)**

FOR MORE INFORMATION CALL  
855-MI-MSHDA OR 313-456-3540

The Housing Choice Voucher program provides federal rental assistance to more than 28,000 low-income households in Michigan. MSHDA partners with the local Continuums of Care to offer a waiting list preference to individuals/families that are experiencing homelessness. Once issued a voucher, program participants locate their own housing, which may be in private homes, apartment buildings, townhomes, or duplexes. Once the unit meets all program requirements, program participants are required to pay at least 30% of their adjusted monthly income toward the rent to the owner and MSHDA provides the owner with a monthly Housing Assistance Payment (HAP) on behalf of the family to cover the remainder of the rent.

## **Emergency Solutions Grants (ESG)**

FOR MORE INFORMATION VISIT  
[MICHIGAN.GOV/MSHDA](http://MICHIGAN.GOV/MSHDA)

This program awards federal and MSHDA funding to local units of government and public and private nonprofit agencies with 501(c)(3) status that have experience with providing rental assistance, emergency shelter services, outreach, and case management for those who are experiencing homelessness or are at risk of homelessness. Applicant organizations must be actively involved in a recognized Continuum of Care.

## **Low-Income Housing Tax Credit (LIHTC)— Permanent Supportive Housing Category**

FOR MORE INFORMATION VISIT  
[MICHIGAN.GOV/MSHDA](http://MICHIGAN.GOV/MSHDA)

In MSHDA's Qualified Allocation Plan (QAP), 25% of the available 9% LIHTC are set aside for the development of permanent supportive housing. Developments must dedicate at least 35% of their units for households that are special needs, homeless, domestic violence survivors or chronically homeless and partner with local service providers to tailor voluntary support to help the residents maintain their housing, improve self-sufficiency, and achieve their goals.

## **Balance of State Continuum of Care (MI BOSCO)**

FOR MORE INFORMATION VISIT  
[MICHIGAN.GOV/MCTEH](http://MICHIGAN.GOV/MCTEH)

MSHDA is the collaborative applicant for the Balance of State Continuum of Care that applies to HUD each year for more than \$9 million in federal funding. The funding is used to assist those experiencing or at risk of homelessness in 61 rural counties in Michigan. The federal funding is used to provide short and long-term housing subsidies and case management for those experiencing homelessness.

## **Michigan Interagency Council on Homelessness**

FOR MORE INFORMATION VISIT  
[MICHIGAN.GOV/MCTEH](http://MICHIGAN.GOV/MCTEH)

MSHDA is the chair for the Governor's Interagency Council on Homelessness created by Executive Order 2015-02. The Council is made up of eight state departments, a member of the courts and four general public representatives. The Council acts in an advisory capacity to develop statewide homelessness planning and policy resources for the governor. The Council also provides oversight to Michigan's Campaign to End Homelessness (MCTEH), which brings state and local partners together to develop and implement statewide action plans to end homelessness.



# PROVIDING AFFORDABLE RENTAL HOUSING

**MSHDA's Rental Development Division is responsible for investing federal and Authority funds to create and preserve housing development projects implemented by partners throughout Michigan.**



## **Tax-Exempt and Taxable Bond Lending**

FOR MORE INFORMATION  
CALL 855-MI-MSHDA

MSHDA offers tax-exempt and taxable bond loans to for-profit and nonprofit developers for the construction or rehabilitation of multifamily rental housing. MSHDA also provides tax-exempt and taxable bond loans for the preservation of federally assisted rental housing. The tax-exempt and taxable bond lending programs require that at least 20% of the development's unit total must be available to households with incomes at or below 50% of the area median income, (AMI) or 40% of the development's unit total must be available to households with incomes at or below 60% AMI. These programs can be used in conjunction with Low-Income Housing Tax Credits (LIHTC).

## Gap Financing

FOR MORE INFORMATION  
CALL 855-MI-MSHDA

MSHDA makes secondary funding available to be exclusively utilized in the Gap Financing Program, which assists in financing multifamily housing developments. Participation requires the applicant to also obtain tax-exempt bond funded permanent financing from MSHDA. Gap funding will be made available to projects without regard to whether they are a new construction, adaptive reuse, acquisition/rehabilitation or preservation transaction. Applicants should note that developments receiving federal funding may be subject to federal cross-cutting guidelines. Additionally, a portion of the funding may be set aside for Community Housing Development Organization (CHDO) eligible proposals. To effectively allocate these limited resources, MSHDA has determined that these funds can be best put to use through a public Notice of Funding Availability (NOFA). MSHDA holds two funding rounds each year associated with the Gap Financing Program.

## Equity Bridge Loan

FOR MORE INFORMATION  
CALL 855-MI-MSHDA

MSHDA provides equity bridge loans to foster the production and preservation of affordable multifamily rental housing developments. These loans help enable higher tax credit pricing by delaying the tax credit investor's equity capital contributions into the development. Higher tax credit pricing and resulting additional equity will make more developments economically feasible with less gap financing required. Proposals receiving permanent Authority tax-exempt bond financing and 4% LIHTC are eligible for the Equity Bridge Loan Program.

## Low-Income Housing Tax Credit

FOR MORE INFORMATION  
CALL 855-MI-MSHDA

MSHDA administers the federal Low-Income Housing Tax Credit (LIHTC) program that assists in creating affordable rental housing throughout the state. LIHTC is a dynamic and powerful financing tool that leverages approximately \$250 million of private equity to create or rehabilitate rental housing to create approximately 3,000 units of housing for low-and moderate-income residents on an annual basis.

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# PROVIDING AFFORDABLE RENTAL HOUSING *CONTINUED*

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## **Family Self-Sufficiency**

FOR MORE INFORMATION  
CALL 855-MI-MSHDA

MSHDA's Family Self-Sufficiency (FSS) program is a voluntary program for Housing Choice Voucher participants who are willing to obtain and maintain employment. FSS participants work one-on-one with a local FSS resource coordinator to break through the barriers to become self-sufficient. The focus of the program is on employment and improving the family's budgeting and financial skills. If the family's household earned income goes up during their time in the program, the family can escrow money to assist with purchasing a home, paying off debts, purchasing a vehicle, furthering education, or other needs.

## **Housing Trust Fund**

FOR MORE INFORMATION  
CALL 855-MI-MSHDA

The Housing Trust Fund (HTF) is a federal affordable housing production program that complements existing state efforts to increase the supply of affordable housing for extremely low and very low-income households, including homeless families and individuals and persons with special needs. Congress established the HTF through the Housing and Economic Recovery Act of 2008 (HERA). As required in the establishment of the HTF, in years when total national funding is less than \$1 billion, 100% of each state's allocation must benefit extremely low income (ELI) households, which means households at or below 30% AMI or households with income below federal poverty level (whichever is greater). HTF funding is made available to development projects without regard to whether they are a new construction, adaptive reuse, acquisition/rehabilitation or preservation transaction.

MSHDA allocates these limited resources through a public Notice of Funding Availability (NOFA). MSHDA currently holds a funding round at least annually associated with the HTF program.

## **Missing Middle Housing Program**

VISIT MICHIGAN.GOV/  
MSHDA/DEVELOPERS/  
MISSING-MIDDLE

The Missing Middle Housing Program is a housing production program designed to address the general lack of attainable housing and the housing challenges underscored by the COVID-19 pandemic. It aims to increase the supply of housing stock to support the growth and economic mobility of employees. It provides cost defrayment to developers investing in, constructing, or substantially rehabbing properties targeted to Missing Middle households.

Missing Middle is funded by State appropriated American Rescue Plan (ARP) Funds from the U.S. Department of the Treasury. \$50 million of ARP funding was initially dedicated in March of 2022, with an additional \$50 million of ARP funding in January 2023, for a total of \$100 million dedicated to the Missing Middle Housing Program.

The program reduces construction costs by funding gaps in eligible projects. The grant amount is limited to the actual labor and material cost of the construction or rehabilitation with a maximum award of \$80,000 per unit for projects of 11 units or less and \$70,000 per unit for all others. Each geographic partnership region throughout the state will receive a minimum amount of funding.

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