

Formal Amendment to include Housing Trust Fund into the FY16 Action Plan

State of Michigan FY16 Annual Action Plan Submission

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) and Housing Opportunities for Persons with AIDS (HOPWA) and Housing Trust Fund (HTF) formula programs.

The purpose of the Action Plan is to describe programs and activities that will be undertaken in conjunction with HUD programs by the state of Michigan within the next fiscal year. 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 FY16 address the housing and community development needs and goals identified within the State of Michigan's Consolidated Plan. The Action Plan is tied to the five-year Consolidated Plan and references strategies developed to address the following goals of the programs that it covers during the fiscal year period July 1, 2016 through June 30, 2017. 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 the use of evidence-based best practices and partnership within the 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 four HUD-funded formula programs.

2. Summarize the objectives and outcomes identified in the Plan

Housing programs authorized through FY16 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 Solution Grants (ESG) program; Supportive Housing program; Moderate Rehabilitation Single Room Occupancy program; Housing Opportunities for Persons With AIDS (HOPWA) program; Technical Assistance; Rural Homelessness Grant program; 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 desired outcomes in the next fiscal year.

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 is amending its plan to account for these priorities. Michigan expects to receive \$3,522,622.

3. Evaluation of past performance

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 and 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 State does not believe an adjustment to its strategies is needed at this time.

The 2016 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

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 public hearing and a 30-day public comment period. The formal public comment period was held between April 8, 2016 and May 9, 2016 and covered the draft document for FY16. The Citizen Participation Plan was formally adopted on April 27, 2016.

An amended section will be included after the public comment period ends.

5. Summary of public comments

The State of Michigan actively solicited comments and feedback from the public during the comment period and also on an ongoing basis. The programs are all outlined on the correlating websites and staff interaction with the public occurs on an ongoing basis. All comments that were received during the public comment period have been attached to the action plan. A written response to the comments has also been provided.

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.

An amended section will be included after the public comment period ends.

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

MSHDA did not deem any comments as unacceptable and has a response to each one except those that were sent anonymously and could not directly be responded to.

An amended section will be included after the public comment period ends.

7. Summary

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. We received a tremendous amount of comments which resulted in lots of discussion on the best uses for the funds and the appropriate allocation amounts for programs.

An amended section will be included after the public comment period ends.

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

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 CDBG funds are proposed to be used, and by residents of predominantly low and moderate-income neighborhoods, through the following strategies:

- Public hearing announcements have been made available to interested parties at MSHDA regional workshops. Participants in the workshops include local units of government, nonprofit organizations (including homeless providers), lenders, and individuals interested in affordable housing and community development.
- A hearing is scheduled in a location accessible to low and moderate-income persons and persons with disabilities.
- Consultation sessions are scheduled, providing interested stakeholders an opportunity to give input on trend, needs, issues, and program designs.

- Citizen and local government comment on the citizen participation plan and amendments.

All public hearing announcements and comment periods specifically reference the fact that comments are requested on both the consolidated plan and the citizen participation plan. 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

Written comments are being accepted by mail to the attention of Tonya Young, Consolidated Plan Coordinator, MSHDA, 735 East Michigan Avenue, P.O. Box 30044, Lansing, Michigan 48909 or sent electronically via the Housing Initiatives Division's mailbox via the 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 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 is in the process of updating the 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	Agency/Group/Organization	Michigan Homeless Assistance Advisory Board (MHAAB)
	Agency/Group/Organization Type	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
	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 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>
---	--

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 the use of evidence-based best practices and partnership within the 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 FY16. Goal-setting for FY16 has been a high priority for CDBG and HOME programs based on limited resources and high demand for products.

MSHDA adopted a formal citizen participation plan on April 27, 2016.

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 Meeting	Statewide Distribution	MSHDA held a formal public discussion on the citizen participation plan on February 24, 2016. There were 97 participants that attended the regional meeting and were a part of the public discussion.	There were two informal comments made during the discussion: 1) public hearings should be held in the U.P./Northern Michigan and 2) notification when program's are no longer offered should be provided.	There were also comments received during this 30 day period that were actually directly tied to the action plan itself and they were held and incorporated into the action plan comment period.	
2	Public Hearing	Statewide Distribution	The response provided from the MEDC regarding CDBG funding has been sent out to all citizens providing comments during the 30 day action plan comment period.	There were numerous comments made during the comment period mainly tied to the programs being offered and the allocated amounts for those programs.	All comments were read and addressed in the response provided by the MEDC.	http://www.michigan.gov/mshda/0,4641,7-141-5564_63516---,00.html

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 Reminder 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	30,766,406	2,350,000	0	33,116,406	97,437,098	Program Income amounts are estimates and include state held, locally held and revolving loan funds. Required matching funds will be supplied by the State. CDBG works to leverage both private investment and local match by including those criteria in the application guide.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder 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	12,234,184	2,000,000	0	14,234,184	42,427,691	All allocated funds and program income will be awarded through MSHDA programs.
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	1,091,421	0	0	1,091,421	4,265,899	All allocated funds will be awarded during FY16.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder 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	4,852,422	0	0	4,852,422	14,064,126	All allocated funds will be awarded during FY16.
HTF		New construction and rehabilitation of multifamily rental housing	\$3,522,622	0	0	\$3,522,622	TBD	

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 MSF'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 publically 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) at this time.

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	2019	Affordable Housing	Statewide Distribution	Low to Moderate Income Households (LMMI)	HOME: \$9,175,638	Rental units constructed: 79 Household Housing Unit Rental units rehabilitated: 600 Household Housing Unit
2	MSHDA HOME and MSF CDBG Housing Activities	2015	2019	Affordable Housing	Statewide Distribution	Low to Moderate Income Households (LMMI)	CDBG: \$3,202,291 HOME: \$1,835,128	Rental units rehabilitated: 65 Household Housing Unit Homeowner Housing Rehabilitated: 10 Household Housing Unit
3	HOME DPA	2015	2019	Affordable Housing	Statewide Distribution	Low to Moderate Income Households (LMMI)	HOME: \$1,223,418	Direct Financial Assistance to Homebuyers: 90 Households Assisted
4	ESG	2015	2019	Homeless	Statewide Distribution	Coordination of Care	ESG: \$4,852,422	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	2019	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	2019	Non-Housing Community Development	Statewide Distribution	Area Benefit Projects in LMI Areas Job Creation Urgent Need	CDBG: \$12,168,707	Jobs created/retained: 400 Jobs
7	Community Development Jobs - MSF CDBG	2015	2019	Non-Housing Community Development	Statewide Distribution	Job Creation	CDBG: \$2,882,062	Businesses assisted: 20 Businesses Assisted
8	Community Dev. Infrastructure & Facades - MSF CDBG	2015	2019	Non-Housing Community Development	Statewide Distribution	Area Benefit Projects in LMI Areas	CDBG: \$8,005,728	Businesses assisted: 10 Businesses Assisted Other: 20000 Other
9	Blight Elimination - MSF CDBG	2015	2019	Non-Housing Community Development	Statewide Distribution	Elimination of Blight	CDBG: \$5,866,244	Businesses assisted: 10 Businesses Assisted
10	Housing Trust Fund	2016	2020	Affordable Housing	Statewide Distribution	Low to Moderate Income Households (LMMI)	HTF: \$3,522,622	Rental Units Constructed/Rehabilitated: 20

Table 6 – Goals Summary

Annual Action Plan

FY 2016

Goal Descriptions

1	Goal Name	MSHDA HOME Rental
	Goal Description	Expand the availability and supply of safe, decent, affordable, and accessible rental housing for low and extremely low-income households.
2	Goal Name	MSHDA HOME and MSF CDBG Housing Activities
	Goal Description	<p>For clarification purposes during the comment period this goal was split into 2A MSF CDBG Housing Activities \$3,202,291 with a goal of 65 rental rehab units and 2B MSHDA HOME for \$1,835,128 with a goal of 10 homeowner rehab units.</p> <p>MSHDA HOME housing funds provide Homeowner and Homebuyer assistance.</p> <p>MSF CDBG housing funds provide Rental Rehabilitation, Homeowner Rehabilitation and Emergency Repair assistance.</p> <p>These programs support safe, decent affordable housing by making funds available for rental rehabilitation, homeowner rehabilitation and emergency repair projects. The main focus in 2016 will be on rental rehabilitation projects in traditional downtowns. These projects can be funded as a grant award from a current CDBG program year, program income, or as a loan from the CDBG Revolving Loan Funds (RLFs) or 105(a)15 loans. The estimated dollar amounts in AP-20 table above includes local administration associated with these grants.</p>
3	Goal Name	HOME DPA
	Goal Description	Down payment assistance to LMMI households.
4	Goal Name	ESG
	Goal Description	MSHDA aims to have 200-250 homeless households served with rapid rehousing rental assistance and 350-450 households served with Prevention financial assistance. Thousands will be served with case management and coordinated entry will be used by all CoCs to assess each family's needs and determine the appropriate housing intervention.

5	Goal Name	HOPWA
	Goal Description	The overall goal of HOPWA is to meet the housing needs of low-income persons with HIV/AIDS and their families. The general objective for HOPWA is to provide decent, affordable housing with the general outcome of affordability in housing.
6	Goal Name	Economic Development Jobs - MSF CDBG
	Goal Description	<p>Economic Development</p> <p>Job Creation – Assistance to Businesses</p> <p>Supports communities seeking to provide necessary public infrastructure and private industry support to induce job creation. Eligible under this activity would be assistance to private, for-profit entities as identified in Section 105(a) (17) of Title I of the Housing and Community Development Act of 1974, as amended. Activities eligible for direct assistance to private and for-profit businesses include, but are not limited to: machinery and equipment, façade improvement, building rehabilitation, signature building acquisition, job training, rail enhancement, small business expansion, working capital, and utility/pipeline projects. These projects can be funded as a grant award from current program year CDBG funds, program income or as a loan from the CDBG Revolving Loan Fund (RLF) or 105(a)15 loans. The estimated dollar amounts in AP-20 table above include local administration associated with these grants.</p> <p>The state expects to dedicate approximately \$12,168,707 to meeting this goal, subject to the results of the method of distribution. This number is an estimate only.</p>

7	Goal Name	Community Development Jobs - MSF CDBG
	Goal Description	<p>Community Development</p> <p>Job Creation – Assistance to Businesses</p> <p>Direct assistance to businesses provides grants or loans to create and retain jobs in Michigan and help create vibrant communities. These grants are provided to jumpstart growth of existing and development of new businesses, create jobs and support an entrepreneurial environment. These projects include primarily: Building Improvements and Acquisition. They qualify based on job creation. These projects can be funded as a grant award from current program year CDBG funds, program income or as a loan from the CDBG Revolving Loan Funds (RLF) or 105(a)15 loans. The estimated dollar amounts in AP-20 table above include local administration associated with these grants.</p> <p>The state expects to dedicate \$2,882,062 to meeting this goal, subject to the results of the method of distribution. This number is an estimate.</p>

8	Goal Name	Community Dev. Infrastructure & Facades - MSF CDBG
	Goal Description	<p>Community Development</p> <p>Assistance to Communities - Infrastructure & Facades</p> <p>This is financial assistance provided to communities qualifying under Low-Mod area benefit. The project types under this objective include Building Improvement, Infrastructure, and Planning. Infrastructure grants are available to help UGLGs upgrade existing public infrastructure systems either by replacing deteriorating, obsolete systems or by adding capacity to existing public infrastructure services in need of upgrade. UGLGs may also request grants to provide public infrastructure improvements necessary for the location, expansion, and/or retention of a specific for-profit business. Public infrastructure includes items located on public property, such as: parking facilities, farmer’s markets, streetscape, public water or sanitary sewer lines and related facilities, streets, roads, bridges, privately owned utilities, and publically owned utilities. Eligible under this activity would be public facilities and improvements and privately owned utilities, as identified in Section 105(a) (2) of Title I of the Housing and Community Development Act of 1974, as amended. These projects can be funded as a grant award from current program year CDBG funds or as a loan from the CDBG Revolving Loan Funds (RLF) or 105(a)15 loans.</p> <p>The state expects to dedicate approximately \$8,005,728 to meeting this goal, subject to the results of the method of distribution. This number is an estimate only.</p>

9	Goal Name	Blight Elimination - MSF CDBG
	Goal Description	<p>Elimination of Blight</p> <p>This program is designed to provide assistance to communities in eliminating spot blight and increase the safety to its residents and improvement to downtown districts. Priority will be given to buildings that pose a threat to public health. The Michigan CDBG Program for blight elimination is allowable anywhere within the UGLG that is designated a slum or blighted area (spot or area wide). Eligible under this activity would be property acquisition, clearance/demolition, historic preservation, and building rehabilitation (only to the extent necessary to eliminate specific conditions detrimental to public health and safety), as identified in Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended. These projects can be funded as a grant award from current program year CDBG funds, program income or as a loan from the CDBG Revolving Loan Funds (RLF) or 105(a)15 loans. The estimated dollar amounts in AP-20 table above include local administration associated with these grants.</p> <p>The state expects to dedicate approximately \$5,764,124 to meeting this goal, subject to the results of the method of distribution. This number is an estimate only.</p>
10	Goal Name	HTF
	Goal Description	Expand the availability and supply of safe, decent, affordable, and accessible rental housing for extremely low-income households.

Table 7 – Goal Descriptions

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 35% 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 (%)	HTF (%)	Total (%)
CDBG	0	10	0	0	0	38	9	25	18	0	100
HOME	75	15	10	0	0	0	0	0	0	0	100
HOPWA	0	0	0	0	100	0	0	0	0	0	100
ESG	0	0	0	100	0	0	0	0	0	0	100
HTF	0	0	0	0	0	0	0	0	0	100	100

Table 8 – 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, and 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 25% of the original established amounts.

Given the insufficient supply of deeply targeted rental housing and the priorities of the program, the HTF will be directed at expanding the pool of safe, decent, affordable and accessible rental housing for

extremely low-income households.

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. 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. 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.

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

Introduction

Distribution Methods

Table 9 - Distribution Methods by State Program

1	State Program Name:	Housing and Community Development Programs
	Funding Sources:	CDBG HOPWA HOME ESG HTF
	Describe the state program addressed by the Method of Distribution.	The State uses a combination of methods for distributing funds that are described in more detail within the specific CDBG, HOME, ESG and HOPWA sections below. 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.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Applicant criteria is outlined within each program's detailed section below.

<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 Process:</p> <p>Proposals are considered on a continuous basis for most programs. CDBG funds for economic and community development activities, administered by the MSF have detailed guidelines in the Application Guide, which is available to the public at: http://www.michiganbusiness.org/community/development-assistance/#CDBG.</p> <p>Applications for competitive allocations will be preceded with public announcements and notifications, when possible, to potential applicants and will identify specific selection criteria that are outlined in the MSF-approved Application Guide. The Application Guide also outlines the selection criteria for non-competitive grants and is available online.</p> <p>The remaining 2015 and later awards for housing grants will be administered by the MSF which may utilize rounds, but generally funds projects on an ongoing basis.</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 FY16 allocation of \$4,697,475, plus Dearborn’s \$154,947, for a total of \$4,852,422. The additional \$154,947 will be awarded to a Wayne County HARA and administered within the Out-Wayne County CoC area.</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 from the seven state regions 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>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>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. If thresholds are met by a proposed project, a positive funding decision may be made depending on the availability of funds, quality of jobs, project sustainability, and compliance with all other program requirements. The selection criteria are used to weigh the viable aspects of projects when a competitive award is to be determined. Administration and compliance of current and previous grant awards will be considered during funding evaluation. Multiyear or multiphase projects may be given first priority for funding if they have complied with the terms of their initial grant award.</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 2016 Consolidated Plan formula funding are identified in this plan and outcomes will be provided as part of the CAPER submission.</p>

Discussion

AP-35 Projects – (Optional) Revised page below provided as attachment

Introduction

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

#	Project Name
1	2016 State Administration and Technical Assistance
2	2016 CDBG Housing Projects
3	2016 CDBG Loan and RLF Projects
4	2016 CDBG Business Development Grants
5	2016 CDBG Community Development Grants

Table 10 – 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 Revised pages below provided as attachments

Project Summary Information

Table 11 – Project Summary

1	Project Name	2016 State Administration and Technical Assistance
	Target Area	
	Goals Supported	MSF CDBG Housing Activities Economic Development Jobs - MSF CDBG Community Development Jobs - MSF CDBG Community Dev. Infrastructure & Facades - MSF CDBG Blight Elimination - MSF CDBG
	Needs Addressed	Low to Moderate Income Households (LMMI) Area Benefit Projects in LMI Areas Job Creation Urgent Need Elimination of Blight
	Funding	CDBG: \$1,093,492.18
	Description	2016 state level funds for administration and technical assistance.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	n/a - This project is for state admin & ta only, not direct benefit to families.
	Location Description	State employee admin and TA
	Planned Activities	Two Activities are planned. One for State Administration and one for State Technical Assistance.
	Project Name	2016 CDBG Housing Projects

2	Target Area	
	Goals Supported	MSF CDBG Housing Activities
	Needs Addressed	Low to Moderate Income Households (LMMI)
	Funding	CDBG: \$3,202,291
	Description	Project to track all 2016 CDBG housing projects granted from the MSF.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	65 low to moderate income families
	Location Description	Statewide in non-entitlement areas.
	Planned Activities	Project Activities will be identified and established as funds are granted out. Each Project corresponds to the Method of Distribution allowing the information to be easily summarized.
3	Project Name	2016 CDBG Loan and RLF Projects
	Target Area	
	Goals Supported	Economic Development Jobs - MSF CDBG Community Development Jobs - MSF CDBG Community Dev. Infrastructure & Facades - MSF CDBG Blight Elimination - MSF CDBG MSF CDBG Housing Activities – MSF CDBG
	Needs Addressed	Area Benefit Projects in LMI Areas Job Creation Elimination of Blight Low to Moderate Income Housing (LMMI)
	Funding	CDBG: \$1,500,000

	Description	This project will contain all the activities associated and generate by the CDBG Loan Fund through the 105(a)15 fund managers or local RLFs.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	30 families.
	Location Description	Statewide in non-entitlement areas.
	Planned Activities	Project Activities will be identified and established as funds are granted out. Each Project corresponds to the Method of Distribution allowing the information to be easily summarized.
4	Project Name	2016 CDBG Business Development Grants
	Target Area	
	Goals Supported	Economic Development Jobs - MSF CDBG
	Needs Addressed	Area Benefit Projects in LMI Areas Job Creation Elimination of Blight Planning
	Funding	CDBG: \$12,168,707
	Description	This project is used primarily to track projects generating with the business development team and that are primarily job creation related.
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	This project is expected to impact up to 150 low and moderate income families.
	Location Description	Statewide in non-entitlement areas.

	Planned Activities	Project Activities will be identified and established as funds are granted out. Each Project corresponds to the Method of Distribution allowing the information to be easily summarized.
5	Project Name	2016 CDBG Community Development Grants
	Target Area	
	Goals Supported	Community Dev. Infrastructure & Facades - MSF CDBG Blight Elimination - MSF CDBG
	Needs Addressed	Area Benefit Projects in LMI Areas Job Creation Elimination of Blight
	Funding	CDBG: \$8,005,728
	Description	This project will hold grant projects generated by the CATeam and used for community assistance.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	Community wide infrastructure will benefit many families, but it is very challenging to estimate.
	Location Description	Statewide in non-entitlement areas.
	Planned Activities	Project Activities will be identified and established as funds are granted out. Each Project corresponds to the Method of Distribution allowing the information to be easily summarized.

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?

No

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

The State of Michigan does not formally run and oversee a community revitalization strategy in the sense of the program outlined in 24 CFR 91.320. However there are policies and programs in place that are very similar in intent. This includes some additional consideration given to projects that participate in our state’s Redevelopment Ready Communities (RRC) program, Michigan Main Street program and the Rising Tide Program. In addition, the state maintains a team of people who work directly with communities to identify CDBG and other community projects. Michigan’s policy for regional and local community development is organized on a “place”-based philosophy, known as placemaking”. Placemaking's contribution to the State Economic Growth strategy is to demonstrate and promote the locational setting(s) for targeting sustained economic, social, and ecological vibrancy. The State economy consists of economic regions comprised of places ranging from natural to urban, cities and urban places are the key locations for prosperity because they provide the best proximity to knowledge and capital resources. Research data shows that investments in urban places have the best economic, social, and ecological return. A wider range of choice in housing, employment and transportation, combined with mixing buildings, uses, incomes – known as the “form” of places -- is a critical element in determining its success in attracting talent with subsequent entrepreneurial activity benefit, as well as providing the highest opportunity for low/mod income households to benefit across most, if not all economic and social measures. The State has implemented steps to structure its process for investment into vibrant places which sustains long-term economic, social, and ecological prosperity: 1. Raise awareness that long-term, sustainable prosperity is place-based and placemaking is linked to economic development to achieve success; 2. Provide a platform for developing knowledge and practice of the Place-Based Economic Development; 3. Develop and promote place-based investment strategies and projects; and 4. Institutionalize place-based economic development as a principal State policy. These process steps, and the principles underlying them, have been recognized by the HUD Office of Resilience (formerly Sustainable Communities) as a state-level equivalent of the federal Livability principles established by Federal E.O. 13514 & Executive Memorandum 10-21. Previously the State has required local units to demonstrate their revitalization strategies were principal elements contained within their community master plans as prerequisite for use of CDBG funds. In 2012 this standard was enhanced with a “Redevelopment Readiness” analysis/review/certification program. Communities who receive certification from the State are now placed at priority status for State project investments from resources including the Michigan Small Cities CDBG program. Michigan has created the MI-place Partnership Initiative, a State/partner collaborative effort to help communities and neighborhoods develop and implement place-based planning, programming, and development strategies and projects. This has induced several state departments to

work together to align and reshape existing programs for housing, economic development, transportation, brownfield redevelopment, environmental best practices, greenspace, and local food systems toward a targeted, place-based investment system. Partners joined in this effort include state agencies, a Sense of Place Council, regional organizations, state associations, and local units. The State has developed progress metrics for achieving the above steps via a cross-agency/discipline team.

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. The CDBG program distributes funds in non-entitlement communities throughout the State. **The HTF program distributes funds statewide to eligible recipients.**

Geographic Distribution

Target Area	Percentage of Funds
Statewide Distribution	100

Table 12 - 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	355
Non-Homeless	206
Special-Needs	250
Total	811

Table 13 - 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	129
Rehab of Existing Units	700
Acquisition of Existing Units	90
Total	924

Table 14 - 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), Continuum 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 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 10-Year Plan with HUD's. 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. In 2015, MSHDA provided a dollar-for-dollar match to HUD's ESG funding. In addition, MSHDA mandates that CoC 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	0
Total	250

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 issued a Request for Proposals to update the Analysis of Impediments to Fair Housing Choice in Michigan's CDBG non-entitled communities. Once the new data is available, we will analyze our programs and policies to make sure they are aligned with meeting the underserved needs 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
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.	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

Annual Action Plan

49

FY 2016

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, 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 24 CFR 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).

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.

MSHDA has a current or former HCV tenant on its Board of Directors. Also, each CoC Body is advised to have a person that formerly lived in homelessness attending the local CoC meetings. In addition, Michigan's governor has created the Michigan Interagency 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, and the Michigan League for Public Policy, and Michigan Community Action Agency who represent people living in homelessness and poverty in Michigan. This group, known as the Michigan ICH, meets 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.

Discussion

