



Policy and Compliance Handbook Housing and Community Development Funds (HCDF)

MIN 1.0 and MIN 2.0

Effective Date: July 23, 2024

Modification Date: January 29, 2025

The grant agreement references this handbook as a mechanism to clarify terms and conditions of the grant including income restrictions, income data sources, recipient income certification requirements (new unit construction, unoccupied rehab, existing homeowner and tenant occupied rehab (if applicable) and funding parameters as well as compliance requirements).

Any modifications will supersede this document and based on the grant execution - no formal amendments will be required to authorize policy bulletins that will formally amend this document.

Upon execution of the grant agreement and all attachments by MSHDA a notice to proceed is issued simultaneously.



I have read and will adhere to the MI Neighborhood Policy and Compliance Handbook content parameters. (Check all that apply.)

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In addition, I recognize Program Guidelines content requirements also apply.

I have reviewed the information, as certified above, for accuracy and certify to the authenticity thereof.

Agency Representative Signature:

Printed Name of Above Signer:		Date
Title:		
Agency:		



Section 1: MI Neighborhood Program Overview

Compliance Components

MSHDA reserves the right to update MI Neighborhood Program guidance, including the term sheet parameters. All documents, processes, procedures, and approvals must follow current guidelines. Recent updates include, but are not limited to:

1. The full expenditure completion date is 24 months from grant start date.
2. Land contracts are not eligible for the MI Neighborhood Program without MSHDA pre-authorization.
3. Mobile homes pre 1978 are not eligible for the MI Neighborhood Program. All assisted homes must be permanently affixed to the property. Manufactured housing and mobile homes must be pre-authorized by MSHDA and zoned residential. Homes (mobile and/or manufactures) that cannot provide proof of land ownership and proof of permanent affixture via a recorded affidavit of affixture and were not constructed post-1978 are prohibited from MIN program participation.
4. Funding is limited to property-specific activities as identified within the grant agreement and based on subrecipient MSHDA approved program guidelines.
5. Subrecipients cannot award funding to employees and/or their immediate family members. Exceptions may be possible, on a case-by-case basis, if a Conflict-of-Interest Letter is prepared by a grantee's legal representative and sent to MSHDA outlining why participation is warranted and MSHDA legal accepts the disclosure as presented.
6. All administrative costs must meet funding parameters and the MI Neighborhood Program's policy and follow all process requirements outlined within the compliance manual.
7. All advances must be expended in the IGX system within 180 days after the payment complete date as shown on IGX. If this date is not met, the organization will be deemed to be not in good standing with MSHDA and placed on probation until remediation is undertaken. The tracker form cannot be used to offset advances and identify them as expended.
8. If a subrecipient has a ~~open Neighborhood Enhancement Program (NEP) grant, non-MI Neighborhood grant, or other Neighborhood Development Division (NDD) grants~~, then a pre-disbursement condition will be imposed requiring full expenditure and completion of the originally awarded grant prior to incurring costs associated with the MI Neighborhood award, unless MSHDA written approval is granted on a case-by-case basis if the award is for a similar activity.
9. An address cannot ~~have NEP funds and MI Neighborhood~~ access multiple Division funds at the same time without MSHDA pre-authorization. If an address had previous ~~NEP~~ MSHDA NDD grant dollars invested, the combined total of ~~NEP assistance~~ plus MI Neighborhood cannot exceed \$50,000. If the property was previously assisted by NDD, the total amount of combined investment between the MI Neighborhood Program and all NDD funding assistance cannot exceed a combined total of \$50,000 for rehabilitation activities. Property eligibility is based on the date work was paid to the subrecipient agency.
10. Refer to website for required activity specific Residential Housing Construction Standards. Formal construction contracts are required with start/end dates, specified dollar amounts and funding sources and signed and dated by all parties.
11. Unique Entity Identifier (UEI) verification information is required once per MI Neighborhood Program phase.
12. Justification on Roof Only Energy Savings:
 - a. All roof only projects must evaluate and determine if the scope should include necessary attic sealing/insulation/ventilation in order to provide energy savings.
13. Subrecipients are responsible for verifying gross annual income eligibility prior to approving an application for each assisted property.

14. All applicant qualifications must be verified at the subrecipient level.
15. It is recommended that Financial Status Reports are kept above \$1,000 and under \$100,000 and must be submitted no less than quarterly.
16. An activity must be fully completed in IGX before an FSR for the same activity can be approved.
17. Tenants of rental properties are not required to have rental insurance (Proof of Property Insurance is required).
18. Properties with reverse mortgages are not eligible for MI Neighborhood.
19. New Construction - Single Family Environmental Study (to be completed prior to project set-up)
 - a. If not a residential infill site, then a Phase 1 Environmental Site Assessment and a Phase 2 (if applicable) must be performed by an Environmental Professional. Non-scope items such as FEMA floodplain evaluation and wetland identification are a local determination.
 - b. If a subrecipient agency is undertaking new construction, then the MI Neighborhood funds are being used for construction line-item activities outlined in the Sworn Statement only.
20. If receiving Administration, no activity delivery costs, or Deferred Developer Fee allowed. If receiving a developer fee, no activity delivery costs, or Administration costs allowed. Note: Developer fee is not disbursed until completion and sale at time of closing. ~~Based on closing statement documentation~~ For Homebuyer Project and the final MSHDA Closeout Proforma if profits exceed \$50,000 no developer fee will be provided to ensure reasonableness and undue enrichment is addressed on a per activity basis. Deferred Developer fee cannot be converted to construction financing.
21. The eligibility verification requirement for participation of a household with one or more individuals that are not U.S. Citizens consists of (a) a social security number/ITIN Number/Tax ID number being provided (b) all pages of a W-9 form being submitted for the head of household, dated within the calendar year of the application, and (c) Declaration of Section 214 Status form and all supporting documentation. Household income verification will be addressed separately as outlined within the handbook.
22. Anybody within the company can hold the builders license to take responsibility for the project and pull proper building permits. If nobody within the company is licensed to pull the proper permitting, the company must hire a general contractor with a builder's license along with insurance to perform work within Michigan.
23. Funds may not be used to finance rehabilitation items not included within program guidelines or in the budget or pre-approved by MSHDA. and must be reflective of the reservation memo program description.
24. For new units MI Neighborhood assisted homes will be listed on the MLS for fair market value as determined through a comparative market analysis performed by a licensed realtor or in the manner outlined in the program guidelines. ~~Including General Contractors~~
25. For umbrella entities, the main organization must be registered in sam.gov. All affiliated entities must have a Unique Entity Identifier (UEI) number and on sam.gov be identified as validated as unique and existing with ID assigned contractors and subcontractors must be validated as not debarred on sam.gov including general contractors.
26. For rehabilitation, temporary displacement and/or relocation expenses are not covered by MI Neighborhood grant funding.
27. MSHDA's Kinetech applicant portal cannot be used to identify potential homes in need of repairs. Prioritization of applicant properties is highly encouraged. However, applicant contact information based on zip codes can be provided.
28. Substantial Adjustments to project scope and/or addresses post award is not allowed, re-application may be required.
29. Sworn Statements are limited to New Construction and/or Unoccupied Rehab Activities. If sworn statements are utilized, they must be signed/dated and notarized and are subject to

MSHDA approval.

30. Proforma Reviews: Rental Proforma verified up front. Homebuyer Proforma verified at time of closing via a final disclosure form.
31. If it is a phased project, the income restrictions only apply to the MSHDA funded units undertaken within that phase. The income restricted units are identified within the MI Neighborhood Reservation Memorandum.
32. If the policy scenario for a particular activity is not formally outlined in the Policy and Compliance Handbook, then MSHDA Champion pre-authorization within the notes section of IGX is required or payment will not be issued.
33. For rental properties managed by a non-owner third party they must have a State of Michigan brokers license and upload into IGX a file copy of the license and tenant rental management place/agreement.
34. Sample liens have been removed and pages 62-63 outline activity lien requirements.
35. If your project consists of an activity with common elements and is a for sale unit then a formal written condominium structure outline in the format of a recorded master deed and by laws must be provided to MSHDA. Final disbursement will not be made until these documents have been reviewed and approved by legal.
36. If a rental property becomes unoccupied post grant award, the rent is restricted to the original occupant lease amount for twelve months and thereafter a five percent increase limitation is imposed as outlined in the five-year regulatory agreement period.
37. If a site was identified in the grant agreement that site must be assisted, or the funds associated with that property will be recaptured. No site adjustments are allowed post grant award.
38. In regard to asbestos, for mixed-use commercial buildings an asbestos survey is required. For single-family housing an asbestos survey is not required. If there are well known ACM components (see handbook) or if it is suspected that there are asbestos containing materials, a grantee is responsible for having a certified company address it properly.



MI NEIGHBORHOOD

Program Statement

The agency's awarded amount within the grant agreement cannot be exceeded and MSHDA will not provide funding to cover any cost overruns therefore careful accounting of the funds is critical. The policy and compliance handbook parameters must be followed and adhered to, and utilization of the MSHDA IGX (grants management system) is required. This award is being made with Housing Community Development Fund and/or Community Development Block Grant funding through the MI Neighborhood Program.

Additional details regarding the MI Neighborhood assistance parameters are provided below:

Rehabilitation Only

For MI Neighborhood, the maximum dollar amount of assistance is based on the reservation memo.

Please note that 20% of households must be at or below 60% AMI. All leveraged funds must be expended in an equivalent ratio to grant dollar reimbursement.

New Construction

For MI Neighborhood, the maximum dollar amount of assistance is \$100,000 per unit. MSHDA will be providing limitations on the maximum assistance per household and the buyer income eligibility restrictions will be outlined in their grant agreement. The agency will construct single-family homes and then sell the homes to qualified households during the grant period and have appropriate lien documents in place. For new construction, the agency's goal is for the homes to meet and/or exceed the Authority's property quality standards and to incorporate visit-ability, and high energy efficiency measures. MSHDA will only invest construction costs as outlined within the Reservation Memorandum and funds are restricted to hard construction costs and up the 18% for administration or deferred developer fee (MIN 1.0) (if applicable) or 10% for (MIN 2.0) based on the project budget line item within the grant agreement. Post award modifications are not allowed.

Please note that all MI Neighborhood funding will be restricted to 20% of households at or below 60% AMI. All leveraged funds must be expended in an equivalent ratio to grant dollar reimbursement.

Program Parameters

This grant program is designed to encourage and facilitate new unit, public amenity (MIN1.0 only) and/or rehabilitation and upgrades to owner occupied homes and non-owner-occupied single-family homes and multi-family properties consisting of units within both rural and urban areas. In conjunction with home repairs, the funding also allows for a portion of the award, MIN 1.0 – 18% cap, MIN 2.0-10% cap, to be utilized for administrative funding or developer fee based on the reservation memo

Funding will be provided to eligible subrecipients and will be made available to assist eligible properties, referenced in the term sheet.

Key items to pay attention to:

- Do not start work and/or execute contract(s) until all pre-disbursement conditions are met.
- Subrecipient is responsible for making sure contractors and sub-contractors are licensed and insured.
- If there is a change in the scope of work or an increase in price beyond ten percent (10%) of the original estimate and contract award amount; prior approval is needed from your Champion.
- Keep a spreadsheet for all approved activities outside of the IGX system.
- The subrecipient must submit Financial Status Reports for reimbursement. All billing and invoices are approved by the subrecipient prior to submission for reimbursement. Checks from MSHDA are made payable to and mailed directly to the subrecipient.
- Property rehabilitation work – All work should take place on eligible property types.
- **For Acquisition/Rehab/Resale projects work tied directly to non-occupied properties is not allowed. Refer to the Non-Owner-Occupied Rental Units section of this manual.**
- If an activity that was approved does not move forward notify your Champion. Any canceled activity that has been entered into the MSHDA Grants System will need to be canceled in the system, using the following steps:
 - If the activity was drawn on, the subrecipient will need to return the funds for the canceled activity.
 - MSHDA staff will enter a return funds entry on the grant page.
 - The subrecipient will need to cancel the activity in the system. This cannot be done until steps 1 and 2 are finished.

PROGRAM OVERVIEW

To view Online document, [click here.](#)

PROGRAM OUTLINE	
Overview	MI Neighborhood is a blend of funding as a response to the regional action plans' strategic alignment with the Statewide Housing Plan. This new application streamlines access to three primary activities: Public Amenities (MIN 1.0 only), Rehabilitation, and New Units.
Funding Goal	In FY24, MI Neighborhood will provide funding for projects statewide across all activities. Regional investment targets have been developed using an equitable, transparent, data driven strategy. Regions are based on the 15 regional housing partnerships identified in the Statewide Housing Plan .
Size of Awards	<p>Beginner (i.e., 0-2 grants or developer units implemented by applicant: Up to \$200,000</p> <p>Intermediate (i.e., 3-4 grants or developer units implemented by applicant: Up to \$400,000</p> <p>Advanced: (i.e., 5+ grants or developer units implemented by applicant: Up to \$2 Million</p> <p>Up to 18% (MIN 1.0) or up to 10% (MIN 2.0) Administration funds based on documented expenditures or up to. Administration funds/Developer fee will be calculated and determined by MSHDA.</p> <p>Requests over \$400,000 require 1:1 leverage. Source of leverage subject to MSHDA approval. For MIN 2.0 10% owner investment required.</p>
Eligible Applicants	<p>Must be an entity; individuals are ineligible. Eligible applicants include:</p> <p>Nonprofit Organization 501(c): A nonprofit organization that is currently servicing the proposed community/neighborhood within the state of Michigan. A public or private nonprofit organization must be organized to aid persons and families of low or moderate income. The applicant must have at least one full-time employee, cannot operate the agency via their principal residence, and must provide a projected sustainable operating budget through fiscal year 2026, not including MSHDA funded projects.</p> <p>Unit of General Local Government: A city village, township, county, or any intergovernmental, metropolitan, or local department, agency, or authority, or other local political subdivision.</p>



	For-Profit Developer: An organization that is working within the state of Michigan and meets the MSHDA Limited Dividend Housing Association (LDHA) parameters. <i>Note: For-Profit Developers are ineligible to apply for the Public Amenity activity.</i>
Program Duration	The period of performance for all awards will begin on the effective date of the grant agreement, with full disbursement of funds no later than 24 months thereafter.
Program Launch	MSHDA will launch the program on April 1, 2024.



PUBLIC AMENITY GRANT OUTLINE	<p>(MIN 1.0 Only) Public amenities are intended to provide public benefit to health, safety, or overall quality of life within a community. The primary goal of this component is to identify and fund innovative activities to address community or neighborhood needs. All components are designed to fund tangible activities that are implementation ready, highly visible, impactful to the neighborhood and residents quality of life, and will benefit the community/region overall.</p>
Target Communities	<p>Activities must be located within a downtown or downtown adjacent area.</p> <p>A "Downtown area" is an area where 20 or more contiguous properties have been planned, zoned, or used for commercial purposes for 50 or more years and where a majority of the buildings are built adjacent to each other as determined by the authority and up to the public right-of-way. To be considered a downtown area, the area must contain a significant number of multi-level, mixed-use buildings and property in the downtown area must be owned by more than three private owners.</p> <p>An "Adjacent neighborhood" is a residential area as determined by the authority immediately adjoining or near a downtown area within the same municipality not to exceed one mile.</p>
Size of Award	<p>Up to 10% of a regional investment target, or \$75,000, whichever is greater, may be used for community-based public amenities. The maximum grant amount is \$75,000; multiple activities in a single application may be funded up to the maximum.</p>
Payment Process	<p>MSHDA disburses assistance directly to grantees on a reimbursement basis. Upon request, an advance of 25% of the project funds (not administrative funds is allowed provided funds are expended within 180 days.)</p> <p>Reimbursement for purposes of the program is defined as the issuance of payment via the MSHDA grant management system when work has been completed, a grantee is invoiced for the work performed, both grantee and property owner sign-off has been secured; and approval of a financial status report (FSR). Administration dollars must include documentation to be funded.</p> <p>A portion not to exceed Eighteen (18%) percent of the grant award amount may be withheld and not reimbursed until all paperwork regarding final completion and reporting of activity outcomes is provided.</p>



<p>Eligible Activity Types</p>	<p>Eligible activities include, but are not limited to, playground structures / amenities, walking path, mural, pocket park, pavilion, permanent benches, entranceway signage/lighting, orchards/perennials, dog park, community spaces / raised garden beds, gazebo, and picnic tables.</p> <p>Improvements must benefit the entire neighborhood and be located on publicly owned property. Must either be owned by the applicant or have consent from owner with guidance from MSHDA (refer to Public Amenity Site Ownership Guidance). Park enhancements must either be permanently affixed or stored in a secure location on site when not in use.</p> <p>This program encourages enhancements and/or creation of public amenities that promote outdoor activities and events.</p>
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REHABILITATION GRANT OUTLINE	<p>The intent of the Rehabilitation activity is to preserve existing housing stock. Successful proposals will target resources to the needs of the specific community and demonstrate the appropriate size and scope of the activity. Activities in this component range from smaller scale energy efficiency or accessibility improvements to substantial rehabilitation.</p>
Target Population(s)	<p>Activities in this category may be used for households with incomes up to 120% AMI. Applicants must identify their target population(s) based on an assessment of need.</p> <p>Low Income = <60% AMI: at least 20% of the units in every project must serve this AMI. Moderate Income = <80% AMI Middle Income = <120% AMI</p>
Target Communities	<p>Activities are intended to impact a neighborhood and/or provide a regional benefit. Data that demonstrates the target community's need for housing rehabilitation will be considered during the evaluation of applications. Communities with a high percentage of housing built before 1970 and high rates of families that are housing cost burdened will be given preference.</p>
Maximum Subsidy per Unit	<p>The maximum subsidy per unit is established by the grantee but may not exceed \$40,000 for occupied units and may not exceed \$100,000 for unoccupied units.</p> <p>A five-year non-prorated, forgivable lien in the full amount of the assistance will be placed on properties that receive over \$10,000.</p>
Payment Process	<p>MSHDA disburses assistance directly to grantees on a reimbursement basis. Upon request, MSHDA allows an advance of 25% of the project funds (not administrative funds is allowed provided funds are expended within 180 days.)</p> <p>Reimbursement for purposes of the program is defined as the issuance of payment via the MSHDA grant management system when work has been completed, a grantee is invoiced for the work performed, both grantee and property owner sign-off has been secured; and approval of a financial status report (FSR). Payment for the provided improvements must comply with the requirements outlined in the Michigan Construction Lien Act.</p> <p>A portion not to exceed eighteen percent (18%) (MIN 1.0) or Ten percent (10%) (MIN 2.0) of the grant award amount will be withheld and not reimbursed until the final FSR submission and all paperwork regarding final completion and reporting of activity outcomes is provided.</p>



<p>Eligible Activity Types</p>	<p>Applicants must choose one or more focus for their occupied or unoccupied rehabilitation programs from among the following:</p> <ul style="list-style-type: none"> A. Energy Efficiency: An activity that prioritizes increased energy efficiency and reduces utility cost. B. Accessibility Improvements: An activity that prioritizes accessibility improvements to reduce barriers for occupants. C. Minor Home Repair: An activity that prioritizes addressing minor health and safety issues for occupants. D. Exterior Rehabilitation: An activity that prioritizes neighborhood impact by providing resources to property owners to address deteriorated exterior housing elements. E. Substantial Rehabilitation: An activity designed to provide comprehensive rehabilitation of a property. F. Rental Redevelopment: An activity designed to redevelop existing vacant residential rental units in mixed use structures. Units must have been vacant as of December 31, 2023.
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NEW UNIT GRANT OUTLINE	<p>MSHDA’s intent with new unit funding is to help communities that are actively working to address housing shortages. When appropriate, grantees are encouraged to use modular, panelized, and other innovative building systems to lower costs while maintaining quality.</p>
Target Population(s)	<p>Activities in this category may be used to serve households with incomes up to 120% AMI. Applicants must identify their target population(s) based on an assessment of need.</p> <p>Low Income = <60% AMI: at least 20% of the units in every project must serve this AMI. Moderate Income = <80% AMI Middle Income = <120% AMI</p>
Target Communities	<p>MSHDA will partner with eligible applicants in communities that are experiencing a housing shortage and/or need.</p> <p>Data that demonstrates the target community's need for new housing construction will be considered during the evaluation of applications.</p>
Maximum Subsidy per Unit	<p>The maximum subsidy per unit is established by the grantee but may not exceed \$100,000 and is restricted to unoccupied units. The average subsidy per unit within each project is up to \$100,000 with flexibility per unit based on demonstrated and documented need per a MSHDA approved proforma. Each grantee will identify and secure a site, select product, oversee delivery and on-site installation (if applicable), as well as market and sell the home (if applicable).</p> <p>A lien restriction in the format of a recorded lien or regulatory agreement will be imposed on all assisted units for a minimum time frame of five years to ensure affordability of the assisted unit(s).</p>
Payment Process	<p>All draws require the approval of a financial status report (FSR). EXAMPLE: Draw 1: Initial \$9,000 released upon request.</p> <p>Subsequent Draw(s): Funds are disbursed on a reimbursement basis only. Reimbursement for purposes of the program is defined as the issuance of payment via the MSHDA grant management system when work has been completed, a grantee is invoiced for the work performed, both grantee and property owner sign-off has been secured, and approval of a financial status report. Payment for the provided improvements must comply with the requirements outlined in the Michigan Construction Lien Act.</p> <p>Upon request, 50% deposits are available upon invoicing/contract submission.</p>



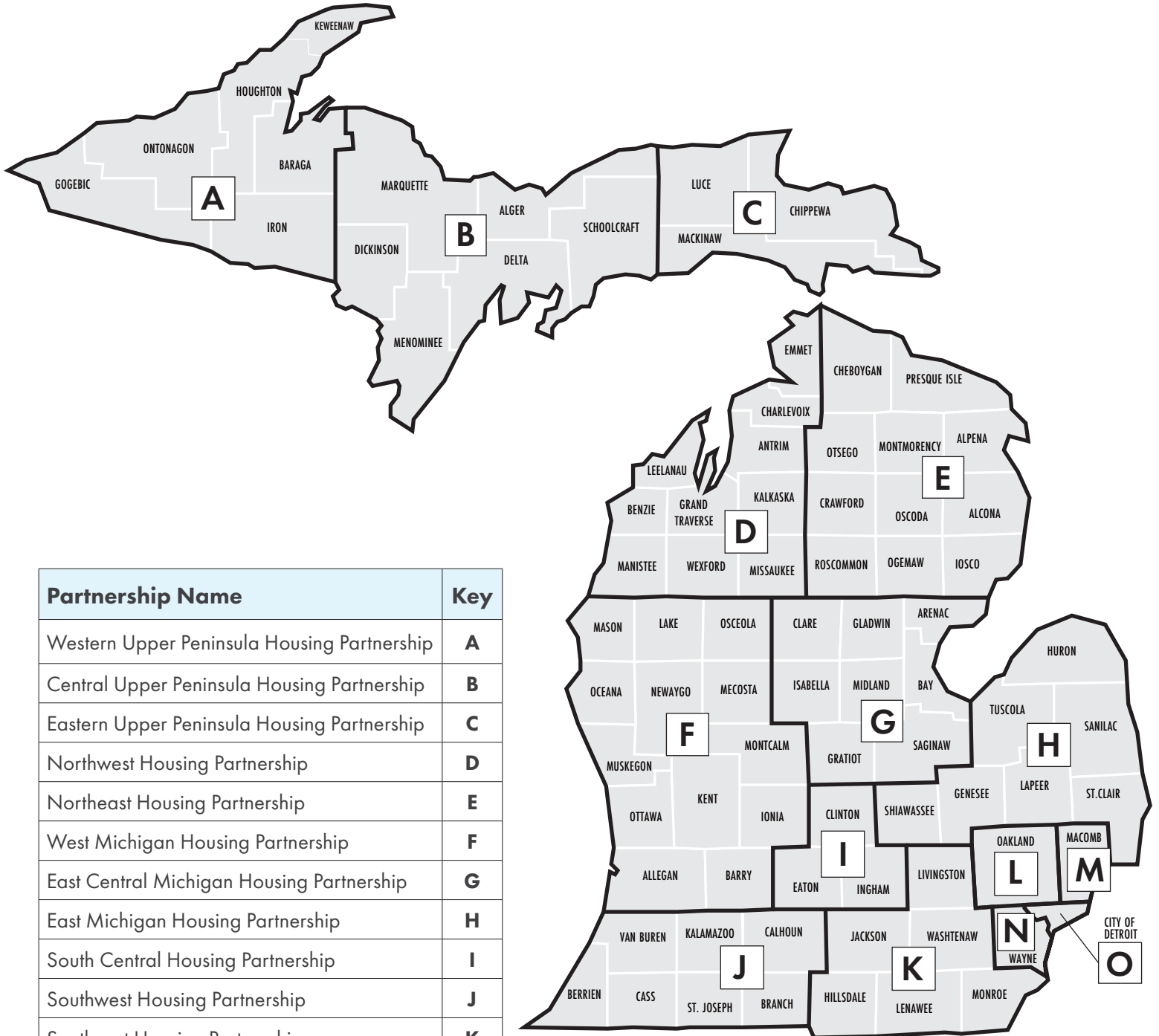
	<p>Final Draw: 18% (MIN 1.0) or 10% (MIN 2.0) of the grant award amount will be withheld and not reimbursed until all paperwork regarding final completion and reporting of activity outcomes is provided.</p>
Eligible Activity Types	<p>At least of 20% of the units in the project must be targeted to residents at 60% AMI or below.</p> <ul style="list-style-type: none"> A. The construction of single family for-sale and/or rental housing. B. Redevelopment of new unit(s) on a vacant residential parcel that was the site of a demolition within the past 12 months for resale to an income eligible household as their permanent primary residence. C. Acquisition and redevelopment of a vacant residential single-family structure for resale to an income eligible household as their permanent primary residence.

NEXT STEPS	
Once I apply, what is next?	<p>MSHDA will review fully completed applications and notify applicants of determination by email within 180 days of submission date with an executed grant agreement anticipated within 90 days, thereafter. All submissions will be evaluated based on the following criteria: eligibility, timing, consistency with one or more priorities within the corresponding regional action plans, feasibility, potential selected component(s), need/impact on the proposed area(s), geographical distribution, targeted activity, and population to be served, and agency capacity. A conference call, formal presentation of proposal, and/or site visit may be required as part of the deliberation process for final awards. Funding reservation amounts are determined by MSHDA staff at our discretion and are contingent on available funds, responses received, and scoring outcomes.</p>





Housing Partnerships



Partnership Name	Key
Western Upper Peninsula Housing Partnership	A
Central Upper Peninsula Housing Partnership	B
Eastern Upper Peninsula Housing Partnership	C
Northwest Housing Partnership	D
Northeast Housing Partnership	E
West Michigan Housing Partnership	F
East Central Michigan Housing Partnership	G
East Michigan Housing Partnership	H
South Central Housing Partnership	I
Southwest Housing Partnership	J
Southeast Housing Partnership	K
Oakland Housing Partnership	L
Macomb Housing Partnership	M
Wayne Housing Partnership <i>including Hamtramck and Highland Park</i>	N
Detroit Housing Partnership	O



HCDF MI Neighborhood Requirements

HCDF Requirements	
Fair Housing Plan and Training Component	<p>Subrecipient Agencies will need to adopt a fair housing plan as part of their program guidelines. In addition, HCDF program administrative staff and community partners will participate in one Fair Housing training approved by the MSHDA within the first 60 days of working directly within an HCDF program and annually for the duration of the program. Approved trainings found on the MSHDA Fair Housing webpage include virtual and recorded trainings.</p>
Accessibility and Visit-Ability	<p>MSHDA encourages the building of more accessible and adaptable housing. Based on CDC data Michigan has a 26% disability rate among adults, meaning one out of every four adults in Michigan has a disability, with 12% being mobility, 5% hearing and 3% vision. The older adult population in the state is growing and so is the need to build housing designed to age in place. Investing in accessible and adaptable housing will address these demands and further equitable housing opportunities. Further details are outlined in the overview document below.</p> <p>The HCDF funds are being used to assist marginalized groups in accessing affordable housing and services while combating housing inequities and lack of access to opportunities. Once a subrecipient agency is selected, as part of their program guidelines, they will need to identify the marginalized groups that will be served with these resources and inequities that will be addressed with the activities proposed in your submission.</p> <p>It is imperative that stakeholders from diverse backgrounds (i.e., race, gender, ethnicity, disability status, geography, etc.), be informed and authentically represented in the distribution of funding. Once a subrecipient agency is selected, as part of their program guidelines, they will need to identify the explain specific engagement steps taken to inform area residents of the funding opportunity and that will be undertaken to ensure marginalized groups have access to this program.</p> <p>Once a subrecipient agency is selected, as part of their program guidelines, they will need to identify the provisions will be in place to ensure ongoing data collection, stakeholder participation, and public feedback.</p> <p>Once a subrecipient agency is selected, as part of their program guidelines, identification of the measures that will be used to determine program success (data indicators and benchmarks, anecdotal}. A plan for ongoing evaluation measures that will be used to assess the level of diversity, inclusivity and quality of ongoing stakeholder engagement as well as a report process will also be included in the program guidelines.</p>



HCDF MI Neighborhood Requirements

03/7/2023

Affirmative Marketing	<p>All program materials must include the following:</p> <ul style="list-style-type: none">• <i>Fair Housing logo</i>• <i>ADA Accessible logo</i>• <i>Statewide Housing Plan Affirmative Statement:</i> <i>Michigan State Housing Development Authority is committed to providing meaningful access. For accommodations, modifications, translation, interpretation, or other services, please contact MSHDA-NDD@michigan.gov</i>
Program Accessibility	<p>All program documents, trainings, webinars, and services must be ADA accessible and translation services must be provided and MSHDA can assist Subrecipients with translation and grant administrative funding can pay for this activity. Key program documents must (to the extent possible) be published in English, Spanish, and any other language/dialect based on local community needs.</p>



Project Condition

A successful place-based project must be in an eligible area and/or result in an eligible beneficiary/recipient.

Property Condition

Repairs are restricted to permanent activities and defined as those necessary when a lack of repair or replacement threatens the safety of occupants and if not addressed will cause structural damage to the home and are limited to the MI Neighborhood assisted activities list.

The assisted property must be currently occupied and not red tagged or defined as uninhabitable based on local code.

This program is not designed to address mold, animal infestations, or other immediate threats to the health and safety of residents.

Change orders exceeding ten percent (10%) require MSHDA pre-authorization.

MI Neighborhood Expectations

- A local determination of licensing, insurance, lead, asbestos, and other local requirements, including but not limited to permits, must be made by the subrecipient.
- A notice to proceed by MSHDA must be secured prior to any work being performed and/or costs being incurred by the subrecipient.
- A determination of required inspections and/or confirmation that all other local requirements were met must be made by the subrecipient.
- Completion and satisfaction with work must be formally signed and dated by the homeowner, subrecipient, and contractor prior to FSR request.

Eligible Activity Guide

Improvements in the MI Neighborhood Program can be comprised of both exterior and interior activities of a single-family home, as identified within this handbook.

Improvements must substantially protect or improve the basic livability of a single-family home. Improvements must be physically attached and be permanent in nature unless it is an Energy Star appliance.

Homeowners Insurance is required for all activities except emergency situations where the activity is necessary to secure the insurance. Written MSHDA pre-authorization is required and will be contingent upon sufficient documentation, including an insurance company's written statement being secured.

Tenant insurance is not required as long as homeowner insurance is in effect.

Ownership for Non-Owner-Occupied Properties: Public Amenity

If you will be undertaking work on a site that is:

- a) not owned by the subrecipient based on the current recorded deed
and
- b) the assisted property is not an owner-occupied single-family structure

Then the following action steps will be required by your agency:

1. Develop a scope of work and timeline that is agreed to in writing by all parties.
2. Obtain formal written authorization and a Notice to Proceed from the current owner.
3. A Landlord Written Participation and Certification Agreement will be required.
4. Obtain verification that there is current liability insurance, and all taxes are current and/or a current payment plan/agreement is in place for the site prior to any work taking place.

Ineligible Improvements Activity Guide

MSHDA at its discretion will determine the specific activities it will fund during the review process. Public infrastructure such as streets, curbs, sidewalks, streetlights, and any activities within the public right of way; and any other activities already funded by another entity/agency including but not limited to economic development, direct business assistance, workforce training, etc. are prohibited. This is also not replacement funding; it cannot be re- granted and/or serve as a matching resource for another State and/or Federal Program without written NDD pre-authorization.

The subrecipient cannot specify that every house in the program receive the same type of assistance. All activities undertaken with MI Neighborhood funds must be based on property specific need and are limited to costs associated with specific activities outlined within the term sheet.

MI Neighborhood is not:

- Demolition Program
- Commercial Structures Program/Mixed-Use Downtown Program – HOUSING ONLY INVESTMENTS
- Previous NDD Program(s) – MSHDA Mod, M3, NEP, NSP-PI, MICH, MI-HOPE, SHRP, CHILL
- Pre-development Program
- Multi-Family Program Activities funded with other Authority Resources
- If an application is under review or a contract is in place for the same activity requested from non-NDD MSHDA Programs – each program has its own requirements and must be rescinded prior to NDD application. Note: funding is not guaranteed.
- Acquisition financing

The MI Neighborhood Program and funding does not reimburse for event food and/or event-oriented items (paper/plastic products, cleaning/office supplies, etc.).

**Michigan State Housing Development
Authority Neighborhood Development
Division**

2024 MONITORING PLAN

The Neighborhood Development Division (NDD) is responsible for ensuring that funds are committed and expended in accordance with the program requirements of NDD's funding sources -- MSHDA Habitat for Humanity DPA/PHR/Prison Build grants, MSHDA HDF funds (including the Neighborhood Enhancement Program and MSHDA MOD), MI Neighborhood State HCDF funds, and NSP-Program Income including SHRP. NDD's 2022/2023 Monitoring Plan identifies monitoring objectives, ongoing monitoring procedures, and criteria for on-site monitoring of program participants. This annual monitoring plan serves as a strategy for determining compliance as well as guidance for NDD housing staff.

MONITORING OBJECTIVES

Ensure Production and Accountability. NDD staff will monitor subrecipient performance to ensure state and/or federal funds are used to provide housing and housing-related services for low to moderate income residents; all assisted housing units must meet, at a minimum, HUD's Housing Quality Standards (HQS), if applicable; and program funds are expended in a timely manner.

Ensure Program Compliance and other Federal Requirements. NDD is responsible for ensuring funds are spent for eligible program purposes and in accordance with all applicable Federal regulations and state and local laws.

Evaluate Organizational and Project Performance. NDD will monitor how efficiently and effectively services are provided. NDD will evaluate whether an organization has an effective flow of work, and has incorporated checks and balances into its operations, so that compliance is built into the standard operating procedures.

MONITORING STRATEGY

To ensure successful performance and compliance in every program and project, NDD adopts the following monitoring strategy for all active grants:

- Conduct on-going monitoring reviews of all active grants with a balance by evaluating the monitoring objectives throughout the grant term.
- Perform On-Site Monitoring Reviews when applicable and deemed appropriate by the on-going monitoring performed throughout the grant term.
- Conduct follow-up activities as needed.

MSHDA (Habitat, NEP, MSHDA MOD, and NSP-PD) ONGOING MONITORING

Ongoing monitoring reviews are built into NDD's service delivery system and occur every year on open grants that are not being monitored on-site. Housing staff monitor program progress and performance, compliance, and financial management on an ongoing basis throughout the grant period using the MSHDA grant management system, as subrecipients submit electronically financial status reports for each expenditure, including but not limited, to the following through the MSHDA grant management system:

- Financial Status Report to request grant payments and report expenditure details.
- Partnership Profile that includes corporate information: Audits, Articles of Incorporation, Bylaws, Board of Director Membership, IRS 990's, etc. Organizational review is performed by NDD staff, and the financial review is completed by the Asset Management Division.
- Final Outcome Report – measures and collects final project and grant outcomes.

Inconsistencies or questions regarding the timelines, content, or accuracy of submitted reports are communicated to the subrecipient for follow up as they occur.

State and Local Fiscal Recovery Funds/ Housing and Community Development Funds/ MI-HOPE and MICH and Funded MI Neighborhood Monitoring Oversight

On-going desk reviews and technical assistance will be observed throughout the grant term. After the initial draw of twenty five percent (25%) a technical assistance visit (either in person or remote) will be performed by a MI Neighborhood staff member on an as needed basis. After the second draw of an additional fifty percent (50%) a formal site visit may be conducted based on a program level risk assessment by MI Neighborhood staff including site visits to assisted properties by the MI Neighborhood Program Manager for construction purposes.

Risk monitoring is based on the Q1 2024 report question asking, subrecipients to choose the Activity Specific Compliance Methodology they will be using. IGX Activity Data Entry Only will be considered low risk monitoring. IGX Data Entry Certification, IGX/Certification Combination, or no response will result in being considered high risk monitoring. By the first Friday of each month, a percentage of completion report will be given to MSHDA's third party monitor.

The process is to perform a desk monitoring 100% of High Risk subrecipients files and 20% of IGX Activity Monitoring subrecipient files. My desk monitoring includes reviewing all data entry and documents uploaded into IGS and Kinotech systems following the MI-HOPE Project Specific Checklist for Subrecipients.

Any incomplete or inconsistent documentation is flagged. MSHDA staff will contact subrecipients and request additional information. Subrecipients must respond to this request within 7 business days. A review of the requested information will be conducted, and a determination made on if the additional information complies with the monitoring requirements. If not, the appropriate monitoring determination is made and documented in the third party written Monitoring Report to MSHDA.

The third-party contractor will submit monthly a monitoring report to MSHDA Construction Manager or delegate. The Construction Manager or delegate will perform on-site inspections of at least three addresses per subrecipient.

The Monitoring Report will list every address for which a desk monitoring was conducted. The possible result for each address will be one of the following:

- Full Compliance – no issues
- Findings – deficiency based on a
 - Federal statutory, regulatory, or program requirement
 - NDD Policy Bulletin
 - Subrecipient’s Program Guidelines
 - Finding example: No pandemic hardship or income verification documentation
 - Concerns/Recommendations – deficiency not based on a statutory, regulatory, or other program requirement.

Upon the final draw (remaining 25%) the closeout process will be prepared by MI-Neighborhood staff and submit to the Closeout Specialist for closeout.

NDD Grant and Project Documentation

In addition to information obtained from MSHDA’s database system(s), ongoing monitoring involves a review of hard copies of documents that are submitted directly to this office:

- Grant agreement
- Income verification/Household Self Certification Forms
- Project specifications (before and after photos, pre-approval forms, invoices)
- Mortgage/Note/ Regulatory Agreement
- Third party rental property management broker’s license and tenants’ rental management plan/agreement (if applicable)
- Audits (if applicable)

ON-SITE MONITORING

Subrecipients are selected for on-site monitoring visits based on the status of the on-going monitoring of each active (open) grant with a balance or when an on-site monitoring visit is determined necessary. Then the following steps will be taken:

Steps for On-site Monitoring Review

1. Set up monitoring date with subrecipient and Third-Party Administrator (if applicable).
2. Send Confirmation of Monitoring Visit letter enclosing copies of the forms to be used.
3. Conduct on-site monitoring using the following documents:
 - Monitoring Checklist
 - Required Documents Checklists sufficient to review project files
4. Follow-up Letter is prepared by the Housing staff that communicates the results of the grant monitoring including any recommendations or findings.

Definitions

1. **Recommendations**. A deficiency in program performance not based on a statutory, regulatory, or other program requirement. Sanctions or corrective actions are not authorized for concerns. However, Housing Specialist should bring the concern to the program participant's attention and, if appropriate, may *recommend* (but cannot require) actions to address concerns and/or provide technical assistance.
2. **Findings**. A deficiency in program performance based on a federal statutory, regulatory or program requirement, NDD Policy Bulletin or subrecipient's Program Guidelines for which sanctions or other corrective actions are authorized. Such sanctions or actions are generally subject to NDD discretion.

On-Site File Review

1. Complete On-Site Monitoring Review Checklist for all administrative and compliance sections and the relevant grant component sections. If a third party is administering the grant, the review must include a visit to both the subrecipient and to the third-party administrator with monitoring questions directed to the responsible party as outlined in the Third-Party Management Plan. Regardless of how grant management responsibilities are divided between the subrecipient and the grant administrator, the subrecipient of record has ultimate responsibility for compliance with the terms of the grant agreement.
2. Complete a Required Documents Checklist review of at least 3 project files (if applicable).

3. Verify household eligibility based on income/asset verifications and calculations compared to relevant MSHDA or HUD Income Limits.
4. Review project files for the units that are not visited to inspect required documentation which is completed and located in the files.

FOLLOW UP

1. Review the On-Site Monitoring Review Checklist for comprehensiveness and clarity adding comments to substantiate subrecipient responses to a third-party reviewer (NDD Management and/or HUD).
2. The On-Site Monitoring Review Checklist, when finalized, becomes the Grant Monitoring Report, and is retained in the grant file.
3. Within 30 days of the date of the monitoring visit, send an On-Site Monitoring Follow-Up Letter to the chief elected official or nonprofit board chairperson of the subrecipient with a copy to the housing official with whom the monitoring visit was conducted. The follow-up letter should identify findings, recommendations, requests for information, and any other required action allowing 30 days for a response. A copy of the On-Site Monitoring Follow-Up Letter is forwarded to NDD's Manager.
4. Enter monitoring information in the MSHDA Grants System on the grant menu screen under comments.
5. Clear findings within 30 days of receipt of adequate documentation. Record resolution of findings in the MSHDA Grants System.
6. Prepare the Findings Cleared letter and mail to subrecipient, third party administrator, etc. If all findings are not cleared, additional correspondence is required with subrecipient until all are resolved.
7. If there is no response to the Follow-Up Letter within the 30-day deadline, contact subrecipient to determine the status and how much additional time is needed. Keep written notes of efforts to clear findings in the file. **Withhold further grant payments if finding is unresolved 60 days after agreed upon or re-negotiated deadline.** After this time period the subrecipient is considered not to be in good standing with MSHDA.

ADDITIONAL MONITORING REQUIREMENTS

Additional monitoring requirements will be considered and incorporated where appropriate. At the subrecipient level a minimum of twenty percent (20%) of the self-certifications by contractors/subcontractors will need to be validated.

NDD SUPPLEMENTAL AUDIT GUIDE

Purpose: This Audit Guide is designed to assist the Michigan State Housing Development Authority's

(MSHDA) Neighborhood Development Division (NDD) grantees and their respective auditors in completing audits for NDD-funded grants. Grantee audits are the primary source used during the review and closeout of completed NDD grant programs. They are also used to help NDD assess grantee capacity at the time of grant application.

Audit Requirements

The following submissions are required in order to satisfy the audit requirements for administering NDD grant programs. Please review the details below regarding audit requirements according to funding level or expenditure according to funding source.¹

- A. If a Grantee's total federal grant expenditure is **\$750,000 or more** in a fiscal year (starting with FY 2015 audits):
1. Single Audit must be electronically submitted to the Federal Audit Clearinghouse within 9 months of the grantee's FY end.
 2. Audited Financial Statements are required to be submitted to MSHDA within six months of the grantee's FY end annually, until the grantee receives a grant closeout letter from NDD for all open NDD grants.
 3. If a non-profit, Form 990 is also required, or documentation certifying that the organization is exempt from the 990 filing.

Single Audits must be conducted in accordance with the provisions stated in OMB 2 C.F.R. Part 200 Subpart F: Audit Requirements for Federal Awards (Subpart F of 2 CFR Part 200). See section §200.502 Basis for determining Federal awards expended.

- B. If a Grantee's total federal grant expenditure is **less than \$750,000** in a fiscal year (starting with FY 2015 audits):
1. Audited Financial Statements are required to be submitted to MSHDA within six months of the grantee's FY end. MSHDA requires that a Supplemental Information Schedule (SIS) be included in the audited financial statements. The SIS should list each CFDA number, reported revenues, expenditures during the fiscal year, and any match/leverage funds used. The financial statements are to be submitted to MSHDA within six months of the grantee's FY end, until they receive a grant closeout letter from NDD.
 2. If a non-profit, Form 990 is also required, or documentation certifying that the organization is exempt from the 990 filing
 3. If a non-profit is exempt from annual audited financial statements, documentation certifying such must be submitted to MSHDA annually.
- C. Annually, any subrecipient of MSHDA NDD grants must complete and submit a Single Audit Certification form (found on the last page of this document) until all open grants from these units have been officially closed out by MSHDA staff.

¹ Third-party administrators are required to adhere to this Audit Guide and the requirements established under the Subpart F of 2 CFR Part 200. To that end, audits should be conducted for both the grantee and third-party administrator for the NDD programs reviewed during a given fiscal year.

Auditee Responsibilities

The auditee receiving and administering NDD grant awards should:

- A. Identify in its accounts all federal and non-federal awards received and expended and the programs under which they were received. NDD awards typically have the funding source stated on the cover page of the grant agreement.
- B. Maintain internal controls that provide reasonable assurance that the auditee is managing awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its programs.
- C. Prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards (SEFA) in accordance with 200.510-Financial Statements of the Subpart F of 2 CFR Part 200.

- 1. List **separately** each federal award identification number, the corresponding grant award and expended amount as part of the Schedule of Expenditures of Federal Awards for single audits. Each NDD grant should be listed separately as well in the Supplemental Information Schedule (SIS) for financial statements (see section B on page 1 for more specifics regarding the SIS). **Neither NDD grant awards nor grant expenditures should be listed as an aggregate amount in the single audit or financial statements.**
- 2. For grantees who have third-party administrators¹ conducting their housing programs, the third-party administrator should list the grantee in their financial statements or single audit as the pass-through entity.
- 3. Provide the auditor with the following Catalog of Federal Domestic Assistance (CFDA) numbers based on the federally funded NDD program(s) being audited:

[For the Compliance and Reporting Guidance, Click here.](#)

a. SLFRF	ALN. 21.027
b. NSP1	14.228
c. NSP2	14.256
d. CDBG	14.213

- 4. For grantees who are also pass-through entities, the total amount of federal fund expenditures passed to subrecipients should be identified on the SEFA.
- 5. Include notes that describe the significant accounting policies used in preparing the schedule.
- D. Ensure that the Single Audits required by this Audit Guide are performed and submitted to the Federal Audit Clearinghouse when due. Single Audits are due no later than nine months after the end of the grantee's fiscal year.
Ensure that any audit performed other than the Single Audit be submitted to MSHDA within 30 days of completion, but no later than six months after the end of the grantee's fiscal year.
- E. Promptly follow-up and take corrective action on audit findings and/or questioned costs. This includes preparing a summary schedule of *prior* audit findings and/or a corrective action plan for current year audit findings in accordance with 200.511 Audit findings follow-up for. Both the summary schedule and the corrective action plan should include the reference numbers the auditor assigns to the audit finding. The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.
Since the summary schedule may include findings/questioned costs from multiple years, the fiscal year in which the finding initially occurred should also be included and an update should be given on the findings/questioned costs reported in previous summary schedules unless the finding has been documented as corrected or no longer valid.

Auditor Selection

In arranging for audit services, auditees should follow applicable federal procurement standards found in 2 CFR 200.317-326.

- A. Factors to be considered in evaluating each proposal for audit services include: the responsiveness to the request for proposal, relevant experience, availability of staff with professional qualifications and technical abilities, the results of external quality control reviews, and price. For Single Audit RFPs, the auditee must request a copy of the audit organization's peer review report, which the auditor is required to provide under GAGAS.
- B. An auditor who prepares the indirect cost proposal or cost allocation plan may not also be selected to perform the Single Audit when the indirect costs recovered by the auditee during the prior year exceeded \$1 million.
- C. Auditors should be familiar with the following definitions:
 1. Federal award - Federal financial assistance and federal cost-reimbursement contracts that non- federal entities receive directly from federal awarding agencies or indirectly from pass-through entities.
 2. Federal financial assistance - Assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other financial assistance. This does not include amounts received as reimbursement for services rendered to individuals as described in Subpart F of 2 CFR Part 200 200.502 Basis for determining Federal awards expended.
 3. GAGAS– Generally accepted government auditing standards issued by the Comptroller General of the United States which are applicable to financial audits.
 4. Internal control - A process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - a. Effectiveness and efficiency of operations
 - b. Reliability of reporting for internal and external use; and
 - c. Compliance with applicable laws and regulations.
 5. Internal control over compliance requirements for Federal awards – a process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:
 - a. Transactions are properly recorded and accounted for, to ensure all of the following:
 1. Permit the preparation of reliable financial statements and Federal reports.
 - b. Maintain accountability over assets.
 - c. Demonstrate compliance with Federal statutes, regulations, and the terms and condition of the Federal award.
 6. Transactions are executed in compliance with all of the following:
 1. Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program.
 2. Any other Federal statutes and regulations that are identified in the Compliance Supplement.
 3. Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

6. Major Program - A federal program determined by the auditor to be a major program in accordance with the Subpart F of 2 CFR Part 200 or a program identified as a major program by a federal agency or pass-through entity in accordance with the Subpart F of 2 CFR Part 200.
7. Non-federal entity - A state, local government, or nonprofit organization.
8. Pass-through entity – A non-federal entity that provides a federal award to a subrecipient to carry out part of a federal program.
9. Program-specific audit - An audit of one federal program as provided for in the Subpart F of 2 CFR Part 200.
10. Single audit – An audit which includes both the entity’s financial statements and the federal awards as described in the Subpart F of 2 CFR Part 200.
11. Subrecipient (i.e. a MSHDA grantee or the third-party administrator for the grantee) – A non- federal entity that receives federal/MSHDA awards either directly from a Federal agency or through MSHDA to carry out part of a federal/MSHDA program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a pass-through entity.

Pass-through Entity Responsibilities

A non-Federal entity that provides a subaward to a subrecipient to carry out a part of a Federal Program (for example, a grantee or a third-party administrator). More details can be found in Subpart F of 2 CFR 200.331

A pass-through entity shall perform the following for the federal- and MSHDA-funded awards it makes:

1. Identify awards made by informing each subrecipient (see definition given above) of the, CFDA title and number, Federal awarding agency name, Federal award identification number, federal award date, contact information for awarding official of the pass-through entity, subaward period of performance dates, amount of sub award, federal award project description, if the specific award is Research & Development (R&D), and the indirect cost rate (including if the de minimus rate is charged) .
2. Advise subrecipients of requirements imposed on them by federal laws, regulations, and the provisions of contracts or grant agreements, as well as any supplemental requirements imposed by the pass-through entity.
3. Advise subrecipients of the approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with federal regulations), or a de minimum indirect cost rate as defined in 200.414, paragraph (f).
4. Monitor the activities of subrecipients as necessary to ensure that awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
5. Ensure that subrecipients expending \$750,000 or more in federal awards during the subrecipient's fiscal year have met the audit requirements of Subpart F of 2 CFR Part 200 for that fiscal year.
6. Issue a management decision in accordance with 200.521 Management decision on audit findings that relate to Federal awards it makes to subrecipients within six months of acceptance of the audit report by the FAC and ensure that the subrecipient takes appropriate and timely corrective action.
7. The management decision shall clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee corrective action. The decision should also include the reference numbers the auditor assigned to each audit finding.

8. Require each subrecipient to permit the pass-through entity and auditors to have access to subrecipient records and financial statements as necessary for the pass-through entity to comply with 200.331 Requirements for pass-through entities.
9. Respond to audit confirmation letters. MSHDA, as of the date of this supplement, will only respond to confirmation letters where the subrecipient, based on their accounting records, has provided the payments received by MSHDA before MSHDA replies with the dollar amounts noted in their records.
10. Endorse the performance of additional audits as necessary in situations where the mismanagement of grant funds has been verified or is suspected based on reasonable cause.

Audit Reporting

The auditor's report shall state that the audit was conducted in accordance with Part 200--Uniform Administrative Guidance, Cost Principles, and Audit Requirements for Federal Awards and include the following:

- A. An opinion (or disclaimer of opinion) as to whether the financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles and an opinion (or disclaimer of opinion) as to whether the schedule of expenditures of Federal awards is presented fairly stated in all material respects in relation to the financial statements taken as a whole.
Each audited NDD grant should be listed **separately** by NDD grant number, the corresponding grant award amount, and the expended amount as part of the Schedule of Expenditures of Federal Awards for single audits. If a single audit is not required, each audited NDD grant should be listed separately as in the Supplemental Information Schedule (SIS) for financial statements (see section F below for more specifics regarding the SIS). **Neither NDD grant awards nor grant expenditures should be listed as an aggregate amount in the single audit or financial statements.**
- B. A report on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements. This report must describe the scope of testing of internal control and compliance and the results of the tests, and, where applicable, it will refer to the separate schedule of findings and questioned costs described below.
- C. A report on compliance for each major program and a report on internal control over compliance. This report must describe the scope of testing of internal control over compliance, include an opinion or disclaimer of opinion as to whether the auditee complied with Federal statutes, regulations, and the terms and conditions of Federal awards which could have a direct and material effect on each major program and refer to the separate schedule of findings and questioned costs described below.
- D. A Schedule of Findings and Questioned Costs which includes a summary of the auditor's results, in accordance with 200.515 Audit reporting, findings relating to the financial statements which are required to be reported in accordance with GAGAS, and findings and questioned costs for Federal awards which must include audit findings as defined in 200.516 Audit findings, paragraph (a).
- E. A follow-up from the auditor on prior audit findings, a review of the summary schedule of prior audit findings prepared by the auditee, and a report, as a current year audit finding, when the auditor concludes that the auditee's summary schedule misrepresents the status of any prior audit finding.

Audit Working Papers

- A. Auditors should retain working papers and reports for a minimum of three years from the date of submission of the report to the Federal awarding agency or pass-through entity in the case of a subrecipient the issuance of the auditor’s report to the auditee, unless notified in writing to extend the retention period.
Records for program income transactions. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity’s fiscal year in which the program income is earned. Other exceptions to the three-year retention requirement are found in 200.333, Retention requirements for records.
- B. Audit working papers should be made available upon request to HUD, MSHDA or their designee, or the U.S. Government Accountability Office (GAO) at the completion of the audit.

Frequency of Audits

Audits are to be conducted annually except where biennial audits are permitted. Biennial audits, where applicable, must cover both fiscal years within the biennial period. Biennial audits can be performed when:

- A. A local government is required by constitution or statute, in effect on January 1, 1987, to undergo its audits less frequently than annually. This requirement must still be in effect for the biennial period under audit.
- B. A nonprofit organization had biennial audits for all biennial periods ending between July 1, 2021, and January 1, 2024.

Report Submission

- A. Auditors should ensure that each auditee uploads a reporting package to the Federal Audit Clearinghouse’s Internet Data Entry System within the earlier of 30 calendar days after receipt of the auditor’s report(s), or nine months after the end of the audit period.
- B. Auditees should keep the reporting package on file for three years from the date of submission to the federal clearinghouse. Pass-through entities shall keep auditee reporting packages on file for a minimum of three years from the date of receipt.
- C. Local units of government should post their audits on the Michigan Department of Treasury’s website (www.michigan.gov/treasury). Auditors can assist with the uploading of this submission.

Audit Costs

A reasonably proportionate share of the costs of audits required by, and performed in accordance with, the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507), as implemented by requirements of the Subpart F of 2 CFR Part 200 are allowable.

**Section 2:
MI Neighborhood
Action Steps All
Components**

MI Neighborhood Program Checklist for Subrecipients

The following is a checklist of steps that represents what MSHDA expects all subrecipients to complete. Documents must be maintained in local project files. The list of required documents is generally organized in a chronological order and broken into key phases of the life cycle of a specific project. *Note: There should be a separate file set up for each competent and/or project.*

Date Completed

- _____ Partnership Profile Creation and Submission.
- _____ Program Guidelines Subrecipient submission.
- _____ Program Guidelines MSHDA approval.
- _____ Documents signed in IGX
 1. Board Approval
 2. Grant Agreement
 3. Exhibit A, B, and C
 4. Certified Resolution (Non-Profit Only)
 5. Grant Closing Statement (Non-Profit Only)
 6. Authorized Signature Form (Local unit of Governments Only)
- _____ Informal Notice to Proceed Issued by MSHDA when grant fully signed by Executive Director.
- _____ Application marketed to residents/intake process completed on MSHDA system.
- _____ Verification of Property Eligibility via MI Neighborhood project checklist for subrecipients. Address specific information entered and uploaded into the MSHDA Grants System
- _____ All applicable data has been collected, including the Household Income Self-Certification form, authorization to release information, homebuyer certification, landlord written participation and certification agreement, demographic information, and lead/asbestos form all required to be uploaded prior to execution of the property specific construction contract.

- _____ Issuance of Contract with an Effective Date, Funding Source, Scope of Work, Completion Date, and Dollar Amount.
- _____ Prior to the start of work, a determination of required inspection and/or confirmation of accessibility need and that all other local requirements were met must be made by subrecipient.
- _____ Notice to Proceed issued by the Subrecipient based on signed and dated formal approval by the homeowner, subrecipient, and contractor, based on an accepted bid/quote (per address).
- _____ If Change order to Contract is required (submit a modified Per-Approvals forms to Champion for approval. Required if there is a change in the Scope of Work or an increase in price beyond ten percent (10%) of the original estimated contract amount.
- _____ Financial Status Report (FSR)
 1. Program Administration Report filled out, signed and uploaded if billing admin.
 2. Upload invoices for all work performed that identifies contractor name, description of the work performed, dated the work was performed (start and end) uploaded.
- _____ Retain in file all checks issues and received for each invoice.
- _____ Approval and Request for Contractor Payment Form and Inspection Report must be uploaded to system prior to FSR.
- _____ Final billing from contractor: Itemized summary listing all project costs.
- _____ Outcomes report entered in the system that includes:
 1. Uploaded before and after pictures/video
 2. Uploaded MSHDA Homeowner Surveys
 3. Energy efficiency savings projections
(If applicable)
 4. Yearly billing analysis (if applicable)
- _____ If the activity is roof, windows, and/or insulation *and* the home is pre-1978 construction then subrecipient must provide a pre-evaluation disclosure of Lead Based Paint Procedure to Property Owner. Property Owner must provide the informational lead brochure to occupant/tenant.
- _____ If the activity is insulation, modification for modernization/efficiency purposed or replacement of heating (furnaces or boiler)/cooling (full home only)/ventilation systems and water heater upgrades or replacement directly tied to plaster walls. If a subrecipient determines asbestos to be present, then mitigation measures are required to be completed.

MI Neighborhood Project Specific Checklist for Subrecipients (Tenant Occupied)

Assisted Property Address: _____ Date App Received: _____

Verification Of Property Within Agency's Area/Zip Code _____

Boundaries Date Applicant Selection Date: _____

Applicant Selection Criteria Utilized: _____

Homeowner/Tenant(s) Names: _____

Contact Information: Phone/Email Address(es) _____

- SIGNED copy of MI Neighborhood application and verification of eligibility is required
- SIGNED and DATED copy of Household Income Self-Certification Form and Supporting documentation
 - Including:
 - Signed 12-month Lease Agreement
 - Tenant Landlord Written Participation and Certification Agreement.
- Procurement/Cost Reasonableness/Formal Bids Obtained (2 or 3 if necessary)
- Before pictures, including one that shows entire front of house with address numbers
- Copy of insurance certifications and license for contractor and subcontractors (if applicable)
- Volunteer labor approved by MSHDA (if applicable)
- Proof of current homeowner insurance
- Proof that property taxes are up to date or property is current in a repayment plan
- Inspections/Lead/Asbestos evaluations and actions undertaken
- Activity Scope determined/Specs/Work orders approved by all parties

Contract Fully Executed Date: _____

Name of Contractor/Subcontractor: _____ / _____

- Total Contract Amount \$ _____
- Notice To Proceed Issued Date: _____
- Change Orders/Revisions to Contract - Note if >10% MSHDA Pre-Approval Required
Description: _____
- Approval and Request for Contractor Payment(s) Signed and Dated by all Parties
- Reimbursement from MSHDA requested for work performed and approved

Upon Completion of Work

- After picture
- Invoice(s) submitted/Final billing and Approval Form provided
- Final energy bill/savings calculation
- Surveys-Owner/Occupant

Program Activity Checklist

Applicants must focus for their occupied or unoccupied rehabilitation programs from among the following:

- **Energy Efficiency:** An activity that prioritizes increased energy efficiency and reduces utility cost.
- **Accessibility Improvements:** An activity that prioritizes accessibility improvements to reduce barrier to occupants.
- **Minor Home Repair:** An activity that prioritizes addressing minor health and safety issues for occupants.
- **Exterior Rehabilitation:** An activity that prioritizes neighborhood impact by providing resources to property owners to address deteriorated exterior housing elements.
- **Substantial Rehabilitation:** An activity designed to provide comprehensive rehabilitation of a property.
- **Rental Redevelopment:** An activity designed to redevelop existing vacant residential rental units in mixed use structures. Units must have been vacant as of December 31, 2023.

MI Neighborhood Reimbursable Line Items:

Accessibility:

- Handrails
- Grab Bars
- Lower Closet Rods
- Barrier-free Showers/Tubs
- Lowering of Kitchen Cabinets
- ADA Counter Tops
- ADA Toilets and Vanities
- Levered Door Handles
- Toggle Light Switches
- Ramps, front, side, back or garage
- Zero-Step Entries
- Self-closing Mechanisms
- Widened Doorways & Offset Hinges
- Universal Design Floor Coverings (not allowed as a standalone activity)
- Updating of Dated and Dangerous Wiring to Be Able to Accommodate Medical Equipment Needs
- Indoor/Outdoor Stairlifts
- Modifying Rooms to Create First-Floor Bedrooms, Kitchens, Bathrooms
- Laundry Rooms and/or Utility Rooms
- Increasing Turn Around Radii and Bathroom Size to Accommodate Wheelchairs
- Van Accessible Parking
- Motion Lights
- Vision or Hearing Aids – Permanent Household Fixtures Only

Energy Efficiency:

- Roofs, Soffit, Gutters, and Fascia (no partial replacements)
- Storm Doors/Exterior Doors
- Windows
- Insulation
- Modification for modernization/efficiency purposes or replacement of heating (furnaces or boilers)/ cooling (full home only)/ventilation systems and water heater upgrades including on demand retrofitting
- Functioning and up to date exterior security lighting
- Appliance upgrades to energy star rating i.e. stove, refrigerator
- Electrical updates or replacement - wiring of home (partial or full)

Other Eligible Activities Requiring MSHDA Pre-Approval and Cannot Be Stand-Alone:

- Masonry Replacement or Repair
- Lead and/or Asbestos Remediation
- Interior walls, Ceilings, and Drywall
- Porch/Deck Repair and Installation
- Private Driveways and Sidewalks (Concrete and Asphalt)

All other rehabilitation activities need to be requested in program guidelines, approved by MSHDA, and incorporated in your grant agreement.

New unit, or other unoccupied rehab activities are limited to the Sworn Statement items, approved by MSHDA and incorporated in your grant agreement.

Section 3:
MI Neighborhood
Housing Enhancement
Component

Rehabilitation Only

Home Energy Analysis/Audit Component Recommendation

- An energy analyst will inspect and identify the best opportunities to save energy and money while improving comfort within the home
- Identify component areas to make valuable home improvements to save energy
- Provide a better understanding of a home's energy efficiency

Note:

- If the MI Neighborhood activities are limited to only appliance upgrades, a home energy analysis/audit is not required.
- If MI Neighborhood activities are limited to roof repair, only an attic audit is required.

Action Steps

Step #1: Identify utility company servicing the home and analyze monthly energy bills. An initial monthly utility bill must be uploaded as part of the application intake process. On a yearly basis, a utility bill for the same month is required to be collected, tracked, and uploaded as part of the reporting process, until grant close out.

Step #2: Determine what incentives are currently being offered by the utility company

Step #3: Applicant submitted a Home Energy Assessment/Audit by one of the following methods (required) as outlined below:

Energy Audits

The MI Neighborhood program **highly recommends** energy audits/assessments provided by a professional certified energy auditor or equivalent professional, to determine which energy upgrade has the best annual energy saving for any home or project and/or to determine most critical home repair needs. The MIN Program requires energy audits for roof only projects as outlined below. Equivalent professionals must have the ability to prescribe energy upgrades and substantiate annual energy savings.

The following document has a list of professional audit types and/or software options that can help subrecipients determine energy savings per assisted household depending on which construction elements are undertaken. Utilizing professional energy auditors is the preferred method to identify energy upgrades and measure potential savings through scientific methods, blower door, inferred cameras, and energy rating software. NOTE: Subrecipients are urged to either find an energy auditor servicing their region or enroll a qualified rehabilitation specialist in an accredited energy auditor training program. [Find a Pro - GreenHome Institute](#)

[39014_CE-DTE_NH_HERS_Rater_Directory_v02_Web_Release.pdf \(consumersenergytradeally.com\)](#)

NOTE: The Green Home Institute has a streamlined training program available for qualified individuals to become a certified energy auditor utilizing the Home Energy Score system. [Learn - GreenHome Institute](#)

Professional Energy Auditors

- NEAT- “Normally utilized by Community Action Agencies.”
- HERS- Home Energy Rating System: A nationally recognized holistic view of the energy usage incorporating performance testing.
- Utility Company energy rater programs, Consumers Energy, DTE etc. [Home Performance with Energy Star[®] | Consumers Energy](#)
- Home Energy Score: US Department of Energy’s home energy score assesses the energy efficiency of a home based on its structure, heating, cooling, and hot water systems. [Home Energy Score | Department of Energy](#)
- BPI Energy Auditor: Home Energy Professional [Energy Auditor | Building Performance Institute, Inc. \(bpi.org\)](#)

Equivalent Professionals

- ICC certified residential housing inspectors.
- Local Building Officials
- Certified Housing Rehabilitation Network Specialist: associated with The Michigan Community Development Association (MCDA)
- Energy Star qualified Michigan Residential Builders

Energy Audit Software & Apps

- U.S. Department of Energy Home Energy Saver Tool; NOT CURRENTLY AVAILABLE, SITE UNDERGOING MAINTENANCE. [Site undergoing maintenance \(lbl.gov\)](#)
- Energy Star Home Energy Yardstick: Utilizes actual address data. [Energy Star Portfolio Manager: Home Energy Yardstick \(HEY\)](#)
- HomeSelfe Software/App: [HomeSelfe - Lower Bills, Get Rebates](#)

Please contact Jim Davis for assistance finding a professional home energy auditor within your region or to learn more about Green Home Institute (Home Energy Score) energy auditor certification.

Davisj83@michigan.gov

Cell: 517-512-5614

MI Neighborhood Energy Upgrade Activities

1. Roofing-NOTE: Roofing only projects are required to have attic energy audits completed to determine energy functionality of the roof system: Insulation, ventilation, and air sealing around penetrations. Gutters and down spouts are required on roof only projects to protect from wetting foundations and basements.

2. Storm Doors/Exterior Doors
3. Windows
4. Insulation
5. Modification for modernization/efficiency purposes or replacement of heating (furnaces or boilers)/cooling (full home only)/ventilation systems and water heater upgrades including on demand retrofitting.
6. Functioning and up to date exterior security lighting- NOTE: No energy audit needed for exterior lighting upgrades.
7. Appliance upgrades to Energy Star rating. NOTE: No energy audit needed for kitchen appliances. Utilize Energy Star Energy Guide for annual energy savings per appliance and/or Energy Cost Calculator.
[Energy cost calculator \(rapidtables.com\)](http://rapidtables.com)
[Calculate the power consumption of your electrical appliances - Electrical Usage Calculator \(energyusecalculator.com\)](http://energyusecalculator.com)
[Why Energy Efficiency Upgrades | Department of Energy](http://www.energyefficiencyupgrades.com)
8. Electrical Upgrades- Electrical upgrades must be tied to the installation of other eligible energy upgrades such as new furnaces, whole home air conditioners, on demand or larger water heaters, whole house generators etc. A new service panel or breakers or other electrical upgrades may be needed to accommodate new appliances. Code officials may call for additional wiring depending on state and local code requirements.

MI Neighborhood Energy Outcome Reporting

Outcome reporting must be measured and verified annual energy savings. This can be done by one or more of the following:

- Professional Energy Auditor
- Equivalent Professional with verifiable methods
- Actual Annual Energy Bill Comparison
- Energy Audit Software or Apps
- Energy Star Appliance Energy Guide-Operating Cost & Energy Guide Comparison of Similar Models.

Step #4: Review and evaluate results

Step #5: Plan project parameters

Procurement Requirements

Procurement – small purchase procedures are used to provide written documentation on how your agency will validate that the expenses made are reasonable and necessary. The purchase procedures should be part of your program guidelines and followed when selection of contractor(s) occur.

A minimum of two written quotes/cost estimates must be obtained in writing, emails are acceptable. Must contain a name, date, scope of work for a specified property, and a dollar amount per activity. Quotes that are comparable in scope for each activity are needed. If the gap between the two quotes/cost estimates is equal to or greater than 25% (rounded) of the lowest quote/cost estimate you must seek a third quote/estimate. The estimates can be from stores with dated receipts/invoices, activities itemized by type and cost. All quotes/ estimates must be itemized and clearly documented and be comparable in scope and materials.

The subrecipient must follow procurement procedures, obtain bids for all necessary work (labor and materials), and determine reasonableness.

Volunteers

We will require MSHDA written pre-authorization to utilize volunteer labor for work not requiring a licensed contractor, based on local requirements as long as lead/asbestos testing is conducted upfront, and property does not have Lead/Asbestos issues identified based on test results.

If a property owner is a licensed contractor and requests to complete the work on their own property, then written MSHDA pre-approval is required and all purchases including supplies and equipment must be purchased and completed by the subrecipient on their behalf based on the procurement requirements outlined above.

Failure to secure written pre-approvals from MSHDA will result in a determination of non-compliance that will result in funding awards to applicable properties being denied for reimbursement.

Volunteer Hours Computation Sheet

MI Neighborhood Programs

Applies to grant application and submission of actual volunteer hours.

Name of neighborhood Organization: _____

Name of Project: _____

Date of Activity	Name of Volunteer	Task	Hours Volunteered
Total Hours			

Notes:

Volunteer Hours Computation Sheet

MI Neighborhood Programs

Supporting information for grant application.

Name of neighborhood Organization: _____

Name of Project for volunteer commitment: _____

Date: _____

Name: _____

Resident Address: _____

Contact number: _____

I agree to commit (number) _____ hours as a volunteer for the above project.

Volunteer Hours Computation Sheet

MI Neighborhood Programs

Supporting information for grant application.

Name of neighborhood Organization: _____

Name of Project for volunteer commitment: _____

Date: _____

Name: _____

Resident Address: _____

Contact number: _____

I agree to commit (number) _____ hours as a volunteer for the above project.

Licensing Requirements

Each subrecipient must ensure that the work is undertaken by a knowledgeable, experienced, and capable individual. Subrecipient assumes responsibility and oversight of all work performance and to ensure cost reasonableness.

Note: The activities outlined below are not all eligible under MI Neighborhood, please refer to the Eligible Improvements Activity Guide.

You should be aware that all contractors offering to do work, which totals \$600 or more in labor and materials must be licensed by the Department of Licensing and Regulatory Affairs.

A **Residential Builders license** allows a contractor to build a complete residential structure and to do maintenance & alteration (remodeling) work on a residential structure.

A **Residential Maintenance & Alteration license** indicates that the holder has met requirements for one or more of the following trades:

- Carpentry
- Concrete
- Excavation
- Insulation Work
- Masonry
- Siding
- Roofing
- Screens and Storm Sash
- Gutters
- Tile & Marble
- House Wrecking
- Swimming Pools
- Basement Waterproofing

The trades for which a Maintenance & Alteration contractor is qualified to practice are listed on the license.

The holders' state license must be displayed in the place of business and all contractors, and their salespersons must carry a pocket card which you should ask to see. If they cannot show you a license, check the department's License Information database or call the Licensing Division at **517-335-9700**.

Generally, we suggest you look at the definition of a Residential Builder and the list of specialty trades for a Residential Maintenance & Alteration Contractor to see what is required to be licensed. You may wish to review Article 24 of the Occupational Code and read sections 339.2401, 339.2403, and 339.2404. However, over the years some specific services have been removed from the licensing law or rules.

Activity License Requirements

Required

- New Construction/Remodeling of Homes, Apartment Buildings, Condominiums, Townhouses, etc.
- Carpentry
- Concrete
- Excavation
- Insulation Work Requiring Masonry
- Painting & Decorating
- Siding
- Roofing
- Screen & Storm Sash
- Gutters
- Tile & Marble
- House Wrecking
- Swimming Pools
- Replacement Windows/Doors/
- Garage Doors
- Laying Wood Floors
- Basement Waterproofing

Not Required

- Drywall
- Awnings
- Pavers Without Mortar
- House Moving
- Carpeting & Vinyl Floors (Not Wood)
- Fences
- Sewer & Septic, Water Lines, Sprinklers
- Asphalt Paving
- Plaster & Lathe



MI NEIGHBORHOOD

Approval and Request for Contractor Payment

Activity #: _____ Date: _____

Name of Owner(s): _____

Property Address: _____

Name of Contractor: _____

Total Contract Amount: \$ _____

Amount Being Approved for Payment: \$ _____

Rehab

New Unit

Public Amenity

Narrative Description:

Notes, Corrections:

Workmanship:

Subrecipient Approval: I hereby certify that I have reviewed the work completed and find it acceptable as described in the Contract Work Specifications. At this time, the Contractor has completed _____% of the project and a payment of \$_____ will be processed.

Date

Subrecipient Signature

Request for Contractor Payment

I hereby express approval of the work performed and hereby agree the specified work has been performed to satisfaction by above Contractor. Further, I authorize the above payment.

Date: _____

Signature of Owner

Date: _____

Signature of Owner

Homeowner Rehabilitation

Property Owner and Contractor Contract (Sample) This document can be modified to reflect Agency criteria

THIS CONTRACT, dated month, day, year between **PROPERTY OWNER NAME** hereinafter referred to as "Property Owner") and **CONTRACTOR NAME** hereinafter referred to as "Contractor"), sets forth the terms and conditions for work to be performed on the premises located at:

Street Address: Address, City, County, Michigan Zip Code

FOR PURPOSES of this Contract, **SUBRECIPIENT NAME** (hereinafter referred to as "Administrator") shall assume the role of intermediary between the Property Owner and the Contractor in order to provide assistance in completing the work to be performed under the Contract. The assistance is provided as a grant mechanism within the MSHDA Neighborhood Development Division (NDD). All applicable rules and regulations will be strictly enforced.

The Agency is responsible for administering Grants, ensuring that funds are distributed in accordance with the grant funding parameters and shall be expended for one or more of the activities outlined in the Authority's Act and permitted under Rule 125.190 of the Authority's General Rules; and section 58a of the Act which provides that the Authority may use the monies held in the Fund for a grant to eligible applicants as defined in Section 58(2)(d), in any amounts as the Authority determines, to finance the MI Neighborhood activity for income eligible households; Effective February 13, 2024, the Michigan Legislature appropriated to the Authority, pursuant to Public Act 4 of 2023 ("2023 PA 4"), amending Public Act 281 of 1967, at MCL 206.695(1) et. Seq., beginning with the 2022-2023 state fiscal year through the 2024-2025 state fiscal year, to the MI Neighborhood Program.

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 the Michigan State Housing Development Authority. 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 financing 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.

ARTICLE I

THE SPECIFICATION entitled "Bid Specifications for Home Improvement Project # _____, are hereby incorporated into this Contract and made a part hereof (hereinafter referred to as "Work Specifications") for the purpose of setting forth the work to be performed under this Contract. All work specifications must be pre-approved by the administrator via a written Notice to Proceed.

ARTICLE II

IN CONSIDERATION of the work performed by the Contractor according to the Work Specifications, the Contractor shall receive a payment in full the sum of dollar amount spelled out, (**\$ numeric amount**, Dollars, which may be paid at the Contractor's option, as follows:

Option 1: A sum equal to 100% of the total Contract amount paid upon completion and approval of the work.

Option 2: A sum equal to % of the total Contract amount at one-half completion and, % of the total contract amount at three quarter completion and, at completion and Final approval of work by the Property Owner, an additional %.

ARTICLE III

THE WORK to be performed under this Contract shall begin within days from the date of the "Proceed to Work Order" issued by Property Owner. The work shall be completed within days from the start of the work, unless the Contractor can show just cause for the delay of completion and obtains an extension of time in writing and signed by the Property Owner and approved by the Administrator.

IF THE CONTRACTOR fails to complete the work within the specified time, the Administrator (with the consent of and on behalf of the Property Owner) will send the Contractor a letter by Certified Mail requesting completion of the work within a reasonable number of days from the date of the letter. If the Contractor fails to complete the work within the time stipulated, the Property Owner will hire another contractor to complete the work. The second contractor will be paid first. The first Contractor will only be entitled to the difference between the balance of the Contract amount and what is paid to the second contractor, if any, providing that the first and second contractors performed acceptable work.

ARTICLE V

THE CONTRACTOR will provide all materials, equipment, and labor necessary to perform the work stated in the Work Specifications. All work performed under this Contract will be completed in a good and reasonably workmanlike manner in strict adherence to the Work Specifications. "Workmanlike" will include reasonable aesthetic standards. Any work performed by the Contractor which is not stated in the Work Specifications and Work Change Orders authorized by the Administrator will not be paid under this Contract.

ARTICLE VI

THE CONTRACTOR will keep the premises clean, orderly, and safe during the course of the work. It is understood that the premises are to be occupied by the Property Owner during the performance of the work. The Contractor will be responsible for removing the debris from the work site at the completion of the work. Unless otherwise stipulated in the Work Specifications, materials and equipment which are to be removed and replaced as part of the Work Specifications shall become the property of the Contractor. The Contractor shall not use or cause to be used any hazardous materials, such as lead- based paint, in the performance of the work.

ARTICLE VII

IT IS THE CONTRACTOR'S responsibility to obtain any required work permits and arrange for subsequent inspections through the County or City or Township or other Code Departments when applicable. The Contractor will comply with all applicable local codes and ordinances whether or not specifically stated in the Work Specifications and will comply with all applicable State and Federal Codes and Laws, including all applicable licensure laws

ARTICLE VIII

THE CONTRACTOR will be required to perform any related work covered by the "Work Change Orders" issued by the Administrator and approved by the Property Owner. The Contract amount and completion date will be adjusted accordingly to allow time and agreeable compensation for the additional work performance.

THE CONTRACTOR shall furnish evidence of Comprehensive Public Liability Insurance coverage protecting the Property Owner in the event of bodily injury including death for not less than \$300,000. and in the event of property damage arising out of the work performed by the Contractor or subcontractors, of \$100,000. Contractor will further furnish evidence of all other coverage required by Michigan Statutes, including but not limited to Workman's Compensation Insurance, before the start of the work to be performed under this Contract. A statement of Sole Proprietorship must be furnished in cases where Contractor is exempt from Workman's Compensation coverage.

ARTICLE X

THE CONTRACTOR may not assign this Contract to any other Contractor without the express consent of both the Property Owner and the Administrator.

ARTICLE XI

UPON COMPLETION OF THE WORK, the premises will be inspected by the Administrator's Housing Inspector to ascertain if the work stated in the Work Specifications has been completed satisfactorily in the opinion of the Administrator. The Property Owner will be also required to give written approval of the work performed even if the Housing Inspector ascertains that the work has been completed satisfactorily. If it is determined by either, that the work has not been completed satisfactorily or not in accordance with the Work Specifications, the Administrator will, by written notice to the Contractor, advise the Contractor to complete and/or correct the unsatisfactorily work within ten days from the date of receipt of the written notification by the Administrator.

ARTICLE XII

THE CONTRACTOR expressly and impliedly warrants against any faulty materials or workmanship. The Contractor expressly guarantees and agrees to remedy any defects in the work and to pay for any damage to other work resulting therefrom which shall appear within a period of warranty from the date of final acceptance of the work unless a longer period is specified in writing by agreement of the parties. The Contractor will provide a signed statement of "Contractor's Release of Liens and Claims" upon completion of the work from Contractor and any subcontractors, or material men. The Contractor will furnish the Property Owner with all manufacturers and supplier's written guarantees and warranties covering the materials and equipment furnished in the performance of the work under this Contract.

ARTICLE XIII

THE PROPERTY OWNER may not perform any of the work stated in the Work Specifications nor interfere in any way with the work being performed by the Contractor. Property Owner may not remove or alter any of the materials to be used in the performance of work. If the Property Owner is not satisfied with the work being done or the materials being used, the Property Owner will contact the Administrator in writing.

ARTICLE XIV

THE PROPERTY OWNER shall supply the Contractor, at no cost, the use of existing utilities such as light, heat, power, and water necessary to the performance and completion of the work. The Property Owner will provide the Contractor access to the property during the hours of 7:00 a.m. and 6:00 p.m., Monday through Saturday, or as otherwise mutually agreed between, Property Owner and Contractor.

THE ADMINISTRATOR is held harmless by the Property Owner and Contractor as to any and all damages, injuries or losses, claims or cause of action. It is expressly understood by and between the parties that the Administrator does not guarantee the performance of and/or completion of work performed or to be performed pursuant to this Contract, nor does the Administrator warrant either impliedly or expressly the work, products, materials, or services provided by this Contract.

The Administrator will not be responsible for any oral or written agreements, in addition to the original contracted work as stated in the Work Specifications, between Contractor and Property Owner. This Contract constitutes the entire agreement between the parties and cannot be in any way altered, modified, or rescinded, except by its own terms or by written agreement of all the parties hereto.

ARTICLE XVI

Payment shall be made directly to the Contractor by the Subrecipient with the consent of and on behalf of the Property Owner.

ARTICLE XVII

IN THE EVENT a dispute arises hereunder between Contractor and Property Owner, the parties hereby agree: That if an impasse is reached between the parties during the construction phase of the project, the Administrator will be contacted and act as intermediary of the dispute; once project completion and disbursement of funds has occurred, Property Owner accepts responsibility for obtaining relief through appropriate channels such as the Michigan Department of Licensing and Regulation.

ARTICLE XVIII

DURING THE PERFORMANCE, of any contract under the Housing Program, the Contractor hereby agrees that the Contractor will not discriminate against any employee or applicant for employment because of Race, Color, Religion, Sex, or National Origin. The Contractor will take affirmative action to ensure that applicants are employed, and treated during employment without regard to their Race, Color, Religion, Sex, or National Origin. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to their Race, Color, Religion, Sex, or National Origin. The Contractor shall further comply with all State or Federal laws regarding Disabilities, Age, or other Civil Right Statues.

ARTICLE XIX

THE PROPERTY OWNER AND THE CONTRACTOR agree they have read and understood the terms of this Contract. In the event the Contractor has demonstrated non-compliance with any of the above clauses or those attached to the Contract, the Contract may be canceled, terminated or suspended, in whole or part, and the Contractor may be declared INELIGIBLE for future work by this program.

**IN WITNESS WHEREOF, the parties hereto have executed this Contract this date
day of month, year.**

WITNESS:

Witness Name

PROPERTY OWNER(S):

Property Owner Name

Property Owner Name

CONTRACTOR:

Witness Name

Contractor Name and Title

DBA Name: _____

FEIN # _____

SUBRECIPIENT:

Name

Contact #

Subrecipient Lead and Asbestos Compliance Requirements

The attached guidance will mostly pertain to MI Neighborhood subrecipients with housing enhancement activities. Within the Program there are some judgment calls that need to be made on each component and per each activity. These judgment calls would be made specifically by each subrecipient, who knows best what their work involves. To be clear, these are judgments about things like whether lead or asbestos-containing material are likely to be disturbed and to what degree, not judgments on whether or not these laws apply, for they do. The goal of this guidance is to make you aware of the basic tenets of the laws. The determination of the process that will be used should be incorporated into your agency's policy and procedures if the applicable box is checked on the program guidelines documents.

The following environmental rehabilitation component standards shall be part of a holistic rehabilitation activity. No stand-alone environmental activities are allowed.

If you have any questions in regard to lead and/or asbestos activities contact: Jim Davis, Construction Manager, **517-335-0560** or DavisJ83@michigan.gov

Purpose

To establish MSHDA's expectations for compliance with lead and asbestos regulations for MI Neighborhood funded projects.

Background

Although MI Neighborhood is not sourced from the Department of Housing and Urban Development (HUD) and therefore not subject to HUD-Specific environmental review requirements (e.g., 24 CFR 35, 24 CFR 58)¹, MI Neighborhood recipients and contractors are responsible for complying with all federal, state, and local public health and environmental laws or regulations that apply to activities under this eligible use category. Requirements around the handling and disposal of asbestos-containing materials, lead paint, and other harmful materials may apply. Treasury also encourages recipients to consult and apply best practices from the Environmental Protection Agency.

1. Lead Based Paint – EPA's Renovation, Repair and Painting (RRP) Rule

The EPA's Lead Renovation, Repair and Painting (RRP) Rule requires that firms performing renovation, repair and painting projects that disturb lead-based paint in homes built prior to 1978 have their firm certified by the EPA. When lead painted surfaces are disturbed during a MI Neighborhood rehabilitation activity, subrecipients must use certified renovators who are trained by EPA-approved training providers and follow lead-safe work practices.

¹ If MI Neighborhood funds are blended with federal funds, then additional requirements may apply.

All contractors working on MI Neighborhood-funded projects in qualifying homes must have a current EPA RRP certification. However, a current EPA RRP certification is not required for trades people that are not working on lead paint surfaces. The subrecipient shall request and maintain proof of RRP certification in the project file along with documentation of lead-safe work practices and cleaning verification. At least one certified renovator must be at the job site when work is being done and all individuals trained in the use of lead safe work practices, per the RRP rule. For more information on lead-based paint how the RRP rule applies to your project, please contact the National Lead Information Center at (800) 424-5323.

2. Asbestos - National Emissions Standards for Hazardous Air Pollutants

(NESHAP) & OSHA worker protection standards

Promulgated in 1973, the goal of EPA's NESHAP regulation is to minimize the release of asbestos fibers during renovation and demolition activities. Although there is a single-family, exemption clause in NESHAP, activities funded as part of a larger project, such MSHDA/ HUD grants, are not covered under this exemption. Compliance with NESHAP may require an asbestos inspection prior to renovation activities. This inspection will determine whether building components in the scope of work are Asbestos Containing Materials or ACM (material >1% asbestos) and how much ACM is present. It will also determine whether some or all of the ACM is friable or regulated and therefore may require abatement. If abatement is necessary, it must be completed by a currently licensed Asbestos Abatement Contractor.

The Occupational Safety and Health Administration (OSHA) regulates worker protection and exposures to asbestos. Within the Michigan Department of Licensing and Regulatory Affairs (LARA), the Michigan Occupational Safety and Health Administration (MIOSHA) Asbestos Program administers the federal OSHA asbestos standards. The MIOSHA Asbestos Program also accredits and licenses professionals in the asbestos industry and processes asbestos abatement project notifications which require specific procedures that differ from NESHAP notification procedures. Contractors are responsible for OSHA compliance with worker safety provisions.

Only EPA asbestos certified specialist workers along with a supervisor can carry out asbestos abatement tasks. Asbestos activities must be associated with an approved rehabilitation activity.

Although only an inspection can determine whether a building material contains asbestos, some well-known ACM components include:

- Cement shingles
- Roofing felt, coatings, shingles and/or tiles
- Millboard
- Pipeline wrap
- Gaskets
- Boiler wrapped pipes
- Transit siding
- 9"x9" vinyl-asbestos floor tiles
- Vermiculite insulation-attics and walls
- Various plaster material at walls and ceilings
- Various mastics, glue caulks, glazing, etc.

For more information on how NESHAP or OSHA worker protection standards apply to your project, please contact the MDEQ NESHAP Program at (517) 284-6777 or the MIOSHA Asbestos Program at (517) 284-7680.

**PRE-EVALUATION DISCLOSURE OF
LEAD BASED PAINT PROCEDURES TO PROPERTY OWNER**

Pre-1978 Home Yes No

If yes, please complete the form below. If no, you are exempt from the next steps.

Dear Property Owner

You have applied for federal funds through our agency to rehabilitate housing that was built prior to 1978. Please carefully review the following procedures that may apply.

DISCLOSURE

Our agency is required to give you a brochure entitled “Protect Your Family from Lead In Your Home”. If the housing you are rehabilitating is rental property and you have tenants in the unit(s), you must give the tenant(s) a copy of this brochure. Effective December 22, 2008, for rehabilitation of homes built before 1978, an EPA brochure entitled “Renovate Right – Important Lead Hazard Information for Families, Child Care Providers and Schools”.

They can be found at the following links:

<https://www.epa.gov/sites/default/files/2020-04/documents/lead-in-your-home-portrait-color-2020-508.pdf>
https://www.epa.gov/system/files/documents/2023-06/RenovateRight_ColorLand_06-2023.pdf

In addition, if a Risk Assessment is conducted as described below, you will receive a summary of the results of that assessment, or the actual risk assessment report. If the housing is rental housing, you are required to post or distribute this disclosure statement in a manner that ensures that all tenants can review the results.

If any lead hazard control activities are undertaken, and clearance is required, you will also receive a summary of the results of the clearance. If the housing is rental housing, you are required to post or distribute this disclosure statement in a manner that ensures that all tenants can review the results.

Under Federal lead-based paint regulations 24 CFR Part 35-125 you are required to disclose all information on lead paint hazards contained in the report, to anyone who may wish to purchase or rent the dwelling from now on.

RISK ASSESSMENT

For rehab projects that require \$5,000 or more in federal assistance, a Risk Assessment must be completed prior to conducting any rehab work. The intent of the risk assessment is to identify all lead paint hazards that may exist at the property and lead-based paint in any surfaces that will be disturbed by the rehab work. A risk assessment does not identify all lead paint. You must disclose the presence of any lead-based paint or lead-based paint hazards confirmed by the Risk Assessment to any future renter or buyer, unless the identified lead-based paint is fully abated.

SAFE WORK PRACTICES

All lead hazards that are identified in the Risk Assessment will be addressed as part of the rehabilitation process. While this may affect the total cost of the project, the agency will cover these costs from funds made available by the State. This may, however, increase the size of the lien placed on your property.

For any work addressing hazards or lead-based paint, safe work practices will be followed. There are federally required procedures to ensure that the hazard is addressed, and the work areas are cleaned to ensure no contamination. To ensure your safety during this process, you may be required to relocate temporarily, restrict your access to such areas and/or have your belongings stored. On completion of any hazard control work, clearance tests will be conducted to ensure you can safely occupy the unit.

By signing below, you acknowledge that you have received and read the brochure “Protect Your Family From Lead In Your Home” and/or, effective December 22, 2008, for rehabilitation of homes built before 1978, an EPA brochure entitled “Renovate Right – Important Lead Hazard Information for Families, Child Care Providers and Schools”, you have also read and understand the this disclosure statement, and you will comply with the requirements to disclose the information to any occupants of the property.

Date

Owner's or Tenant's Name, Owner and/or Tenant

Property Address:

*Address City,
State Zip*

Agency Name

Date

Agency Administrator Name, Title

Michigan Occupational Safety and Health Administration (MIOSHA) Fact Sheets & Standards Asbestos

OSHA regulates worker protection standards and exposures for Asbestos Materials. For details regarding the OSHA regulations, refer to 29 CFR 1910.1001 (non-construction) and 1926.1101 (construction)

Asbestos:

The Michigan Occupational Safety and Health Administration (MIOSHA) Asbestos Program was initiated in September of 1986. The primary function of the program is to assure that the people working with asbestos are properly trained and the individuals performing asbestos removal comply with rules governing the work activity. These rules are designed to protect not only the individual employee performing asbestos abatement work, but also the general public that occupy the area or building in which the work occurs.

Owner occupied primary residences may contain material components which have historically been proven to have Asbestos-Containing Materials (ACM's) and are subject to testing and/or assumption they contain asbestos, if disturbed during rehabilitation activities, these material components shall be subject to testing, abatement protocol for worker and occupant safety. The following is a list of various examples "but not limited to" some residential building components historically proven to have ACM's.

- boiler wrapped pipes
- transite siding
- 9" x 9" floor tiles
- vermiculate insulation-attics and walls
- various plaster material at walls and ceilings
- Various mastics, glues, caulks, glazing etc...

1. The following websites/PDF are MIOSHA Asbestos Fact Sheets and Standards for general construction activities and/or projects.

MIOSHA Asbestos
Fact.pdf



2. Asbestos Safety & Health Standards in Construction

[2020-055 LE CS Part 602 Asbestos in Construction \(print version\) \(michigan.gov\)](#)

[29 CFR § 1926.1101 - Asbestos. | CFR | US Law | LII / Legal Information Institute \(cornell.edu\)](#)

Lead Paint

The Michigan Occupational Safety and Health Administration (MIOSHA) regulates worker protection standards and exposures for Lead Based Paint. MIOSHA’s Lead Standard for the Construction Industry, Title 29 Code of Federal Regulations 1926.62, covers lead in a variety of forms, including metallic lead, all inorganic lead compounds, and organic lead soaps. Lead Based Paint: In 1992, Congress passed the Housing and Community Development Act (Public Law 102– 550), which included as Title X the “Residential Lead-Based Paint Hazard Reduction Act of 1992.” Title X is a comprehensive law designed to direct the Nation’s response to the public health problem of lead-based paint hazards in housing. This law directed the Occupational Safety and Health Administration to increase the protection for workers exposed to lead hazards throughout the construction industry.

1. The following websites/PDF are MIOSHA Lead Based Paint Fact Sheets and Standards for the general construction industry.



OSHA Lead Paint
Fact_C012.pdf

2. MIOSHA-STD-1403 (03/21) Part 603. Lead Exposure in Construction

[BSR-STD- \(michigan.gov\)](#)

[Lead in Construction \(osha.gov\)](#)

**Section 4: Grant
Implementation Resource
Material**

Activity	Lien and Documentation Requirements
<p>New Unit & Unoccupied Rehab For all assisted new units/rental/land contract/land trust properties (MSHDA Pre-Approved), regardless of the dollar amount of assistance.</p>	<p><u>Step 1</u> Future Advance Construction Mortgage and Future Advance Construction Note – must be in place prior to disbursement of funds. All new units funded with MI Neighborhood will have a future advance construction mortgage and note placed on the property at time of construction contract execution, and prior to Certificate of Occupancy, which is discharged upon sale.</p> <p><u>Step 2</u> Record appropriate lien document. 1. MI Neighborhood Regulatory Agreement (5 years) – Tenant Occupied OR 2. New Unit Homebuyer Future Advance Mortgage and New Unit Homebuyer Future Advance Note (MSHDA liens will be required and will be in the format of a 5-year 100% forgivable lien) – Resale Between Homebuyer and MSHDA and Regulatory Agreement.</p> <p><u>Step 3</u> 1. Single Family Rehabilitation/Rental Occupancy New Tenant - Landlord Written Participation & Certification Agreement OR 2. Resale/Homebuyer: Homebuyer Certification Form</p> <p>AND</p> <p>3. All occupants must complete the Income Certification Form and the form must be verified and approved by the Grantee.</p> <p>The Grantee must retain copies of all documents relating to the Development and its tenants, or for homeownership projects evidence of qualification of the homebuyers, for at least five (5) years after expiration of the Term of Affordability, all or any of which may be subject to inspection and examination by the Authority its authorized agents.</p>
<p>Occupied Rehab MSHDA liens will be required for all single-family homeowner owned rehabilitation activity properties that receive \$10,000 or above in MI Neighborhood funds and will be in the format of a 5-year 100% forgivable lien.</p>	<p><u>Step 1</u> If applicable, record a Rehabilitation Future Project Advance Mortgage and Note – Homeowner and MSHDA. (MSHDA liens will be required and will be in the format of a 5-year, 100% forgivable lien.)</p> <p>The Mortgage and Note for rehabilitation projects that are \$10,000 or above will be posted on the website. These fillable PDF documents are to be completed by the grantee. The completed forms must be approved by an MI Neighborhood Champion before homeowner signature. After the forms have been approved, the grantee will provide the forms to the homeowner(s) for signature. Once signed, the Mortgage only, will be sent by the grantee, to the County Register of Deeds office for recording.</p>

	<p>For rentals On the mortgage, the landlord’s address needs to be identified on pg. 1 (mailing address of Landlord), and on Exhibit A, Legal Description the rental house address (where the work was done) needs to be listed and a five-year Regulatory Agreement is required.</p> <p><u>Step 2</u> 1. Resale/Homebuyer: Homebuyer Certification Form OR 2. Single Family Rehabilitation/Existing Tenant – Landlord Written Participation & Certification Agreement</p> <p><u>Step 3</u> All occupants must complete the Income Certification Form and the form be verified and approved by the Grantee.</p>
<p>Note</p>	<p>Please make copies of all documents for your files. As applicable, the original recorded regulatory agreement, original recorded mortgage, original signed note, and the original signed Certification should be uploaded into IGX. All applicable lien documents must be signed by all parties and sent for recording before work can begin and/or any expenses will be reimbursed. For consistency purposes, all MIN liens should contain the name of the MIN Champion, and all documents should be forwarded to the Neighborhood Development Division for intake and mortgage log entry. All lien documents are posted on the MIN website.</p>



**NEIGHBORHOOD DEVELOPMENT DIVISION
MI NEIGHBORHOOD PROGRAM
HOMEOWNER CERTIFICATION**

Eligible Owner(s) / Principal Occupant(s):

Co-Owner(s) / non-Occupant(s):

Persons receiving rehabilitation assistance must read and sign below to certify their understanding and acceptance of the following:

1. The Loan (mortgage and note) is a lien against your property. The Owner(s) shall execute amended mortgage and note should the amount of assistance change after the original lien documents are executed.
2. The Loan bears no interest.
3. The Loan is NOT a grant or gift.
4. All or a portion of the Loan may be due and payable, pursuant to the terms of the Note, upon the sale, transfer or conveyance of the property and/or upon the death of Eligible Owner and/or when the property is no longer the Eligible Owner's principal place of residence.
5. The following requirements remain in effect until the funds are repaid or forgiven per the terms of the Note.
 - The Eligible Owner must occupy the property as their principal place of residence.
 - No portion of the property may be rented.
 - The property may not be used for any illegal activity.
 - The Homeowner insurance policy must list MSHDA (per Mortgage and Note) as a loss payee.
 - The property must be insured at all times.
 - The Owner(s) must keep real estate taxes paid at all times.
 - The Owner(s) must keep all mortgage payments (if any) up to date and paid on time.
 - The Owner(s) must keep the home in reasonably good repair.
 - The Owner(s) must keep all debris to a minimum to reduce fire, health and safety hazards.
 - The Owner(s) must keep Grantee Name informed as to any changes in the above.

I/We, being the owner(s) of the property located at
hereby certify my/our understanding and acceptance of the above-written requirements.

HOMEOWNER(S)

Date: _____

Date: _____

GRANTEE

Date: _____

Program Administrator Name and Title

Grantee Name

**MI NEIGHBORHOOD
SINGLE FAMILY REHABILITATION/EXISTING TENANT
LANDLORD WRITTEN PARTICIPATION & CERTIFICATION
AGREEMENT**

Eligible Tenant(s) / Principal Occupant(s): _____

Landlord(s) / Non-Occupant(s): _____

Property Address: _____

The parties identified above are receiving rehabilitation assistance. All parties must have read and signed below to certify their understanding and acceptance of the following:

MI Neighborhood funding is limited to assisting a maximum of one property per rental owner within a funding round. In order to be eligible, all rental properties must fulfill all of the following requirements:

- The landlord has no unaddressed mortgage and/or tax delinquencies.
- The landlord is not subject to a foreclosure proceeding, court-order receivership, or nuisance abatement.
- The landlord has no unaddressed/outstanding code compliance issues.
- The property has utility services turned on and operable or, based on MSHDA pre- approval prior to contract execution, will be turned on and operable after safety issues are addressed.
- The property must be insured or provide written verification of insurability post-rehab.
- The property is affixed to a permanent foundation.
- The property is currently occupied by tenants that identify the assisted address as their primary principal residence.
- For non-owner-occupied units, the landlord must provide proof of ownership for twelve months and provide a six-month occupancy history.
- The occupant household is income eligible. Landlord and tenant are required to complete the Household Self Certification Form and provide supporting documentation.
- The property may not be used for any illegal activity. The landlord(s) must keep the home in reasonably good repair and free from code violations. Must keep all debris to a minimum to reduce fire, health, and safety hazards.
- The property has a formal written lease agreement and rents cannot be increased during the first year (12 months) after the completion of MI Neighborhood program financed rehabilitation activities and final billing is completed.
- A copy of the current rental agreement must be retained in local files and be made available to MSHDA upon request, within three business days. This agreement must be fully signed and dated.
- The assisted property is not owned and occupied by the subrecipient.

I/We, being the Landlord(s) of the property located at _____
hereby certify my/our understanding and acceptance of the above-written participation & certification
agreement.

LANDLORD(S)

Date: _____

Print Name

Date: _____

Print Name

SUBRECIPIENT NAME

Date: _____

Program Administrator Name and Title

**MI NEIGHBORHOOD
SINGLE FAMILY REHABILITATION/ RENTAL OCCUPANCY NEW
TENANT LANDLORD WRITTEN PARTICIPATION &
CERTIFICATION AGREEMENT**

New Eligible Tenant(s) / Principal Occupant(s): _____

Landlord(s) / Non-Occupant(s): _____

Property Address: _____

The parties identified above are receiving rehabilitation assistance. All parties must have read and signed below to certify their understanding and acceptance of the following:

MI Neighborhood funding is limited to assisting a maximum of one property per rental owner within a funding round. In order to be eligible, all rental properties must fulfill all of the following requirements:

- The landlord has no unaddressed mortgage and/or tax delinquencies.
- The landlord is not subject to a foreclosure proceeding, court-order receivership, or nuisance abatement.
- The landlord has no unaddressed/outstanding code compliance issues.
- The property has utility services turned on and operable prior to occupancy.
- The property must be insured or provide written verification of insurability post-rehab.
- The property is affixed to a permanent foundation.
- The property is unoccupied and rented to tenants that identify the assisted address as their primary principal residence and are income eligible at rent restricted rates.
- For non-owner-occupied units, the landlord must provide proof of ownership for twelve months and provide a six-month occupancy history.
- Landlord and tenant are required to complete and sign the Household Self Certification Form and provide supporting documentation for income eligibility of the household.
- The property may not be used for any illegal activity. The landlord(s) must keep the home in reasonably good repair and free from code violations. Must keep all debris to a minimum to reduce fire, health, and safety hazards.
- The property has a formal written lease agreement and rents cannot be increased during the first year (12 months) after the completion of MI Neighborhood program financed rehabilitation activities and final billing is completed and is restricted to a maximum rent increase of five (5%) each year thereafter.
- A copy of the current rental agreement must be retained in local files and be made available to MSHDA upon request, within three business days. This agreement must be fully signed and dated. Adjusted rent agreements are required to be submitted by the homeowner on an annual basis and/or upon written requests to MSHDA via an e-mail report form.
- The assisted property is not owned and occupied by the subrecipient.

I/We, being the Landlord(s) of the property located at _____
hereby certify my/our understanding and acceptance of the above-written participation & certification
agreement.

LANDLORD(S)

Date: _____

Print Name

Date: _____

Print Name

SUBRECIPIENT NAME

Date: _____

Program Administrator Name and Title



**MI Neighborhood (MIN) Program with Housing and Community Development Fund
Household Income Certification Form**

Grantee Agency Name: _____

Grant Number: _____

Applicant Name(s): _____

Home Address: _____

Address Area Median Income (AMI) Limit Restriction:

60% AMI or below *Note: 20% of all assisted units per grant must be restricted to households at or below 60% AMI

80% - 61% AMI

120% - 81% AMI

All income limit documentation is posted on the MIN website to obtain numbers below.

County Name:								
Income Limit Year:								
Household Size	1	2	3	4	5	6	7	8
Income Limit Maximum								

I, the undersigned MIN Grant Eligible Recipient, have read or had this form read to me, agree to its terms, and certify the following:

1. My property address received MIN assistance through a Subrecipient Agency.
2. My household size is _____. I have _____ number of dependent adult (18 years or older) full-time students within my household. I have _____ number of dependents (minors) in my household.
3. My combined gross household income is \$_____ annually.
4. The household size and income in items #2 and #3 above does not exceed the property's restricted area median Income or my household size and the county in which I live and/or intend to live in with the use of these grant funds.

Project Type:

New Unit or Rehabilitation

AND

Owner Occupied or Tenant Occupied

Must check one box below and provide the applicable document:

Attached is ownership documentation

OR

Attached is a fully executed lease document.

I also certify the following based on my property type:

New Unit and Rehabilitation - Owner Occupied

Rehabilitation Only

- The applicant is the owner and occupies the assisted property.
- The applicant does not own any property that is tax delinquent.
- There is current insurance coverage on the property.
- The applicant does not own any property that is subject to any citation of violation of the state and/or local codes and ordinances.
- The applicant has not been the prior owner of any property transferred to the Treasurer or to a local government as a result of tax foreclosure proceedings.

New Unit Owner Occupied Only

- The home I am purchasing is located in Michigan and will be my principal, permanent year-round residence.
- I understand that no portion of the home I am purchasing may be rented.
- I understand that I am required to purchase and maintain homeowner's insurance for the home I am purchasing and that I must provide proof of insurance to the Michigan State Housing Development Authority upon request.
- I understand that in purchasing the home, I am required to have fee simple ownership over the home and that I must record my deed.
- I understand that I am purchasing a MIN assisted home and must remain current with my mortgage payments, taxes, and homeowner's insurance.

New Unit and Rehabilitation - Tenant Occupied

Rehab Only: The tenant occupies the assisted property and understands that work will occur based on the project description above and will grant access to the property as needed.

New Unit and Rehab:

The tenant does not own the property.

The tenant has a signed lease agreement with the landlord.

There is current insurance coverage on the property through the homeowner.

BY MY SIGNATURE BELOW, I CERTIFY THAT THE INFORMATION PROVIDED ON THIS FORM REFLECTS THE HOUSEHOLD'S ANNUAL INCOME AND NUMBER OF PERSONS RESIDE IN MY HOME. I FURTHER CERTIFY THAT I AM ABLE TO DOCUMENT MY ANNUAL INCOME WITH PAYSTUBS, AND/OR PROVIDE OTHER SUPPORTING EVIDENCE REQUIRED BY THE GRANTEE. AND THE OCCUPANT HOUSEHOLD INCOME IS AT OR BELOW THE PROPERTY'S RESTRICTED COUNTY'S AREA MEDIAN INCOME PERCENTAGE.

Under penalties of perjury, I declare that I have examined this certification statement, and to the best of my knowledge and belief, the supporting documentation provided, and the household eligibility facts provided are consistent, true, correct, and complete.

I also understand and provide consent for MSHDA and/or its Subrecipient Agency to verify accuracy of the certified information and determine if it is in compliance with the program's requirements and policies. In addition, I understand that there is a formal on-line process to report fraud.

Eligible Owner(s) and/or Tenant(s) Signature(s), as applicable:

Printed Name of Above Signer: Date _____
 Owner or Tenant

Printed Name of Above Signer: Date _____
 Owner or Tenant

I have reviewed the information, as certified above, for accuracy and certify to the authenticity thereof.

Agency Representative Signature:

Printed Name of Above Signer: Date _____
Title:
Agency:

AUTHORIZATION TO RELEASE INFORMATION

To Michigan State Housing Development Authority and Housing Agency (HA):

I/we, the individual/household member(s) below is/are a current tenant (occupant) of the residence located at Michigan and is/are an applicant or participant in the MI Neighborhood (MIN) Neighborhood Development Division (NDD) Program. This program is funded by the Michigan State Housing Development Authority (MSHDA) and administered by Housing Agency (HA). In order to be eligible for this Neighborhood Development Division Program, my household income is collected along with other information in my/our program file including my/our address, household size, household member names and photographs. MSHDA and the HA are requesting consent to release this file information for marketing and program purposes. However, the information will not be otherwise disclosed or released outside of MSHDA or the HA, except as permitted or required by law. MSHDA and the HA will protect the file information in accordance with any applicable State privacy law.

Signatures:

Date:

Head of Household

Spouse

Other Family Member/Occupant over age 18

Other Family Member/Occupant over age 18

Other Family Member/Occupant over age 18

Other Family Member/Occupant over age 18



MI NEIGHBORHOOD

Demographic Information

Instructions: Applicants for the MI Neighborhood (MIN) Program must complete this form and submit with the initial MIN application. This information is collected in order to help certify that the application process is open and fair. Each household must be given the opportunity to disclose this information. Parents or guardians are asked to complete this disclosure on behalf of household members who are under the age of 18. Individuals who do not wish to provide some or all of this information are asked to select the corresponding box when appropriate. There is no penalty for households or individuals who do not wish to provide information. This should match the Household Income Certification Form information.

Property Address:	Unit Number:
Zip Code:	

Household Composition

Complete for each individual living in the housing unit. Check all that apply:

Name (Print):	Date of Birth:		
Full-Time Student: <input type="checkbox"/> Yes	<input type="checkbox"/> No		
Marital Status: <input type="checkbox"/> Married	<input type="checkbox"/> Single	<input type="checkbox"/> Do Not Wish to Provide	
Ethnicity: <input type="checkbox"/> Hispanic/Latino	<input type="checkbox"/> Not Hispanic/Latino	<input type="checkbox"/> Do Not Wish to Provide	
Gender: <input type="checkbox"/> Male	<input type="checkbox"/> Female	<input type="checkbox"/> Non-Binary	
		<input type="checkbox"/> Do Not Wish to Provide	
Race: <input type="checkbox"/> American Indian or Alaska Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Other/Multiracial	
<input type="checkbox"/> Black or African American	<input type="checkbox"/> White		
	<input type="checkbox"/> Native Hawaiian or Other Pacific Islander	<input type="checkbox"/> Do Not Wish to Provide	
Disability Status: <input type="checkbox"/> Disabled	<input type="checkbox"/> Not Disabled	<input type="checkbox"/> Do Not Wish to Provide	

Name (Print):	Date of Birth:		
Full-Time Student: <input type="checkbox"/> Yes	<input type="checkbox"/> No		
Marital Status: <input type="checkbox"/> Married	<input type="checkbox"/> Single	<input type="checkbox"/> Do Not Wish to Provide	
Ethnicity: <input type="checkbox"/> Hispanic/Latino	<input type="checkbox"/> Not Hispanic/Latino	<input type="checkbox"/> Do Not Wish to Provide	
Gender: <input type="checkbox"/> Male	<input type="checkbox"/> Female	<input type="checkbox"/> Non-Binary	
		<input type="checkbox"/> Do Not Wish to Provide	
Race: <input type="checkbox"/> American Indian or Alaska Native	<input type="checkbox"/> Asian	<input type="checkbox"/> Other/Multiracial	
<input type="checkbox"/> Black or African American	<input type="checkbox"/> White		
	<input type="checkbox"/> Native Hawaiian or Other Pacific Islander	<input type="checkbox"/> Do Not Wish to Provide	
Disability Status: <input type="checkbox"/> Disabled	<input type="checkbox"/> Not Disabled	<input type="checkbox"/> Do Not Wish to Provide	

GUIDANCE FOR MI NEIGHBORHOOD PROGRAM ADMINISTRATION OR DEVELOPER FEE FORMAT

Agencies may opt out of utilizing MI Neighborhood funding for administration or developer fee but are not allowed to amend their budget post grant award to add it in as a funding component post grant award.

Note: Documentation and itemized administrative tracking is required via a required tracking report form.

In addition to administrative costs, subrecipients will be able to get reimbursed for costs to cover project specific costs on a per property billing basis, as outlined on the chart below:

MI NEIGHBORHOOD COSTS CHART

Admin/Developer Fee	Project Costs
Not Address Specific Program Expenses Only. (Admin)	Address specific - Hard cost line-item Reimbursement
<i>Example:</i> Preparing Program Guidelines	<i>Example:</i> Construction materials (Sworn Statement line items only.)

Developer Fee - Deferred until eligibility determination is made by MSHDA and final occupancy restrictions are met. Developer Fee is only released based on MSHDA authorization within the final FSR as outline on Pg. 5 # 20.

Note: All program administrative costs, and soft costs require documentation. No, de minimis indirect cost rate allowed.

<p>ADMINISTRATIVE COSTS</p> <p>General management, oversight, and coordination of the housing program. Reasonable costs of overall program management, marketing, monitoring, and evaluation. (Not address specific)</p>
<p>Expenses must be formally tracked to program time and charged directly via the report form. Employees and/or activities identified in the program guidelines to be paid for with administrative funds must provide salary documentation to support the charged rate.</p>
<p>Within the program guidelines:</p> <ul style="list-style-type: none"> A. Provide a list of Employee names and titles that will be billed based on performance of an administrative activity B. Provide a list of non-employee expense line items that will be billed to administrative costs.

MI Neighborhood FSR Report form for (Select one below)

Program Administration OR **Developer Fee**

Note: Billing documentation is required per the MI-Neighborhood Handbook specifications. Invoices and/or supporting documents must be attached for all expenses except Administration.

Subrecipient: _____ Grant # _____

Employee _____

Name: Title: _____ Report Period: _____

Date	Task Description (use one line per expense/invoice)	Hours/Expense	Hourly Pay Rate /Invoice Amount	Total
Total				

If you are the Authorized Official and/or the Authorized Signer, signatures are not required below. If you are the Employee and the Approving Supervisor, only one signature and date is required. When the same signature is applicable to both lines, the signature and date should be on the Employee lines, and “same” should be written on the Approving Signature lines. Electronic signatures are acceptable.

Employee Signature

Date

Approving Supervisor Signature

Date

FSR Tracking Template –For Internal Grant Management Tracking Purposes (Optional)

NOTE: For each FSR submitted, list each activity address/description. Attach receipt(s) identifying what is eligible for MSHDA reimbursement. Cross off items not reimbursable by MSHDA. Be sure the amount on this spreadsheet equals the amount you are asking on your FSR.

SUBRECIPIENT NAME: _____

GRANT #: _____

FSR #: _____ REQUESTED AMOUNT: _____

Address/description	Housing Activity
Ex.123North St.	\$2,000.00
456 South St.	\$500.00
TOTAL NON-ADMINN	\$2,500.00
ADMIN	

**If Admin is being requested, attach acompleted MI Neighborhood Program FSR Report Form. Draw Schedule*

- 1) 1st Draw – up to 25% of project award - can be advanced. (**Note: Administration cannot be advanced.**) restricted to 10% can be billed without proration based on itemized form submission.
- 2) Champion technical assistance visit, any issues noted
***Reimbursement Only**
- 3) 2nd Draw – up to an additional 50%, aka up to 75% total award draw; the 2nd draw will require reimbursement the full expenditure of the 1st draw
- 4) On site monitoring visit conducted (if selected based on risk selection process), to include the construction visits to a minimum of 20% of the assisted properties (based on a risk monitoring plan)
- 5) 3rd Draw – additional 25%, or the remaining percentage needed to reach 100%
- 6) Selection of Final FSR is completed within the system. 100% of deferred Dev. Fee (If applicable)

Grant Management Tracking Template for Internal Purposes (non-admin) (optional)

Address	Homeowner	Work being done	Issues/Notes	Contractor	Approved Amount
123 North Street	Doe, J.	Windows		ABC Construction	\$2,000.00
456 South Street	Public, J.	Exterior Door		Acme Construction	\$500.00
				Total	\$2,500.00
Notes:					
MI-HOPE Award	\$100,000.00				
Housing Enhancements	\$100,000.00				
Admin - None	\$0.00				
Spent so far	\$2,500.00				
Admin spent so far	\$0.00				
Left to spend	\$97,500.00				
Grant Expires: 9/30/26					
Note: Final Outcome Report and Surveys need to be submitted before the Final FSR is approved!					

*Admin is Drawn proportional to expenditures



MI Neighborhood Program Financial Status Report Supporting Documentation

MI NEIGHBORHOOD

Subrecipient: _____

Grant #: _____ FSR # _____

I certify that all activities have been entered into IGX and are in funded reserved or funded status in Kinetech.

Table with 20 columns: Assisted Address, Funds Reserved, Contract Number*, Activity, Amount Requested FSR, Percentage Complete, Final Payment Y or N, Amount Requested FSR #, Percentage Complete, Final Payment Y or N, Amount Requested FSR #, Percentage Complete, Final Payment Y or N, Closed Y, Total Amount Drawn, Remaining Balance. Includes data row for '123 Example Ave.' with various financial values.

Table with 20 columns: Assisted Address, Funds Reserved, Contract Number*, Activity, Amount Requested FSR, Percentage Complete, Final Payment Y or N, Amount Requested FSR #, Percentage Complete, Final Payment Y or N, Amount Requested FSR #, Percentage Complete, Final Payment Y or N, Closed Y, Total Amount Drawn, Remaining Balance. This table is mostly empty with a few rows of data.



MI NEIGHBORHOOD

Quarterly Reports

The agency will be required to provide written quarterly progress reports which will give a detailed description of the deliverables, accomplishments, and related outcomes. Reports should be based on financial status reports and detailed documentation, including invoices, itemized receipts, employee time dedicated to professional service delivery, and other such documentation that the Authority deems necessary to make a reasonable determination for eligible cost reimbursement in accordance with the funds. Travel, if necessary, (tied to the delivery of programming outlined in the application and grant agreement), shall be reimbursed up to the limits set annually by the Michigan Department of Technology, Management and Budget. The reports are to be submitted via e-mail to MSHDA-NDD@Michigan.gov on the 10th day of the month following the end of each calendar quarter.

MSHDA staff will review the progress reports within 30 days and will advise the agency if any problems arise that may affect the terms of this agreement.

See the next page for an example of the quarterly report form.



Quarterly Report

Subrecipient: _____

Grant Number: _____

Instructions For Tables: Provide all expenditures through quarter end. Complete this form based on MSHDA MI Neighborhood funds only. Submit completed, signed, and dated form to MSHDA-NDD@michigan.gov.

Prior Reports: Grant start - end of previous quarter

Current Report: Most recently completed quarter

Total: Prior Reports + Current Report

TOTAL ADMINISTRATION GRANT AWARD			\$
	Prior Quarterly Report	Current Report Period	Total
Submitted In IGX	\$	\$	\$
NOT Submitted in IGX	\$	\$	\$
Total *	\$	\$	\$

*Total should not be larger than your total administration grant award.

TOTAL PROJECT GRANT AWARD (Not Administrative)					\$
	Not Expended (Activities entered in IGX, but not closed)		Expended (IGX FSR's in payment complete)		Total
	Prior Quarterly Report(s)	Current Report	Prior Quarterly Report(s)	Current Report	
Submitted in IGX	\$	\$	\$	\$	\$
NOT Submitted in IGX	\$	\$	\$	\$	\$
Total *	\$	\$	\$	\$	\$

*Total should not be larger than your total project grant awarded.

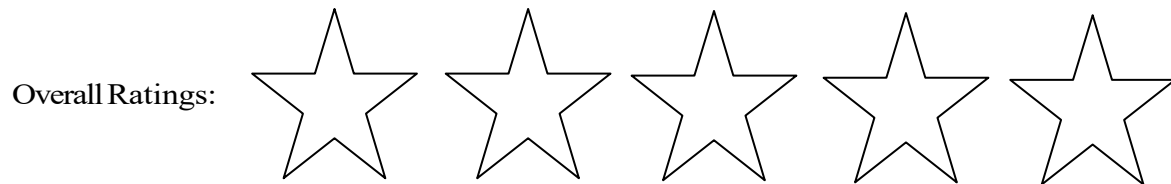
Agency Official – Printed Name

Agency Official – Signature

Date

MI Neighborhood Subrecipient Participation Engagement Survey

[For the Online survey, click here.](#)

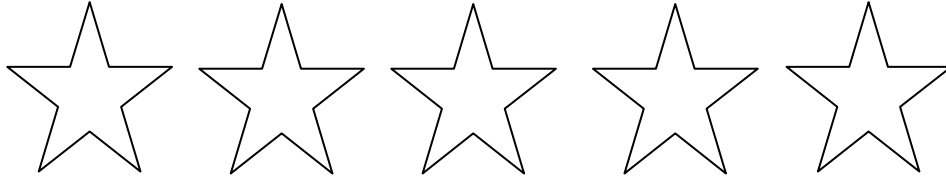


1. Overall, how would you rate the experience out of 5 stars (5 is the best rating and 0 is the worst)?
2. Suggestions on how the process could be improved.
3. How would you describe the overall benefit/impact of this grant on the neighborhood and community?
4. Do you feel that this program was beneficial to promoting accessibility and energy efficiency (if applicable) within your service area/community?

MI Neighborhood Household Participation Engagement Survey

[For the Online survey, click here.](#)

Overall Ratings:



1. Overall, how would you rate the experience out of 5 stars (5 is the best rating and 0 is the worst)?
2. Suggestions on how the process could it be improved.
3. How would you describe the overall benefit/impact of this grant on your household and neighborhood?
4. Do you believe that this accessibility and energy efficiency (if applicable) assistance has improved your quality of life and/or saved your household money?
5. Did this assistance minimize your pandemic hardship?

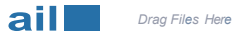
Final Outcome Report

Grant Number NHID-2024-4550-MIN-7	Grant Begin Date 05/01/2024	Grant End Date 12/31/2026
Grantee Loryn's Testing Organization		
Contact	Phone	Email Address
	11	11

By checking any of these boxes MSHDA Staff waives the required upload corresponding with the checkbox.			Explanation of Waiver
Final Outcome Report 	Photos 	Survey 	

Final Outcome Report

Upload the Final Outcome Report [Here](#)



Photos

Upload before and after photos of projects/units undertaken with this grant

Instructions:

Rename photo files with grant#, component/activity and Before or After (i.e., #HRF-2020-9882-00004, Park Improvement. Before)

One document should be uploaded with the before and after photo from all project/units in one document.



Survey

Please complete and upload the Grantee Participation Engagement Survey: [Download Survey](#)



***IF YOU HAVE ANY QUESTIONS REGARDING THE CONTENTS OF
THIS HANDBOOK
PLEASE CONTACT YOUR MSHDA NEIGHBORHOOD
DEVELOPMENT DIVISION
MI NEIGHBORHOOD CHAMPION***

Public Email Address:

MSHDA-NDD@MICHIGAN.GOV