

# 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 three of the five year plan (July 1, 2017 - June 30, 2018) 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 movement toward a continuum of care;
- 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 FY17 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, job training, blight elimination, infrastructure assistance and responding to unique community development needs and opportunities as the desired outcomes in the next five years.

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 HTF allocation of \$4,851,072.

## **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 CDBG, HOME, ESG, HOPWA and HTF 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 State does not believe an adjustment to its strategies is needed at this time.

The 2017 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.

#### **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, including a formal 14-day public comment period based on the federal waiver that was issued. The formal public comment period was held between July 17, 2017 and July 31, 2017 and covered the draft document for FY 2017. Notice for this period was published in the following newspapers:

- o Michigan Chronicle
- 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
- o Traverse City Record Eagle
- o Bay City Times
- o Flint Journal
- o Saginaw News
- o Kalamazoo Gazette
- o Daily Press (Escaaba)
- o Jackson Citizen Patriot
- o Herald Palladium (Benton Harbor)
- o The Times Herald (Port Huron)
- o Monroe Evening News
- o Morning Sun
- o The Evening News (Sault Ste. Marie)
- 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 actively solicits comments and feedback from the public on an ongoing basis. Our programs are all outlined on the correlating websites and staff interaction with the public occurs on an ongoing basis.

Attached will be any formal public comments that were provided in written format.

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

The State of Michigan accepts all comments or views on an ongoing basis. For the stakeholders meetings, regional grantee meetings, and the survey responses received, programs and policies were 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 relation to any written programmatic comments will be evaluated at the time that the program parameters are established.

## **7. Summary**

The citizen participation plan incorporated additional efforts to try and attract additional public comments. We have also posted the final Consolidated Plan on facebook and twitter and will continue to accept comments and feedback on a continual basis. We continually encourage citizens to participate in the planning process. MSHDA received XXX comments based on their seeing the posting in the newspaper. Each person has received direct consultation and assistance regarding the steps that can be taken to move towards homeownership. Each person is encouraged to send in written comments on their experience with the current program procedures either via e-mail and/or letter.

All attendees at each public hearing are requested to formally sign in (see attached sign-in sheet). We requested that each attendee submit their comments in a written format (see attached written comments). In total, we received XXXX formal comments all of which agreed with the state receiving

the funding source allocationa but expressed concerns on what program parameters will be established and providing input on their organization's vision for use of the funding.

**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

**Table 1 – Responsible Agencies**

**Narrative**

MSHDA is responsible for the submission of the Consolidated Plan on behalf of the State of Michigan. The Michigan State Housing Development Authority encourages participation in the development of the plan, any substantial amendments to the plan, and the performance report. Participation of low and moderate-income persons is encouraged, particularly those living in slum and blighted areas and in areas where funds are proposed to be used, and by residents of predominantly low and moderate-income neighborhoods, through the following strategies:

All public hearing announcements and comment periods specifically reference the fact that comments are requested on the plan. A hearing is scheduled in a location accessible to low and moderate-income persons and persons with disabilities. These plans will be made available in a format accessible to persons with disabilities upon request, translated upon request, and copies will be made available for free to any Michigan resident upon request.

**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](mailto:hidmailbox@michigan.gov).

## **AP-10 Consultation - 91.110, 91.300(b); 91.315(I)**

### **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 over 31 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 "Opening Doors", 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 Michigan Homeless Assistance Advisory Board (MHAAB) 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. The CoC Planning Body is known as the Michigan Homeless Assistance Advisory Board (MHAAB). There are twenty 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 in MHAAB 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 Coalition Against Homelessness, the Michigan Municipal League, Veteran's Affairs, the United Way, and the Michigan Community Action Agency.

Michigan has held many Project Homeless Connect events across the state. These events were 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 MHAAB provides the leadership and decision-making body for the Balance of State Continuum of Care. It 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	<b>Agency/Group/Organization</b>	Michigan Homeless Assistance Advisory Board (MHAAB)
	<b>Agency/Group/Organization Type</b>	Housing PHA Services - Housing Services-homeless Services-Health Health Agency Child Welfare Agency Other government - Federal Other government - State Other government - County Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy

<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>On behalf of the BOS, the MHAAB is responsible for applying for CoC Program funds annually during the HUD CoC Program Competition. In addition, the MHAAB oversees the HUD ESG Program funds awarded to BOS geographic areas. The Michigan State Housing Development Authority (MSHDA) and the Michigan Homeless Assistance Advisory Board (MHAAB) 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. The CoC Planning Body is known as the Michigan Homeless Assistance Advisory Board (MHAAB). There are twenty 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 MHAAB 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 Coalition Against Homelessness, the Michigan Municipal League, Veteran Affairs, the United Way, and the Michigan Community Action Agency. Michigan has held many Project Homeless Connect events across the state. These events were 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 movement toward continuum of care is being achieved through the process outlined in the plan.

**Table 3 - Other local / regional / federal planning efforts**

**Narrative**

MSHDA coordinates with all Continuums of Care throughout the state when allocating ESG funds. HMIS data is used to develop an allocation plan to distribute ESG to all 83 counties in Michigan. Performance measures and outcomes are measured through our statewide HMIS to determine which CoCs are being most successful and which need additional assistance. MSHDA works with Independent Jurisdictions that receive ESG directly from HUD to ensure both state allocated and direct HUD ESG are used in a coordinated fashion. Our statewide HMIS coordinator, Michigan Coalition Against Homelessness, provides HMIS policy guidance and support to all CoCs across the state.

## **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 FY17. Goal-setting for FY17 has been a high priority for the programs based on limited resources and high demand for products.

The MEDC conducted customer surveys of all communities asking about 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, a public comment period between July 17, 2017 and July 31, 2017 and two public hearings were 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 are scheduled in Lansing and Detroit.	TBD	TBD	
2	Internet Outreach	Non-targeted/broad community All Michigan Residents	Draft will be posted on our website.	None.	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	Public Meeting	Existing Housing Grantees/Administrators	Discussion regarding funding priorities and local impacts of modifying policies and procedures.	Comments were compiled into public meeting minutes that were distributed to all grantees and stakeholders.	All comments were taken into consideration.	
4	Advisory Council	Stakeholders	Multiple council meetings were held to get input from partners on how to best utilize scarce resources of CDBG and HOME.	Comments were compiled into public meeting minutes that were distributed to all grantees and stakeholders.	All comments were taken into consideration.	
5	Public Meeting	Organizations with members working in Community Development	Multiple discussions have been held to make sure that we are providing resources in a strategic and clear manner.	all comments were positive and in favor of action steps and implementation of prioritization and protection of federal program resources.	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)
6	Advisory Council	Local Units of Government: Cities and Villages	A survey was sent to all Michigan cities and villages asking them to rank the relative importance of various amenities. The survey also went to businesses and workforce audiences.	By far the top ranked response was a need for local, unique business options (shopping and dining).	All responses were accepted and tallied. The top four overall responses were highlighted.	
7	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/Statewide	There were XXX attendees at the public hearings and XXX submitted written comments.	TBD	Not applicable.	



**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 Public Services	30,967,266	0	0	30,967,266	120,000,000	All allocated funds will be awarded during FY17.

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	11,961,896	2,000,000	0	13,961,896	44,699,979	All funding is anticipated to be allocated in FY17.
HOPWA	public-federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	1,243,640	0	0	1,243,640	4,113,680	All allocated funds will be awarded during FY17.

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	4,987,798	0	0	4,987,798	18,916,548	All allocated funds will be awarded during FY17.
Housing Trust Fund	public-federal	Multifamily rental new construction Multifamily rental rehab	4,851,072	0	0	4,851,072	10,477,378	FY16 and FY17 funds are anticipated to be awarded in FY17.

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 matching funds each year from non-Federal Authority grant funds.

For CDBG grants matching and private investment are often required. The MEDC's current goal is to have more than \$200 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 publicly held property. This is most likely in cases of infrastructure projects like streetscapes, parks, trails, public restrooms, parking facilities, and other infrastructure. 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 (LMMI)	HOME: \$8,971,422	Rental units constructed: 100 Household Housing Unit  Rental units rehabilitated: 300 Household Housing Unit
2	MSHDA HOME and MSF CDBG Housing Activities	2015	2020	Affordable Housing	Statewide Distribution	Low to Moderate Income Households (LMMI)	CDBG: \$1,500,000 HOME: \$1,794,284	Rental units constructed: 15 Household Housing Unit  Rental units rehabilitated: 40 Household Housing Unit  Homeowner Housing Added: 2 Household Housing Unit  Homeowner Housing Rehabilitated: 15 Household Housing Unit
3	HOME DPA	2015	2020	Affordable Housing	Statewide Distribution	Low to Moderate Income Households (LMMI)	HOME: \$1,196,190	Direct Financial Assistance to Homebuyers: 80 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	ESG	2015	2020	Homeless	Statewide Distribution	Coordinaton of Care	ESG: \$4,987,798	Tenant-based rental assistance / Rapid Rehousing: 200 Households Assisted Homelessness Prevention: 350 Persons Assisted
5	HOPWA	2015	2020	Non-Homeless Special Needs	Statewide Distribution	Health Care Services to residents statewide	HOPWA: \$1,071,464	Tenant-based rental assistance / Rapid Rehousing: 100 Households Assisted Housing for People with HIV/AIDS added: 106 Household Housing Unit HIV/AIDS Housing Operations: 44 Household Housing Unit
6	Economic Development Jobs - MSF CDBG	2015	2020	Non-Housing Community Development	Statewide Distribution	Area Benefit Projects in LMI Areas Job Creation Urgent Need	CDBG: \$5,700,000	Jobs created/retained: 200 Jobs
7	Community Development Jobs - MSF CDBG	2015	2020	Non-Housing Community Development	Statewide Distribution	Job Creation	CDBG: \$1,800,000	Businesses assisted: 10 Businesses Assisted
8	Community Dev. Infrastructure & Facades - MSF CDBG	2015	2020	Non-Housing Community Development	Statewide Distribution	Area Benefit Projects in LMI Areas	CDBG: \$15,000,000	Businesses assisted: 15 Businesses Assisted Other: 20000 Other



Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
9	Blight Elimination - MSF CDBG	2015	2020	Non-Housing Community Development	Statewide Distribution	Elimination of Blight	CDBG: \$5,400,000	Businesses assisted: 6 Businesses Assisted
10	Housing Trust Fund	2016	2019	Affordable Housing	Statewide Distribution	Low to Moderate Income Households (LMMI)	Housing Trust Fund: \$3,522,622	Rental units constructed: 20 Household Housing Unit
11	CDBG Administration and Technical Assistance	2015	2020	Community Development	Statewide Distribution	CDBG Administration and Technical Assistance	CDBG: \$700,000	

Table 6 – Goals Summary

### Goal Descriptions

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

5	<b>Goal Name</b>	HOPWA
	<b>Goal Description</b>	
6	<b>Goal Name</b>	Economic Development Jobs - MSF CDBG
	<b>Goal Description</b>	
7	<b>Goal Name</b>	Community Development Jobs - MSF CDBG
	<b>Goal Description</b>	
8	<b>Goal Name</b>	Community Dev. Infrastructure & Facades - MSF CDBG
	<b>Goal Description</b>	
9	<b>Goal Name</b>	Blight Elimination - MSF CDBG
	<b>Goal Description</b>	
10	<b>Goal Name</b>	Housing Trust Fund
	<b>Goal Description</b>	
11	<b>Goal Name</b>	CDBG Administration and Technical Assistance
	<b>Goal Description</b>	

## AP-25 Allocation Priorities – 91.320(d)

### Introduction:

Below is the allocation percentages outlined within each program. These percentages are best estimates and actual percentages allocated to each priority may fluctuate based on the needs that arise throughout the program year. Any variance within 25% of the original amount allocated will be considered standard and not require an amendment of this plan.

### Funding Allocation Priorities

	MSHDA HOME Rental (%)	MSHDA HOME and MSF CDBG Housing Activities (%)	HOME DPA (%)	ESG (%)	HOPWA (%)	Economic Development Jobs - MSF CDBG (%)	Community Development Jobs - MSF CDBG (%)	Community Dev. Infrastructure & Facades - MSF CDBG (%)	Blight Elimination - MSF CDBG (%)	Housing Trust Fund (%)	CDBG Administration and Technical Assistance (%)	Total (%)
CDBG	0	5	0	0	0	19	6	50	18	0	2	100
HOME	75	15	10	0	0	0	0	0	0	0	0	100
HOPWA	0	0	0	0	100	0	0	0	0	0	0	100
ESG	0	0	0	100	0	0	0	0	0	0	0	100
Housing Trust Fund	0	0	0	0	0	0	0	0	0	100	0	100

Table 7 – Funding Allocation Priorities

### Reason for Allocation Priorities

The majority of the HOME allocation is dedicated to multi-family rental projects. The allocation is primarily used to expand the availability and supply of safe, decent, affordable and accessible rental housing for low and extremely low-income households. In addition, a portion of the allocation is used to provide for single-family homeowner, homebuyer and/or down payment assistance to low and moderate income households below 80% AMI.

The MSF and the MEDC have key results that are considered when evaluating projects. Those key results are increased private investment, job creation, higher wages, square footage improved, supporting safe and affordable housing, and location impact. These factors are considered when evaluating CDBG projects depending on if the goal is business or community development. All projects are required to meet a national objective. Funding priorities may shift, based on project readiness, and the percentages above and dollar amounts in SP-45 for CDBG are estimates, and may fluctuate within 35% of the original established amounts.

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

The needs outlined within the Consolidated Plan indicated that households below 80% AMI are in need of affordable rental units. This distribution formula will address their need by providing additional affordable rental units.

The distribution of CDBG funds reflects the need for job creation, infrastructure improvements, safe and affordable housing and blight elimination. Many job creation projects are grants for job training. The needs assessment shows that one of the ways that individuals move from low to middle skill jobs is by attaining on the job training. CDBG urgent need projects are not assigned funding in this action plan, as there is no way to foresee the use of urgent need funds, but these funds may be used if a need arises.

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

Introduction:

### Distribution Methods

Table 8 - Distribution Methods by State Program

<b>1</b>	<b>State Program Name:</b>	CDBG Competitive Applications - Community Development
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>There are currently two competitive programs that the MSF may engage in at its discretion.</p> <p>Infrastructure Capacity Enhancement – (ICE)</p> <p>Assist Units of General Local Government (UGLGs) in making necessary improvements to their existing public infrastructure systems.</p> <p>Downtown Infrastructure Grant – (DIG)</p> <p>Provides public infrastructure improvement funding to projects located in a traditional downtown.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Applications for competitive allocations will be publicly announced, when possible, to potential applicants and will identify specific selection criteria. Each program has its own application, both of which provide specific criteria.</p> <p>Projects must be located in a Community listed on the CDBG Low and Moderate Income Community Customer list and the project must benefit the entire community. The applicant must be a Non-Entitlement Community.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>MSF CDBG Program:  <a href="https://www.miplace.org/programs/community-development-block-grant/">https://www.miplace.org/programs/community-development-block-grant/</a>  CDBG Program Application Guide:  <a href="https://www.miplace.org/globalassets/media-documents/cdbg/cdbg-application-guide-07.2016.pdf">https://www.miplace.org/globalassets/media-documents/cdbg/cdbg-application-guide-07.2016.pdf</a>  CDBG Program Low &amp; Moderate Income Community Customers and Low &amp; Moderate Income Project Areas:  <a href="http://www.michiganbusiness.org/cm/Files/CDBG/CDBG-Low-Mod-Income-Customer-List.pdf">http://www.michiganbusiness.org/cm/Files/CDBG/CDBG-Low-Mod-Income-Customer-List.pdf</a></p>

<p><b>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)</b></p>	
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	

<p><b>Describe how resources will be allocated among funding categories.</b></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><b>Describe threshold factors and grant size limits.</b></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. Each program has its own threshold factors and grant size limits.</p>



	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></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>
2	<p><b>State Program Name:</b></p>	<p>CDBG Homeowner Housing Rehabilitation &amp; Emergency Repair - CDBG Local Program Income</p>
	<p><b>Funding Sources:</b></p>	<p>CDBG</p>
	<p><b>Describe the state program addressed by the Method of Distribution.</b></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 will not be distributed by MSF but are available to the local governments that generated the program income, subject to compliance with all applicable CDBG rules and regulations.</p> <p>The State may consider whether the local government is or will be unable to comply with the requirements and the extent to which the program income is unlikely to be applied to continue the activity within the reasonably near future.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Applications will be approved by local administrators, subject to compliance review.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>24 CFR 570.489 - PROGRAM ADMINISTRATIVE REQUIREMENTS:  <a href="https://www.gpo.gov/fdsys/granule/CFR-2012-title24-vol3/CFR-2012-title24-vol3-sec570-489">https://www.gpo.gov/fdsys/granule/CFR-2012-title24-vol3/CFR-2012-title24-vol3-sec570-489</a>        8-F Program Income Policy for CDBG Grantees:  <a href="https://www.miplace.org/link/c0d5f382651341399b5f6266fd064d14.aspx">https://www.miplace.org/link/c0d5f382651341399b5f6266fd064d14.aspx</a></p>

<p><b>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)</b></p>	
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	

<p><b>Describe how resources will be allocated among funding categories.</b></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 were used to identify the methodology of applying for funding. Funding allocations are determined in each program's action plan. 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><b>Describe threshold factors and grant size limits.</b></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>

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	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.
3	<b>State Program Name:</b>	CDBG Open Applications
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	This Method of Distribution speaks to CDBG proposals that are considered on a continuous, first come, first served basis for eligible applicants and projects.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>CDBG funds for economic and community development activities, administered by the MSF have detailed guidelines in the Application Guide.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>MSF CDBG Program:  <a href="https://www.miplace.org/programs/community-development-block-grant/">https://www.miplace.org/programs/community-development-block-grant/</a>  CDBG Program Application Guide:  <a href="https://www.miplace.org/globalassets/media-documents/cdbg/cdbg-application-guide-07.2016.pdf">https://www.miplace.org/globalassets/media-documents/cdbg/cdbg-application-guide-07.2016.pdf</a>  CDBG Program Low &amp; Moderate Income Community Customers and Low &amp; Moderate Income Project Areas:  <a href="http://www.michiganbusiness.org/cm/Files/CDBG/CDBG-Low-Mod-Income-Customer-List.pdf">http://www.michiganbusiness.org/cm/Files/CDBG/CDBG-Low-Mod-Income-Customer-List.pdf</a></p>

<p><b>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)</b></p>	
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>There is not a set amount or percentage of funds assigned to each funding category. The amount of resources allocated to each funding category will be determined based on the type of applications received from the local governments. The AP-25 provides allocations based on historical data and input from our citizen participation.</p>
<p><b>Describe threshold factors and grant size limits.</b></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. Planning only grants are limited to \$100,000. All other funding categories do not have grant size limits.</p>



	<b>What are the outcome measures expected as a result of the method of distribution?</b>	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.
4	<b>State Program Name:</b>	CDBG Revolving Loan Fund Program
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	The intended purpose of the 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><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></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><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>The Policies, Criteria, and Special Conditions can be found at:</p> <p>Grant Administration Manual (GAM) Chapter 3: CDBG Loan Program:</p> <p><a href="https://www.miplace.org/globalassets/media-documents/cdbg/gam/03-cdbg-loan-program-05.23.17.pdf">https://www.miplace.org/globalassets/media-documents/cdbg/gam/03-cdbg-loan-program-05.23.17.pdf</a></p>

<p><b>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)</b></p>	
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Funds described under this Method of Distribution are set aside for economic development activities, or the original activity of the initial grant that generated the program income.</p>
<p><b>Describe threshold factors and grant size limits.</b></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><b>What are the outcome measures expected as a result of the method of distribution?</b></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><b>State Program Name:</b></p>	<p>Housing and Community Development Programs - HOPWA, HOME, ESG, and HTF</p>
	<p><b>Funding Sources:</b></p>	
	<p><b>Describe the state program addressed by the Method of Distribution.</b></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><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Applicant criteria is outlined within each program's program parameters as outlined in their program criteria.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>See individual program's above.</p>

<p><b>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)</b></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"> <li>• The community’s four key stakeholders;</li> <li>• List of all current funding sources in the community available for housing and prevention services to the homeless;</li> <li>• Diagram showing the Community’s Service Delivery System;</li> <li>• 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;</li> <li>• CoC process for building public support and political will for ending homelessness with city and county officials, businesses, and school liaisons; and</li> <li>• Breakdown of ESG allocated amounts and populations to be targeted.</li> </ul> <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 FY17 allocation of \$4,832,076, plus Dearborn’s \$155,722, for a total of \$4,987,798. The additional \$155,722 will be used for eligible ESG activities in Wayne County.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></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 supportive services (mainly housing case management).</p>

<p><b>Describe how resources will be allocated among funding categories.</b></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><b>Describe threshold factors and grant size limits.</b></p>	<p>All program criteria, including threshold factors and grant size limits, are identified within each program's action plan.</p>



<b>What are the outcome measures expected as a result of the method of distribution?</b>	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 2017 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.

#	Project Name

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**

**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?**

**Available Grant Amounts**

**Acceptance process of applications**

**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**

<b>Target Area</b>	<b>Percentage of Funds</b>
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. Through a MSHDA grant to the Michigan Coalition Against Homelessness (MCAH), Continua of Care hold Project Homeless Connect events to provide housing outreach to people living in homelessness, food, haircuts, dental work, etc. MSHDA also provides media/awareness and training on conducting a Point in Time account.

**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 an 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)**

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
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	0
<b>Total</b>	<b>250</b>

## **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.

### **Discussion:**

## **AP-85 Other Actions – 91.320(j)**

### **Introduction:**

#### **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 is currently working on analyzing our programs and policies to make sure they are aligned with the five goals identified within the plan.

#### **Actions planned to foster and maintain affordable housing**

The State of Michigan continues to struggle with federal budget cuts that have a 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:

#### 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
<b>Total Program Income:</b>	<b>0</b>

#### 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.	70.00%

#### 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

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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:

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:

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, forgiveable, 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](http://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).

BOS 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 Bodies 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 Michigan Homeless Assistance Advisory Board (MHAAB). MHAAB has an individual that was homeless and sex trafficked, and she sits on bi-monthly MHAAB meetings. In addition, MSHDA as an agency has a current or former HCV tenant on its Board of Directors. 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 are submitted to the Homeless Assistance Specialist. The progress reports identify length of shelter stay, increase in income, services provided, etc.

The MSF intends to provide the Total Program Income amounts in an update to the PY 17 Action Plan after the end of PY 16 in order to collect the financial reporting from our Revolving Loan Funds Grantees and Grantees that have generated Program Income over the course of the year.