



## FREQUENTLY ASKED QUESTIONS

April 10, 2024

The following Frequently Asked Questions (FAQs) and Answers are for informational purposes only. This document is not binding. Applicants should refer to the Application Submission Instructions and other documents on the [MI Neighborhood](#) webpage for additional information.

### ELIGIBLE APPLICANTS

**1. Do the Beginner, Intermediate, and Advanced levels refer to how many grants an organization has implemented over the course of its existence, or just the grants implemented in this project?**

A. The size of awards is based on the organization's work over the past five years. Three funding levels are based on the applicant's grant management oversight and housing experience within the past five years have been established as:

Beginner (i.e., 0-2 grants or developer units implemented by applicant): Up to \$200,000

Intermediate (i.e., 3-4 grants or developer units implemented by applicant): Up to \$400,000

Advanced: (i.e., 5+ grants or developer units implemented by applicant): Up to \$2 Million

Plus up to 18% Administration funds based on documented expenditures or up to 18% developer fee or a combination of both, up to 18% total. Administration funds and/or developer fee will be calculated and determined by MSHDA. Administration funds and/or developer fee do not require matching dollars.

**2. Is the grant management experience specific to MSHDA grants or any grants?**

A. MSHDA will consider the experience of managing any grants, not just those made by MSHDA.

**3. Does an application have to flow through the Regional Housing Partnership lead agency?**

A. No. Eligible applicants apply directly to MSHDA. See the [Program Overview](#) for definitions of eligible applicants.

**Letters of Support** are required. 1) Provide a dated and signed support letter from the applicant organization outlining the partnership structure proposal, and 2) If not applying as a single applicant, provide a letter of support from each applicable community and/or county that the project activities are proposed to take place in. The supporting acknowledgement letter(s) should be from the local government Director of Planning, the Chief Elected Local Government Official, the Chief Administrative Officer, or the Community and Economic Development Director of the assisted area(s) and should indicate verification of support for the MI Neighborhood initiative for the proposed application content.

The support letter is required to be uploaded within the IGX system. A formal commitment on letterhead that identifies the MI Neighborhood Program, signed, and dated within 120 days of application submission is required.



**4. Is this program open to the public?**

A. Eligible applicants are local units of government, non-profit organizations, and for profit entities.

**5. Can funds be used to rehabilitate multiple living spaces above commercial spaces in a downtown area?**

A. Yes; however, grant funds are restricted to the housing portion of downtown building(s).

**APPLICATION**

**1. Can an organization co-apply or sub-award target allocations to entities that can develop land and properties for projects aren't fully identified?**

A. No, this is not a sub-award program offering.

**2. Can an organization apply more than once in the application period and exceed the \$2 million dollars?**

A. Only one application can be submitted at a time per organization. An organization can submit for multiple activities within one application however the total of all combined activities cannot exceed a total of \$2 million.

**3. How do I apply for activities in multiple regions and/or counties?**

A. The steps are as follows:

- 1) In IGX, select the one region that is anticipated to receive the majority of the funding.
- 2) Choose the county where the funding is anticipated to be utilized the most.
- 3) Under the heading "Organization Service Area," select the most applicable area type.
- 4) Enter "Multiple Regions and/or County Service Area Narrative" in the narrative box description.
- 5) Provide a description of the proposed structure including all applicable regions and counties.
- 6) Within the map, upload provide narrative boundaries for each area to be served as one reference document.

**4. What items should be uploaded as supporting documentation to support the local/regional needs?**

A. We highly recommend utilizing the corresponding regional action plan (a link can be found on the MI Neighborhood website) and determine a connection with the proposed housing activity. As outlined in the Application Instructions for Regional Plan Correlation and Local Need, include the following items:

- Provide organization specific housing objectives that are correlated to the plan and identify the specific section of the plan with the specific goal that is directly related to the application including prioritization of activities.
- Provide a description of the role your organization has/has had within the Regional Housing Partnership (RHP) process.
- Provide documentation of local need for the activity.

**5. If an organization receives a Reservation Memo, when will it be expected to begin work and fully complete funded activities?**

A. A reservation memo will be sent prior to an executed grant document. All projects must be fully completed and occupied within 24 months of executed grant agreement effective date. Benchmarks will be placed into grant documents outlining the timeline approved on a project-specific basis, not to exceed 24 months. Organizations should expect to begin activities in the fall of 2024.



## ACTIVITIES

### 1. What items are eligible within the MI Neighborhood program?

A. Please see the [Program Overview](#) for detailed information on public amenity, new unit, and rehabilitation.

### 2. What activities are not eligible within the MI Neighborhood program?

A. Below is a non-exhaustive list of ineligible activities:

- Commercial Structures Program/Mixed-Use Downtown Program (although MI Neighborhood can support the housing component of a mixed-use building)
- Demolition
- Land contract assistance
- Multifamily activities funded with other MSHDA resources
- A non-MSHDA multifamily 4% bond project
- Low Income Housing Tax Credit (LIHTC) projects (new or existing)
- Predevelopment activities
- Rental assistance
- Replacement/Gap funding
- Supportive housing
- Municipal buildings
- Previous NHID Program(s) – MSHDA Mod, M3, NEP, NSP-PI, MICH, MI-HOPE, SHRP, CHILL

### 3. Can we use our allocation to help support existing development projects? Not as gap funding, but to help remove barriers or mitigate issues.

A. For clarification, MI Neighborhood has regional investment targets – not allocations. The program is intended to facilitate new projects, not provide funding for existing, ongoing projects that are currently moving forward with financing in place.

### 4. Are large multifamily structures eligible for rehabilitation funding through this program?

A. Yes. There is no limit to the number of units per project; there is only a limit on the amount of assistance per unit and the size of the grant.

### 5. Could we use this funding to install solar panels at our communities? Would it fall under the rehabilitation program? What would the limit be for funding solar panels for the community?

A. Yes, energy efficiency improvements are eligible rehabilitation activities. The maximum amount of assistance per occupied unit is \$40,000.

### 6. Can MI Neighborhood provide funding for project activities that have already started?

A. No.

### 7. Please describe the differences between New Housing Units Part A and Part B.

A. New Housing Unit Parts A and B are tied together. The difference between Part A and Part B are the types of housing activities being proposed. If you are answering “Yes” to new unit, then you must select and complete both Component A and Component B items. If it is the same information for part A and B responses, complete the applicable boxes exactly the same for consistency and enter “see Part A” in all narrative fields. The system is currently formatted this way because 1) some applicants are applying for multiple new unit activities at multiple sites with multiple types and, therefore, the system provides a way to identify them separately to distinguish each proposed activity individually, and 2) if a site meets the criteria outlined in Part B questions, then multiple funding source(s) are potentially eligible depending on the applicant type.



**8. Are Modular and Manufactured Homes eligible in the “New Units” activity?**

A. Yes, both modular and manufactured units are eligible. Manufactured homes must be permanently affixed to the land.

**9. What parameters are required for public amenities?**

A. Public amenities can be applied for by a non-profit individually or in conjunction with a local unit of government. The property must be publicly owned by a local unit of government or a long-term (i.e., at least five years) easement has been formally provided through a written and recorded document to the non-profit by the local unit of government. The public amenity must be free and open to all residents during normal business hours. The project must be within one mile of a downtown and public support is required.

Public amenities must be identified within a community’s master plan and/or some other type of planning document if it is not specifically identified within the regional action plan. Proposed project activities must have community support.

<b>FUNDING AND BUDGET</b>
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**1. How much funding is to be allocated per unit?**

A. Please see the [Program Overview](#) for detailed information on funding for each activity.

**2. What is the minimum/maximum number of units needed to be completed?**

A. There isn’t a minimum or maximum number of units; rather, the limit is on the assistance per unit and amount of the grant.

**3. Is the 18% administration a part of the regional distribution amount?**

A. Yes, the regional investment targets are inclusive of administrative allowances and developer fees.

**4. Please explain leverage requirements.**

A. When the requested amount is \$400,000 or less, leverage is not required; however, leveraging is encouraged and results in bonus points within scoring. Amounts requested more than \$400,000 require 1:1 leverage. For example, a \$500,000 request must include \$100,000 of leverage. In-kind and/or non-monetary contributions to a project are not considered leverage.



## MISCELLANEOUS

### 1. Is a DUNS or SAM number required?

- A. In 2022, the Unique Entity Identifier (UEI) used across the federal government changed from the DUNS Number to the Unique Entity ID generated at [SAM.gov](https://sam.gov). For the application process, a UEI number is not required. However, as part of the reservation process, an organization will complete an Annual Profile Review (APR) and the UEI number is required. The APR must be submitted within 45 days of the Reservation Memo Letter date. Each entity will have its own UEI number.

### 2. What are the affordability time terms and how long will the income requirement be in place?

- A. Public amenities are not subject to affordability restrictions or income requirements. For new units, a five-year non-prorated lien will be recorded against the property. For rehabilitation projects of \$10,000 or more per unit, a five-year non-prorated lien will be recorded against the property.

### 3. Is the 20% of the units must be for households 60% AMI or below requirement for each activity or for all the units requested in the application?

- A. 20% of the units in every housing project must be targeted to households at or below 60% of AMI.

### 4. Will an application submission date impact a funding decision?

- A. Yes, all awards are subject to funding availability.

## FUNDING OPPORTUNITIES – FUTURE AND OTHER

### 1. Can an individual apply for a grant for rental properties (duplex and triplex) for rehabilitation assistance?

- A. Eligible applicants are local units of government, nonprofit organizations, and for-profit entities that meet the eligibility of an [LDHA structure](#).

### 2. Is there a Davis-Bacon requirement for projects that have been awarded MI Neighborhood funds?

- A. If a proposed project is for 8 or more units, then Davis-Bacon requirements may apply. Davis Bacon does not apply for public amenity activities.

### 3. Is there any restriction regarding which contractor we use?

- A. Cost reasonableness and procurement will require that the contractor(s) selected are the most responsible entity as determined by the applicant.

### 4. Is there a list of preferred lenders?

- A. MI Neighborhood does not require preferred lenders to be utilized. For reference, see the MSHDA Homeownership Division's list of [Experienced Participating Lenders](#).

### 5. Can you further define Substantial Rehabilitation?

- A. Substantial Rehabilitation is defined as an activity to provide comprehensive rehabilitation of an entire property. The work must be performed according to MSHDA's written "[Residential Housing Rehabilitation Standards](#)" and the entire unit must be brought up to the applicable federal, state and/or local code, whichever is stricter.

