

MSHDA Investing in Community Housing (MICH)

TERMS SHEET

March 7, 2023 (Updated July 10, 2023)

Funding Source:

Housing Community Development Fund
State and Local Fiscal Recovery Funds

Program Overview	<p>The MICH Program will utilize United States Department of the Treasury American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) as a grant mechanism within the MSHDA Neighborhood Housing Initiatives Division (NHID).</p> <p>All applicable Treasury ARP and Housing and Community Development Fund (HCDF) rules and regulations will be strictly enforced.</p>
MICH Program Goal	<p>To provide financial assistance to eligible non-profit 501(c) agencies and government entities via a multi-year subrecipient agreement awarded up to \$1,000,000 per agency. Subrecipients will then distribute the funds within their local area(s) for accessibility residential housing repairs and/or upgrades and/or new construction assistance within both rural and urban areas. In order to qualify for the MICH program, all assisted multi-family properties cannot consist of more than three units. In conjunction with home/unit repairs the funding also allows for a portion of the award, up to ten percent (10%), to be utilized for administrative funding.</p> <p>MICH activities are defined as actions undertaken to promote health or safety for single-family and multi-family residential properties. The intent is to have both an individual short-term benefit and immediate impact on the household itself and to also facilitate a long-term community benefit by improving existing housing stock resulting in increased area home values.</p>
Size of MICH Program	<p>Michigan State Housing Development Authority (the Authority) will utilize its total allocation for this program through multiple statewide competitive funding rounds and/or direct funded awards.</p>
Targeted Population of Homeowners and Financial Challenges Program Seeks to Address	<p>Funding will be made available to subrecipient Agencies to administer the MICH Program at the local level and to directly prioritize housing assistance to eligible households located in a Tier 1 qualified census tract (and/or Tier 2), or has household incomes, equal to or less than one hundred and eighty five percent (185%) of the federal poverty guidelines (FPG) as outlined in United States Department of the Treasury Guidance or 60% Area Median Income (AMI) Households or Households within a Qualified Census Tract areas that are receiving assistance as outlined in Exhibit A, whichever is stricter. Program funds will be made available to assist all eligible residents based on Subrecipient program guidelines that are approved by MSHDA.</p>

<p>Eligible Subrecipient Structures</p> <p>Note: If you are not one of the agency types listed or cannot provide the applicable required verification documentation you are not eligible to submit for this program.</p>	<p>“Eligible Subrecipients” included only the following:</p> <p>Type 1: Non-profit Organization 501(c): A non-profit organization that is currently servicing the proposed community/neighborhood within the State of Michigan. The applicant’s name and address must be the same as the 501(c) Letter from the IRS and on file with the Michigan Department of Licensing and Regulatory Affairs. The applicant must have at least one full-time paid employee; cannot be operating the agency via their principal residence and must have an operating budget exceeding \$30,000 per year, not including MSHDA funded projects.</p> <p>The 501(c) must make available upon request an IRS issued 501(c) Letter.</p> <p>Type 2: Government Entity</p> <p>Type 3: Lead Agency Designation (This must be either a Non-profit 501(c) Agency or Government Entity as defined above) **The Lead Agency would have the ability to pass the funds through to other local entities defined as Type 1 or 2 above and they would be primarily responsible for all entities awarded and provide formal funding compliance and oversight. A written memorandum of understanding between all entities outlining roles and responsibilities will be required. (This could be a housing trade organization that is a non-profit 501(c) agency. As part of the submission the agency will need to identify its membership agencies that anticipate partnering with them. Partnering agencies will be prohibited from receiving MICH funds directly during the first funding round.)</p> <p>Type 4: Other (i.e. emerging developers, network agency offices) : This type is defined to be _____. All type 4 agencies must provide a description of their agency's mission, history (start date), staffing composite, and service area activities undertaken including any accessibility projects that your agency has participated in and/or completed.</p> <p>**Agency eligibility is determined based on MSHDA discretion.</p>
--	---

<p>Eligible Properties</p>	<p><u>Eligible Property Types:</u></p> <ul style="list-style-type: none"> • Single-family owner-occupied with an income qualified household • Single-family non-owner-occupied with an income qualified household • Multi-family (attached or detached- up to 3 units) owner-occupied with an income qualified household • Multi-family (attached or detached- up to 3 units) non-owner-occupied with an income qualified household • Detached Site Condominium units • Modular/Manufactured homes permanently affixed to real property and taxed as real estate <p>Eligible Occupied Property Criteria: A single-family property which is zoned residential that: a) has no unaddressed mortgage and/or tax delinquencies; b) is not subject to a foreclosure or forfeiture proceedings, court-ordered receivership, or nuisance abatement; c) has 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; d) is permanently occupied by homeowners that identify the assisted address as their primary residence; and e) is affixed to a permanent foundation.</p> <p>Eligible Rental Occupied Property Criteria: Rental single-family properties that a) the landlord has no unaddressed mortgage and/or tax delinquencies within the community; b) the landlord has no unaddressed/outstanding code compliance issues within the community; c) a signed contract is in place which identifies the current occupants and the monthly occupancy provisions; d) is not subject to a foreclosure or forfeiture proceedings, court- ordered receivership or nuisance abatement; e) has 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; f) is affixed to a permanent foundation; g) occupant household is income- eligible; and h) all parties must sign a written participation consent form.</p> <p>Note: Land contracts and mobile homes are not eligible.</p>
<p>Eligible Qualified MICH Activities</p>	<p>All MICH program financed activities are specific and necessary health and safety improvements to an existing structure occupied with a qualified financial hardship based on presumed benefit. Activities undertaken must be selected based on inspection, code compliance documented needs, energy assessment/audit recommendation, local building official report, etc.</p> <p>For Component B, rehabilitation must contain an accessibility activity and cannot be a standalone roof, windows, doors, insulation, furnaces and/or heating and cooling elements activities.</p> <p>All activities in Component C1 or C2 must be tied to an existing NHID program activity. For Component C3, New Construction Developments of up to eight (8) units are allowed. MICH Funding will only be provided for half of the units constructed. Maximum amount of assistance is up to \$800,000 per development. For all New Construction Developments, the assisted unit(s) composite must contain at least 50% accessible units with the remaining 50% visitable.</p> <p>Note: For additional information, refer to the attached documents.</p>
<p>Grant Structure</p>	<p>The Subrecipient award will be structured as a performance-based grant.</p> <p>Property assistance will be structured as a non-recourse grant.</p>

Payout of MICH Assistance and Payment Process Description	<p>The Authority will disburse MICH assistance directly to subrecipient agencies. The Authority will make disbursements on a reimbursement basis only. Reimbursement for purposes of the program is defined as the issuance of a paper check via a MSHDA grant management system when work has been completed, an agency is invoiced for the work performed, and both agency and owner sign-off has been secured. A hold back of up to ten percent (10%) of the property setup amount may be held and not reimbursed until all paperwork regarding final completion and reporting of activity outcomes is provided.</p>
Community/Area Eligibility	<p>A minimum of thirty percent (30%) of the funds will be set-aside to assist households within rural communities/areas. Of that thirty percent (30%), five percent (5%) will be set-aside to assist households located within the Upper Peninsula.</p>
Program Launch	<p>The Authority is planning to launch the initial Phase 1 competitive funding round for subrecipient submissions statewide March 2023 and Phase 2 in summer 2023 after MSHDA approval, stakeholder engagement, and public engagement/comment process is complete.</p>
Program Duration	<p>The period of performance for the MICH award begins on the effective date of the written agreement, requires subrecipient obligation at the property level (street address contract fully executed) prior to September 30, 2024, and full disbursement of funds no later than April 30, 2026. MICH recipients shall not incur any obligations to be paid with the funding from this award after such period of performance ends.</p> <p>The Authority plans to disburse all funds prior to the end of the written agreement date of April 30, 2026.</p>
Program Leverage with Other Financial Resources	<p>The Authority will undertake its best effort approach to encourage subrecipients to leverage additional complementary assistance that is made available for homeowners through other local, state, and/or federal programs.</p> <p>Leverage is not required to come directly from the homeowner, unless specified within the subrecipient guidelines.</p> <p>Note: If the applicant chooses to identify leverage within the proposed budget, in order to receive evaluation preference, all leverage identified must be committed/secured.</p> <p>Applicants are encouraged to partner and leverage funding.</p>

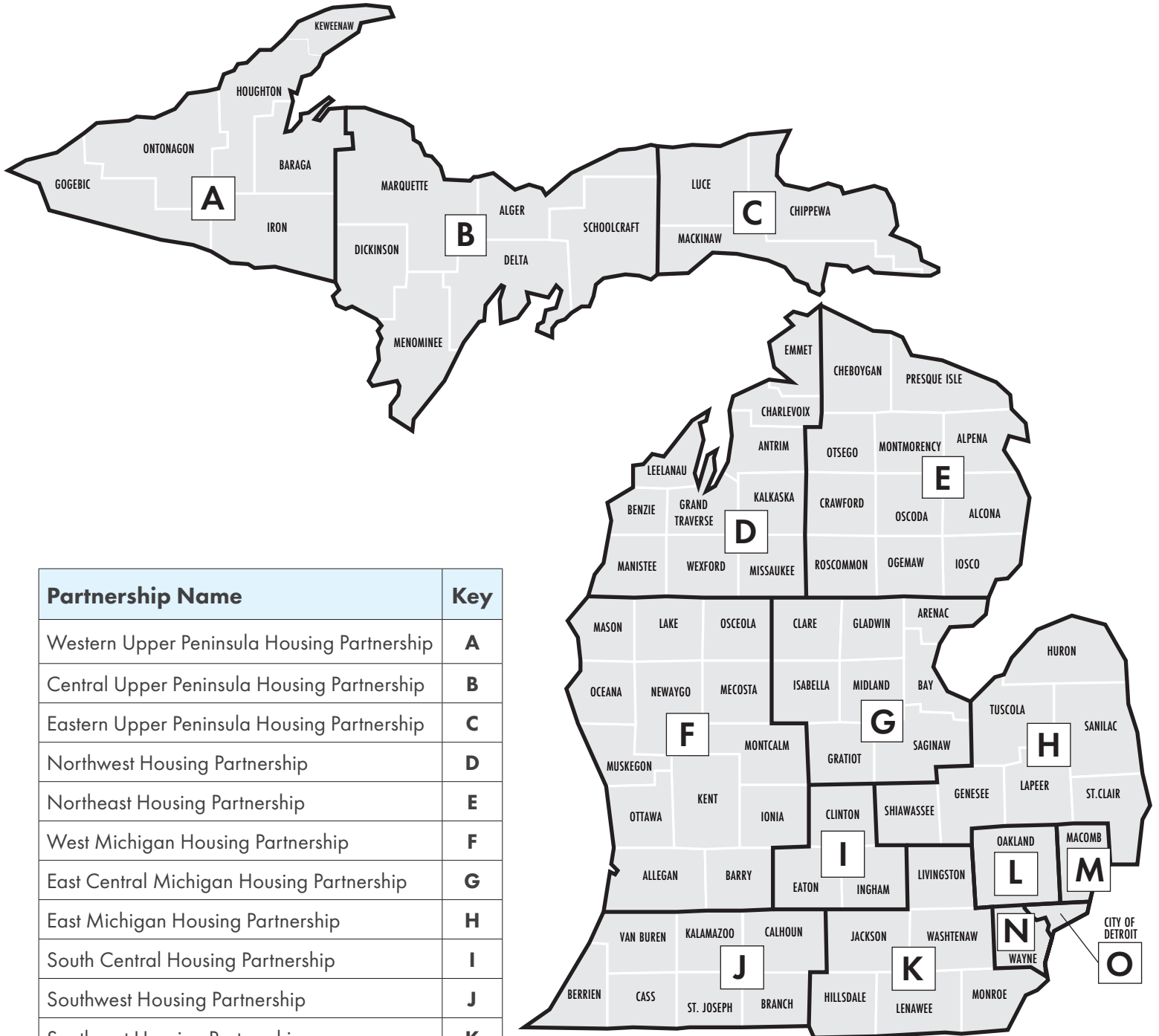
<p>Presumed Benefit - Qualified Financial Hardship</p>	<p>A “Qualified Financial Hardship” is a material reduction in income or material increase in living expenses associated with the coronavirus pandemic and a Self-Attestation will be required.</p> <ul style="list-style-type: none"> • This program is designed to address occupant and/or community housing needs. This benefit will be measured by assessing a particular property’s needs and how those needs were addressed by the improvements/components selected. • All proposed activities are restricted to income qualified areas and/or household income eligibility and meet the Treasury ARP criteria for presumed benefit requirements.
<p>Household Income Restrictions</p>	<p>Income-targeting requirement, all funds must be used to assist homeowners having household incomes equal to or less than 185% of the Poverty Federal Guidelines (PFG) as defined by the Department of Health and Human Services. Refer to the United States Department of the Treasury’s guidance spreadsheet on household income thresholds: SLFRF-LMI- tool.xlsx (live.com) to identify specific Michigan County Income Limits.</p> <p>For households within or purchasing within a QCT area, there are some additional actions required:</p> <ol style="list-style-type: none"> 1) At or below 60% AMI or receiving and/or qualifying Federal assistance (Exhibit A, #3) 2) Self-attestation of household income including all adult occupant earning members over the age of 18 that are not in school as a student; 3) Household submission of formal income verification documentation including year to date pay stubs, if pay stubs are not available the household will need to provide the previous year's W-2 forms or if self-employed last year's 1040 form; and 4) Subrecipient review and approval.
<p>Subrecipient Prioritization</p>	<p>Subrecipients will have individual written program guidelines (approved by MSHDA) to meet their service area needs. Which will establish the following:</p> <ul style="list-style-type: none"> • Activity Dollar Limits per Property • Types of Properties Assisted • Selection of Service Area • Household Applicant Intake and Selection Process • Select Households based on preference/priority based on need, eligibility, or other factors outlined in the guidelines • Select/Define Activities/Scope of Work • Leveraging Use/Requirements • Contractor Selection Process and Criteria (must be licensed and insured)

Note: Subrecipients are not allowed to use a security instrument on assisted properties/units for the MICH funding.

<p>“Eligible Owners” for the MICH program (non-DPA)</p>	<p>“Eligible Owners” must meet the following criteria (unless residing in a qualified census tract):</p> <ul style="list-style-type: none"> • Occupants (owner and/or tenant if applicable) must have experienced and attest to a Qualified Financial Hardship on or after March 3, 2021. The attestation must describe the nature of the financial hardship. • Homeowner must currently own and occupy the property as their primary residence. • Homeowner and/or Tenant households must meet the MICH Income Eligibility Requirements. • Homeowners must provide verification of occupancy of the home for a minimum of twelve months from the date of the MICH application submission, or 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. • 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. • 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 MICH program. If the Certificate of Trust does not provide the appropriate verification, a Certificate of Trustee Authority will also be required.
<p>MICH Parameters</p>	<ul style="list-style-type: none"> • Maximum Subrecipient Allocation is within a funding range of \$25,000 - \$1,000,000. Awards will be made at MSHDA’s discretion primarily determined based on regional distribution, community need, entity type/capacity, and submission information. Agencies should only request the amount of funding they can obligate and expend within the deadlines identified. • Minimum Subrecipient Allocation = \$25,000 Note: Multiple activities and/or areas can be combined to reach this minimum threshold. Proposals may include more than one area served by an agency; however, each area must realize a significant impact. Agency funding prioritization of areas must be provided if more than one is proposed. MSHDA reserves the right to select portions of proposals for funding based on availability and overall impact. <p>Financial hardship caused by the coronavirus pandemic can be due to:</p> <ul style="list-style-type: none"> • Decrease in household income • Reduction in work hours • Layoff <p>OR an increase of:</p> <ul style="list-style-type: none"> • Utility expenses • Food expenses • Childcare expenses • Medical expenses



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 including Hamtramck and Highland Park	N
Detroit Housing Partnership	O

HCDF Diversity, Equity, and Inclusion 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 Office of Equity and Engagement 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>

Affirmative Marketing	All program materials must include the following: <ul style="list-style-type: none">• Fair Housing logo• ADA Accessible logo• Statewide Housing Plan Affirmative Statement: Michigan State Housing Development Authority is committed to providing meaningful access. For accommodations, modifications, translation, interpretation, or other services, please contact <i>MSHDA-NHID-Research@michigan.gov</i>
------------------------------	--

Program Accessibility	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.
------------------------------	--

MSHDA

Residential Physical Accessibility Overview

When MSHDA talks about building accessibility, we use the Michigan Building Code, International Code Council, Fair Housing Act, and the Uniform Federal Accessibility Standard as the source for three levels of accessibility. The construction industry uses the terms Type A, Type B, and Type C units from the building code. The percentage of each unit that may be required by different programs and sources of funding is not included.

Physically Accessible Housing:

Both privately owned and publicly assisted housing, regardless of whether they are rental or for sale units, must meet the accessibility requirements.

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 countertops 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:

Dwelling units designed and constructed for accessibility in accordance with this code and 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 they are usable by a person in a wheelchair.

Type C Units: Visit-Ability

Type C or visitable units are intended for single family residences since Type A, and Type B units are for multifamily developments.

1. Applicable to Single-family homes and duplexes typically fall below any of the accessibility requirements.
2. The intent of the 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

Rehabilitation Accessibility Retrofit Elements

- Wheelchair Ramp retrofit no steeper than 1:12, made of non-decay material, preferably to the side door or back entry. Paint ramp color to match the home siding, porch deck/railings or foundation. Install camouflage plantings to blend the ramp into property aesthetics. NOTE: Avoid large directional ramps at the front of the home if possible.
- Zero-step entry at the front, side or back using Type C Units Visit-Ability standards utilizing well-designed ramp alternatives and techniques.
- Use of lever door handles on the interior.
- When remodeling a bathroom, kitchen, or other applicable areas such as hallways, entries etc., use the guidance provided within this document for Type C Units, Visit-Ability.

Eligible Accessibility Improvement Activities for MICH

- 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

HCDF funding must be used for the following targeted populations as follows:			
<p>BUCKET 1 – 30% of Fund</p> <p>Not less than 30% must be for projects targeted to extremely low income (at or below 30% of the AMI for its county and size of household based on data published by HUD) and include at a minimum developing housing for the homeless, supportive housing, transitional housing, and permanent housing.</p>	<p>BUCKET 2 – 25% of Fund</p> <p>Not less than 25% must be for rental housing projects that are for a disproportionately impacted population but do NOT qualify as persons with mental or physical disability and persons living in an eligible distressed area.</p>	<p>BUCKET 3</p> <p>Portion of fund must be used for housing for persons that are either:</p> <p>(1) disproportionately impacted population with a mental or physical disability, OR</p> <p>(2) disproportionately impacted population living in an eligible distressed area.</p>	<p>BUCKET 4</p> <p>Fund must be used for disproportionately impacted population.</p>
<p>Disproportionately impacted population are any of the following populations:</p> <ol style="list-style-type: none"> (1) Low-income households and communities with an income at or below 185% of the Federal Poverty Guidelines (FPG) for the size and household or income at or below 40% of the AMI for its county and size of household based on data published by HUD. (2) Households residing in Qualified Census Tracts (QCTs) and qualifying income at or below 60% AMI or a project located in a downtown or adjacent neighborhood with at least 20% of the rental or housing units set aside for at or below 60% AMI households. (3) Households that would qualify for any of the following federal benefits and qualifying income at or below 60% AMI or a project located in a downtown or adjacent neighborhood with at least 20% of the rental or housing units set aside for at or below 60% AMI households: <ul style="list-style-type: none"> • Temporary Assistance for Needy Families (TANF) • Supplemental Nutrition Assistance Program (SNAP) • Free and Reduced-Price Lunch (NSLP) and/or School Breakfast (SBP) programs • Medicare Part D Low-income Subsidies • Supplemental Security Income (SSI) • Head Start and/or Early Head Start • Special Supplemental Nutrition Program for Women • Infants, and Children (WIC), Section 8 Vouchers • Low-Income Home Energy Assistance Program (LIHEAP) • Pell Grants (4) Households that receive services provided by Tribal governments and qualifying income at or below 60% AMI or a project located in a downtown or adjacent neighborhood with at least 20% of the rental or housing units set aside for at or below 60% AMI households. 			