

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The State of Michigan's Housing and Community Development Consolidated Plan is submitted pursuant to a U.S. Department of Housing and Urban Development (HUD) rule (24 CFR Part 91, 1/5/95) as a single submission covering the planning and application aspects of HUD's Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnership (HOME), Housing Opportunities for Persons with AIDS (HOPWA) and the Housing Trust Fund (HTF) formula programs.

The purpose of the 2015-2020 Consolidated Plan is to describe programs and activities that will be undertaken in conjunction with HUD programs by the state of Michigan within the next 5 years. Funding from these programs is awarded to the State by HUD and administered by the Michigan State Housing Development Authority, the Michigan Strategic Fund, and the Michigan Department of Health and Human Services. Each of the programs and activities that are proposed are described in detail within the following documents.

The programs and activities to be provided in year four of the five-year plan (July 1, 2019 - June 30, 2019) address the housing and community development needs and goals identified within the State of Michigan's Consolidated Plan. The 2015 Consolidated Plan references strategies developed to address the following goals of the programs that it covers during the five-year period July 1, 2015 through June 30, 2020.

These goals are to:

- Expand the availability and supply of safe, decent, affordable, and accessible rental housing for low and extremely low-income individuals and families;
- Improve and preserve the existing affordable housing stock and neighborhoods;
- Increase sustainable homeownership opportunities for individuals and families by reducing the costs of homeownership;
- Make homeless assistance more effective and responsive to local need through local autonomy and thru established continuums of care (CoC);
- Develop linkages between the housing and service sectors to provide greater housing opportunities for households with special needs;
- Establish a suitable living environment and expand economic opportunities for low and moderate-income people through economic and community infrastructure development;

- Reduce incidences of spot and/or area blight to improve safety and revitalize downtown districts;
- Respond to community's urgent needs or unique opportunities to support economic and community development; and
- Support communities and businesses in job creation and business assistance.

This consolidated submission specifies the State of Michigan's plan to use federal funds to implement housing and community development activities under five HUD-funded formula programs.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

Housing programs authorized through **FY19** by the National Affordable Housing Act (NAHA) represent a significant source of funding through which states, like Michigan, may address their need for affordable housing.

These programs include the: Community Development Block Grant (CDBG) program; HOME investment partnership program; Housing Trust Fund (HTF); HOPE program; Shelter Plus Care program; Supportive Housing for the Elderly (Section 211); Emergency Solutions Grant (ESG) program; Supportive Housing program; Moderate Rehabilitation Single Room Occupancy program; Housing Opportunities for Persons With AIDS (HOPWA) program; Technical Assistance; Revitalization of Severely Distressed Public Housing program; and the Low-Income Housing Preservation program.

The state has identified job creation, public facilities, blight elimination, infrastructure assistance and responding to unique community development needs and opportunities as the desired outcomes.

MSHDA endorses the objectives of the Housing and Economic Recovery Act of 2008 establishing the Housing Trust Fund to increase and preserve the supply of rental housing for extremely low income families and thereby amends this plan to account for these priorities. Michigan expects to receive an additional HTF allocation in **FY19** and expend previous HTF allocations in **FY19**.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The State believes the activities and strategies funded through the Consolidated Plan are making an impact on identified needs. The demand for the programs funded under HOME, ESG, HOPWA remain greater than the funding available. Commitment and disbursement of funds are proceeding on a timely

basis. Federal funding is being used to accomplish the major goals cited in the State of Michigan Consolidated Plan. The overall goals of providing affordable housing and a suitable living environment are being accomplished with our homeowner, homebuyer, and rental housing development programs. The overall goal of expanding economic opportunities for low and moderate-income persons is being met with the CDBG economic development program.

The 2019 Program Year anticipated achievements are identified within this document and the accomplishment data will be provided in the CAPER. It should also be noted that the HOPWA achievement data will be fully reported within the CAPER.

Over the last year while the CDBG program was greatly impacted by turnover, staff continued to work towards the goal of creating a more productive, sustainable and balanced process to positively impact timing related to the commitment and disbursement of funds. In PY 2018 the program rolled out the new CDBG Funding Guide, which replaced the previous Application Guide as the source for program priority, eligibility and process related information. To that end, in September 2018 CDBG staff participated in three HUD scheduled CDBG informational meetings held in the Upper Peninsula. The intent of these meetings was to rollout CDBG related information, and specifically the Funding Guide, to community representatives. Program staff also participated in nine regional financial training sessions, led by the MEDC's Community Assistance Team, where CDBG funding opportunities were discussed. Local and regional community and economic development partners, along with community representatives participated in these sessions.

While the CDBG program continued to survey CDBG eligible communities, the program also continued to reach out to other State of Michigan Departments in order to identify potential impactful projects and collaborative efforts that would lead to meeting Con Plan goals. Based on feedback provided by CDBG eligible communities, and the success of previous infrastructure funding rounds, the program identified eleven additional units of general local government to apply for water and sewer project funding, with one of the projects being a collaborative effort with USDA.

In order to accurately reflect the success of these efforts, process has been put in place that requires a more complete project description, including deliverables, be added in IDIS that more closely mirrors the information that is currently captured in the MSF's client management database.

The commitment of HTF is behind schedule due to the timing it took to receive initial approval of the funding. However, we are currently reviewing several developments for consideration of awarding HTF funding and should be making those awards soon. It is the intention that the prescribed funding timelines will be met. Following the current round of funding, future rounds will be held as needed and all of those will meet the required timelines as well.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The Michigan State Housing Development Authority (MSHDA), which is the lead agency responsible for preparing the Michigan Consolidated Plan solicited comments from the public regarding the plan through multiple methods. The formal public comment period was held between April 11, 2019 through May 11, 2019 and covered the draft document for FY 2019. Notice for this period was published in the following newspapers:

- o Michigan Chronicle (Detroit)
- o Alpena News
- o Detroit Newspapers - Detroit Free Press and Detroit News
- o Grand Rapids Press and El Vocero Hispano
- o Lansing State Journal
- o Mining Journal (Marquette)
- o Traverse City Record Eagle
- o Bay City Times
- o Flint Journal
- o Saginaw News
- o Kalamazoo Gazette
- o Daily Press (Escanaba)
- o Jackson Citizen Patriot
- o Herald Palladium (St. Joseph/Benton Harbor)
- o The Times Herald (Port Huron)
- o Monroe News
- o Morning Sun (Mt. Pleasant)
- o Sault Ste. Marie News
- o Muskegon Chronicle
- o The Daily News (Iron Mountain)
- o The Daily Mining Gazette (Houghton)

Notice was also given via an email blast to stakeholders and others interested in the program. The public hearings were held in Lansing and Detroit.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The State of Michigan accepts all comments or views on an ongoing basis. For the stakeholders meetings, regional grantee meetings, and any survey responses received, programs and policies are analyzed to ensure that we are providing programs that are tied to meeting the needs of our communities from a health, safety, housing, community, and economic development perspective. In addition, any written programmatic comments will be evaluated at the time that the program parameters are established.

6. Summary of comments or views not accepted and the reasons for not accepting them

In total, we received XXX formal comments and the written responses were prepared and mailed (see attached).

7. Summary

The citizen participation plan incorporated additional efforts to try and attract additional public comments. We post the final Consolidated Plan on our website and will continue to accept comments and feedback on a continual basis. We continually encourage citizens to participate in the planning process. Everyone is encouraged to send in written comments on their experience with the current program procedures either via e-mail and/or letter. MSHDA received XXXX comments based on the newspaper publication and website posting.

All attendees at each public hearing are requested to formally sign in (see attached sign-in sheet). There was XXX attendees at the two public hearings. In addition, we requested that all comments be submitted to our office in a written format (see attached written comment). In total, we received XXX formal comment and the written response has been prepared and mailed (see attached).

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	MICHIGAN	MSF
HOPWA Administrator	MICHIGAN	MDHHS
HOME Administrator	MICHIGAN	MSHDA
ESG Administrator	MICHIGAN	MSHDA
HTF Administrator	MICHIGAN	MSHDA

Table 1 – Responsible Agencies

Narrative

Consolidated Plan Public Contact Information

Tonya Young, Consolidated Plan Coordinator, MSHDA, 735 East Michigan Avenue, P.O. Box 30044, Lansing, Michigan 48909 or electronically via the Housing Initiatives mailbox e-mail address: hidmailbox@michigan.gov

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

The State supports the continuum concept by providing technical assistance for the development of local continua of care and the Balance of State (BOS) continuum. Additionally, applicants for the State's Emergency Solutions Grant Program must be part of a local continuum of care to be funded.

It should be noted that the State submits a competitive application each year through the Balance of State Continuum of Care for competitive Homeless Assistance Grant (HAG) funds. These funds support the creation of new permanent supportive housing projects, as well as the ongoing operation of existing projects.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

Ending homelessness in Michigan is an achievable goal through well-planned, sustained (long-term) effort, with all partners working toward this common goal. To that end, the State of Michigan created a state Interagency Council on Homelessness (ICH) in January 2015. The Michigan ICH consists of directors from the Michigan departments of Military Affairs, Health and Human Services, Education, Natural Resources, MSHDA, Corrections, Management and Budget, Courts and five members representing the general public.

In addition, Michigan has a state level plan to end homelessness. The state's plan is aligned with Home, together: the federal strategic plan to prevent and end homelessness adopted by the United States interagency council on homelessness.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The Michigan State Housing Development Authority (MSHDA) and the Balance of State Continuum of Care (BOSCO) representatives work diligently to foster collaborative relationships with private and public sector stakeholder groups and to recruit key personnel from those entities to serve on the Balance of State Continuum of Care planning body. There are sixty-three (63) regular members representing both private and public stakeholders. State officials from the Michigan Department of Education, Veteran's Affairs, and the Michigan Department of Health and Human Services participate and the Michigan ICH and work to meet the needs of chronically homeless, families with children, veterans, youth and survivors of domestic violence.

In addition, the Michigan ICH has a working committee consisting of staff members from the state departments listed above along with staff from the Michigan Coalition Against Homeless, the Michigan Municipal League, Veteran's Affairs, the United Way, and the Michigan Community Action Agency.

Michigan has an annual summit on Ending Homelessness across the state. This event is sponsored in part by MSHDA.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The Balance of State Continuum sponsors the applications for funding by stakeholders in geographic locations of the State that do not apply directly to HUD for HAG funding. The BOSCO provides the leadership and decision-making and develops annual action plans, establishes funding priorities, engages local continua representatives in planning dialogue, and promotes inter-agency collaboration.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Balance of State Continuum of Care
	Agency/Group/Organization Type	Housing PHA Services - Housing Services-homeless Health Agency Other government - Federal Other government - State Other government - County Other government - Local
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy

<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>On behalf of the BOS, the BOSCOG is responsible for applying for CoC Program funds annually during the HUD CoC Program Competition. In addition, the BOSCOG oversees the HUD ESG Program funds awarded to BOS geographic areas. The Michigan State Housing Development Authority (MSHDA) and the BOSCOG representatives work diligently to foster collaborative relationships with private and public sector stakeholder groups and to recruit key personnel from those entities to serve on the Balance of State Continuum of Care planning body. There are sixty-three (63) regular members representing both private and public stakeholders. State officials from the Michigan Department of Education, Veteran Affairs, and the Michigan Department of Health and Human Services participate in BOSCOG and the Michigan ICH and work to meet the needs of chronically homeless, families with children, veterans, youth and survivors of domestic violence. In addition, the Michigan ICH has a working committee consisting with staff members from the state departments listed above along with staff from the Michigan Coalition Against Homeless, the Campaign to End Homelessness, the Michigan Municipal League, Veteran Affairs, the United Way, and the Michigan Community Action Agency. Michigan has held an annual Summit on Ending Homelessness across the state. This event is sponsored in part by MSHDA.</p>
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Identify any Agency Types not consulted and provide rationale for not consulting

Not applicable.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	MSHDA	The goal of making homeless assistance more effective and responsive to local need through local autonomy and Continuum of Care is being achieved through the process outlined in the plan.

Table 3 - Other local / regional / federal planning efforts

Narrative

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The citizen participation comment process has required a high-level analysis of the program parameters and funding allocations being proposed in FY19. Goal-setting for FY19 has been a high priority for the programs based on limited resources and high demand for products.

The MEDC conducted community surveys asking to identify their community's needs. The MEDC also has a team of employees who work directly with communities in their assigned regions to help identify community needs and ways that state programs can assist with meeting those needs. These two outreach efforts provide the MEDC with a ground level view of the needs of cities and villages in the state.

As part of the citizen participation process, there is a public comment period between April 11, 2019 and May 11, 2019 and two public hearings are held.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Minorities Non-English Speaking - Specify other language: We offer interpreters on an as needed basis. Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing All Michigan Residents	Two public hearings were held in Lansing and Detroit.	There were XXX written comments received.	Not applicable.	
2	Internet Outreach	Non-targeted/broad community All Michigan Residents	Draft Action Plan was posted on our website.	There were XXX written comments received.	None.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Newspaper Ad	All Michigan Residents	Posted notification of written comment period.	There were XXX written comments received.	None.	
4	Internet Outreach	Michigan Communities	296 Community Stakeholders responded to the survey	Communities listed Local Unique Businesses and Housing Options as their two highest priorities. Communities ranked Entertainment and Cultural Venues, Bike lanes and Walk-ability, and Public space as the most sought-after amenities.	All comments were XXX.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
5	Ending Homelessness Summit	Non-targeted/broad community	400 Attendees			https://www.michigan.gov/mcteh/0,8782,7-349-78545---,00.html
6	Internet Outreach	Stakeholders and Trade Associations	Statewide	Not Applicable	Not Applicable	https://www.housingonline.com/2019/04/11/michigan-announces-first-round-for-htf-7-5-million-primarily-available-for-4-lihtc-developments/
7	Building Michigan Communities Conference	Stakeholders and Housing Organizations	Open Registration	Not Applicable	Not Applicable	http://buildingmicommunities.org/wp-content/uploads/2019/01/Fillible-BMCC-SPONSORSHIP-BROCHURE.pdf

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements	33,908,855	\$2,369,867.12	\$51,371,969.31	\$79,469,630.98	0	Prior Year Resources consist of \$ \$9,181,060.45 in RL funds.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	17,463,780	4,000,000	1,153,338	22,617,118	34,927,560	All prior year resources and FY19 allocation funding is anticipated to be awarded.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	1,408,774	0	656,709	2,065,483	1,408,774	All prior year resources and FY19 allocation funding is anticipated to be awarded.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	4,834,151	0	0	4,834,151	4,834,151	All funding is anticipated to be allocated in FY19.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	6,004,558	0	8,373,694	14,378,252	6,004,558	All current and previously awarded funding is anticipated to be allocated in FY19 .

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

For MSHDA HOME projects, local administrators are encouraged to leverage funds from other housing programs, such as federal weatherization funding, Rural Development, and MSHDA PIP, as well as to provide in-kind services and local housing funding. Leveraging targets and results will be a factor in determining funding awards.

For ESG, MSHDA provides the required dollar for dollar matching funds each year from non-Federal Authority grant funds which is approximately \$4.8 million yearly.

For CDBG grants matching and private investment are often required. The MEDC's current goal is to have more than \$10 million in private investment associated with CDBG projects each year.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

CDBG funds may be used for public facility projects, with likely activities to include streetscapes, parks, trails, public restrooms, parking facilities, and other public facility and public improvement needs. Grant or loan-funded projects could also take place on publicly owned land or property in the case of blight elimination on property held by a community.

Discussion

Note: Due to decreases in Michigan's HOME allocation, MSHDA has determined that using these funds for the development of additional affordable rental units across the state would produce a larger, more permanent public benefit. Therefore, no funds are being allocated to Tenant Based Rental Assistance (TBRA) or at this time. In addition, no specific funding is being allocated to the Rural Homelessness Grant Program.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	MSHDA HOME Rental	2015	2020	Affordable Housing	Statewide Distribution	Low to Moderate Income Households	HOME: \$13,097,835	Rental units constructed: 100 Household Housing Unit Rental units rehabilitated: 300 Household Housing Unit
2	MSHDA HOME Housing Activities	2015	2020	Affordable Housing	Statewide Distribution	Low to Moderate Income Households	HOME: \$2,619,567	Rental units constructed: 15 Household Housing Unit Homeowner Housing Added: 2 Household Housing Unit
3	HOME DPA	2015	2020	Affordable Housing	Statewide Distribution	Low to Moderate Income Households	HOME: \$1,746,378	Direct Financial Assistance to Homebuyers: 80 Households Assisted
4	ESG	2015	2020	Homeless	Statewide Distribution	Coordinaton of Care	ESG: \$4,834,151	Tenant-based rental assistance / Rapid Rehousing: 200 Households Assisted Homelessness Prevention: 350 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	HOPWA	2015	2020	Non-Homeless Special Needs	Statewide Distribution	Health Care Services to residents statewide	HOPWA: \$1,408,774	Tenant-based rental assistance: 100 Households Assisted Short term rent, mortgage, and utilities: 106 Households Assisted Permanent Housing Placement: 44 Households Assisted. Short term facility-based shelter housing: 30 Households Assisted
6	CDBG - Blight Elimination	2015	2019	Non-Housing Community Development	Statewide Distribution	Elimination of Blight	CDBG: \$4,000,000	Facade treatment/business building rehabilitation: 3 Business
7	CDBG - Community Development	2015	2019	Non-Housing Community Development	Statewide Distribution	Area Benefit Projects in LMI Areas	CDBG: \$17,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 5000 Persons Assisted Facade treatment/business building rehabilitation: 5 Business
8	CDBG - Housing Rehabilitation	2015	2019	Affordable Housing	Statewide Distribution	Low to Moderate Income Households	CDBG: \$10,000,000	Rental units rehabilitated: 30 Household Housing Unit Homeowner Housing Rehabilitated: 50 Household Housing Unit
9	CDBG - Economic Development	2015	2019	Non-Housing Community Development	Statewide Distribution	Job Creation	CDBG: \$15,000,000	Jobs created/retained: 200 Jobs Businesses assisted: 4 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
10	CDBG - Urgent Need	2015	2019	Non-Housing Community Development	Statewide Distribution	Urgent Need	CDBG: \$0	Other: 0 Other
11	CDBG - Planning, Technical Assistance, & Admin.	2015	2019	Community Development	Statewide Distribution	CDBG Planning, Technical Assistance, & Admin	CDBG: \$1,000,000	Other: 0 Other
12	Housing Trust Fund	2016	2019	Affordable Housing	Statewide Distribution	Low to Moderate Income Households	HTF: \$6,004,558	Other: 180 Other

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	MSHDA HOME Rental
	Goal Description	
2	Goal Name	MSHDA HOME Housing Activities
	Goal Description	
3	Goal Name	HOME DPA
	Goal Description	
4	Goal Name	ESG
	Goal Description	

5	Goal Name	HOPWA
	Goal Description	
6	Goal Name	CDBG - Blight Elimination
	Goal Description	
7	Goal Name	CDBG - Community Development
	Goal Description	
8	Goal Name	CDBG - Housing Rehabilitation
	Goal Description	
9	Goal Name	CDBG - Economic Development
	Goal Description	
10	Goal Name	CDBG - Urgent Need
	Goal Description	Placeholder
11	Goal Name	CDBG - Planning, Technical Assistance, & Admin.
	Goal Description	
12	Goal Name	Housing Trust Fund
	Goal Description	

AP-25 Allocation Priorities – 91.320(d)

Introduction:

The CDBG Program's Allocation Priorities reflects community need for funding for development in LMI Areas, Job Creation and Blight Elimination.

Funding Allocation Priorities

	MSHDA HOME Rental (%)	MSHDA HOME Housing Activities (%)	HOME DPA (%)	ESG (%)	HOPWA (%)	CDBG - Blight Elimination (%)	CDBG - Community Development (%)	CDBG - Housing Rehabilitation (%)	CDBG - Economic Development (%)	CDBG - Urgent Need (%)	CDBG - Planning, Technical Assistance, & Admin. (%)	Housing Trust Fund (%)	Total (%)
CDBG	0	0	0	0	0	8	40	19	30	0	2	0	100
HOME	100	0	0	0	0	0	0	0	0	0	0	0	100
HOPWA	0	0	0	0	100	0	0	0	0	0	0	0	100
ESG	0	0	0	100	0	0	0	0	0	0	0	0	100
HTF	0	0	0	0	0	0	0	0	0	0	0	100	100

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

CDBG's priorities have been to synch program priorities with community need as expressed through survey engagement, field visits, and feedback from communities.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

The CDBG program expects this distribution of funds will work to address the need of Area Benefit, Housing, Blight Elimination, and Job Creation as defined in the Consolidated Plan.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	CDBG Competitive Applications
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Competitive Application method is focused on funding Public Facility, Blight Elimination and Public Improvement projects as described in the CDBG Funding Guide.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>All applications are weighted to prioritize both financial and project outcome need in each community in competitive applications.</p> <p>Other criteria include: Local support for the project, the service area of the project benefits an area primarily to low to moderate income persons, the community has a maintenance plan and the project is apart of the communities capital improvements plan.</p> <p>The other criteria, as well as relative importance of these and other criteria are determined and address in the application guide for each application period and will be publicly announced, when possible, to potential applicants and will identify specific selection criteria.</p>

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>MSF CDBG Program: https://www.miplace.org/programs/community-development-block-grant/ CDBG Program Funding Guide: https://www.miplace.org/globalassets/media-documents/cdbg/funding-guide.pdf CDBG Program Low- & Moderate-Income Community Customers and Low- & Moderate-Income Project Areas: http://www.michiganbusiness.org/cm/Files/CDBG/CDBG-Low-Mod-Income-Customer-List.pdf</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	
<p>Describe how resources will be allocated among funding categories.</p>	<p>The resources for this method of distribution are allocated for Public Improvements. This allocation is included in the allocation of funds to the current action plans goal for CDBG Community Development and is further described under the CDBG Competitive Infrastructure Project.</p>

<p>Describe threshold factors and grant size limits.</p>	<p>As community need for Public Improvements changes the grant thresholds and sizes may vary. On average each competitive applications programs have had a minimum of \$500,000 per grant, and up to a maximum of \$2,000,000. Each year, as an application funding period is announced the threshold and grant size limit will be announced to eligible applicants.</p>				
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Outcome measures are identified within the Annual Goals and Objectives section of this report (AP-20). The objectives and outcomes for the programs funded under the Consolidated Plan formula funding are identified in this plan and outcomes will be provided as part of the CAPER submission. The Competitive infrastructure outcomes are included in the CDBG Community Development Goal and the CDBG Competitive Infrastructure Project. The expected outcome is to begin to consistently work towards addressing the State's need for remedies to Aging Infrastructure, address capacity concerns, issues of health, sanitation, and security as pertaining to public improvements.</p>				
<p>2</p>	<table border="1"> <tr> <td data-bbox="233 1138 613 1195"> <p>State Program Name:</p> </td> <td data-bbox="613 1138 1906 1195"> <p>CDBG Loan Fund Program</p> </td> </tr> <tr> <td data-bbox="233 1195 613 1252"> <p>Funding Sources:</p> </td> <td data-bbox="613 1195 1906 1252"> <p>CDBG</p> </td> </tr> </table>	<p>State Program Name:</p>	<p>CDBG Loan Fund Program</p>	<p>Funding Sources:</p>	<p>CDBG</p>
<p>State Program Name:</p>	<p>CDBG Loan Fund Program</p>				
<p>Funding Sources:</p>	<p>CDBG</p>				

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The intended purpose of the CDBG Loan Program (CLP) is to provide loans to eligible small businesses, or UGLGs, to meet a National Objective, typically by creating job opportunities for Low to Moderate Income (LMI) individuals. The funds described under this Method of Distribution are composed of program income held by or on behalf of local governments in revolving loan funds. These funds are not distributed by the MSF but are available to the local governments that generated the income, subject to compliance with all applicable CDBG rules and regulations.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applications will be approved by local administrators, subject to compliance review.</p> <p>CDBG Revolving Loan Fund (CRLF): A community that has entered into First Restated Grant Agreement with the MSF, and is administering its CDBG RLF locally.</p> <p>CDBG Loan Fund (CLF): A community that has entered into a Sub recipient Agreement with a Regional Loan Fund Administrator, and has sub-granted its program income.</p> <p>Regional Loan Fund Administrator (RLFA): A MSF designated non-profit lender that has entered into a Repaid Funds Agreement, and is administering program income sub-granted by CDBG Loan Funds.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>The Policies, Criteria, and Special Conditions can be found at: Grant Administration Manual (GAM) Chapter 3: CDBG Loan Program: https://www.miplace.org/globalassets/media-documents/cdbg/gam/03-cdbg-loan-program-05.23.17.pdf</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	

<p>Describe how resources will be allocated among funding categories.</p>	<p>Funds described under this Method of Distribution are set aside for economic development activities, to address the needs of local busiennses such as access to capital for equipment, operations, expansion and other activities.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Grant sizes are in part limited by the Loan Policy and Credit Risk Management policies under GAM Chapter 3: CDBG Loan Program, as well as the other policy constraints mentioned in the chapter such as, Term and Amortization Polices, Collateral Standards and Special Conditions.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Outcome measures are identified within the Annual Goals and Objectives section of this report (AP-20). The objectives and outcomes for the programs funded under the Consolidated Plan formula funding are identified in this plan and outcomes will be provided as part of the CAPER submission. This method is associated to the Economic Development Goal and RLF Economic Development Project.</p>
3	<p>State Program Name:</p>	<p>CDBG Local Program Income</p>
	<p>Funding Sources:</p>	
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The funds described under this Method of Distribution are composed of program income held by or on behalf of local governments generated from past housing grants. These funds are held at the local governments that generated the program income, and are allowed to retain this program income to continue activity while still subject to compliance with all applicable CDBG rules and regulations.</p> <p>Local governments collect and record all revenues derived from CDBG funded activities and hold these funds until the end of the program year. Once the year has ended the local governments collect the revenue and certify the amount received. Per 24 CFR 570.489 (e)2(i) funds which exceed \$35,000 received in a single year from activities is considered program income. The local government can continue an eligible continuing activity are then allowed to retain this program income with compliance and reporting per CDBG rules and regulations. As these funds are certified at the end of the program year, Program Income received in the current planning year will be expended in the following year.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The local governments that retain the funds create and submit program guidelines which are approved by CDBG. The local governments will then use these program guidelines as the criteria for application and prospective applicants will be approved by local administrators, subject to compliance review.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Program Guidelines, which contain the criteria in which local governments use to evaluate potential applicants is held locally and made public through the local government.</p> <p>8-F Program Income Policy for CDBG Grantees: https://www.miplace.org/link/c0d5f382651341399b5f6266fd064d14.aspx</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	

<p>Describe how resources will be allocated among funding categories.</p>	<p>In accordance with 24 CFR 570.489(e)(3)(a) Program Income retained must be used to continue the activity from which it was derived. Program guidelines developed by each community were used to identify the methodology of applying for funding. Funds described under this Method of Distribution are set aside for housing activities, or the original activity of the initial grant that generated the program income.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Per 24 CFR 570.489(e)(2)(i) Program Income, must be received in excess of \$35,000 in a single year.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Outcome measures are identified within the Annual Goals and Objectives section of this report (AP-20). The objectives and outcomes for the programs funded under the Consolidated Plan formula funding are identified in this plan and outcomes will be provided as part of the CAPER submission. The outcome measures are identified as a part of the CDBG Housing Rehabilitation Goal and CDBG Local Housing Rehabilitation Project. The expectation is to be able to allow local governments to be able to continue to allocate CDBG Program Income to address their housing needs.</p>
4	<p>State Program Name:</p>	<p>CDBG Open Applications</p>
	<p>Funding Sources:</p>	<p>CDBG</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>This Method of Distribution speaks to CDBG proposals that are considered on a continuous basis through leads generated through field staff, internal staff, State partners, and public outreach.</p> <p>The program is comprised of seven initiatives which aim to address community need. These include: Public Facilities, Building Rehabilitation, Facade Improvements, Small Business Assistance, Rental Rehabilitation, Direct Assistance to Business, and Planning.</p> <p>These Initiatives are each linked to a Goal and a Project, further specifics on these initiatives is in the State's Application Guide.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>All applications are weighted to prioritize both financial and project outcome need in each community.</p> <p>Criteria include the Economic Impact, Financial Viability, and Location of the proejct as well a specific criteria to fulfill the national objective.</p> <p>Detailed guidelines and criteria for ecah program initiative are described in the Funding Guide.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>MSF CDBG Program: https://www.miplace.org/programs/community-development-block-grant/</p> <p>CDBG Program Funding Guide: https://www.miplace.org/globalassets/media-documents/cdbg/funding-guide.pdf</p> <p>CDBG Program Low- & Moderate-Income Community Customers and Low- & Moderate-Income Project Areas: http://www.michiganbusiness.org/cm/Files/CDBG/CDBG-Low-Mod-Income-Customer-List.pdf</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	

<p>Describe how resources will be allocated among funding categories.</p>	<p>The AP-25 Allocation Priorities are reflective of how the initiatives will be allocated amongst funding categories.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>For MSF CDBG projects, the screening guidelines in the Application Guide are considered to be thresholds that must be met or exceeded for a particular project to receive funding.</p> <p>Facade, Public Facilities, Rental Rehabilitation, and Building Rehabilitation have minimums of \$50,000.</p> <p>Planning only grants are limited to \$100,000. All other funding categories do not have grant size limits.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Outcome measures are identified within the Annual Goals and Objectives section of this report (AP-20). The objectives and outcomes for the programs funded under the Consolidated Plan formula funding are identified in this plan and outcomes will be provided as part of the CAPER submission.</p>
5	<p>State Program Name:</p>	<p>Housing and Community Development Programs - HOPWA, HOME, ESG, HTF</p>
	<p>Funding Sources:</p>	<p>HOPWA HOME ESG HTF</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State uses a combination of methods for distributing funds within the specific HOME, ESG, HOPWA and HTF sections. Methods of distribution may include: competitive awards, need based awards, direct funded awards based on an RFP evaluation, NOFA(s) issued based on funding levels, and on-going open application windows per program parameters.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applicant criteria is outlined within each program's program parameters as outlined in their program criteria.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>See individual program's above.</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>MSHDA will publish and distribute a Notice of Funding Availability (NOFA) statewide, which describes the allocation process through which ESG funds may be awarded. Eligible CoCs will have to submit an Exhibit 1, CoC Update, and be in good standing with MSHDA to receive these funds. Funds will be awarded to the HARA who is recommended by the CoC Body via completion of Exhibit 1. Exhibit 1, CoC Annual Planning Update contains the following information:</p> <ul style="list-style-type: none"> • Each community’s four leaders in their effort to end homelessness; • List of all current funding sources in the community used to prevent and end homelessness; • Description of how the community makes funding decisions and prevents conflicts of interest; • Description of how the community monitors and evaluated project performance to ensure resources are being used effectively to address the needs of the community; • CoC process for building public support and political will for ending homelessness with city and county officials, businesses, and schools; and • Breakdown of ESG allocated amounts and populations to be targeted. <p>Funds are awarded to the HARA are based upon prior applicant performance, applicant capacity, eligibility of project activities, and consistency with the criteria and standards discussed in the NOFA. MSHDA will be receiving its FY19 allocation of \$XXXX plus Dearborn’s \$XXX, for a total of \$XXX. The additional \$XXX will be used for eligible ESG activities in Wayne County.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>MDHHS contracts with seven Project Sponsors that serve all areas of the state, except the Detroit EMSA (Wayne County) and the Warren EMSA (Lapeer, Livingston, Macomb, Monroe, Oakland, and St. Clair counties). The Project Sponsors include 1 Health Department, 1 Hospital, and 5 nonprofit agencies. All Sponsors provide tenant-based rental assistance (TBRA), short-term rent, mortgage and utility assistance (STRMU), housing information services, resource identification, permanent housing placement, and short-term facility shelter housing in the form of emergency hotel vouchers when other shelter is not available. Additionally, HOPWA) are provided.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>Program guidelines are used to identify the methodology of applying for funding. Funding allocations are determined in each program's action plan. The dollar amounts and percentages in the action plan are estimates and variation is expected.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>All program criteria, including threshold factors and grant size limits, are identified within each program's action plan.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Outcome measures are identified within the Annual Goals and Objectives section of this report (AP-20). The objectives and outcomes for the programs funded under the Consolidated Plan formula funding are identified in this plan and outcomes will be provided as part of the CAPER submission.</p>
6	<p>State Program Name:</p>	<p>Housing and Community Development Programs - HOPWA, HOME, ESG, HTF</p>
	<p>Funding Sources:</p>	<p>HOPWA HOME ESG HTF</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State uses a combination of methods for distributing funds within the specific HOME, ESG, HOPWA and HTF sections. Methods of distribution may include: competitive awards, need based awards, direct funded awards based on an RFP evaluation, NOFA(s) issued based on funding levels, and on-going open application windows per program parameters.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applicant criteria is outlined within each program's program parameters as outlined in their program criteria.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>See individual program's above.</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>MSHDA will publish and distribute a Notice of Funding Availability (NOFA) statewide, which describes the allocation process through which ESG funds may be awarded. Eligible CoCs will have to submit an Exhibit 1, CoC Update, and be in good standing with MSHDA to receive these funds. Funds will be awarded to the HARA who is recommended by the CoC Body via completion of Exhibit 1. Exhibit 1, CoC Annual Planning Update contains the following information:</p> <ul style="list-style-type: none"> • Each community’s four leaders in their effort to end homelessness; • Identifies all current funding sources in the community used to prevent and end homelessness; • Describes how the community makes funding decisions and prevents conflicts of interest; • Describes how the community monitors and evaluated project performance to ensure resources are being used effectively to address the needs of the community; • CoC process for building public support and political will for ending homelessness with city and county officials, businesses, and schools; and • Breakdown of ESG allocated amounts and populations to be targeted. <p>Funds are awarded to the HARA are based upon prior applicant performance, applicant capacity, eligibility of project activities, and consistency with the criteria and standards discussed in the NOFA. MSHDA will be receiving its FY19 allocation of \$XXXX plus Dearborn’s \$XXXX, for a total of \$XXX. The additional \$XXX will be used for eligible ESG activities in Wayne County.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>MDHHS contracts with seven Project Sponsors that serve all areas of the state, except the Detroit EMSA (Wayne County) and the Warren EMSA (Lapeer, Livingston, Macomb, Monroe, Oakland, and St. Clair counties). The Project Sponsors include 1 Health Department, 1 Hospital, and 5 nonprofit agencies. All Sponsors provide tenant-based rental assistance (TBRA), short-term rent, mortgage and utility assistance (STRMU), housing information services, resource identification, permanent housing placement, short term facility shelter housing in the form of emergency hotel vouchers when other shelter is not available. Additionally, HOPWA) are provided.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>Program guidelines are used to identify the methodology of applying for funding. Funding allocations are determined in each program's action plan. The dollar amounts and percentages in the action plan are estimates and variation is expected.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>All program criteria, including threshold factors and grant size limits, are identified within each program's action plan.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Outcome measures are identified within the Annual Goals and Objectives section of this report (AP-20). The objectives and outcomes for the programs funded under the Consolidated Plan formula funding are identified in this plan and outcomes will be provided as part of the CAPER submission.</p>
7	<p>State Program Name:</p>	<p>Housing and Community Development Programs - HOPWA, HOME, ESG, HTF</p>
	<p>Funding Sources:</p>	<p>HOPWA HOME ESG HTF</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State uses a combination of methods for distributing funds within the specific HOME, ESG, HOPWA and HTF sections. Methods of distribution may include: competitive awards, need based awards, direct funded awards based on an RFP evaluation, NOFA(s) issued based on funding levels, and on-going open application windows per program parameters.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applicant criteria is outlined within each program's program parameters as outlined in their program criteria.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>See individual program's above.</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>MSHDA will publish and distribute a Notice of Funding Availability (NOFA) statewide, which describes the allocation process through which ESG funds may be awarded. Eligible CoCs will have to submit an Exhibit 1, CoC Update, and be in good standing with MSHDA to receive these funds. Funds will be awarded to the HARA who is recommended by the CoC Body via completion of Exhibit 1. Exhibit 1, CoC Annual Planning Update contains the following information:</p> <ul style="list-style-type: none"> • The community’s four key stakeholders; • List of all current funding sources in the community available for housing and prevention services to the homeless; • Diagram showing the Community’s Service Delivery System; • Description of CoC oversight and evaluation of activities and outcomes of the HARA to ensure agencies are performing satisfactorily and are effectively addressing the needs in the community; • CoC process for building public support and political will for ending homelessness with city and county officials, businesses, and school liaisons; and • Breakdown of ESG allocated amounts and populations to be targeted. <p>Funds are awarded to the HARA are based upon prior applicant performance, applicant capacity, eligibility of project activities, and consistency with the criteria and standards discussed in the NOFA. MSHDA will be receiving its FY19 allocation of \$XXX plus Dearborn’s \$XXXXX, for a total of \$XXXX. The additional \$XXX will be used for eligible ESG activities in Wayne County.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>MDHHS contracts with seven Project Sponsors that serve all areas of the state, except the Detroit EMSA (Wayne County) and the Warren EMSA (Lapeer, Livingston, Macomb, Monroe, Oakland, and St. Clair counties). The Project Sponsors include 1 Health Department, 1 Hospital, and 5 nonprofit agencies. All Sponsors provide tenant-based rental assistance (TBRA), short-term rent, mortgage and utility assistance (STRMU), housing information services, resource identification, permanent housing placement, and short-term facility shelter housing in the form of emergency hotel vouchers when other shelter is not available. Additionally, supportive services (mainly housing case management) are provided.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>Program guidelines are used to identify the methodology of applying for funding. Funding allocations are determined in each program's action plan. The dollar amounts and percentages in the action plan are estimates and variation is expected.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>All program criteria, including threshold factors and grant size limits, are identified within each program's action plan.</p>

	What are the outcome measures expected as a result of the method of distribution?	Outcome measures are identified within the Annual Goals and Objectives section of this report (AP-20). The objectives and outcomes for the programs funded under the Consolidated Plan formula funding are identified in this plan and outcomes will be provided as part of the CAPER submission.
8	State Program Name:	Housing and Community Development Programs - HOPWA, HOME, ESG, HTF
	Funding Sources:	HOPWA HOME ESG HTF
	Describe the state program addressed by the Method of Distribution.	The State uses a combination of methods for distributing funds within the specific HOME, ESG, HOPWA and HTF sections. Methods of distribution may include: competitive awards, need based awards, direct funded awards based on an RFP evaluation, NOFA(s) issued based on funding levels, and on-going open application windows per program parameters.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applicant criteria is outlined within each program's program parameters as outlined in their program criteria.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>See individual program's above.</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>MSHDA will publish and distribute a Notice of Funding Availability (NOFA) statewide, which describes the allocation process through which ESG funds may be awarded. Eligible CoCs will have to submit an Exhibit 1, CoC Update, and be in good standing with MSHDA to receive these funds. Funds will be awarded to the HARA who is recommended by the CoC Body via completion of Exhibit 1. Exhibit 1, CoC Annual Planning Update contains the following information:</p> <ul style="list-style-type: none"> • The community’s four key stakeholders; • List of all current funding sources in the community available for housing and prevention services to the homeless; • Diagram showing the Community’s Service Delivery System; • Description of CoC oversight and evaluation of activities and outcomes of the HARA to ensure agencies are performing satisfactorily and are effectively addressing the needs in the community; • CoC process for building public support and political will for ending homelessness with city and county officials, businesses, and school liaisons; and • Breakdown of ESG allocated amounts and populations to be targeted. <p>Funds are awarded to the HARA are based upon prior applicant performance, applicant capacity, eligibility of project activities, and consistency with the criteria and standards discussed in the NOFA. MSHDA will be receiving its FY19 allocation of \$XXXX plus Dearborn’s \$XXXXX, for a total of \$XXXX. The additional \$XXX will be used for eligible ESG activities in Wayne County.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>MDHHS contracts with seven Project Sponsors that serve all areas of the state, except the Detroit EMSA (Wayne County) and the Warren EMSA (Lapeer, Livingston, Macomb, Monroe, Oakland, and St. Clair counties). The Project Sponsors include 1 Health Department, 1 Hospital, and 5 nonprofit agencies. All Sponsors provide tenant-based rental assistance (TBRA), short-term rent, mortgage and utility assistance (STRMU), housing information services, resource identification, permanent housing placement, and short-term facility shelter housing in the form of emergency hotel vouchers when other shelter is not available. Additionally, supportive services (mainly housing case management) are provided.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>Program guidelines are used to identify the methodology of applying for funding. Funding allocations are determined in each program's action plan. The dollar amounts and percentages in the action plan are estimates and variation is expected.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>All program criteria, including threshold factors and grant size limits, are identified within each program's action plan.</p>

What are the outcome measures expected as a result of the method of distribution?	Outcome measures are identified within the Annual Goals and Objectives section of this report (AP-20). The objectives and outcomes for the programs funded under the Consolidated Plan formula funding are identified in this plan and outcomes will be provided as part of the CAPER submission.
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Discussion:

AP-35 Projects – (Optional)

Introduction:

The State of Michigan does not determine specific projects prior to receiving the allocated dollars.

The CDBG Projects as defined are attributable to one Need and Goal as identified in the Consolidated Plan and are further defined in the CDBG Funding Guide.

#	Project Name
1	CDBG - 2019 - Blight Elimination
2	CDBG - 2019 - Community Development
3	CDBG - 2019 - Competitive Applications
4	CDBG - 2019 - Housing Rehabilitation
5	CDBG - 2019 - Local Housing Rehabilitation
6	CDBG - 2019 - Economic Development
7	CDBG - 2019 - RLF Economic Development
8	CDBG - 2019 - Planning
9	CDBG - 2019 - Administration and Technical Assistance

Table 9 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

HUD requires the State to identify any obstacles to addressing underserved needs. The main obstacle is the lack of state, federal, and private resources to address the level of need identified in the State's 2015 Consolidated Plan Housing and Homeless Needs Assessment.

AP-38 Project Summary

Project Summary Information

1	Project Name	CDBG - 2019 - Blight Elimination
	Target Area	Statewide Distribution
	Goals Supported	CDBG - Blight Elimination
	Needs Addressed	Elimination of Blight
	Funding	CDBG: \$4,000,000
	Description	This project is for all CDBG activities to address the need for Blight Elimination as identified in the State Application Guide following the Building Rehabilitation Initiative.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Elimination of Blight through Building Rehabilitation Initiative, which includes the restoration of Historic Buildings and Elimination of Spot Blight through Rehabilitation.
2	Project Name	CDBG - 2019 - Community Development
	Target Area	Statewide Distribution
	Goals Supported	CDBG - Community Development
	Needs Addressed	Area Benefit Projects in LMI Areas
	Funding	CDBG: \$4,000,000

	Description	This project is for all CDBG activities to address the need for non housing community development on an area basis as identified in the respective consolidated and action plan.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Activities within the Facade Improvement and Public Facilities Initiatives, which look to rehabilitate Facades in traditional downtowns, and Rehabilitate Public Facilities such as neighborhood, health, and youth centers, as well as Parks, and recreational facilities.
3	Project Name	CDBG - 2019 - Competitive Applications
	Target Area	Statewide Distribution
	Goals Supported	CDBG - Community Development
	Needs Addressed	Area Benefit Projects in LMI Areas
	Funding	CDBG: \$10,000,000
	Description	This project is for all CDBG activities to address the need for non-housing community development for area benefit on a competitive basis as identified in the application material.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
	Project Name	CDBG - 2019 - Housing Rehabilitation

4	Target Area	Statewide Distribution
	Goals Supported	CDBG - Housing Rehabilitation
	Needs Addressed	Low to Moderate Income Households
	Funding	CDBG: \$9,000,000
	Description	This project is for all activities to address the need for housing development following the Rental Rehabilitation Initiative as identified in the State Application Guide.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Activities under the Rental Rehabilitation Initiative include the rehabilitation of rental units focusing on mixed used affordable rentals.
5	Project Name	CDBG - 2019 - Local Housing Emergency Repairs
	Target Area	Statewide Distribution
	Goals Supported	CDBG - Housing Rehabilitation
	Needs Addressed	Low to Moderate Income Households
	Funding	CDBG: \$1,000,000
	Description	This project is for all CDBG activities to address the need of Low to moderate income households with Locally retained program income through the Local Program Income method of Distribution.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Activities include emergency repair, repair of roofs, and well and septic replacement, as defined by the local grantee.
6	Project Name	CDBG - 2019 - Economic Development
	Target Area	Statewide Distribution
	Goals Supported	CDBG - Economic Development
	Needs Addressed	Job Creation
	Funding	CDBG: \$,15000,000
	Description	This project is for all CDBG activities to address the need for Job Creation as identified in the State Application Guide following the Small Business and Direct Assistance to Business Initiatives.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Job Creation activities defined under the Direct Assistance to Business and Small Business Initiative. Activities include, the construction of infrastructure to/for industrial/commercial facilities, machinery and equipment, and related construction to job creation for LMI persons.
7	Project Name	CDBG - 2019 - RLF Economic Development
	Target Area	Statewide Distribution
	Goals Supported	CDBG - Economic Development

	Needs Addressed	Job Creation
	Funding	CDBG: \$1,000,000
	Description	This project is for all CDBG activities to address the need for Job Creation through the use of the States regional RL funds as identified in the respective consolidated and action plan.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Activities include loans to small businesses for job creation. Loans typically fund the need for working capital, machinery and equipment, and building improvements.
8	Project Name	CDBG - 2019 - Planning
	Target Area	
	Goals Supported	CDBG - Planning, Technical Assistance, & Admin.
	Needs Addressed	CDBG Planning, Technical Assistance, & Admin
	Funding	:
	Description	This project is for all CDBG activities to address the need for planning as identified in the State Application Guide for the Planning Initiative.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	

	Planned Activities	Activities include those under the Planning Initiative, planning activities include analysis, data gathering, studies, and identification of actions that will implement plans.
9	Project Name	CDBG - 2019 - Administration and Technical Assistance
	Target Area	
	Goals Supported	CDBG - Planning, Technical Assistance, & Admin.
	Needs Addressed	CDBG Planning, Technical Assistance, & Admin
	Funding	CDBG: \$1,000,000
	Description	This project is for all CDBG activities to address the need for technical assistance and administrative support as identified in the respective consolidated and action plan.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	State Administration and Technical Assistance to Grantees

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

Not applicable.

Acceptance process of applications

Not applicable.

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

State's Process and Criteria for approving local government revitalization strategies

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

The State has been broken down into prosperity regions. In general, the State distributes the formula funds through a competitive process and cannot predict the ultimate geographic distribution of the assistance. The method of distribution for the Emergency Solutions Grant Program is based on allocation to geographic areas.

CDBG: The program distributes funds in non-entitlement communities throughout the State. Additional consideration may be given to projects that participate in our state’s Redevelopment Ready Communities (RRC) program and the Michigan Main Street program.

Geographic Distribution

Target Area	Percentage of Funds
Statewide Distribution	100

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The rationale for the priorities of each funding source allocation is more fully described in each program's guidelines.

Discussion

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	206
Special-Needs	250
Total	456

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	100
Rehab of Existing Units	350
Acquisition of Existing Units	0
Total	450

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

Michigan will use funds for 'Acquisition of Existing Units', however all acquired units will be produced or rehabilitated, so this field was left blank so as not to duplicate the unit count.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

The State does not own or operate public housing in Michigan; consequently, no initiatives are planned in this area.

Actions planned during the next year to address the needs to public housing

Not applicable.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Not applicable.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable.

Discussion:

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

MSHDA's Chief Housing Solutions Officer chairs the Michigan Interagency Council on Homelessness (MI ICH). This council consists of leaders from seven other state agencies and four other interested parties. In addition, a team of state and non-profit leaders meet monthly to further develop and strengthen the Campaign to End Homelessness in Michigan. The Campaign began in 2006 and several pilot programs and initiatives were developed, many of which have become common practice in the day-to-day work of ending homelessness. The Campaign also has four on-going statewide workgroup that address housing, communications, technology, and training needed to further our goal of ending homelessness.

Addressing the emergency shelter and transitional housing needs of homeless persons

Through the Emergency Solutions Grant Program (ESG) and the PATH Program CoC's provide outreach to people living on the streets and in shelters. MSHDA provides media/awareness and training on conducting a Point in Time account. MSHDA holds an annual Summit on Ending Homelessness.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

MSHDA's ESG follow the HUD HEARTH regulations in making maximum amounts of ESG available to CoC Bodies to provide to shelters. MSHDA provides a Domestic Violence (DV) grant to the Michigan Department of Health and Human Services (MDHHS). These funds are awarded to DV shelters statewide. MSHDA works closely with the MDHHS who has contracts with the Salvation Army to provide hotel/motel rooms when shelters are full. CoCs use a state-wide common assessment and prioritization tool to ensure resources are used efficiently and households are provided the most appropriate housing intervention.

Helping low-income individuals and families avoid becoming homeless, especially extremely

low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

MSHDA has aligned our Michigan's Campaign to End Homelessness Action Plan 2017-2019 with HUD's Plan on ending homelessness. In working to end homelessness, MSHDA preferences all of our Housing Choice Vouchers (approximately 28,000+) to people who are living in homelessness, i.e., people on the homeless preference waiting list are given a voucher before people on the regular (non-homeless preference) waiting list. Through the federal Low Income Housing Tax Credit (LIHTC) Program MSHDA creates housing for all homeless populations. MSHDA provides a dollar-for-dollar match to HUD's ESG funding. MSHDA mandates that CoCs use a percentage of their ESG for rapid re-housing. MSHDA works to keep ESG case management costs reasonable thereby enabling ESG dollars to reach the public in the form of prevention and rapid re-housing.

Discussion

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	106
Tenant-based rental assistance	100
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	44
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	30
Total	280

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

The State created the Interagency Partnership Team as a means to target and coordinate the funding decisions of the State agencies to enhance community and housing development. State field staff serve as liaisons between local applicants and State departments to streamline and facilitate development approvals.

The housing data within this Consolidated Plan, demonstrates the tremendous number of Michigan households with unmet housing needs. The housing needs of very low, low and moderate income levels are widespread. The scarcity of affordable housing impacts the State as a whole from a geographical (urban, suburban, and rural) distribution/availability perspective which impacts all current and/or incoming residents.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The barriers to affordable housing are as multi-faceted as the State's population. Some of the major barriers facing affordable housing include: aging and insufficient infrastructure, a lack of regional housing strategy, negative public perception of affordable housing, and high project costs with limited rates of return. Local opposition to affordable housing sometimes makes it difficult and expensive to construct or renovate units, and undermines efforts to win political support for funding, zoning, and project approval. Some potential solutions that have been examined include: the creation of new funding sources (or at least maintaining current funding levels if possible on the programs already in existence), changes in zoning to allow for flexibility and density, rent control, tax credit financing, action plans for underutilized properties, and the use key resources such as nonprofit organizations. Housing is a universal need for a community, at all income levels, and its availability and sustainability is key to preserving the quality of life and making sure that the "live, work and play" placemaking component is maintained within the neighborhoods.

Discussion:

AP-85 Other Actions – 91.320(j)

Introduction:

MSHDA has adopted an Analysis of Impediments to Fair Housing Choice in Michigan's non-entitled communities. MSHDA has hired a permanent full-time Fair Housing staff person. She is currently working on analyzing our programs and policies to make sure they are aligned with the goals identified within the plan.

Actions planned to address obstacles to meeting underserved needs

MSHDA has adopted an Analysis of Impediments to Fair Housing Choice in Michigan's non-entitled communities. MSHDA has hired a permanent full-time Fair Housing staff person. She is currently working on analyzing our programs and policies to make sure they are aligned with the goals identified within the plan.

Actions planned to foster and maintain affordable housing

The State of Michigan continues to struggle with the significant federal budget cuts made over the years which have had trickle-down impact on all of our programs. As a result of limited resources, our agencies are having to continually streamline our programs and make targeted, strategic, funding decisions to enable our agencies to continue to provide affordable housing assistance. Competition for our available funds, the tremendous need, and our limited resources make this task extremely difficult.

Actions planned to reduce lead-based paint hazards

Funding is allocated to reduce lead-based paint hazards in the assisted homes and/or units. Additional attention is being given to align our services with those of other State agencies. Training opportunities for current, and to develop additional, lead-based paint certified contractors is ongoing and an important priority for MSHDA.

Actions planned to reduce the number of poverty-level families

The State programs are designed to provide affordable housing to families and/or to provide additional

economic opportunities through job creation.

Actions planned to develop institutional structure

The Regional Prosperity Initiative is aligning services and programs offered by the State of Michigan to better serve the population. In addition, streamlining of policies, programs, and paperwork is a top priority.

Actions planned to enhance coordination between public and private housing and social service agencies

As part of the ICC's comprehensive agenda, conducting assessments of local needs in conjunction with local leaders to create greater community prosperity is also planned. A major component of each assessment is working to identify programs and funding that will support initiative(s) of both the public and private sector on a regional basis.

Discussion:

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

1. As Program Income Received in the program year it is used to offset Competitive Infrastructure draw requests to treasury.
2. The MSF CDBG Program does not have any section 108 loans
3. The MSF CDBG Program does not have any urban renewal settlements
4. The MSF CDBG Program does not have any grant funds that have been returned to the LOC. Reallocated to the funding category the initial fund were disbursed for.
5. The MSF CDBG Program does not have any float-funded activities

1. There are currently no urgent need activities.
2. The Program has averaged 80% of funds used to benefit persons of low and moderate income persons. The program expects to meet the 70% benefit for this program year.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
---	---

2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.

0.00%

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.320(k)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The Key to Own program is a down payment assistance program, which can only be used by MSHDA Housing Choice Voucher Participants (Section 8) and is combined with a FHA or Conventional 97% first mortgage. The down payment assistance is provided in the form of a second mortgage for a maximum amount of \$3,500 toward payment of the refinancing costs to allow the participant to get a better rate and term. In order to be eligible, the borrower must not have more than \$10,000 in liquid cash assets. This program is available to a borrower(s) whose income does not exceed 80% of the area median income, adjusted for family size, except where lower by state law. The sales price limits will be identical to those in effect for the regular MSHDA loan program. The second mortgage is a forgivable loan due on sale or transfer of the property, or when the property ceases to be the principal residence of the mortgagor, or when the mortgagor repays in full any mortgage loans encumbering the property that are senior to the debt.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

If applicable, the regulations stipulate that the initial homebuyer may sell the property during the term of affordability provided that the initial homebuyer repays the HOME subsidy upon resale (the "recapture" option). MSHDA will utilize the recapture option in its homebuyer programs. Under the recapture option, MSHDA will secure the amount of HOME-funded homebuyer subsidy provided to an eligible homebuyer with a forgivable mortgage pro-rated monthly for the affordability period. The term of the mortgage will depend upon the amount of HOME assistance provided to the buyer (5, 10, or 15 years). Repayment is required if any of the following actions take place within the affordability period: sale, transfer, or conveyance (voluntarily or involuntarily) through foreclosure or otherwise, or if the property ceases for any other reason to be the buyer's principal place of

residence, or if they default on liens existing at the time of closing.

Resale/Recapture does not apply to Rental Projects.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

If applicable, recapture provisions will be utilized for our homebuyer assistance programs.

MSHDA allows HOME-assisted homebuyers to sell their unit at any time during the period of affordability to any willing buyer and at the price the market will bear. MSHDA imposes recapture provisions via a written agreement and recorded lien between MSHDA and the homebuyer.

The lien could be in the format of a deferred, forgivable, or a partially deferred/partially forgivable lien based on the policy determinations outlined within either MSHDA or MSHDA's Grantee's program guidelines.

The amount subject to recapture is limited to the direct subsidy amount which is the HOME investment that includes down payment assistance, closing costs, or other HOME assistance provided directly to the homebuyer) and/or the difference between the fair market value of the property and a reduced sales price attributable to HOME development assistance.

The amount subject to recapture is limited to the net proceeds available from the sale which are calculated based on: sales price minus repayment of senior loans (non-HOME funds) and customary closing costs. The nature of the sale (voluntary, short sales, and/or involuntary sales including foreclosures) does not impact the calculation of net proceeds.

Resale/Recapture does not apply to Rental Projects.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

In an effort to refinance and rehabilitate multifamily transactions with existing debt, MSHDA makes available annually a combined total of approximately \$18 million of MSHDA HOME and Preservation Funds exclusively in the Authority's Gap Financing Program. Participation in the Gap Financing Program requires the applicant to also obtain tax-exempt bond-funded permanent financing from MSHDA. Although both gap funding types will be made available to projects without regard to whether they are a new construction, adaptive reuse, acquisition/rehabilitation, or preservation

transaction, most loans are preservation transactions.

For purposes of allocating these limited resources, MSHDA has determined that these funds can be best put to use through a public Notice of Funding Availability (NOFA). The gap funds will be committed and closed over a 9-12 month period. The Gap Financing Program Guidelines describe what types of projects will be eligible and the allocation process through which these funds will be awarded.

In addition, MSHDA may also make available a portion of the HOME funding for the purpose of creating permanent supportive housing transactions that may include refinancing and rehabilitating multi-family developments. The allocation of these funds is also handled through a NOFA similar to the Gap Financing Program Guidelines.

Emergency Solutions Grant (ESG) Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

Please go to www.michigan.gov/mshda, click on Homeless Program Funding, click on ESG for ESG policy and procedures.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Recipients of BOS ESG are required to have a Housing Assessment and Resource Agency (HARA) for each CoC. A *minimum* of forty percent (40%) of each CoCs ESG funds are required to be given to the HARA from the CoC award. The HARA is the centralized point of intake. HARAs are required to use the Service Prioritization Decision Assistance Tool (SPDAT) to guide the household to the right support intervention and housing. HARAs are the only agencies providing ESG prevention and rapid re-housing funds within the CoCs. Each HARA is required to employ a Housing Resource Specialist to ensure that landlord relationships exist and people living in homelessness are rapidly re-housed.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

ESG funds are awarded statewide based upon poverty and homelessness data. Each CoC body determines how to best fund agencies in their area to end homelessness. All ESG recipients are required to be non-profit agencies. In addition, CoC and Local Planning Bodies (LPB) must describe their fair funding process annually and that plan is required to be submitted to MSHDA.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR

576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The CoC for the Michigan Balance of State is known as the Balance of State Continuum of Care (BOSCO). BOSCO has an individual that was homeless and sex trafficked, and she sits on bi-monthly BOSCO meetings. In addition, MSHDA as an agency has a current or former HCV tenant on its Board. Each Local Planning Body and CoC Body is advised to have a person that formerly lived in homelessness attending their local planning meetings. Michigan's governor has created the Michigan Interagency Council on Ending Homelessness which consists of staff from MSHDA, the Michigan Department of Health and Human Services, Michigan Department of Education, Veteran Affairs, Michigan Association of United Ways, the Michigan League for Public Policy, and Michigan Community Action Agency who represent people living in homelessness and poverty in Michigan. This committee, known as the Michigan ICH, meets bi-monthly to strategize and direct the Campaign to End Homelessness in Michigan.

5. Describe performance standards for evaluating ESG.

MSHDA ESG employs a Housing Compliance Specialist who monitors ESG annually on a statewide basis. This Specialist conducts an annual financial audit which includes accounting and record keeping. The Housing Compliance Specialist insures all applicable ESG program forms are submitted. This position reviews documentation of homelessness, household income limit, and habitability inspection. In addition, MSHDA employs four Homeless Assistance Specialists who oversee Michigan's ten regions. The Homeless Specialist oversees ESG on a data-based grant management system known as MATT 2.0. Quarterly ESG draws, billing, and reporting are completed via MATT 2.0. Quarterly Progress Reports (known as CAPERs) are submitted to the Homeless Assistance Specialist. The progress reports identify length of shelter stay, increase in income, services provided, etc.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state

agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter “N/A”.

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The responses to each of items 3a – 3i can be found in Michigan’s Housing Trust Fund allocation plan, which can be found using the following link:

https://www.michigan.gov/documents/mshda/HTF_Allocation_Plan_619891_7.pdf

b. Describe the grantee’s application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The responses to each of items 3a – 3i can be found in Michigan’s Housing Trust Fund allocation plan, which can be found using the following

link: https://www.michigan.gov/documents/mshda/HTF_Allocation_Plan_619891_7.pdf

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The responses to each of items 3a – 3i can be found in Michigan’s Housing Trust Fund allocation plan, which can be found using the following

link: https://www.michigan.gov/documents/mshda/HTF_Allocation_Plan_619891_7.pdf

d. Describe the grantee’s required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The responses to each of items 3a – 3i can be found in Michigan’s Housing Trust Fund allocation plan,

which can be found using the following

link: https://www.michigan.gov/documents/mshda/HTF_Allocation_Plan_619891_7.pdf

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The responses to each of items 3a – 3i can be found in Michigan's Housing Trust Fund allocation plan, which can be found using the following

link: https://www.michigan.gov/documents/mshda/HTF_Allocation_Plan_619891_7.pdf

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The responses to each of items 3a – 3i can be found in Michigan's Housing Trust Fund allocation plan, which can be found using the following

link: https://www.michigan.gov/documents/mshda/HTF_Allocation_Plan_619891_7.pdf

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The responses to each of items 3a – 3i can be found in Michigan's Housing Trust Fund allocation plan, which can be found using the following

link: https://www.michigan.gov/documents/mshda/HTF_Allocation_Plan_619891_7.pdf

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The responses to each of items 3a – 3i can be found in Michigan’s Housing Trust Fund allocation plan, which can be found using the following link: https://www.michigan.gov/documents/mshda/HTF_Allocation_Plan_619891_7.pdf

i. Describe the grantee’s required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The responses to each of items 3a – 3i can be found in Michigan’s Housing Trust Fund allocation plan, which can be found using the following link: https://www.michigan.gov/documents/mshda/HTF_Allocation_Plan_619891_7.pdf

4. Does the grantee’s application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

5. Does the grantee’s application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee’s goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee’s maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME’s maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description

of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

MSHDA has elected to adopt the HOME per-unit subsidy limits for purposes of the Housing Trust Fund. The current limits to be used are:

1 Bedroom - \$161,738; 2 Bedroom - \$196,673; 3 Bedroom - \$254,431; 4 Bedroom - \$279,286

The state feels that consistency with the HOME program is critical for the early stages of this newer program. MSHDA knows from its fifty years of experience in financing affordable rental housing, that transactions with deeply targeted units require the blending of multiple funding streams in order to make them feasible. While we are not specifically prioritizing HOME funded projects, we anticipate that many, if not most, will be bringing HOME funds as part of the broader project. Additionally, based on data analysis that the agency conducted on the various projects within MSHDA's portfolio, which covers multi-family developments of all types across all portions of the state, the HOME per-unit subsidy limits should be sufficient in determining the maximum amount of Housing Trust Fund dollars that can be used. The HOME per-unit subsidy limits being used account for differences in bedroom size. Additionally, based on actual costs of developments in MSHDA's portfolio, and the geographic location of the projects that have been done around the state and that are likely to be done with HTF, these limits appear to be to be adequate. MSHDA intends to evaluate at the end of each funding year, as it does in all of its program areas, and will make adjustments if necessary based on updated actual construction costs, data, or other modified assumptions.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and

local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

All projects must comply with MSHDA's Multifamily Standards of Design, including completion of a Capital Needs Assessment when applicable for rehabilitation projects. All developments must also comply with Uniform Federal Accessibility Standards and property standards shown at 24 CFR 92.251

MSHDA's Multi-family Standards of Design may be found here:

https://www.michigan.gov/documents/mshda/MSHDA-Standards-of-Design-complete-2009-09_291752_7.pdf

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

All HTF units in eligible projects must be targeted toward households with incomes at or below 30% of the Area Median Income (AMI).

It is anticipated that most units financed under this program will be integrated into affordable housing properties serving family and/or elderly households, that are financed using MSHDA tax-exempt or taxable bond products, LIHTC, or federal historic tax credits.

12. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

N/A

Discussion: