



Housing and Community Development Fund (HCDF) Program Update

Quick Read

- In FY 21-22 the Legislature, at the Request of Governor Whitmer, appropriated \$50 million in one-time American Rescue Plan (ARP) dollars to the HCDF.
- In 2023 Governor Whitmer signed Public Act 4 of 2023 dedicating \$50 million a year in ongoing funding for the HCDF.
- MSHDA is required by the statutory language to dedicate 55% of the funds for “low Income” and “very low income” households.
- The HCDF requires that funds are awarded in all regions of the state.
- The HCDF requires that MSHDA seek public input in preparing its plan to award funds.
- The HCDF leverages public and private dollars to get nontraditional projects off the ground.
- MSHDA has projected a 4:1 return for every dollar appropriated.

What is the HCDF?

The HCDF was created to develop and coordinate public and private resources to meet the housing needs of low income, very low income, and extremely low-income households in the state, and provide flexible funding options for other populations with a specific housing need.

Eligible Activities

The HCDF can be used to offset costs associated with the acquisition, rehabilitation, new construction, development, predevelopment, and operating or replacement reserves of rental housing; permanent supportive housing; and community development projects located in a downtown or adjacent neighborhood including but not limited to homeownership, housing rehabilitation, façade improvement, infrastructure improvement, economic development projects, in-fill new constructions, and community facilities.

Proposed Uses for the Fund

Contractor Assistance Program

This program will provide training and technical assistance to the following:

1. Individuals seeking to participate in the skilled construction trades.
2. Individuals seeking to become licensed builders.
3. Contractors/small business owners/emerging developers who need assistance in scaling up to secure/complete larger projects.

The program will also create networking opportunities for all those mentioned above with a goal of establishing relationships that lead to employment and securing of contracts.

Good Housing = Good Health Program

This program will be administered by the Michigan Department of Health and Human Services (MDHHS). This program will provide housing access and stabilization services

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addressing social determinants of health and housing needs of low-income residents. MDHHS is collaboratively working to serve highly vulnerable households with wrap around services to gain housing, stability, and wellbeing.

Shelter Diversion Pilot

This program will be managed by MSHDA's Rental Assistance & Homeless Solutions Division (RAHS) and provide homelessness prevention services. Homeless Service Agencies will use shelter diversion practices to prevent as many families as possible from needing to enter an emergency shelter. Shelter diversion is a strategy that helps people experiencing a housing crisis to quickly identify and access safe alternatives to shelter where possible.

Housing Choice Voucher Key to Own Program

MSHDA's RAHS Division offers a statewide Housing Choice Voucher ("HCV") Key to Own Homeownership Program under the guidance of the November 18, 2002, HUD final rule 24 CFR Part 982. The HCV program provides guidelines and requirements to all housing authorities to convert the tenant-based rental assistance voucher to the homeownership voucher option through their voucher program. This program assists extremely low-income individuals in reaching their goal of unlocking the American Dream and achieving homeownership.

Housing Choice Voucher Mobility Program

MSHDA will pilot the HCV Mobility Program in 2-3 counties where HCV families encounter the greatest barriers in leasing in high-opportunity areas, those experiencing housing retention and stability challenges, as well as those disproportionately impacted and/or lacking equal access to housing programs.

Permanent Supportive Housing Gap Financing Program

Permanent Supportive Housing ("PSH") needs exist throughout the state for households experiencing homelessness or those with special needs. The funding that will be made available through the PSH Gap Financing Program will be used in conjunction with Tax-Exempt Bond Financing through the Authority's Direct Lending Program, 4% Low-Income Housing Tax Credits ("LIHTC") and HOME-ARP funds to maximize leverage of funds.

MSHDA Investing in Community Housing (MICH)

This program will provide 4 tracks for supporting housing development and assistance: 1) rehabbing homes to sell, 2) creating small scale rental units, 3) providing accessible and visitability rehab assistance to homeowners, and 4) Down Payment Assistance Program. Key partners will include municipalities, land banks, emerging developers, Area on Aging and the Disability Networks.

Tribal Nations Housing Development Assistance Program

This program will be used to create a federal, state, and philanthropic resource toolkit for the 12 federally recognized Tribes that share geographic boundaries in Michigan. Funds will also be used to assist Tribes in identifying the most appropriate resources, completing the application process, covering fees, and completing any necessary reports related to the funding up to a year from the award date (unless extended by the Authority).

For additional information, please visit www.michigan.gov/mshda.