

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
Compliance Monitoring

POLICY STATEMENT

REQUIREMENTS FOR MISSING MIDDLE PROGRAM

The Missing Middle Program is intended to help households that have incomes between 185% and 300% of Federal Poverty Limits. This statement is intended to document MSHDA's expectations for the 10-year compliance period.

Certifications

Move-in:

All household are required to verify income at move-in, using the households IRS 1040 for adjusted income. If the household submits more than one form to the IRS, each form must be added to the total household income. Copies of the IRS 1040 must be kept on file as back-up documentation. If a household does not file federal income tax returns, a form must be completed to document household income.

Recertifications:

All household are required to annually recertify using IRS 1040 to calculate income.

Income and Rent Limits

MSHDA will annually publish updated income and rent limits for the funding program. These limits are based on a straight mathematical calculation using Department of Health and Human Services Federal Poverty Income Limits based on the 48 Contiguous States, published in the Federal Registers Requirements ([Prior HHS Poverty Guidelines and Federal Register References | ASPE](#)).

Rent limits are calculated based on an assumption of 1.5 persons per bedroom. Households' gross rents cannot exceed these limits. Gross rent is tenant's paid rent, mandatory expenses (required fees to occupy a unit) and an allowance for utilities.

Utility Allowances are based on costs the residents are required to pay using the MSHDA PHA charts. This chart is completed using unit type and appliance types (gas or electric) and are published annual by MSHDA.

Requirements

MSHDA requires that annually the property owner/agent submits a Rent and Occupancy Report showing the restricted units, household demographics, occupancy size, income, and rent, noting all certification dates or move-outs that occurred within the prior calendar year. Along with a certification and utility allowance chart calculations.

MSHDA will conduct physical inspections and tenant file audits starts second year after construction completed and once every three years thereafter to ensure compliance with program requirements and physical condition standards of the property. All deficiencies noted must be corrected within defined timelines.

MSHDA physical Inspections will be based on Uniformed Physical Condition Standards (UPCS). Additional information on UPCS standards can be located here: [UPCS Definition](#)

Non-Compliance

Failure to maintain compliance with program requirements could result in any of the following penalties:

- Recapture of Funds
- Fines for Noncompliance
- Lawsuits
- Loss of any future funding from MSHDA