



MSHDA MOD 2022

PROGRAM GUIDELINES



Welcome to the MSHDA MOD Program! These guidelines will enable you to efficiently and effectively manage the MSHDA MOD program. They also will assist you in the event of any questions regarding the process.

Please read each section and initial where required. The last page is an acknowledgment form which requires a signature.

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****Any changes to the MSHDA MOD Program Guidelines after submission must be approved by MSHDA.**

SECTION 1

FINANCIAL STRUCTURE

The repayable grant is structured as an 24-month written agreement between the Grantee and MSHDA in the amount of \$200,000.

There is no income restriction on the buyer, however, the house may not sell for more than \$224,500. The market shall determine the initial sales price of the home.

All properties will have a mortgage placed on it by MSHDA once the modular is ordered and discharged upon sale.

All properties must carry property insurance from the date of modular set. If staging is done to encourage sales, there must also be content insurance retained on the home until closing date.

Funds may not be used to finance any items not included in the budget or pre-approved by MSHDA.

The MSHDA MOD assisted home will be listed on the MLS for fair market value as determined through a comparative market analysis performed by a licensed realtor.

SECTION 2

APPROVED ALLOWABLE COST

Site preparation including but not limited to excavation, foundation construction, the rough in of site utilities, and the access and egress openings.

Modular Unit/Construction/Installation – all expenses that are customary with the modular construction process are eligible.

- Fees - Transportation costs from the factory to the building site.
- Soft costs such as site plan, permits, title insurance, utility hookups, and survey.

Eligible sites will be selected that conform with local zoning codes including building setbacks. The design of model selected will be done to fit into the existing neighborhood and be designed in a style compatible with surrounding homes.

Model design should be based on a need for the proposed area.

No developer fees, no administrative dollars, or land costs will be reimbursed.

SECTION 3

PROCUREMENT /COST REASONABLENESS

The selected manufacturing facility will construct a module in a climate-controlled factory, then be delivered and set on a foundation or basement that will be poured on site.

Once the modular is placed on site, the modular will be connected to the site utility systems through licensed contractors, as required by code.

Has your manufacturer been selected?

Yes, complete the below

No, the Section 3 Procurement/Cost Reasonableness page MUST be submitted to MSHDA before ordering unit. No funds will be released until then.

If manufacturer is selected, _____ and their relationship with the modular builders create the best value while minimizing the delays and learning curve associated with developing modular housing. _____ will cover every aspect of the building process, including delivery and setting the modules, and finishing the final product.

SECTION 4

MARKETING

The Grant Recipient is required to have a realtor as part of the process to conduct promotional events – realtor is paid a commission upon sale. If the Grant Recipient's staff has promoted housing, ordered appraisals, generated legal documents, and had housing sales experience, this can be considered as the Grant Recipient's realtor, with a written request submitted to MSHDA upon house completion and inspection.

When a purchase agreement is accepted, the Grant Recipient should have an authorization, in writing, to enable the continued walk through of the model, including a provision for cleaning carpets until closing date.

Examples:

- Website
- Social Media
- Flyers
- Realtor.com
- MLS

An Open House will be held after house is listed.

SECTION 5
BUYER PROVISIONS

Anticipated written procedure for selling the home:

Describe how the buyers will be selected (include methodology):

Are you using a Realtor? Yes No

Who will be paying the Realtor?

Who will be paying the closing costs? List out anticipated closing costs.

Explain how the sales price will be set:

An appraisal is required prior to the house being put on the market. MSHDA will reimburse the grantee for the appraisal cost.

The potential buyer must obtain a first mortgage or pay in cash to cover all MSHDA MOD's financing. If a mortgage is with MSHDA's Homeownership Program financing, the potential buyer will be required to have 1% of their own funds at closing. Buyers are not required to seek a MSHDA Mortgage but can participate in both MSHDA Homeownership conventional financing and down payment assistance programs.

SECTION 6

CONTRACTOR/SUBCONTRACTOR REQUIREMENTS

OPTIONAL TEMPLATE - USE YOUR OWN IF ESTABLISHED AND INCLUDE THESE ITEMS

Contractor must ensure that work complies with current Michigan Residential Code and/or Local Ordinances (WHICHEVER IS STRICTER).

Contractor will sign a contract with the Grant Recipient to install and oversee the installation of the home.

Contractor and all subcontractors will be licensed by the State of Michigan and provide a copy of their license to the Grant Recipient and a copy will be retained in the Grant Recipient's files.

Contractor will provide a copy to the Grant Recipient of their current insurance policy covering liability and worker's compensation coverage.

Contractor will be required to provide copies of all invoices and bills showing the price, quantity, and quality of materials.

All contractors have the option to hold a coordination meeting of all sub-contractors and utility providers.

All changes and extension requests must be forwarded to MSHDA for approval.

On-going inspections and oversight are the responsibility of the Grant Recipient.

MSHDA will conduct an on-site inspection at project completion and prior to listing.

SECTION 7

COMPLAINT PROCEDURE

OPTIONAL TEMPLATE - USE YOUR OWN IF ESTABLISHED AND INCLUDE THESE ITEMS

This complaint procedure is applicable to all individual complaints and/or discrimination. The policy will cover local procedures; referrals to Dispute Resolution Services and/or Fair Housing Centers including Michigan Department of Civil Rights (MDCR) and MSHDA review of complaint. The intent of this complaint procedure is to ensure consistent resolution of conflicts.

Upon **written complaint**, the Grant Recipient's Project Coordinator,
shall commence the following actions:

- Notify MSHDA in writing of the written complaint within 10 business days of receipt.
- Contact the applicable parties to obtain necessary information to review the complaint.
- Visit the site to view firsthand the items cited in the written complaint.
- The Program Coordinator will review complaint and said findings and work toward resolution of the said complaint with all parties.
- If resolution of complaint is reached, Program Coordinator will report to highest official in the organization the results of complaint.
- If no resolution is reached, the complaint will be referred to the Grant Recipient's Executive Director, who will establish a Housing Committee.

UPON HEARING THE COMPLAINT AND FINDINGS, THE HOUSING COMMITTEE WILL:

Invite the contractor and/or the complainant to air said complaint in front of the Housing Committee and commence the following actions:

- Once the contractor and/or the complainant have had ample opportunity to air such concerns as are appropriate to the complaint, the Housing Committee will compile all input and decide the steps necessary to resolve the outstanding complaint.
- Resolution of said complaint will be put in writing to both the complainant and/or the contractor, asking for signature and return of the resolution form.
- Notify MSHDA of resolution in writing within 10 days of decision.
- If the complainant refuses to accept the determination, the Housing Committee will provide information on other avenues of resolution to the complainant and/or contractor.

SECTION 8

ANTI-DISCRIMINATION POLICY

OPTIONAL TEMPLATE - USE YOUR OWN IF ESTABLISHED AND INCLUDE THESE ITEMS

The Grant Recipient will comply with all provisions of Title VI of the U.S. Act 220 of 1978, as well as: Elliot-Larson, Civil Rights Act. Public Act 453 of 1976; Section 4, Act 251, Public Acts of 1955 as amended; Section 4a of Act 349, Public Act of 1966, and Section 4a, Public Act of 1965, all four being laws of the State of Michigan. All discrimination complaints, whether from a contractor or an applicant, will be reviewed in the following manner:

Discrimination Complaint

Discrimination complaint must be **submitted in writing** to within 30 days of the alleged event and must include date of alleged event and issue.

Duties and Powers

A Committee shall be formed by the Executive Director to hear all discrimination complaints.

The decision of the Committee shall be rendered within 10 business day of the written discrimination complaint.

If appealed, the Committee shall refer the complaint to the Authorized Official for the Grant Recipient, and the decision may be referred to the Michigan Department of Civil Rights for further action, if it is deemed necessary.

The Committee shall monitor Affirmative Action and Equal Opportunity activities and issue such suggestions, as it deems necessary in the Civil Rights area.

The Grantee Recipient will notify MSHDA of the complaint within 10 business days of receipt of the discrimination complaint and the complete resolution within 10 business days of the resolution.

SECTION 9

FAIR HOUSING POLICY

OPTIONAL TEMPLATE - USE YOUR OWN IF ESTABLISHED AND INCLUDE THESE ITEMS

the Grant Recipient is committed to Fair Housing and will work aggressively to ensure that housing programs comply fully with all state, federal and local Fair Housing laws. The Grant Recipient has appointed _____ as our Fair Housing Officer, they can be reached at _____. This appointed individual understands the Fair Housing Laws and will attend applicable training to remain informed.

The offices of the Grant Recipient are accessible and barrier free and the Grant Recipient will make every attempt to reasonably accommodate all guests.

The Grant Recipient will include the Fair Housing Logo on all its documents and advertisements and will post a Fair Housing poster in a place visible to the public. The Grant Recipient will secure and distribute Fair Housing material provided by MSHDA, Rural Development and other Fair Housing agencies and organizations. ***“Fair Housing, It’s Your Right”*** brochures will be distributed to all applicants. Upon request please email KingT12@michigan.gov and MSHDA will forward posters and brochures directly to the Grant Recipient.

All applicants and contractors will be selected based on qualifications. No applicant or contractor will be denied housing, or a contract based on his or her race, color, national origin, religion, age, sex, marital status, familiar status and/or disability.

The Grant Recipient is committed to identifying their Fair Housing needs and barriers. If necessary, will address these needs and barriers by establishing a plan to resolve and meet Fair Housing needs.

The Grant Recipient is committed to providing safe, affordable, decent, and sanitary housing located in areas where people choose to live.

SECTION 10

CONFLICT OF INTEREST POLICY

Conflict of Interest Provisions

Officers, Board Members, donors, agents, and employees and their immediate family members are not eligible to apply for MSHDA MOD homes financed under this program.

Officers, Board Members, donors, agents, and employees and their immediate family members are not eligible to purchase MSHDA MOD homes financed under this program.

Penalties for Violations

The penalty for violations of these provisions could include repayment of MSHDA MOD repayable grant and/or ineligibility for future participate.

SECTION 11

RECORD RETENTION

Insert below the Grant Recipient's on-site record retention policy – limit to one page

SECTION 12

ACKNOWLEDGEMENT

By signing below, the grantee acknowledges that they have reviewed and understand the policies and guidelines in this document for the MSHDA MOD program.
