

MI NEIGHBORHOOD CDBG PROGRAM
**SINGLE-FAMILY NEW CONSTRUCTION QUICKFINDER
 (UGLG & MSHDA-APPROVED CBDO PARTNERSHIPS ONLY)**

The Community Development Block Grant (CDBG) *Single-Family New Construction* activity, managed by MSHDA's Neighborhood Development Division (NDD), provides funding to eligible Units of General Local Government partnered with MSHDA-approved Community-Based Development Organizations (CBDO) for the development of new for-sale housing on residential lots (contiguous or scattered sites). CDBG funds may only be used for hard construction costs of new site-built housing units of modest and affordable design. The completed housing must be sold to a low- or moderate-income homebuyer.

Eligible Applicants:	Non CDBG-entitled Unit of a General Local Government (UGLG) partnered with a MSHDA-approved Community-Based Development Organization (CBDO). See CDBG Map 3.19.25 to determine area eligibility.
Eligible Homebuyers:	Income-qualified households at or below 80% of Area Median Income (AMI).
Eligible Properties:	New development (contiguous) or in-fill (scattered) residential lots, suitable for single-family residential structures, with existing municipal infrastructure capable of serving newly developed lots (water, sewer, streets, etc.).
Eligible Project Activities and Costs:	<p>The actual cost of constructing site-built housing, including:</p> <ul style="list-style-type: none"> ▪ Costs to meet applicable design and construction standards, including MSHDA MI-Neighborhood Inclusive Design Requirements (Visitable/Type C units). <i>Waiver of visitability requirements will be considered and approved by MSHDA-NDD on a case-by-case basis.</i> ▪ Modest landscaping (seed/sod, mulch, trees/shrubs, perennials), up to \$1,000. <p><i>Assisted housing development must result in a home purchase by an income-qualified household, for use as household's permanent primary residence, and will be subject to a 5-year regulatory agreement attached to the property.</i></p>
Ineligible Project Activities and Costs:	<ul style="list-style-type: none"> ▪ Property acquisition and site-demolition are NOT allowable uses of CDBG funds; leveraged funds must be used if acquisition or demolition are required to complete projects. ▪ Rental properties (both short-term and long-term). ▪ Mobile homes or HUD Code Manufactured homes. ▪ Luxury finishes and other amenities not typical in comparable local residential properties. ▪ Infrastructure (water/sewer, streets, public utilities) and frontage benefits, except costs to tie-in the developed lot to public utilities already located in the immediate Right-of-Way. ▪ Private water wells and septic systems, other private utility installations.



Administrative Fees:	<ul style="list-style-type: none"> ▪ Capped at 18% of the total funds awarded; such as staff time directly related to carrying out the project such as property inspections, preparing specifications, managing construction and conducting homebuyer participant intakes to be drawn as administrative fees.
Housing Quality:	<ul style="list-style-type: none"> ▪ Must meet applicable design and construction standards, including MSHDA MI-Neighborhood Inclusive Design Requirements (Visitable/Type C units). <i>Waiver of visitability requirements will be considered and approved by MSHDA-NDD on a case-by-case basis.</i> ▪ Must be site-built, modular, or panelized construction. ▪ Minimum unit size will adhere to local zoning requirements (site density, building-types) but shall not be less than 450 square feet with at least one bedroom in any configuration. ▪ All installations, finishes and appurtenances shall be specified as new. ▪ Finished units must have Certificates of Occupancy issued by local jurisdiction prior to sale.
Davis-Bacon and Related Acts (DBRA):	Davis-Bacon and Related Acts (federal prevailing wages) will apply to projects consisting of eight (8) or more units.
US HUD Section 3:	US HUD Section 3 (directed low-income employment opportunities) will apply to projects receiving greater than \$200,000 toward total eligible activities (administrative costs excluded).
Site-Specific Environmental:	Contingent upon project site and prior uses, a Phase I Environmental Site Assessment may be required (completed within five years of application date); Phase 2 Environmental Site Assessment required for RECs indicated in Phase I reporting; US HUD Environmental Review (CEST) or NEPA Environmental Assessment (EA) post-award.
Planning & Approval Documents Required:	<p>All of the following items are due at the time of Application</p> <ul style="list-style-type: none"> ▪ Proof of site control; must result in saleable property with clear title. ▪ Proof of property tax status (current). ▪ Architectural construction drawings and site plans for MSHDA review. ▪ Documentation of architectural, zoning and site plan approval from local jurisdiction. ▪ Project proforma (MSHDA template); proof of funding for costs in excess of CDBG award.
Other Compliance Requirements:	<ul style="list-style-type: none"> ▪ All US Department of Housing and Urban Development (HUD) rules and regulations as applicable, including federal cross-cutting regulations as outlined in the CDBG Policy Manual. ▪ Investment of CDBG funds will be secured by a construction mortgage and note or other regulatory agreement, which will be discharged after the sale of the property to an income-qualified household (< 80% AMI) and subsequent affordability period (5-year term). ▪ 10% of CDBG funds will be withheld until project completion and sale of the property.
Federal Laws and Regulations:	Refer to the CDBG Policy Manual and citations within written grant agreement.



Project Completion:	All units must be completed within a two-year grant term.
Maximum Assistance Per Unit:	\$100,000
Maximum Total Award:	\$1,500,000 (including allowable administration costs)
Match Requirement	There is no formal match requirement; however, projects typically need additional leveraged funds to be completed, and those funds must be secured and documented at the time of application.

