

MI NEIGHBORHOOD 3.0 - HCDF PROGRAM OVERVIEW

PROGRAM OUTLINE	
Overview	MI Neighborhood (MIN) is a blend of funding in response to the regional action plans' strategic alignment with the Statewide Housing Plan. This application streamlines access to provide grant funding for the activities of Rehabilitation and New Units (including Unoccupied Rehabilitation).
Funding Goal	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>Funding levels are defined as beginner, intermediate, and advanced based on the applicant's previous experience undertaking, completing and selling and/or renting completed units. More details:</p> <p>Beginner – up to \$500,000 – no match required except 10% rental owner contribution.</p> <p style="padding-left: 40px;">Criteria: 0-2 single-family homeowner rehab and/or homebuyer houses fully completed and occupied or 0-4 fully occupied rental units fully rehabilitated, built, or occupied within the past 5 years. Capacity documentation must reflect and be comparable to actual work activity being proposed.</p> <p>Intermediate - \$500,001 - \$1,000,000 – Requires \$1 for \$1 match after \$500,000 which must include rental owner contribution of 10%.</p> <p style="padding-left: 40px;">Criteria: 3-4 single-family homeowner rehab and/or homebuyer houses fully completed and occupied 5 fully occupied rental units fully rehabilitated, built, or occupied within the past 5 years. Capacity documentation must reflect and be comparable to actual work activity being proposed.</p> <p>Advanced – \$1,000,001 - \$1,500,000 – Requires \$1 for \$1 match for the entire grant award amount which must include rental owner contribution of 10%.</p> <p style="padding-left: 40px;">Criteria: 5+ single-family homeowner rehab and/or homebuyer houses fully completed and occupied or 6+ fully occupied rental units fully rehabilitated, built, or occupied within the past 5 years. Capacity documentation must reflect and be comparable to actual work activity being proposed.</p> <p>Note: Duplex/Triplex/Quad Building = count the total number of units within the building for capacity level.</p> <p>Source of leverage is subject to MSHDA approval. Also, if the applicant/grantee owns an assisted property, the owner contribution of equity must be at least 10% of the total development cost.</p>

<p>Eligible Applicants</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> <p>For-Profit Developer: An organization that is working within the State of Michigan with LARA articles of incorporation, an Employee Identification Number (EIN) from IRS, and Sam.gov number (for federal funding only).</p> <p>Individuals are ineligible applicants.</p>
<p>Program Duration</p>	<p>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.</p>



REHABILITATION (OCCUPIED) 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 Moderate Income = <80% AMI Middle Income = <120% AMI</p> <p>At least of 20% of the units in the project are restricted to assisting households at 60% AMI or below.</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 \$45,000 for occupied 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, 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>Ten percent (10%) of the total MIN 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>



Eligible Activity Types	<p>Applicants must choose one or more focus for their occupied or unoccupied rehabilitation programs from 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, 2024.
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NEW UNIT (UNOCCUPIED REHABILITATION) 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 Moderate Income = <80% AMI Middle Income = <120% AMI</p> <p>At least of 20% of the units in the project are restricted to assisting households at 60% AMI or below.</p>
Target Communities	<p>MSHDA will partner with eligible applications 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).</p> <p>Draw 1: Initial 25% of the project activity funds released upon request which must be expended within 180 days.</p> <p>Subsequent Draw(s): Repeated until the final draw: 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: A holdback of 10% of the total MIN award amount will be retained and release will not occur until final FSR submission. Upon 100% completion of the program scope, a final outcome report will be required as part of the final draw submission. Upon submission and approval of the final documents a formal closeout will be undertaken by MSHDA.</p>
<p>Eligible Activity Types</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. Redevelopment of a vacant residential single-family structure for resale to an income eligible household as their permanent primary residence.

NEXT STEPS	
<p>Once I apply, what is next?</p>	<p>MSHDA will review fully completed applications and notify applicants of determination by email within 90 days of submission date with an executed grant agreement anticipated within 120 days. 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>



DEFINITIONS TO PROVIDE FURTHER CLARIFICATION & SPECIFICATIONS

Type A Units: Type A units are designed for those residents who require a wheelchair to move around in the apartment.

1. Type A units are sometimes called accessible units.
2. Some elements that are constructed for accessibility. For example: 32" clear width doors with maneuvering clearances.
3. Designed and constructed to provide accessibility for wheelchair users throughout the unit.
4. Some elements that are constructed as adaptable, meaning that they are not built to be compliant at first occupancy, but are provided with the infrastructure to be made accessible later if needed. For example: kitchen wall cabinet height, roll under sinks, lowered kitchen sink and countertop that can be rolled under.
5. Type A units are distributed throughout a development and disbursed by the number of bedrooms in a unit.

Type B Units: Are dwelling units designed and constructed for accessibility in accordance with provisions for Type B units in ICC A117.1, consistent with the design and construction requirements of the federal Fair Housing Act. Since there aren't legal guidelines to define Universal Design, we use the legally defined Type B or a Fair Housing unit.

1. Type B units are sometimes referred to as Fair Housing units because they are intended to be consistent with the Fair Housing Design Manual.
2. Are constructed to provide a minimal level of accessibility.
3. Less accessible than Accessible Unit or Type A unit.
4. Type B units are designed for life or aging in place and are usable by a person in a wheelchair.

Type C Units: Visit-Ability; Type C or visitable units are often intended for single family residences since Type A and Type B units are for multifamily developments. However, for MI Neighborhood **new construction**, Type C applies for both single family and multifamily developments as listed on page 1.

1. Applicable to new construction single-family homes and duplexes which typically fall below any of the accessibility requirements.
2. The intent of Type C is planning for persons to be able to age-in-place, like Type B units.
3. At least one zero-step entrance approached by an accessible route on a firm surface no steeper than 1:12, proceeding from a driveway or public sidewalk.
4. 32 inches or more of clear passage space through interior doors, including bathrooms.
5. At least a half bathroom on the main floor.
6. Reinforcement in bathroom walls and showers for future grab bars.
7. Accessible placement of electrical and heating controls.
8. Use of lever door handles.