

ATTACHMENT A
FY 2019-20 ANNUAL and 5-YEAR PHA PLAN
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
(MSHDA) (MI-901)

The Michigan State Housing Development Authority (MSHDA) has made the following progress on the stated goals for the FY 2014-19 PHA Five-Year Plan:

PHA Goal: Expand the supply of assisted housing

Objectives:

Apply for additional rental vouchers when opportunity arises:

Since 2014, MSHDA has applied for and/or received the following additional housing choice vouchers:

- 2017 Mainstream Voucher Program: 99 Mainstream Vouchers awarded via the 2017 NOFA.
- Family Unification Program (FUP): 81 FUP Vouchers awarded via the 2018 NOFA.
- Veterans Affairs Supportive Housing (VASH): 412 VASH vouchers awarded since 2014 for a total VASH allocation of 1,105.
- Rental Assistance Demonstration (RAD): Since the inception of RAD, MSHDA has converted over 1,200 units to Project-Based Voucher assistance.
- Housing Conversion Actions: MSHDA was awarded over 270 Tenant-Protection Vouchers by HUD for families residing in multifamily developments that experienced a contract termination or repayment of an underlying HUD mortgage.

Leverage private or other public funds to create additional housing opportunities:

Public and private funds are being leveraged in the continued development of project-based vouchers with LIHTC and developer/owner funds.

From January 1, 2014 to December 31, 2018, MSHDA awarded and/or contracted an additional 1,336 Project-Based Vouchers in conjunction with the LIHTC program for owners that commit to set-aside units for Permanent Supportive Housing. MSHDA administers a Project-Based Voucher program in over 150 developments across the state totaling over 4,200 units. This unit count includes RAD/PBV units as well.

Accept voucher portfolio transfers from other PHAs at the request of the HUD field office and maintain the housing stability for families holding the assigned vouchers.

MSHDA received no requests for voucher portfolio transfers from HUD during this timeframe.

Change the HCV subsidy standards:

Effective January 1, 2015, MSHDA subsidy standards were changed to reflect as follows:

- 1 bedroom for the head of household/co-head/spouse;
- 2 heartbeats per bedroom for all other family members

PHA Goal: Improve the quality of assisted housing

Objectives:

- Improve voucher management:

Obtain a SEMAP score equaling “high performer”.

MSHDA achieved High Performer SEMAP ratings in fiscal years 2014, 2016, 2017, and 2018.

Perform more quality control HQS inspections to monitor the quality of HQS inspections performed by contractors.

For SEMAP fiscal years 2015-2018, MSHDA staff conducted over 872 quality control HQS inspections on program units. This amount exceeds the requirements imposed under SEMAP by more than 200 quality control HQS inspections. The quality control HQS inspections represent a variety of neighborhoods and unit types. In addition, MSHDA and contracted Housing Agents routinely conduct special inspections as requested by HCV participants and landlords.

Research, develop, and implement a paperless file management system.

This continues to be an ongoing project for all divisions within MSHDA. MSHDA has implemented Content Manager to manager all landlord files. MSHDA is currently in the process of converting all software security documents into Content Manager. Additionally, MSHDA is further investigating the use of Content Manager for Accounts Receivable, Repayment Agreements, and Reasonable Accommodation. There are continued discussions on how the waiting list can utilize Content Manager with its current process. The waiting list is paperless with applications and with the Applicant Portal. MSHDA will continue to evaluate all ways that we can move towards paperless integration.

- Increase customer satisfaction:

Research, develop, and implement an on-line application system for the Project-Based Voucher Program.

An on-line application was implemented for the HCV program. Due to the complexity of MSHDA’s PBV program and number of PBV developments in the portfolio, there is on-going research and development for implementation of an on-line application for the PBV program.

Improve the informal hearing process within the Authority by shortening time between request for informal hearing and actual hearing.

In 2016, MSHDA created an Audit, Compliance and Fraud Investigation (ACFI) unit. This unit is responsible for responding to all allegations of fraud, waste and abuse received through the fraud hotline, internal staff, external partners and various other sources. The staff within this unit are also responsible for reviewing all requests for hearing and representing MSHDA at the related administrative hearings.

In early 2018, the ACFI unit participated in a Lean Process Improvement workshop which provides a structured format for documenting key business processes; identifying

bottleneck, inefficiencies and other key issues; identifying potential solutions; and mapping a revised business process with those solutions implemented. The result of this workshop was a redesign of key business processes in the unit, clearer documentation of policies and procedures and enhanced communication both within the unit and with external parties. Weekly case meetings have been instituted where all hearing requests received from contracted Housing Agents since the last meeting are assigned to an agent. All of this has resulted in the faster completion of the initial case assessment, quicker resolution of requests for hearing and greater capacity for the unit to investigate allegations of fraud, waste and abuse. As of November 30, 2018, only 5 requests for hearings received but not yet sent for scheduling were received by the ACFI unit 60 days or more prior and these were all due to additional documentation being requested as part of consideration of circumstances for the potential to take alternative administrative action (such as entering into a repayment agreement) and potentially allowing the participant to retain their voucher.

Concentrate on efforts to improve specific management functions

Conduct intensive file audits to maintain quality control

MSHDA has undertaken significant efforts to increase the number of quality control file audits performed on participant files. The participant files are recalled from contracted Housing Agent offices and audited for established performance criteria. MSHDA also conducts special file audits when a new MSHDA policy or HUD update is released to ensure compliance with applicable changes. From January 1, 2014 through December 31, 2018, the quality control file audits for participant files are as follows:

2014:	2018
2015:	2326
2016:	2523
2017:	2796
2018:	2518

Increasing the number of participant file quality control audits has enabled MSHDA to identify areas of improvement, such as MSHDA staff and contracted Housing Agent training on specific topics and updating and/or clarifying existing Standard Operating Procedure.

Perform quarterly and monthly performance reviews on contracted Housing Agents.

MSHDA performs monthly performance reviews on all contracted Housing Agents. MSHDA generates reports from the HCV Program Management software and from HUD's Public and Indian Housing (PIH) Information Center (PIC) to measure the contractor's performance in lease-up rate, annual re-examination rate, late new admissions rate, multifamily tenant characteristics system (MTCS) errors, pre-contract housing quality standards (HQS) and annual/biennial HQS. Based on these reports and MSHDA's established guidelines for performance rating, the contractor earns a score of high performer, standard performer or troubled performer.

MSHDA performs quarterly performance reviews on all contracted Housing Agents. Quarterly performance ratings are based on file audits conducted during the specified timeframe. Individual quarterly file audits measure the contractor's performance in waiting list eligibility, reasonable rent test, adjusted income calculations, HQS enforcement and general clerical errors in file documents.

Based on these audits and MSHDA's established guidelines for performance rating, the contractor earns a score of high performer, standard performer or troubled performer.

PHA Goal: Increase assisted housing choices

Objectives:

Conduct outreach efforts to potential voucher landlords

MSHDA advertises and encourages the use of the Michigan Housing Locator Web site database. Contracted Housing Agents are required to conduct outreach in all counties they administer the HCV program in to not only recruit new landlords in areas outside of areas of poverty and minority concentration as required under SEMAP, but to recruit landlords to increase the housing stock available to HCV program applicants and participants.

Continue a HCV homeownership program (*Key to Own*)

Through the end of 2018, MSHDA has successfully closed on 497 homes with voucher participants. MSHDA'S Key to Own program enables voucher participants to move from renting to owning their own home. The Key to Own homeownership program, created in 2005, has been successful in leading voucher participants to homeownership through a nationally recognized model, and is changing lives throughout all of Michigan. In all, Key to Own has allowed MSHDA to save more than \$1.5 million per year in housing assistance payments (HAP) for the HCV program, which allows new vouchers to house families in need. Most Key to Own homeowners eventually become economically self-sufficient and transition off the voucher.

Continue to implement use of housing choice vouchers in a project-based voucher program.

MSHDA is committed to allocating up to 20 percent (20%) of its HCV budget authority for use in the Project-Based Voucher Program. To date, MSHDA's PBV program, to include RAD/PBV, totals of over 4,200 units. Since FY 2014, MSHDA has allocated over 2,900 HCVs to its PBV program.

PHA Goal: Partner with the designated Michigan Homeless Assessment and Resource Agencies (HARA) to serve as a one-stop shop for housing.

Objectives:

Continue to partner with Continuum of Care bodies on the Campaign to End Homelessness.

MSHDA continues to partner with Continuum of Care (COC) bodies to dedicate services and resources to end homelessness in Michigan through our commitment to the values and practices of Housing First. The 2016 Ending Homelessness Annual Report provides data and information collected by the Michigan Homeless Management Information System between 2014 and 2016. During this time, the total homeless population in

Michigan decreased by 9 percent and the veteran homelessness decreased by 16 percent. In 2016 alone, over 22,000 people secured permanent housing after transitioning from living on the streets or in shelters. These outcomes are attributed to improved coordination of care between the Campaign partners and prioritizing resource for those most in need. The Campaign's Action Plan is aligned with the federal plan to end homelessness which includes goals for reducing homelessness and action steps to achieve them by 2019. The 2017-2019 Action Plan Goals include housing all veterans experiencing homelessness; reducing chronic homelessness by 20% annually; reducing family homelessness by 10% annually; reducing individual homelessness by 10% annually and reducing youth homelessness by 10% annually. A variety of programs and resources are utilized to achieve these goals such as the Emergency Solutions Grant, Emergency Shelter Program, Continuum of Care Program, Low Income Housing Tax Credits, HUD Veterans Affairs Supportive Housing, McKinney-Vento Homeless Assistance Grant, SSI/SSDI Outreach, Access and Recovery, and the State Emergency Relief Program.

Conduct outreach efforts to potential agencies to partner with on other MSHDA housing projects and pilot projects

In addition to expanding the Moving-Up program identified below, MSHDA has partnered with the following agencies to make available HCVs for the following initiatives/pilot programs:

- **State Innovation Model (SIM):** In 2018, MSHDA partnered with the Michigan Department of Health and Human Services (MDHHS) to design a pilot program that provides housing and supportive services to citizens that have very high utilization levels of emergency departments and emergency services that are also experiencing homelessness. MSHDA has allocated up to 200 HCVs to be used in conjunction with this pilot program.
- **Michigan Department of Corrections (MDOC) Initiative:** In 2017, MSHDA partnered with the Michigan Department of Corrections (MDOC) to design an initiative that enables individuals exiting from correctional facilities and re-entering into the community, an opportunity for greater independence through housing and service coordination programs. Eligible applicants must be willing to engage in a jointly developed plan supporting housing and stability throughout their participation in this initiative. MSHDA has allocated up to 200 HCVs for this initiative.
- **HCVs leveraged with the Section 811 Project Rental Assistance program:** In 2014, MSHDA was awarded funding via HUD's FY 2013 NOFA for the Section 811 PRA program. The Section 811 PRA program assists people with disabilities to acquire housing and needed supports to live independently in selected housing projects. As part of the NOFA application, MSHDA agreed to leverage 100 HCVs to serve the same targeted population.
- **Mainstream Voucher Program:** In 2018, MSHDA applied to HUD for funding under the Mainstream Voucher Program and was subsequently awarded 99 vouchers. MSHDA partnered with the Michigan Department of Health and Human Services (MDHHS) for the submission of the application as well as the design of the Mainstream Voucher Program. The voucher assistance will provide the housing stability that many individuals desperately need and partnering agencies (MI Choice Waiver Agents, local Community Mental Health Agencies and Centers for Independent Living) will provide support services based on the individual's needs and affiliated program (MI Choice Waiver Program, Behavioral Health Services and Supports Program, Habilitation Supports Waiver and Independent Living Services Program).
- **Family Unification Program:** In 2018, MSHDA applied to HUD for funding under the Family Unification Program (FUP) and was subsequently awarded 81 vouchers. MSHDA partnered with the Michigan Department of Health and Human

Services (MDHHS) and local Continuum of Care Bodies for the submission of the application as well as the design of the FUP program. The FUP program will provide immediate relief to the housing barriers for FUP-eligible youth and families. MSHDA will leverage the Family Self-Sufficiency (FSS) Program for both families and youth and will grant a preference on the FSS waiting list for the targeted populations.

PHA Goal: MSHDA will strive to continue to reduce non-compliance by participants in the Housing Choice Voucher Program.

Objectives:

- Continue to investigate cases where a suspicion of non-compliance exists by the participant, family members, landlord, or property owner.**

MSHDA continues to investigate cases of suspected fraud, waste, and abuse. At initial briefing on the HCV program, applicants and participants (including port-ins) are educated about non-compliance/fraud by providing HUD's brochure "Is Fraud Worth It?" (HUD 1141) and by notifying them that appropriate action will be taken when instances of non-compliance and/or fraud are discovered. MSHDA implemented a Fraud Hotline, email address and an anonymous online reporting form that individuals can use to report allegations of fraud, waste and abuse. Each tip received through these sources are investigated by the ACFI unit.

- MSHDA shall prosecute non-compliance cases when necessary and continue to demand repayment when appropriate.**

Fraud recovery efforts for each calendar year total more than \$800,000 from both landlord and tenant fraud in MSHDA's Housing Choice Voucher program. When appropriate, requests for assistance in addressing non-compliance and/or fraud cases have been made to HUD's Office of Inspector General and the State of Michigan's Attorney General. MSHDA works with other agencies including DHHS OIG, Michigan State Police and Michigan Department of State on prosecution of multi-agency fraud cases as well. The ACFI unit has built relationships with other agencies including DHHS OIG, Michigan State Police, Michigan Department of State, Michigan Department of Treasury and local police agencies to share information to aid in the uncovering, investigating and adjudicating cases of non-compliance and fraud.

PHA Goal: Established and implement a pilot program in Detroit, Michigan to be called the Moving Up Program. MSHDA designated the use of a limited number of its own HCV vouchers for this program.

In 2014, MSHDA established the pilot program in Detroit, Michigan (Wayne County). MSHDA initially allocated up to 100 HCVs for the pilot and since then has expanded the pilot to several other counties, thus increasing the total allocation to 710 HCVs. MSHDA may continue to expand to additional CoCs and allocate more HCV as the program budget allows.

PSH providers use a common assessment tool to identify those individuals and families that have reached a level of stability that makes them a good transition to the HCV Program. These individuals and families will then be placed on a separate waiting list for this Moving-Up pilot. MSHDA has agreed to accept referrals from a CoC PSH program or other similar state or federally funded programs as the need arises.

HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals

- PHA Goal: Promote self-sufficiency and asset development of assisted households

Objectives:

- Increase the number and percentage of employed persons in assisted families:**

The contracted FSS Resource Coordinators who assist in the administration of the Family Self-Sufficiency Program continue to work with participants to obtain and maintain employment. Enrollment in the FSS program has improved the financial stability of participants by assisting them with the purchase of a home, budgeting their finances and increasing their credit scores.

- Provide or attract supportive services to improve assistance recipients' employability**

The contracted FSS Resource Coordinators are required to evaluate the FSS participant's job marketability; provide referrals to the local Michigan Works! Agency or other agencies in the community to obtain employment and if already employed, encourage methods of improving or advancing within their current career. FSS Resource Coordinators may offer FSS participants Individual Development Accounts, Financial Capability Counseling Services, Job Placement services, home buyer programs, and other housing case management to improve employment opportunities.

- Provide or attract supportive services to increase independence for the elderly or families with disabilities.**

The contracted FSS Resource Coordinators are required to evaluate FSS participants that are elderly or disabled in the same manner above to ensure supportive services are made available to increase independence. The FSS Resource Coordinator may give special consideration to or alter the suitable employment requirements of the FSS program for disabled FSS participants.

- Other: (list below)

Work to ensure that FSS families use existing local resources provided by non-profits and governmental entities promote self-sufficiency and encourage employment.

The contracted FSS Resource Coordinators continue to utilize their local resources to provide counseling services to achieve self-sufficiency and encourage participation in the statewide Michigan Works! Program to access available resources and obtain employment.

HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans

- PHA Goal: Ensure equal opportunity and affirmatively further fair housing

Objectives:

- Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability.**

Equal housing opportunity for all persons, regardless of race, color, national origin, religion, age, sex, familial status, marital status, or disability, is a fundamental policy of MSHDA. MSHDA is committed to diligence in assuring equal housing opportunity and non-discrimination to all aspects of its housing financing activities. As a state created housing finance agency, MSHDA has an ethical as well as legal imperative to work aggressively to ensure that MSHDA financed housing programs comply fully with all state and federal fair housing laws required by Section 808(e) (5) of the Fair Housing Act.

Reasonable steps are always taken to affirmatively further fair housing in MSHDA's Housing Choice Voucher (HCV) Program.

- 1) The MSHDA Housing Choice Voucher Program ensures that all buildings and communications that facilitate taking applications and service delivery are accessible to persons with disabilities. If requested, services can be provided at other locations.
- 2) MSHDA prominently displays the Equal Housing Opportunity poster in its two central offices and requires that all contracted partners display the same documentation in their local offices. It is the policy of MSHDA to fully comply with all federal, state and local nondiscrimination laws and in accordance with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.
- 3) Vacant MSHDA positions are advertised statewide via the Michigan Civil Service Commission State of Michigan Job Postings website at <https://www.governmentjobs.com/careers/michigan>. In addition, contracted Housing Agents and Local FSS Coordinators are selected through a competitive Request for Proposal Process.
- 4) MSHDA refers individuals and families covered under the Fair Housing Act to the many programs offered through MSHDA. The means of communication to raise awareness of these programs include newspapers, television, website, radio, service provider contacts in all 83 counties of Michigan, billboard advertising, and the annual Building Michigan Communities Conference held in the State's capital of Lansing. At the Initial Briefing and when participants wish to move, HCV applicants and participants are provided information on fair housing, how to find a safe and affordable unit, leasing units outside of areas of poverty or minority concentration, and leasing provisions that are prohibited under law.
- 5) MSHDA also provides the Housing Discrimination Complaint form (HUD-903.1) and the Sexual Harassment Notice released by the United States Department of Justice at program briefings. Both documents provide information on fair housing and the steps the tenant should take to submit a detailed report to HUD or the Department of Justice, Civil Rights Division. Telephone numbers are provided along with toll-free numbers that the tenant can call to submit a fair housing complaint.
- 6) When HCV or PBV waiting lists are to be opened or closed, a detailed plan of outreach is outlined in MSHDA's Administrative Plan that staff and contracted Housing Agents must follow.
- 7) Detailed policy and procedure on Reasonable Accommodation are outlined in MSHDA's Administrative Plan that staff and contracted Housing Agents must follow.
- 8) Appropriate MSHDA staff review fair housing requirements of 24 CFR Section 903.7(o) by examining current and proposed programs to ensure compliance and identify impediments to fair housing choice within these programs.

- 9) One of the Michigan State Housing Development Authority's functions in promoting fair housing choice is education.
- 10) The FSS and Key to Own Homeownership Programs are marketed to all MSHDA HCV recipients regardless of race, color, national origin, religion, age, sex, familial status, marital status, or disability. The brochure advertising these two programs is provided to MSHDA HCV participants at every new admission and annual re-examination.
- 11) In compliance with 24 CFR 8.6, the MSHDA FSS and Key to Own Homeownership Programs ensure that all buildings and communications that facilitate applications and service delivery are accessible to persons with disabilities. If requested, services can be provided at other locations. Applications to FSS and Key to Own Homeownership Programs are mailed directly to the homes of the MSHDA HCV recipient and/or their listed representative if requested.