



MI NEIGHBORHOOD

## Program Guidelines Content Requirements

Effective July 15, 2024

**The fully executed Program Guidelines, Reservation Memorandum, and Grant Agreement will supersede the application in its entirety. The application will not be treated as a compliance eligible document.**

Program Guidelines are a requirement for the Neighborhood Development Division's (NDD's) MI Neighborhood (MIN) Program funds. They are used by NDD subrecipients as an outline of program offerings, program and compliance requirements, eligibility requirements, selection criteria, complaint procedures, and program processes. They are intended to inform potential participants of the program's rules, expectations, and requirements.

Ultimately, Program Guidelines protect the subrecipient from claims of discrimination, favoritism, or other unfair treatment. Program Guidelines should spell out in plain terms the substantive requirements of the program, so that if an applicant is denied, the reason is clearly supported by the written rules of the program. Program Guidelines should also be directed at potential participants of the MI Neighborhood Program.

The information below is meant to provide guidance in the formulation of the Program Guidelines. All items might not pertain and therefore will not be included.

### General Provisions

- MI Neighborhood Program Goals/Purpose/Desired Outcomes
- Program Location (Target Area with boundaries identified)
- Leveraged Resources (if applicable) – All resources need to be secured prior to grant award
- Owner Contribution (if applicable) – Must be placed in Subrecipient's escrow fund prior to project start. Lines of credit (LOCs) are not considered secure for this program (LOCs can be nullified by the time project starts)
- Fair Housing/Equal Opportunity/Non-Discrimination – Statement of the Agency's Policy, Identity of Contact Person and contact number
- Conflict of Interest provisions – No employee, board member, or paid individual associated with the entity can participate in the program (refer to Conflict of Interest Memo)
- Fraud Prevention - Specific program guideline parameters are designed to assist with developing a formal written approach to deter, detect and hopefully prevent and/or mitigate the risk of fraud
- Complaint Resolution – Review Committee, Procedures, Filing Complaints/Appeal Process, Response, Dispute Resolution, Final Recourse, Reinstatement
- Program Administration or Developer Fee
- Confidentiality
- Files and File Retention
- Monitoring Parameters
- Compliance Certification

(Place your agency letterhead/logo here)

*Agency Name:* \_\_\_\_\_

*Grant #:* \_\_\_\_\_

*Date:* \_\_\_\_\_

**I have completed all required box selections and data entries.**

**In addition, I have provided the following attachments (as applicable):**

Attachment A – Local Fair Housing Policy

- Fair housing contact information required to be entered

Attachment B – Local Conflict of Interest Policy

Attachment C – Local Fraud Prevention Plan

Attachment D – Local Complaint Resolution Process and items (1-5) on  
page 11 required

Attachment E – Local Application and Applicant Selection Process

Other: \_\_\_\_\_  
\_\_\_\_\_



*MI Neighborhood Program Guidelines*

**MI Neighborhood Program Goals/Purpose/Desired Outcomes** - MI Neighborhood intends to promote local service area engagement and closely monitor subrecipient intake and selection practices to facilitate equitable outcomes, including economic, and racial equity. MI Neighborhood is in response to regional action plans and will provide strategic alignment with the Statewide Housing Plan. This new program supports access to three main housing activity components: rehabilitation, new unit, and/or public amenities. All items below must be completed in their entirety.

**1. Program Location** - Regions and site boundaries were identified in the Reservation Memorandum.

Check one of the boxes below:

Reservation Memo Correct

OR

Reservation Modifications Needed (Provide explanation in box below)

**2. Leveraged Resources** – All resources need to be committed prior to project starting.

Check one of the boxes below:

Reservation Memo Correct

OR

Reservation Modifications Needed (Provide explanation in box below)

**3. Owner Contribution** – Check one of the boxes below. Must be placed in Subrecipient’s escrow fund prior to project start. Lines of credit are not secure or acceptable. (Can be nullified by the time project starts.) MI Neighborhood funding cannot be used to cover relocation costs. Project cost overruns are the responsibility of the subrecipient.

Applicable – Specify and Describe Requirements in box below

Not Applicable

**4. Fair Housing/Equal Employment Opportunity/Non-Discrimination**

Agency Fair Housing Contact Name/Title: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Our organization is adopting MSHDA's Fair Housing Policy below  
OR

I have attached a local policy that matches MSHDA'S Minimum standard labeled **Attachment A**.

Must include a Statement of the Subrecipient’s Policy, Identity of Contact Person, and Contact Information. MSHDA will require all subrecipients, as part of the agency-specific program guidelines outlining MI Neighborhood’s procedures, to obtain data and/or be supplied data about the demographic composition of their selected area(s). Based on this data, the subrecipient agency will gain insight into which residents are historically under-served, marginalized, or adversely affected groups that can be served within their jurisdiction.

Marketing efforts must contain a documented and demonstrated methodology to notify **all** residents of the MI Neighborhood grant opportunity. If there is a population within the area that is predominantly non-English speaking, marketing materials will need to be prepared in the applicable language.



## **MSHDA's FAIR HOUSING POLICY STATEMENT**

**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.**

If you believe you are the victim of housing discrimination you can contact the **Michigan Department of Civil Rights** at <http://www.michigan.gov/mdcr/1,1607,7-138-4953-6202--,00.html> or call their Fair Housing hotline number at **1-800-482-3604**.

If you live in a MSHDA financed development or are applying to live in a MSHDA financed development, and you believe you are the victim of housing discrimination, you can contact Geoffrey Ehnis-Clark at [EhnisClarkG@michigan.gov](mailto:EhnisClarkG@michigan.gov) or call him at **(517) 241-2996**.

### **Michigan Fair Housing agencies:**

#### **Fair Housing Center of Metropolitan Detroit**

220 Bagley  
Suite 1020  
Detroit, MI 48226  
(313) 963-1274  
(313) 963-4817 fax  
[www.Fhcmetrodetroit.org](http://www.Fhcmetrodetroit.org)

#### **Fair Housing Center of Western Michigan**

20 Hall Street, SE  
Grand Rapids, MI 49507  
(616) 451-2980  
(616) 451-2657 fax  
[www.Fhcwm.org](http://www.Fhcwm.org)

### **Fair Housing Center of Southeastern Michigan**

P.O. Box 7825  
Ann Arbor, MI 48107  
(724) 994-3426 or 1-877-979-FAIR  
(734) 665-2974 fax  
www.Fhcmichigan.org

### **Fair Housing Center of Southeast & Mid-Michigan (FHC)**

209 East Washington, Suite 234  
Jackson, MI 48903  
1-877-979-FAIR (3247)  
www.Fhcmichigan.org

### **Fair Housing Center of Southwest Michigan**

410 E. Michigan Ave  
Kalamazoo, MI 49007  
(269) 276-9100  
(269) 276-9101  
www.fhcswm.org

## **RESOURCES:**

### **Fair Housing Act as Amended (Title VIII)**

<http://www.usdoj.gov/crt/housing/title8.htm>

### **Frequently asked questions about the Fair Housing Act**

<http://www.usdoj.gov/crt/housing/faq.htm>

### **HUD's Office of Fair Housing and Equal Opportunity**

<http://www.hud.gov/offices/fheo/aboutfheo/aboutfheo.cfm>

### **National Fair Housing Advocate**

[www.fairhousing.com](http://www.fairhousing.com)

### **People with Disabilities**

<http://www.hud.gov/offices/fheo/disabilities/sect504.cfm>

<http://www.hud.gov/offices/fheo/disabilities/index.cfm>

<http://www.usdoj.gov/crt/ada/adahom1.htm>



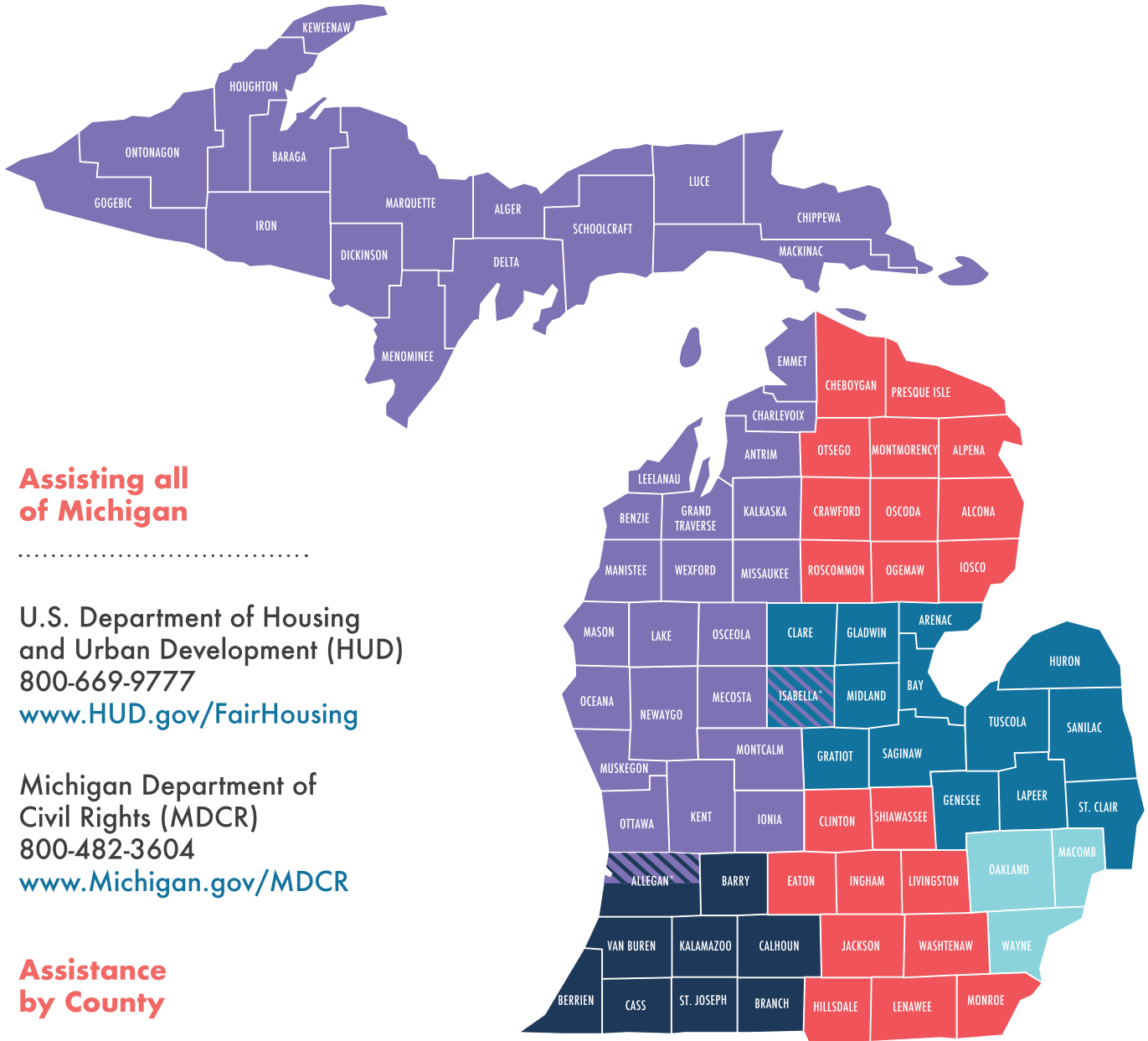
### **Accessibility Requirements for Buildings**

<http://www.hud.gov/offices/fheo/disabilities/accessibilityR.cfm>

### **MSHDA's Affirmative Fair Housing Marketing plan form, for MSHDA financed developments.**

[http://www.michigan.gov/documents/mshda\\_affirmative\\_fair\\_housing\\_plan\\_form\\_131501\\_7.DOC](http://www.michigan.gov/documents/mshda_affirmative_fair_housing_plan_form_131501_7.DOC)

# FAIR HOUSING RESOURCES



## Assisting all of Michigan

U.S. Department of Housing and Urban Development (HUD)  
800-669-9777  
[www.HUD.gov/FairHousing](http://www.HUD.gov/FairHousing)

Michigan Department of Civil Rights (MDCR)  
800-482-3604  
[www.Michigan.gov/MDCR](http://www.Michigan.gov/MDCR)

## Assistance by County

■ Fair Housing Center of West Michigan  
20 Hall Street SE, Grand Rapids, MI 49507  
616-451-2980 | 866-389-FAIR (3247)  
[www.FHCWM.org](http://www.FHCWM.org)

■ Fair Housing Center of Eastern Michigan  
436 Saginaw Street #101, Flint, MI 48502  
800-322-4512  
[www.LSEM-FHC.org](http://www.LSEM-FHC.org)

■ Fair Housing Center of Southwest Michigan  
405 W. Michigan Avenue, Kalamazoo, MI 49007  
269-276-9100 | 866-637-0733  
[www.FHCSWM.org](http://www.FHCSWM.org)

■ Fair Housing Center of Southeast-Mid Michigan  
P.O. Box 7825, Ann Arbor, MI 48107  
877-979-FAIR (3247)  
[www.FHCMichigan.org](http://www.FHCMichigan.org)

■ Fair Housing Center of Metro-Detroit  
5555 Conner St. Suite 1017 Detroit, MI 48213  
313-963-1274  
[www.FairHousingDetroit.org](http://www.FairHousingDetroit.org)

\*Double Coverage

**5. Conflict of Interest Statement** - See MSHDA’s Conflict of Interest Policy below. Subrecipient Program Guidelines must include a plan regarding conflict of interest.

I have read and will adhere to the Conflict of Interest Policy and our organization is adopting MSHDA's policy below

OR

I have attached a local policy that matches MSHDA minimum standards labeled **Attachment B**.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**CONFLICT OF INTEREST POLICY**

The following conflict of interest standards apply to all recipients of and participants in any program administered by the Michigan State Housing Development Authority (the “Authority”) using MI Neighborhood (the “MIN” Program), including, but not limited to, officers and employees of the Authority and any vendors, agents, contractors, and subcontractors working with the Authority in connection with the MIN Program.

**Conflict of Interest**

A conflict of interest occurs when an employee that either works on the MIN Program (i.e.: participates in the selection, award, or administration) or is receiving an award from the MIN Program (this includes both permanent or limited term and contract employees; collectively, “Employee”) or an immediate family member of the Employee has a direct, actual financial or ownership interest in a development, program or matter pending before the Authority. In such a case, the Employee or immediate family member must either withdraw from the interest that creates the conflict or remove the matter from the Authority’s consideration. Conflict of interests will be subject to the Authority’s Code of Ethics and may be reviewed by the Authority’s Ethics Committee.

A conflict of interest may also occur if friends, family members, or business associates of an Employee apply for and receive program benefits. To avoid such a conflict, the Employee must disclose any family, friend, or business associate relationship with a program applicant to the Authority’s Director of the MIN Program and/or Operations Manager and must not participate in the processing, approval, underwriting, or administration of such application for assistance, or any other related decision-making.

A conflict of interest may also occur if an Employee or an Employee’s immediate family member receives a gift, gratuity, favor, loan of money, or other thing of value from a person or organization applying to a MIN Program or otherwise doing business with the Authority. An Employee or an Employee’s immediate family member may not solicit or accept any money, gift, loan, services, goods, or other thing of value from a person or organization applying to, or doing business with, the Authority except under the following circumstances:

- a. A *de minimis* gift of \$20 or less in value.
- b. Meals or beverages paid for by a person or organization doing business with the Authority if incidental to a business meeting, seminar, training session, or other organized function that has a purpose beyond the providing of the meal or beverage.

A conflict of interest may also occur based on the appearance of a conflict, whether or not an actual conflict exists. An Employee must treat any apparent conflict in the same manner as an actual conflict.

If you believe a conflict or potential conflict or the appearance of a conflict exists, please report in writing to the Authority’s Director of the MIN Program and/or Operations Manager, the Authority’s Director of Legal Affairs, and the United States Department of the Treasury.



## **Employee and Immediate Family Member Participation in MIN Programs**

An Employee of the Authority or the MIN Program and/or that Employee's immediate family member may apply for assistance through a MIN Program. To avoid any actual or perceived favoritism or conflict of interest, the Employee and the Authority must observe the following principles and guidelines:

- a. The Employee and/or the Employee's immediate family member must meet all eligibility criteria required of program participants.
- b. The Employee cannot supervise or participate in the processing of their application.
- c. The Employee's direct subordinates cannot participate in the approval of the Employee's application or in any decision or recommendation regarding the Employee's participation.
- d. The Authority's Director of the MIN Program and/or Operations Manager, the Authority's Director of Legal Affairs, and the United States Department of the Treasury may require additional documentation.
- e. The Authority's Director of the MIN Program and/or Operations Manager must approve the Employee's participation in writing.

Before an Employee and/or the Employee's immediate family member applies for any MIN Program, the Employee must follow the following procedures:

1. The Employee must notify the Authority's Director of the MIN Program and/or Operations Manager and the Authority's Director of Legal Affairs of their intent to apply for assistance prior to submitting an application.
2. The Employee must follow all program application procedures. The Authority's MIN Program staff will review and process the Employee's application, with a recommendation to the Authority's Director of the MIN Program and/or Operations Manager and the Authority's Director of Legal Affairs regarding approval.

## Definitions

In interpreting the foregoing provisions, the following definitions apply:

- a. “immediate family member” means an Employee’s grandparent, grandchild, parent, parent-in-law, stepparent, sibling, spouse, child, or stepchild<sup>1</sup>
- b. “family member” means an Employee’s relative by blood, marriage, partnership or adoption, including an Employee’s spouse, partner, parent, sibling, grandparent, child, grandchild, aunt or uncle, or cousin, and step-, half- or in-law relations of the same types of family members.
- c. “friend” means an individual not related by blood, marriage, or partnership with whom an Employee enjoys a close personal relationship.
- d. “business associate” means a person associated with an Employee to achieve a common financial objective.

<sup>1</sup> The Authority acknowledges that the Michigan Civil Service Commissions Rule 2-8 does not include grandchild in its definition of immediate family member and the United States Department of Treasury does not include a grandparent in its definitions of immediate family member for 12 CFR 26.2 and 12 CFR 161.25. Out of an abundance of caution, the Authority recommends including both grandchild and grandparent in the definition of immediate family member.

**6. Fraud** – Subrecipient Program Guidelines must include a plan regarding the prevention of fraud. See MSHDA’s Fraud Prevention Policy below.

My organization is adopting the MSHDA fraud prevention plan below in its entirety.

OR

My organization has a fraud prevention plan and have attached a copy labeled **Attachment C**.

**These organization specific program guideline parameters are designed to assist with developing a formal written approach to deter, detect and hopefully prevent and/or mitigate the risk of fraud occurring within this state and/or federally funded program.**

- Agencies need to establish and implement an effective and engaging audit/finance process to review and inspect certain documents associated with individual beneficiary activities on an informal ongoing basis and formally on a quarterly basis.
- Agencies need to establish a code of ethics/structural overview including both formal guidelines of the specifies acceptable applicant intake criteria utilization MSHDA software and clearly defines applicant award parameters. This overview is designed to provide transparency to applicants and minimize gray areas of the review, selection and award process.
- Agencies need to adopt a formal fraud policy that identifies procedures to be followed for suspected fraud and the methodology employees should utilize to report the suspicions. Note: MSHDA has a fraud hot-line and electronic form that can be utilized.
- Agencies must ensure that affective internal controls are in place and enforced. At a minimum, two check signatures must be required and safeguards must be in place to ensure adequate oversight and separation of duties is being conducted on a regular basis. Entities that have been cited for internal control issues within the past 5 years must disclose that to MSHDA as part of the organizations/ financial review process.
- Agencies should be licensed independent body audit financial statements for the MI Neighborhood expenditures and receipts.
- Agencies must have a formal written document retention policy and records containing Personally Identifiable Information (PII) must be carefully stored in an area accessible only to necessary staff. All records must be retained until 12/31/2031, according to the MI Neighborhood written agreement requirements.
- Agencies must have whistleblower procedures in place to encourage reporting without fear of retaliation and/or establishment of an anonymous methodology of reporting concerns.

**7. Complaint Resolution Process** - Subrecipient must include Review Committee, Procedures, Filing Complaints/Appeal Process, Response, Dispute Resolution, a complaint resolution plan/procedure.

I am attaching agency specific procedures labeled **Attachment D**. for items 1-5 below.

AND

I am adopting the MSHDA complaint resolution plan/procedure outlined on the next page.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**NEIGHBORHOOD DEVELOPMENT DIVISION**  
**Subject: COMPLAINT PROCEDURE**

**Effective Date: November 1, 2018**

The purpose of this policy bulletin is to outline requirements for NDD Subrecipients to establish a client complaint procedure for consistent resolution of conflicts. Complaints may come from applicants for assistance, owners dissatisfied with work, participating contractors, or other interested parties.

**A SUBRECIPIENT'S CLIENT COMPLAINT PROCEDURE MUST**

- 1. Be outlined in Subrecipient's Program Guidelines.** Clients and contractors must be informed of the complaint procedure when they are selected to participate in the program or upon receipt of a written complaint.
- 2. Establish a timely response.** Ensure that a client's initial complaint is responded to by the program administrator within 15 working days of the date of the complaint.
- 3. Require that the Chief Executive Officer (CEO) or Executive Director** of the subrecipient be informed of any complaint the program administrator fails to resolve. The subrecipient (at its option) may ask the CEO to review the case and recommend a resolution.
- 4. Provide for the establishment of a review committee,** to be comprised of at least three people, which must hear all cases that cannot be successfully resolved by the program administrator (and CEO if he/she is part of the complaint procedure). It is recommended that the committee members serve a specified number of years. **The review committee should be comprised of:**
  - A person with building/construction expertise (completely separate from the contractor who is part of the complaint);
  - A local community representative; and
  - A representative of the subrecipient (but should not be administrator or staff member of housing program)

**The claimant** may choose to make a presentation or submit a written description (including documentation) to the committee for review.
- 5. Establish process to notify the client in writing of the review committee's decision** within 15 working days of the date of the hearing.

This policy covers the following processes:

- The subrecipient's client complaint procedure
- Referrals to Dispute Resolution Services
- MSHDA review of complaint
- Resolution determined by MSHDA

**REFERRAL TO DISPUTE RESOLUTION SERVICES REQUIRED IF CONFLICT NOT SATISFACTORILY RESOLVED**

Should the above listed efforts fail to resolve all outstanding issues, subrecipients must seek the services of the closest Dispute Resolution/Mediation Program. The costs, if any, for using mediation to seek resolution of the dispute are eligible administrative costs under MSHDA's Neighborhood Development Division written agreements. A list of Community Dispute Resolution Program (CDRP) Mediation Centers may be found at <http://courts.mi.gov/administration/scao/officesprograms/odr/pages/community-dispute-resolution-program.aspx> . Attached is a process map for a typical complaint procedure.

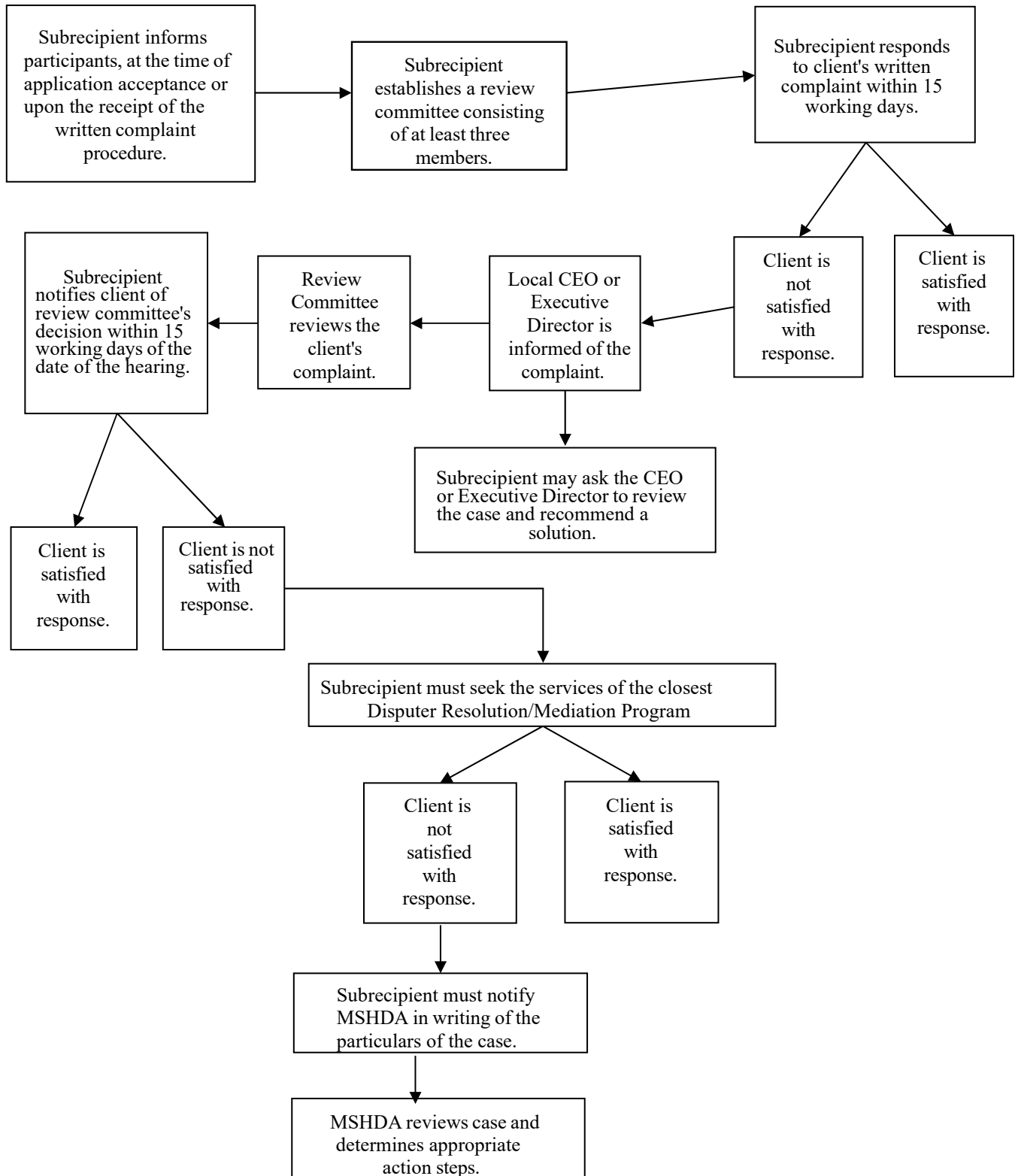
**MSHDA will review complaints only after the above process is complete and the dispute is still unresolved.**

In the event that MSHDA is contacted directly by a complainant, they will be referred to the subrecipient for implementation of policy procedures. After all previously outlined steps have failed to resolve the complaint, the subrecipient may contact MSHDA in writing, detailing the complaint and verifying its compliance with the above listed steps.

**NOTE:** All liability to third parties, loss or damage as a result of claims, demands, costs, or judgments arising out of activities, such as direct service delivery, to be carried out by the subrecipient in the performance of its NDD funded written grant agreement shall be the responsibility of the subrecipient, and not the responsibility of the Authority, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the subrecipient, any subcontractor, anyone directly or indirectly employed by the subrecipient, provided that nothing herein shall be construed as a waiver of any governmental immunity that has been provided to the subrecipient or its employees by statute or court decisions.

If you have questions, contact your Champion.

## CLIENT COMPLAINT PROCEDURE



## 8. Eligible Requirements

### Applicants

- Eligibility of Applicants – Household Income Self-Certification Form and Supporting materials must be received and approved by the grantee.

### Household Income Limits

We will strictly use 2024 income guidelines as outlined in MSHDA approved grant agreement exhibit.  
OR

We will use annually adjusted income guidelines for 2024, 2025 and 2026 activities.

### Minimum/Maximum Levels of Assistance – Insert amounts below

Minimum Assistance Amount Per Property: \$ \_\_\_\_\_

Maximum Assistance Amount Per Property: \$ \_\_\_\_\_

## 9. Historical Property – Local Historic Review

All historic structures activities must be historically sensitive and local historic authorization must be secured prior to activity taking place.

Applicable

Not Applicable - No local Historic Review will be required.

Local historic review and approval is required prior to disbursement of funds.

## 10. Lead-Based Paint/Asbestos Compliance

Environmental Related Treatments and Standards – The following environmental rehabilitation component standards shall be part of a holistic rehabilitation activity. **No stand-alone environmental activities are allowed.**

**Lead Paint:** EPA’s Lead Renovation, Repair and Painting Rule (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 EPA. When lead painted surfaces are disturbed during a MI Neighborhood rehabilitation activity, sub-recipients must use certified renovators who are trained by EPA-approved training providers and follow lead-safe work practices.

Applicable

Not Applicable

**Asbestos:** 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.

Applicable

Not Applicable

**11. Application Process and Applicant Selection** - The application process must be free, fair and open to all area residents that fully meet qualifications outlined within the MI Neighborhood program materials.

## Activity Parameters

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Please define eligible activities in the box(es) below. Select one or more of bolded options below and complete the corresponding sections as applicable.

Rehab

New Unit (Includes Unoccupied Rehab for Resale)

Public Amenity

### Section 1 Rehab Activities

#### **Part A**

Reservation Memo description sufficient

OR

Reservation Memo not sufficient - additional details below

Consult Construction Standards on MSHDA website for more details.

#### **Part B**

Attach the Application and Applicant Selection Process Narrative **and** Include the Following:

Subrecipients will be required to provide a list of all assisted households and collect property address specific information.



Description: Local process that will be used for beneficiary selection. Identify ALL local parameters and include all bulleted items below:

- Application Intake Process/Review.
- Project Selection Process /Inspections, i.e., site selection, prioritization of properties, etc. Photographs are required before and after with similar angle/location/reference and contain the address.
- Selection Process/Eligibility/Lottery Process (encompassing all eligible community members).
- Applicant Prioritization Selection Process: Subrecipients must identify how applicants are sorted into each category: Income level; zip code preferences; activity need; demographics/ long-time resident; owner occupied vs non owner occupied; activity tied to weatherization/ deferral item.
- Applicant data will be reported each quarter, and a formal analysis will be undertaken at MSHDA to ensure that fair and equitable distribution of the resources is actively undertaken.
- From the selected applicant pool, if a method other than lottery/random sample selection is undertaken, the assisted households must fall within 50% of the composite neighborhood demographics and resemble neighborhood resident population to ensure equitable distribution of funds.

Subrecipients will be required to prioritize applicants through a written selection process as outlined in the box below or labeled as **Attachment E**.



**Part C**

**Property Condition Criteria -** Prioritizing property condition criteria within the selection process.

Utilizing MSHDA criteria below.

AND

Additional requirements and program preferences and priorities in the box below.

Additional requirements, preferences, and priorities	Not Applicable
Applicable, described below	

## **Owner Criteria and Eligibility**

Owner

Non-Owner

Owner criteria based on local parameters regarding selection and eligibility.

### **Owner-Occupied Units**

#### **Owner-Occupied Single-Family Rehabilitation Site**

**Guidance Eligible Owners:** Must meet the following criteria:

- Homeowner must currently own and occupy the property as their primary residence.
- Homeowner households must meet the MI Neighborhood Income Eligibility Requirements.
- Homeowners must provide verification of occupancy of the home for a minimum of twelve months from the date of the MI Neighborhood application submission.
- All properties must be current in their taxes or be current in a repayment plan.
- All properties must be insured or provide written verification of insurability post-rehab from an insurance company/agent.
- For properties owned by a trust, a Certificate of Trust is required. This must confirm that the applicant is the trustee and has the requisite authority to approve participation in the MI Neighborhood program. If the Certificate of Trust does not provide the appropriate verification, a Certificate of Trustee Authority will also be required.

### **Non-Owner-Occupied Rental Units**

#### **Single-Family Rental Rehabilitation/Non-Owner-Occupied Site Ownership Guidance**

MI Neighborhood Funding is limited to a rental owner only receiving one award per funding year.

Eligible rental occupied properties must meet the following criteria:

- Tenant must occupy the property as their primary residence.
- Tenant households must meet the MI Neighborhood Income Eligibility Requirements.
- For non-owner-occupied units the landlord must provide proof of ownership for twelve months and provide a six-month occupancy history.
- All properties must be current in their taxes or be current in a repayment plan.
- All properties must be insured or provide written verification of insurability post-rehab from an insurance company/agent.
- Rental properties must be occupied by tenants with a written lease stating that rent rates will not be increased post-rehab for a minimum of twelve months.
- The landlord has no unaddressed mortgage and/or tax delinquencies within the community.
- The landlord has no unaddressed/outstanding code compliance issues within the community.
- Occupant household is income-eligible.
- All parties must sign a written participation consent form.

### **Additional Property Criteria**

- 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.
- The assisted property must be currently occupied and not red tagged; or defined as inhabitable 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. If an emergency need is identified during the construction phase, and funds are earmarked within the existing grant budget, change orders exceeding ten percent (10%) require MSHDA pre-authorization.
- MSHDA construction standards must be followed (refer to website)
- Not subject to a foreclosure or forfeiture proceedings, court-ordered receivership or nuisance abatement.
- Utilities services turned on and operable or in situations where utilities are shut off but operable once safety issues are addressed –with MSHDA pre-approval prior to contract execution.
- Affixed to a permanent foundation.

**Section 2**

**New Unit (Includes Unoccupied Rehab Units for Resale)**

Reservation Memo description sufficient

OR

Reservation Memo not sufficient - additional details below

The following documents are required:

- Proforma
- Sworn Statement (Part 1 and 2)
- Timeline
- Marketing strategy and buyer selection parameters must include the statement “The Subrecipient Agency and MSHDA are committed to providing meaningful access.”

Describe Marketing Strategy:

## Section 3

### Public Amenity

Reservation Memo description sufficient

OR

Reservation Memo not sufficient - additional details below

The following documents are required:

- Reservation Memo and proof of ownership.
- Property must be free and open to the public during normal business hours.
- The Subrecipient Agency and MSHDA are committed to providing meaningful access.

#### **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.

## 12. Contractor/Vendor Selection

- Description: Local process that will be undertaken for **each** bullet below. Attach additional documentation as needed.
  - Procurement/Small Purchase Procedures for Contractor/Vendor Solicitation (a minimum of two weeks notice to respond is required)
  - Contractor Verification of Eligibility (State Licensing, Insurance Certifications, etc.)
  - Contract Approval, Award, and Notification
  - Pre-Construction Meeting (if applicable)
  - Contractor Notice to Proceed
  - Contractor Performance
  - Scope of Work Descriptions and Cost Estimates must be documented. A minimum of two quotes is required unless there is more than a 25% difference between them, in which case a third quote is required and/or it will be reviewed by MSHDA's Construction Manager.
  - Change Orders (Subrecipients will be required to update the Sworn Statement and Change Orders cannot exceed 10% post contract execution without prior approval from MSHDA)
  - Permits and Inspections/Notification Procedures (Federal and State Code)
  - Construction and Contractor Payment Provisions
  - Contract Extensions
  - Damages caused by Contractors and/or Subcontractors.

**MI Neighborhood Awards:** Refer to program implementation for benchmarks outlining Timeliness Guidelines below. Failure to perform in a timely manner will result in sanctions resulting in recapturing 25% of awarded funds incrementally if a subrecipient agency has not demonstrated activity through meeting minimum benchmark dates as outlined. A flat amount of 25% of awarded funding will be taken back each benchmark month, unless at least 25% progress is demonstrated. The calculation of the percentage will be the total and/or initial award only if multiple phases of funding were awarded until the new funding amount via amendment occurs. All timelines are tied to the grant execution date.

**TIMELINESS IMPLEMENTATION PROGRESS CHART GUIDELINES:**

<b>Benchmark (months)</b>	<b>Requirement Description</b>	<b>Percentage of Project Completed</b>
<b>6</b>	<b>Formal Site Control or All Addresses Selected</b>	<b>25%</b>
<b>12</b>	<b>Contract(s) Executed for All Construction</b>	<b>50%</b>
<b>18</b>	<b>Construction Must be Underway</b>	<b>75%</b>
<b>24</b>	<b>All Construction/Project Activities 100% Complete and Submitted in IGX</b>	<b>100%</b>

**NO EXTENSIONS WILL BE APPROVED PAST 24 MONTHS**

**13. Lien Requirements - For MSHDA Assisted Units**

1. 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.

For all assisted new units/rental/land contract/land trust properties (MSHDA Pre-Approved), regardless of the dollar amount of assistance, MSHDA liens will be required and will be in the format of a 5-year 100% forgivable lien.

2. New Unit and Rental requirements include:

- 5-year MI Neighborhood Regulatory Agreement.

3. Rental requirements include (in addition to the above):

- Landlord Written Participation & Certification Agreement. (See Handbook.)
- Mortgage and Note signed. (See Handbook.) 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.



4. Homeowner requirements include:
  - The Mortgage and Note for rehabilitation projects that are \$10,000 or above can be found 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.
  - The homeowner(s) must also sign the attached Homeowner Certification document.
5. Please make copies of all documents for your files. The original recorded mortgage, original signed note, and the original signed Homeowner Certification should be uploaded into IGX. The Mortgage and Note must be signed before any expenses will be approved. 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.
6. Construction Lien – 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 discharged upon sale.
7. All Properties must carry property insurance from the date the notice to proceed is issued from the grantee to the contractor.
8. The amount of assistance is comprised of all material and labor costs and/or the total MI Neighborhood investment, whichever is greater for a specific address.

**For MSHDA Units – Local Restrictions**

Applicable - Describe Requirements Below

Not Applicable

Description: (Must Include Local Level Leveraged Funds Lien Provisions, Execution, Recording, and Pay-off Requests/Procedure)

## Non-MSHDA Units

Applicable - Describe Requirements Below

Not Applicable

Lien Requirements (if applicable and for non-MSHDA funds only)

- Lien requirements applied to MI Neighborhood funds. If a subrecipient chooses to allow liens on non-MI Neighborhood funds, this must be outlined in their guidelines and the following documentation is required:
  - Lien Provisions
  - Lien Execution
  - Lien Recording
  - Pay-off Requests/Procedures
  - Construction lien - All new units funded with MI Neighborhood

Description: (Must Include Local Level Leveraged Funds Lien Provisions, Execution, Recording, and Pay-off Requests/Procedure)

## 14. Program Administration or Developer Fee

Applicable - Describe Requirements Below

Not Applicable – Describe Local Leveraged Resources for Administrative Expenses In the Box Below

Activity must bring the assisted component up to federal, state, or local code conditions, whichever is stricter.

Administration Planning and Administration can be up to eighteen percent (18%) of the grant award. Documented and itemized program planning and administration tracking is required. The Program Administration Report Form within this handbook is required for payment.

- **No generic descriptions will be allowed.**
- **Expenses entered must match what you are requesting.**
- **Date ranges are not allowed.**
- **Must be signed by the employee and the Authorized Official. If the employee is the Authorized Official, then a signature on the second line is acceptable with a “see below” statement on the first line. (Note: This is only allowed if the employee and the Authorized Official are the same person.)**
- **No indirect cost rates, unsupported expenditures, and/or flat fees/percentages are eligible for reimbursement. Reach out to your Champion if you have any questions.**

**Administrative expenses are tied to the project budget and grant agreement. No changes can be made after grant agreement is signed. The administrative project budget in the grant agreement cannot exceed 18% of the total grant.**

- **A Deferred Developer Fee is capped at 18% of the Total MSHDA award and is not disbursed until unit completion and formal closing is complete to an eligible household, and a profit exceeding \$50,000 is not demonstrated on the final proforma, based on the final, fully executed closing disclosure document.**

Cost overruns and/or overall budgeting issues beyond the grant award amount are the responsibility of the subrecipient and cannot be covered by MSHDA.

Provide a plan below:

Administrative Plan:

Developer Fee Plan:

- Program Administration Report (Admin Tracking Form) – Must be fully completed, signed, and dated to receive reimbursement. A fillable version of the form is available on MSHDA Website.

**15. Maintaining Confidentiality of Files, Records, PII Security actions, etc.**

**Describe Agency Specific Confidentiality Procedures Below:**

**16. Files and File Retention - Records and Financial Statements must be retained until **December 31, 2031** and recipients must provide or make available the records and financial statements upon request within three business days.**

**Agency will Utilize the Organization File Retention Policy, as Outlined Below:**

**17. Monitoring**

- Monitoring of files at the local level will not occur until after the first draw and prior to closeout.
- Additional on-site monitoring may be required if drastic deficiencies/issues are found during file monitoring visit(s).
- Notification will be provided to MSHDA regarding any applicable audit documentation related to the grant number within 30 days of receipt.

***I certify to utilize the MI Neighborhood Program Policy and Compliance Handbook for compliance and understand that all Subrecipient Program Guidelines are subject to MSHDA approval based on the signature below.***

**I certify and acknowledge that all items identified above will be carried out in a compliant manner.**

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Subrecipient Printed Name

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Subrecipient's Signature

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Date

MSHDA Approval:

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MSHDA NDD Director

Date

Based on the MSHDA approval above and a fully executed grant agreement your agency now has been issued a notice to proceed.

Note: If any modifications and/or deviations are necessary, a formal amendment through the IGX grant system is required and is subject to MSHDA pre-approval. The amendment must be fully executed in IGX to be valid. If activities are undertaken outside of the approved guidelines then no reimbursement of MIN funds can occur and/or repayment deemed necessary.