



Michigan State Housing Development Authority

Investing in People. Investing in Places

MSHDA MISSION

The Michigan State Housing Development Authority (MSHDA) provides financial and technical assistance through public and private partnerships to create and preserve decent, affordable housing for low and moderate income Michigan residents and to engage in community economic development activities to revitalize urban and rural communities



Community Development Division

...to engage in community economic development activities to revitalize urban and rural communities.

Place-making



How do we “make places” where people want to choose to live work, and play?

- Vibrant
- Sustainable
- Affordable
- Diverse
- Walkable



By creating healthy neighborhoods ... in targeted areas.

- Downtowns
- Neighborhoods adjacent to downtowns
- Gateways/corridors



Healthy Neighborhoods

- **IMAGE** – Neighborhood Confidence
- **MARKET** – Neighborhood will be a good investment for people who live or want to live there
- **PHYSICAL CONDITIONS** – will demonstrate pride of residents
- **NEIGHBORHOOD MANAGEMENT**
Residents are neighborly and willing to address problems



How We Do It.

- Grants
- Technical Assistance
- Home Improvement Loans



Who can apply for grants?

- Eligible non-profit housing organizations
- Eligible local governments



The Housing Resource Fund is..

Approximately \$12 million in 2012*

- HOME funds
- CDBG for housing
- MSHDA funds (limited funding – if any)



Housing Resource Funds are used to assist low-income households with incomes at or below 80% of the “*Area Median Income (AMI) as adjusted for family size*” .

Some HRF components are targeted to lower incomes.



CDD Desired Result for HRF

All communities (funded through HRF) will be vibrant, sustainable, affordable, and diverse places, where people choose to live and stay.



HRF Funds are Targeted

All OCD HRF funds should be targeted to achieve our desired outcome, to help create healthy communities and neighborhoods.



HRF funds can be used to help:

- Homeowners
- Homebuyers
- Renters
- Landlords



Homeowner Assistance

- Moderate rehabilitation
- Maximum of \$35,000 per unit
- In targeted areas – 50% of CDD funds forgivable over 5 years



Targeted Homeowner

Appropriate target areas are where other HRF (or other MSHDA) investments have occurred – around downtowns including Mainstreet and Blueprint DTs , NPP areas, NEZs etc.



Leveraging for HO projects

- Collaboration with Michigan Community Action Agency Association Weatherization Programs encouraged
- Visit www.mcaaa.org to find program near you
- Federal Home Loan Bank of Indianapolis is another leveraging source for homeowner and homebuyer programs
- MDCH & other funding for lead abatement may be available
- USDA RD funds may be available in rural areas
- Participation in MSHDA PIP encouraged



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Saginaw - before



Michigan State Housing Development Authority

Investing in People. Investing in Places

Saginaw - after





Homebuyer Assistance

- Grantees may help buyers select a home they can afford in the local market and manage the necessary rehabilitation.
- Activities usually involve “rehabilitation” and “down payment assistance”.



Homebuyer Assistance

OR..

- Grantees may develop property for resale in local target area.
- Activities usually involve “acquisition”, “rehabilitation”, and/or “new construction”.
- Poor homebuyer market means ADR programs more risky (60 unsold ADR units currently). Funding for ADR VERY limited



Homebuyer Assistance

Down Payment Assistance (without rehab)

- Available through MSHDA's Links to Homeownership Program
- Contact MSHDA's Single Family Mortgage Division at 517-373-6840





Lansing - after



Downtown Rental Rehabilitation

- Eligible local units of government can apply
- Landlords must provide at least 25% of the project cost
- Funding priority is given to downtown rental projects (creating space above commercial)



Downtown Rental Rehabilitation

- Up to \$35,000 for newly created units & \$25,000 for the rehab of existing units - CDBG funds
- Up to \$40,000 per unit in HOME funds is allowed for creating new units above commercial space in downtown buildings.




Mason - after



Marine City - exterior





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OCD Units completed in 2010 Restoring in Places

Downpayment Assistance	\$ 2,227,208.00 *	179	\$ 12,442.00
Homeowner rehab.	\$ 7,328,700.00	521	\$ 14,066.00
Home Purchase w/rehab	\$ 1,053,604.00	39	\$ 27,015.00
Acq. Dev. Resale	\$ 2,260,000.00	32	\$ 70,622.00
Rental Rehab.	\$ 2,931,368.00	118	\$ 24,842.00
NSP (mostly demolition)	\$ 1,258,111.00	128	\$ 9,828.00
	\$17,198,000.00	1,017	\$ 16,910.00



Property Improvement Loan

Homeowner Requirements:

Gross annual income cannot exceed \$65k, and up to \$74,750 in some areas.

Borrow up to \$25k without equity; up to \$50k with equity.

Up to 20 years to repay.

Interest rates 4%, 6% or 8% based on gross household income.

Most rehabilitation/ improvements eligible (no luxury improvements)

Manufactured and mobile homes subject to lower loan limits and shorter repayment period.

Landlord Requirements:

No income restrictions.

Borrow average of \$12k per unit, \$60k per address; no max per borrower
OR;

Borrow max \$25k per unit, \$100k max regardless of address.

Up to 20 years to repay.

Interest rate flat 8%.

Most rehabilitation/ improvements eligible (no luxury improvements)

1-24 units, rents cannot exceed current MSHDA rent limits.

Homeowner and Landlord Requirements: Minimum credit score of 620 (660 in certain cases). DTI cannot exceed 45%.



PIP Production – 5 years

Year	# PIP	AMT PIP	# REM	AMT REM	Total #	Total Amount
2006	122	\$1,364,600.66	17	\$513,929.64	139	\$1,878,530.30
2007	109	\$1,343,789.19	8	\$301,432.42	117	\$1,645,221.61
2008	182	\$2,292,587.02	25	\$453,892.09	207	\$2,746,479.11
2009	219	\$2,880,440.60	36	\$846,726.40	255	\$3,727,167.00
2010	129	\$1,567,660.21	11	\$175,657.90	140	\$1,743,318.11



Property Improvement Program

- Public web site: www.michigan.gov/mshda and then click on Home Improvement for list of participating Lendders and application
- PIP Main telephone number: 517.373.8017



CDD Contact info

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