MICHIGAN CONSOLIDATED PLAN

FOR HOUSING AND COMMUNITY DEVELOPMENT

Program Year 2014

DRAFT

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Prepared by the

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I. EXECUTIVE SUMMARY

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) formula programs.

The purpose of the 2014 Consolidated Plan is to describe programs and activities that it will undertake in conjunction with HUD programs funded with Federal Fiscal Year 2014 (FY14) dollars. The program year for the FY14 funded activities begins on July 1, 2014 and ends June 30, 2015. Funding from these programs is awarded to the State by HUD and administered by the Michigan State Housing Development Authority, the Michigan Strategic Fund through the Michigan Economic Development Corporation, and the Michigan Department of Community Health. Each of the programs and activities that are proposed for FY14 are described in detail in Section IV Annual Action Plans.

The programs and activities to be provided in FY14 address the housing and community development needs identified in the State of Michigan 2010 Five Year Plan. The 2010 Consolidated Plan references strategies developed to address the following goals of the programs that it covers during the five-year period July 1, 2010 through June 30, 2015. These include:

1. Expand the availability and supply of safe, decent, affordable, and accessible rental housing for low and extremely low-income individuals and families;

2. Improve and preserve the existing affordable housing stock and neighborhoods;

3. Increase sustainable homeownership opportunities for individuals and families by reducing the costs of homeownership;

4. Make homeless assistance more effective and responsive to local need through local autonomy and movement toward a continuum of care;

5. Develop linkages between the housing and service sectors to provide greater housing opportunities for households special needs; and,

6. Establish a suitable living environment and expand economic opportunities for low and moderate-income people through economic and infrastructure development.

This consolidated submission includes five action plans, which specify the use of federal funds by the State of Michigan to implement housing and community development activities under four HUD-funded formula programs. The tentative amount of funding for these programs in FY14 is identified below. The following table represents the projected FY14 allocation of funds for formula programs (i.e., CDBG, HOME, ESG, and HOPWA Programs):

Fiscal Year 2014 Allocation (Projected)	
Community Development Block Grant	
Economic/Community Development	$22,591,914 - $27,110,297
Housing	$3,012,225 - $7,530,638
Administration and Technical Assistance	$931,625
HOME Investment Partnership	$12,767,518
Emergency Solutions Grants	$4,354,622
Housing Opportunities for Persons with AIDS	$1,068,022
Total	$53,654,174

Objectives and Outcomes

The objectives and outcomes for the programs funded under the 2014 Consolidated Plan formula funding are identified in Table 3A in the Appendices.

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. As demonstrated by the 2014 production numbers to date identified in Table 3A in the Appendix, 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 2014 Program Year achievements to date (through January 2014) are identified in Table 3A in the Appendices. It should be noted that the HOPWA achievement data is not yet available and will be fully reported in the 2014 CAPER report.

FY 2014 Consolidated Plan Program Summary

Programs	Federal CDBG	Federal HOME	Federal ESG	Federal HOPWA
Homeowner				
Housing Rehabilitation	X	X		
Short term mortgage/utility assistance				X
Homebuyer				
Housing Rehabilitation and New Construction	X	X		
Habitat for Humanity (ADDI)		X		
Rental				

Supportive Housing		X		
Preservation (Multifamily)		X		
Equity Enhancement		X		
Leveraging Federal Projects		X		
Tenant Based Rental Assistance		X		X
Short term rent/utility assistance				X
Rental Rehabilitation and Development	X	X		
Emergency Shelter				
Operating			X	
Essential Services			X	
Homeless Prevention and Rapid Re-housing			X	
Economic Development				
Direct Assistance to Business	X			
Infrastructure- Business Development	X			
Revolving Loan Funds	X			
Unique Business Development Grants				
Downtown Development				
Infrastructure- Downtown Job Creation	X			
Facade Improvements	X			
Signature Building	X			
Unique Business Development Grants				
Planning	X			
Economic Development Planning	X			
Downtown Planning	X			
Blight Elimination	X			
Infrastructure Grants	X			
Downtown Infrastructure Grants	X			
Infrastructure Capacity Enhancement	X			

II. CITIZEN PARTICIPATION

A. THE PUBLIC HEARING AND CONSULTATION

Housing programs authorized through FY14 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 program;
- HOPE program;
- Shelter Plus Care program
- Supportive Housing for the Elderly (Section 211);
- Emergency Solution Grants 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.

Prior to its submission for 2014 funding from HUD's Office of Community Planning and Development, however, Michigan is required to prepare a 2014 Consolidated Housing and Community Development Plan (the "Consolidated Plan"). The 2014 Consolidated Plan identifies programs and activities that it will undertake in conjunction with HUD programs funded with Federal Fiscal Year 2014 (FY14) dollars.

The Michigan State Housing Development Authority (MSHDA), which is lead agency responsible for preparing the Michigan Consolidated Plan, solicited comments from the public regarding the fiscal year 2014 plan during two public comment periods.

The initial period for public comment on housing and community development needs commenced on March 7, 2014 and closed on March 31, 2014. During this time, MSHDA also conducted one public hearing to gather comments on the citizen participation plan and information for the Consolidated Plan. Notices of the public hearing were published in eleven newspapers throughout the state, including: *The Detroit News/Free Press, The Grand Rapids Press, The Flint Journal, The Kalamazoo Gazette, The Escanaba Daily Press, The Saginaw News, The Lansing State Journal, Traverse City Record Eagle, The Marquette Mining Journal* and *The Alpena News,* as well as an email blast to stakeholders and partners.

The second public comment period, held between April 11, 2014 and May 12, 2014, dealt with the draft document for FY 2014. Notice for this period was published in an increased number of papers, including:

1. Michigan Chronicle
2. Alpena News
3. Detroit Newspapers
4. Grand Rapids Press
5. Lansing State Journal
6. Mining Journal
7. Traverse City Record Eagle
8. Bay City Times
9. Flint Journal
10. Saginaw News
11. Kalamazoo Gazette

12. Daily Press (Escabanba)
13. Jackson Citizen Patriot
14. Herald Palladium (Benton Harbor)
15. The Times Herald (Port Huron)
16. Monroe Evening News
17. Morning Sun
18. The Evening News (Sault Ste. Marie)
19. Muskegon Chronicle
20. The Daily News (Iron Mountain)
21. The Daily Mining Gazette (Houghton)

Notice was also given via an email blast to stakeholders and others interested in the program. In addition, a second public hearing on the draft document was held in Lansing and Detroit.

B. CITIZEN PARTICIPATION PLAN

Applicability and adoption of the citizen participation plan.

The State is required to adopt a citizen participation plan that sets forth the State's policies and procedures for citizen participation, which comply with the provisions of 24 CFR'91.115. In accordance with these regulations, this plan amends Michigan's previous compliance with section 104(a)(3) of the Housing and Community Development Act of 1974. This amendment took effect on or about January 1, 1996.

Encouragement of citizen participation

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 workshops and the Michigan Planning Association and Michigan Community Development Association meetings. Participants in the workshops includes local units of government, nonprofits 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 comment is 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.

Development of the consolidated plan

Before the State adopts its Consolidated Plan, the state will make available to citizens, public agencies, and other interested parties information that includes the amount of assistance the State expects to receive and the range of activities that may be undertaken, including the estimated amount that will benefit persons of low and moderate income and the plans to minimize displacement of persons and to assist any persons displaced. This information was made available on October 1, 2008.

The State will publish the proposed Consolidated Plan in a manner that affords citizens, units of general local governments, public agencies, and other interested parties a reasonable opportunity to examine its contents and submit comments. The plan has been made available

at the Lansing and Detroit offices of the Michigan State Housing Development Authority, the Michigan Economic Development Corporation, and its availability on the MSHDA Website was advertised in 21 newspapers of general circulation. Comments were solicited by mail through announcements in 21 newspapers of general circulation, in person at program workshops and the Michigan Community Development Association fall quarterly meeting, and through email correspondence with stakeholders and others.

The Michigan State Housing Development Authority held a public hearing in order to solicit information on housing and community development needs. Advance notice was given for the hearing, in the form of an announcement published in eleven newspapers of general circulation, at least two weeks prior to the public hearing. The announcement provided information about the topic of the hearings, location, and how comments could be submitted by mail if the person(s) was unable to attend the public hearing in person. The public hearing was held at a time and place convenient to potential and actual beneficiaries. Locations were handicapped accessible. Interpreters shall be provided in instances where there is reason to believe a significant number of non-English speaking residents can be reasonably expected to participate.

The Citizen Participation plan provided for a period of not less than 30 days to receive comments from citizens and units of general local government on the consolidated plan. The dates of this period were April 11, 2014 through May 12, 2014.

The State has received the comments and views of citizens and units of general local government received in writing, at program workshops and at the public hearing. All comments were considered in the preparation of the Consolidated Plan and Annual Action Plan.

Amendments to the Consolidated Plan

Under the final Consolidated Plan regulations, the State is required to advise HUD of substantial changes in the state's Consolidated Plan. The Michigan Consolidated Plan represents the best effort possible to incorporate citizen concerns in the entire planning process.

Criteria for amending the Consolidated Plan and/or the disbursement or targeting of funding would include changes in activities or the method of distribution, either reported herein or unforeseen, and changes in beneficiaries or subscribers that could reasonably be expected to change the delivery of services described herein. By definition, a substantial amendment to the Consolidated Plan would result from a change from eligible to ineligible activity, or vice versa, or a change from competitive award of funds to formula allocation, or vice versa, or from a change in the method of distribution of funds if said change will cause an increase or decrease in the original allocation mix over 35%. Administrative transfers of funds to reflect actual program spending between and among programs identified in the plan will not constitute a substantial amendment to the plan if 1) such transfer does not result in the addition of new activities or result in the elimination of the activities described herein and 2) such transfer does not cause a significant change in program priorities as described in this section.

The State will provide citizens and units of local government with reasonable notice and an opportunity to comment on substantial amendments. Reasonable notice will be given through a public notice in a newspaper(s) with statewide circulation. Opportunity to offer comments will be provided by a period of not less than 30 days, identified in the public notice, to receive comments on the substantial amendments before the amendment is implemented. The notice will clearly provide the name and address of the person responsible for receiving these comments. Reasonable notice will be given to the public for non-substantial amendments by a statewide mailing to current grantees and other interested parties.

The State will consider any comments or views of citizens and units of general local government received in writing, if any, in preparing the substantial amendment to the consolidated plan. A summary of these comments or views not accepted and the reasons therefore shall be attached to the substantial amendment to the consolidated plan.

Performance Reports

Citizens shall be provided with a reasonable notice and opportunity to comment on any performance reports required on the Consolidated Plan. A period of not less than 15 days shall

be provided to receive comments on the performance report prior to its submission to HUD. Reasonable notice shall be given in the form of an announcement in one or more newspapers of general public circulation.

The State shall consider any comments received in writing or orally at public hearings in preparing the performance report. A summary of these comments shall be attached to the performance report.

Citizen participation requirements for local governments

Units of general local government receiving CDBG funds from the State will hold a public hearing to receive comment on their proposed project(s) prior to submission to the State. For housing projects, these hearings also include comment on program accomplishments from the preceding project(s). Units of local government receiving CDBG funds from the State for non-housing projects also hold a public hearing to receive public comment on program accomplishments after project completion but prior to final close out.

Units of general local government receiving CDBG HUD Disaster Recovery funds from the State will furnish citizens with information regarding the amount of funds available, the range of activities, the estimated amount of the proposed activities that will benefit persons of low to moderate income; will publish the proposed Action Plan for Disaster Recovery for public comment; and will provide reasonable public notice and comment period on any substantial change to the Action Plan.

Availability to the public

The Consolidated Plan, as adopted, substantial amendments, and the performance report, shall be available to the public, including the availability of materials in a form accessible to persons with disabilities, upon request. These documents shall be available at the MSHDA Website at www.michigan.gov/mshda for download at no cost, and available upon request to members of the general public through U.S. Mail.

Access to records

The State shall provide citizens, public agencies, and other interested parties with reasonable and timely access to the State's Consolidated Plan and the State's use of assistance under the programs covered by this part during the preceding five years.

Complaints

The State shall provide a timely, substantive written response to every written citizen complaint, within 15 working days where practicable, to complaints received from citizens on the consolidated plan, amendments, and performance report.

Use of the Citizen Participation Plan

The state assures that it will follow its Citizen Participation Plan.

III. REQUIRED NARRATIVES

Sources of Funds/Matching Funds

There are other competitive federal and private resources that will be made available in FY14 and which local communities and non-profit organizations have used in the past to fund housing and community development related activities. It is not possible for the State to accurately project the amount of funding that will be awarded through the competitive process.

Two programs covered in the Consolidated Plan require matching funds. The HOME Program requires a 25% match (i.e., for every dollar expended, the State must provide $0.25 of matching funds). HOME match in FY14 will be met with a variety of resources, including but not limited to publicly issued debt, property tax abatement, value of donated land and property infrastructure improvements, grants from the Michigan State Housing Development Authority (MSHDA) funds, and private resources, as well as other funding for HOME-eligible projects.

The Emergency Solutions Grant (ESG) Program requires a 1:1 State match for every dollar of Federal ESG funds expended. The Michigan State Housing Development Authority will use MSHDA funds for 50% of this match and subgrantees will provide the remaining match, either cash or in-kind for the FY14 ESG Program.

Statement of Specific Annual Objectives

On March 7, 2006, The U.S. Department of Housing & Urban Development (HUD) published a Notice of Outcome Performance Measurement System, which requires the State to identify specific annual objectives under the prescribed HUD general outcomes and objective categories for community planning and development. The State has chosen to use the HUD prescribed Table 3A: Summary of Annual Specific Objectives (see appendix).

Outcome Measures

HUD requires that the State provide outcome measures for activities included in its action plan in accordance with the Federal Register Notice, dated March 7, 2006. The outcomes, outputs and indicators that the State plans to work on in the coming year are included in the HUD prescribed Table 3C: Planned Project Results (see appendix).

Method of Distribution

The State uses a combination of methods of distributing funds that are described in more detail within the specific CDBG, HOME, ESG and HOPWA action plans. Methods of distribution include formula allocation, geographic distribution, and competitive procurements.

Allocation Priorities and Geographic Distribution

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 and the TBRA component of the HOME Program are based on allocation to geographic area (see Regional Map in the appendix). The rationales for the priorities for this allocation are more fully described in the specific CDBG and HOME action plans.

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 2010 Consolidate Plan Housing and Homeless Needs Assessment.

Annual Affordable Housing Goals

The State's annual affordable housing goals are included in the HUD prescribed Table B: Annual Housing Completion Goals (see appendix).

Continuum of Care

The State supports the continuum concept by providing technical assistance for the development of local continua of care and the Balance of State 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. The Michigan State Housing Development Authority (MSHDA) and the Michigan Homeless Assistance Advisory Board (MHAAB) representatives have worked 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. While some members are assigned by their respective organizations, the majority volunteer their time. There are twenty regular members representing both private and public stakeholders.

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.

In the last five years (2007 through 2011), MHAAB has applied for and the State of Michigan has been awarded Homeless Assistance Grant funding in the amount of $34,309,054. This figure includes the 2011 renewal funding for all 31 projects as well as a bonus award of $520,814 for a permanent supportive housing project serving persons with disabilities. In 2012, MHAAB applied for $7,741,334 in HAG funding; however, pending federal budget cuts may reduce that award by approximately $272,325. Awards for the 2012 HAG competition have not yet been announced.

Homeless and other Special Needs

Ending homelessness in Michigan is an achievable goal through a well-planned, sustained (long-term) effort, with all partners working together toward this common goal. To create a successful structure to implement system-wide change, certain elements must be in place: leadership at the highest levels of state government, champions at the local level including nonprofit service providers, shelters, leaders from the local Department of Human Services and Community Health, as well as the local provider community.

For years Michigan has struggled with its response to people experiencing homelessness. Understanding the scope of the problems that homeless individuals and families face, effectively coordinating services across various state and local agencies, gaining an accurate count of the homeless and the precariously housed, and quantifying the number of transitional beds needed versus permanent housing solutions are tasks that have been addressed individually but never within a broad-based and committed context founded on the principle of ending homelessness.

The State of Michigan, with its partners, is in year eight of a 10 Year Campaign to End Homelessness in Michigan. With 100% participation by Michigan's counties, Michigan is the first state in the nation to develop an organized response to the issues of homelessness through the creation of local Ten Year Plans to End Homelessness. Michigan won two national awards around ending homeless in 2007. Michigan will be holding the eighth Annual Homeless Summit in September 2013 and are expecting approximately 300 attendees.

Over the past eight years, MSHDA has committed approximately 65 million dollars to support the creation and implementation of the following initiatives: Chronic Homelessness, Domestic Violence, Homeless Families with Children, Homeless Youth, Youth in Transition, and Prisoner Re-Entry Housing. Every Region of the State has received funding through these initiatives. Local organizations leveraged additional local and federal support and as a result created over 1,500 units of housing/rental assistance.

Along with funding support, communities provide on-going technical assistance to build the capacity of local organizations to develop and manage supportive housing and to assist in the implementation of effective strategies to address the needs of individuals and families who are homeless or at risk of homelessness.

Other Actions

1. Actions to Foster and Maintain Affordable Housing

The rehabilitation of existing housing will be provided through the local county homeowner rehabilitation program, and through the MSHDA PIP loan program. Preservation funding for maintaining the low-income affordability of multifamily developments is provided through MSHDA's Rental Development & Homeless Solutions Division.

MSHDA administers both the Low Income Housing Tax Credit (LIHTC) and the HOME Investment Partnership program. MSHDA has integrated the LIHTC with other MSHDA multifamily programs to meet the housing needs identified in the 2010 Consolidated Plan Strategic Plan.

2. Actions to Address Underserved Needs

The State will continue to take a number of actions during FY14 to meet underserved needs. The State will continue to work with its partners to develop and implement the Ten Year Campaign to End Homelessness throughout every county of the State.

MSHDA will continue to provide technical assistance to local units of government and non-profits to help develop capacity to implement programs that will provide services to the underserved areas of the State.

MSHDA's Home Ownership Program will further develop and implement an outreach strategy to increase minority homeownership, expand individual development accounts, and expand the recently launched Save the Dream and Help for the Hardest Hit campaigns; both efforts to mitigate the fallout from subprime and predatory lending

within Michigan.

Michigan has one of the highest foreclosure rates in the country. Save the Dream provides counseling, education and assistance to combat predatory lending. Michigan's Helping Hardest Hit Homeowners plan is designed to provide:

- Mortgage payment assistance for homeowners currently receiving unemployment compensation,
- Rescue funds for homeowners who have fallen behind in their mortgage payments due to no fault of their own and who have overcome this obstacle, and
- Federal matching funds for principal reductions for homeowners who can no longer afford their mortgage payments as a result of reduced income.

Save the Dream and Help for the Hardest Hit information can be accessed at the MSHDA website at www.michigan.gov/mshda.

3. Removal of Regulatory Barriers

The State created MITAPS (Michigan Timely Applicant and Permit Services) to provide "one-stop" shop to assist developers in applying for permits, tracking progress of applications, and paying fees on line. This is focused both on housing and manufacturing development.

The State also 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 serves as liaisons between local applicants' and State departments to streamline and facilitate development approvals.

The State created a "Fast Track Land Bank Authority" to expedite the transfer of state tax-reverted properties for public and/or nonprofit use. This entity is also empowered to transfer its powers to a local authority that can expedite the transfer of tax-reverted properties at the community level.

4. Actions to Reduce Lead-Based Paint Hazards

The HOME and CDBG Programs require that all properties rehabilitated must meet HUD's Section 8 Existing Minimum Housing Quality Standards (HQS) or UPCS, or its replacement. The State incorporates the lead based paint requirements in its requirements for housing assisted under these two programs. Additionally, MSHDA and the Department of Community Health (DCH) conduct lead safe work practices training for its grantees and contractors. During the 2011 Consolidated Plan Program Year, DCH will administer the following grants which address lead hazards/healthy homes in Michigan:

HUD Lead Hazard Control Grant Program: $3,070,000
Grant period: 12/15/2009 - 12/14/2013.
Purpose: The Lead Safe Home Program provides lead-based paint hazard identification and control and healthy housing interventions in target housing for high-risk, low and very low income populations using cost-effective and health-protective methods.
Locations: Cities of Battle Creek, Detroit, Kalamazoo, Lansing, Muskegon and Pontiac; Counties of Calhoun, Ingham, Kalamazoo, Muskegon, Oakland and Saginaw and statewide for housing units occupied by a lead poisoned child under 6 years old.

HUD Healthy Homes Demonstration Grant Program: $875,000
Grant period: 12/15/2008 - 12/14/2011.
Purpose: Grant funding supports the Healthy Homes University program. The program provides public education, housing intervention and environmental allergen testing to make safer and healthier homes for asthmatic children to live. Housing interventions are targeted to high-risk, low and very low income populations
Locations: Cities of Flint and Lansing, and Ingham County.

U. S. Environmental Protection Agency Toxic Substances and Control Act
Section 404(g) State Lead Program: $383,642
Grant period: 10/01/2010-9/30/2011.
Purpose: Administration and enforcement of Michigan's EPA-authorized lead training and certification program.
Location: Statewide

5. Antipoverty Strategy

Michigan's anti-poverty strategy has two major components 1) welfare reform and 2) economic development. MSHDA has worked with the Michigan Department of Human Services (DHS) and the Michigan Department of Community Health (DCH) to restructure linkages between the affordable housing, social, and supportive service sectors. The welfare reform initiative is based upon personal responsibility, time-limited assistance, and work for the receipt of benefits. DHS continues to help Michigan recipients make the transition form welfare to work. Temporary Assistance to Needy Families (TANF) is the cash assistance component that helps families work toward their goal of total independence. MSHDA will work with DHS and the DCH to coordinate its housing services and other activities that help reduce the number of poverty-level families in Michigan. Through a number of community and economic development programs, the Michigan Economic Development Corporation promotes job creation in the private sector in all areas of the state.

6. Coordination Efforts

A major priority of the Michigan Consolidated Plan is to enhance the coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies. In fact, Goal 5 of the Plan is to develop linkages between the housing and service sectors to provide greater housing opportunities to special needs populations. MSHDA, DCH and DHS will continue its coordination efforts in FY14 in the Campaign to End Homelessness. These efforts are more fully described on the MSHDA website at www.michigan.gov/mshda.

For a complete discussion of the state's coordination efforts, please see the narrative discussion of Goal 5 in Section IV of the 2010 Michigan Consolidated Plan, also available on the website at www.michigan.gov/mshda.

7. Public Housing Management Initiatives

The State does not own or operate public housing in Michigan; consequently, no

initiatives are planned in this area during this annual plan year.

8. Monitoring

Monitoring will occur in several different ways. Although, the State will be responsible for managing the day-to-day operations of its HOME, CDBG, ESG and HOPWA programs, local governments who operate such programs as rental rehabilitation, neighborhood preservation and homeownership type programs while using HOME and/or CDBG funds will be required to monitor these projects in accordance with federal rules and regulations. Likewise, non-profits or local units of government operating ESG grants will be held to federal rules and regulations.

Most of the programs addressed by the Consolidated Plan are currently monitored through the various funding mechanisms already in place and often mandated by federal laws and regulations, which include but are not limited to the A 133 audits, meeting of CDBG National Objectives and verification of program benefits, Davis Bacon and Related Act provisions, Uniform Relocation Act, if applicable, including project administration and all other applicable local, state and federal rules and regulations. The time frames for these programs are also similarly determined by the funding sources and market demand. Specific monitoring by program is described below.

HOME and CDBG Housing

MSHDA's Community Development Division (CDD) ensures that HOME and CDBG grant funds are committed and expended in accordance with federal administrative and program requirements by implementing an annual monitoring plan that identifies annual monitoring objectives, improves monitoring procedures, and develops criteria for on-site monitoring of program participants. This annual monitoring plan serves as a strategy for determining compliance as well as guidance for CDD monitoring staff.

CDD's monitoring objectives are to ensure accountability, respond to community needs and use resources efficiently and effectively. To ensure that all grantees meet these objectives, CDD monitors 1) program results/community impacts, 2) the timely

expenditure of program funds, 3) program and administrative compliance, and 4) grantee capacity. Monitoring activities are conducted primarily through an on-line electronic grant management system and on-site monitoring visits.

The monitoring strategy employed by grant management staff include performing a risk assessment on every active grant to determine the level of monitoring (either on-going or on-site), developing a monitoring schedule, conducting monitoring reviews and following up on concerns and/or findings.

Grantee risk assessments and determinations of the level of grant monitoring are undertaken using the following criteria: experience, change in strategy/activities, program complexity, unresolved past findings/issues, current issues, other special considerations. Every active grant is monitored each year—either on-site or ongoing. Every grantee, regardless of risk, is monitored on-site at least every third year.

Ongoing monitoring reviews are built into CDD's service delivery system and occur every year on open grants that are not being monitored on-site. Grant managers monitor program progress and performance, compliance, and financial management on an ongoing basis on CDD's interactive internet grant management system (OPAL). Grantees use OPAL to report the following for each project/activity:

- Set-up with financial pro-forma
- Financial Status to request grant payments and report expenditure details
- Leverage Funds Summary
- Program Income Summary
- Project Completion Report of total project costs, household demographics and contractor data.
- Corporate information: Audits, Articles of Incorporation, Bylaws, Board of Director Membership, IRS 990's, etc.

An on-going monitoring review is documented when the Grant Review checklist is completed and relevant information entered into the OPAL system.

On-site monitoring visits are documented using the Grant Review checklist, the On-Site Monitoring Review checklist (patterned after HUD's CPD Monitoring Handbook) and OPAL.

Sanctions are typically administered in the form of postponement or reduction to grant awards, or recaptured of grant funds. Cases where CDD staff is unsuccessful in the recovery of grant dollars are referred to MSHDA's Legal Division.

The Office of Rental Assistance and Homeless Solutions provides HOME funding for tenant based rental assistance through formal grant agreements with supportive service agencies.

Each agency is monitored annually which includes file audits and selected physical inspections of assisted tenants housing unit. TBRA files are monitored to ensure accurate and up-to-date resident income and eligibility compliance and compliance with MSHDA statutory requirements and HUD rules and regulations. Physical inspections are conducted on a select number of tenants housing to ensure the unit meets MSHDA's housing quality standards.

The monitored agency is provided with a formal monitoring review letter. The agency is given three weeks to address all findings. If satisfactory remediation does not occur in a timely manner, further grant disbursements are withheld until findings are addressed. If necessary, the agency would be sanctioned by terminating the grant and prohibiting future participation in MSHDA programs until all findings are resolved.

Ongoing monitoring reviews are built into HCVD's service delivery system. Grant managers monitor program progress and performance, compliance, and financial management on an ongoing basis using HCVD's interactive internet grant management system Homeless Assistance Links On-line (HALO).

ESG

MSHDA's Office of Rental Assistance and Homeless Solutions (RA&HS) administers the ESG program, funded by HUD and MSHDA. Annual on-site monitoring reviews are scheduled for 1/3 of all ESG grants, with priority given to federally funded grants and grants over $100,000. At the end of 3 years, all agencies will have been monitored. These reviews are completed to ensure compliance with programs and applicable MSHDA and HUD rules and regulations.

Physical inspections are completed at the time of monitoring if the agency has a shelter or shelters. Inspections are completed to ensure that shelter standards are met for proper maintenance, safety and sanitary conditions.

Housing Assistance Specialists do on-going desk monitoring throughout the grant year from October 1st through September 30th, using Homeless Assistance Links On-line (HALO). Monitoring includes oversight of project results and timely expenditure of funds.

If fraud or abuse is suspected or non-compliance is found during the monitoring, further investigation is done by MSHDA staff. Sanctions may be imposed and include suspension from participation in future grant rounds and/or having funds recaptured by MSHDA.

CDBG Economic Development

The Michigan Economic Development Corporation (MEDC), on behalf of the Michigan Strategic Fund, implements the CDBG Economic Community Development programs. MEDC CDBG staff provides on-site monitoring for all construction related projects to verify program and federal labor standards compliance. Formal grant agreements are executed with each CDBG recipient. Each grant agreement is provided to the grantee community by the respective CDBG staff and a checklist is reviewed to insure all requirements for the grant are explicitly understood. For all CDBG funded job creation projects, the actual job creation is verified annually during the project timeline which includes the submission of *Income Certification* forms signed by the employee. Additionally, CDBG staff closely monitors semi and annual progress reports and audits

submitted by the communities to further evaluate project and program compliance. Prior to issuing any final reimbursement, additional review of all compliance items are made by staff to remediate any outstanding issues and to insure 100% compliance before close out of the grant.

CDBG staff ensures long-term compliance with program and comprehensive planning requirements with an in-place internal coordinated process for the evaluation of all CDBG projects. This evaluation is based on both MEDC's strategic plan for economic development which includes targeted industry sectors and communities based on low/mod and other economic factors. The internal teams place each project request through a rigorous vetting process to insure that each CDBG investment will have a significant impact on the respective communities and businesses. CDBG staff utilize a three tiered approach for all CDBG projects: tier one involves the identification of eligible projects by the business development or community assistance teams; tier two involves the rigorous scoping of those projects by the packaging team who are very knowledgeable on all applicable incentive options available to insure the requested incentive meets applicable federal and or state requirements; tier three involves the final assessment by the CDBG staff with a recommendation to the Michigan Strategic Fund board for funding approval.

HOPWA

HOPWA is administered by the Michigan Department of Community Health (MDCH).
HOPWA Project Sponsors are monitored on-site once a year (minimum) to ensure long-term compliance with program requirements. The items to be included in monitoring reviews are: housing assessments, household income, number in household, tracking of STRMU, assuring the accuracy of the CAPER, assuring that time sheets are kept, assuring that plan is in place for meeting project outcomes, assuring that regulations regarding eligibility of the person and the activity are met, assuring that contract requirements are met, assuring that tenant pay portion is accurate for TBRA, assuring that housing habitability standards are met, assuring that records are maintained for 4 years, assuring that adequate financial and program records are kept, assuring tracking on program income, and assuring adequate documentation of expenditures.

Conflict of interest form is on file for all project sponsors. HOPWA Project Sponsors are required to have a tracking sheet for STRMU and TBRA (which also tracks permanent housing placement). DCH staff review tracking sheets and provide technical assistance periodically. Financial Status reports are submitted monthly to the department. DCH Staff review the expenditure amounts and the timeliness of the FSR submission.

If problems are identified, training can be required. If needed, more frequent monitoring can be instituted through on-site or desk audits. If these non-compliance issues are not corrected, payments can be withheld until corrections are completed. As a last resort, the contract can be terminated.

IV. ONE YEAR ACTION PLANS

MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

Introduction

U.S. Department of Housing and Urban Development (HUD) allocates CDBG funding to the State of Michigan, through the Michigan Strategic Fund (MSF), for further distribution to eligible Units of General Local Government (UGLGs) to carry out State approved activities. Under the Michigan CDBG Program, all projects must meet one of the following national objectives and the attending statutorily mandated requirements to be considered for funding:

- The activities will benefit persons of low and moderate income, as defined by Section 104(b)(3) of the Housing and Community Development Act and 24 CFR 570.483;
- The activities will aid in the prevention or elimination of slums or blight, as defined by 24 CFR 570.483; or
- The activities are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, where the community is unable to finance the activity on its own and where other financial resources are not available to meet such needs, as defined by 24 CFR 570.483.

Eligible Activities

Activities cited in Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended, are eligible for assistance. Note: Costs of preparing grant applications are not allowable.

Eligible Applicants

Small cities, townships, and villages of less than 50,000 in population, and non-urban counties generally are eligible to apply for grants under the Michigan CDBG Program. There are over 1,600 eligible general-purpose, local governments, and these governments are referred to as non-entitlement jurisdictions.

Ineligible Applicants

The following counties and their respective UGLGs are not eligible to directly apply or directly receive Michigan CDBG funds, unless they can provide documentation that they have opted out of their allocation:

Genesee County, Kent County, Macomb County, Oakland County, Wayne County Washtenaw County and the following units of government within the county are not eligible for Michigan CDBG funds

Ann Arbor City

Pittsfield Township

York Township

Ann Arbor Township

Scio Township

Ypsilanti City

Bridgewater Township

Salem Township

Ypsilanti Township

Northfield Township

Superior Township

The following Michigan cities are not eligible to directly apply or directly receive Michigan CDBG funds:

Battle Creek	Kalamazoo	Niles
Bay City	Lansing	Norton Shores
Benton Harbor	Midland	Portage
East Lansing	Monroe	Port Huron
Holland	Muskegon	Saginaw
Jackson	Muskegon Heights	

Indian tribes eligible for assistance under Section 107(a) (7) of the Housing and Community Development Act are not eligible to directly apply for or directly receive Michigan CDBG funds, but an eligible county or township may apply for Michigan CDBG funds for projects located on Indian reservations if the unit of general local government has the legal authority to fund such projects on Indian reservations and Indian preference is not provided.

Allocation of Funds

During the 2014 Program Year, the State expects to receive approximately $30,000,000 from the HUD for the State of Michigan CDBG Program. The actual amount available may vary based on recapture and reallocation of other funds from previous allocations and the amount of program income received as well as the final appropriation. In addition, the actual distribution of allocated or unallocated amounts may vary according to the demand for funds and fundable grant applications. The initial and planned allocation of funds to individual categories will be on a pre-set percentage basis, which will be applied to the final funding amount. By definition, a substantial amendment to the Consolidated Plan would result from a change in the method of distribution of funds of said change, which will cause an increase or decrease in the original allocation mix of over 35 percent.

Anticipated initial distribution of HUD allocated funds, recaptured funds, and program income will be as follows:

CATEGORY	ALLOCATION	PROGRAM INCOME

Economic & Community Development	$22,591,914 - 27,110,297	$500,000
Housing	$3,012,225 - 7,530,638	$850,000
Administration & Technical Assistance	$931,625	
TOTAL	$31,054,178	$1,350,000

Due to the uncertainty of the Sequestration and other budget cuts, the MSF is proposing a range to allow for flexibility in dealing with those potential cuts. Based on the 2014 Program Year allocation, the following percentages of the allocation will be applied to the specific categories:

Category	Percent of Allocation
Economic & Community Development	90-75%
Housing	10-25%

In addition to funds available for distribution, as allocated to the State by the federal government for the 2014 Program Year, other funds may become available for distribution. Such other funds may include:

- Unobligated grant balances allocated to the State under any previous program year;
- Unexpended grant obligations recovered under previous grants; and
- Any program income returned to the State below or above the estimated amount.

It is estimated that the State will receive approximately $1,350,000 in program income during the 2014 Program Year. The Program Income dollars identified for housing are being retained and used locally with approval and are included in the anticipated

Program Income to be received by the State. These funds will be redistributed by the appropriate State-administering agency (Michigan Strategic Fund or Michigan State Housing Development Authority) for eligible projects in accordance with requirements of the 2014 CDBG program guidelines. Any program income received as a result of the revolving loan program will be redistributed back to the region in which the funds came for new eligible projects when appropriate.

CDBG HOUSING: ONE-YEAR ACTION PLAN

General

Under the Community Development Programs administered by MSHDA or MEDC, CDBG funds may be used by an UGLG to meet demonstrated housing needs. At least 70% of MSHDA allocation will qualify using the Low to Moderate Income Housing national objective. Area benefit demolition projects can apply to the 70% requirement, if the demolition involves only single family homes. All regulatory caps on funding will apply to MSHDA's annual allocation independent of the State of Michigan's allocation. Activities eligible for funding include, but are not limited to:

- Rehabilitation of housing units for homeowners, homebuyers or rental occupancy;
- Rehabilitation and/or the creation of new rental units in mixed use buildings;
- New construction of housing for rental or owner-occupancy in participation with a qualified community-based organization;
- Acquisition of sites on which buildings will be constructed for use or resale, including down payment assistance;
- Emergency Repair assistance (limited to 15% of funds for homeowner assistance);
- Demolition of single family homes in support of a housing program or neighborhood revitalization effort;
- Clearance of toxic contaminants of property to be used for new construction of housing;
- Infrastructure improvements essential to an affordable housing project or program in a targeted neighborhood where at least 51 percent of the residents have incomes not exceeding 80 percent of the area median incomes;
- Site improvements to publicly owned land to enable the property to be used for new construction of housing, providing the improvements are undertaken while the property is still in public ownership;
- Cost of disposing real property, acquired with CDBG funds, which will be used for new construction of housing;
- Public Improvements including acquisition, construction, reconstruction and/or

rehabilitation (including removal of architectural barriers to accessibility) of neighborhood facilities;

- Beautification projects are eligible activities when proposed under a comprehensive neighborhood or community revitalization effort involving the preservation or creation of affordable housing. Beautification projects include, but are not limited to: landscaping, planters, creating or improving parking lots, and façade improvements;

- Housing planning grants;

- Grantees may undertake activities as provided for under Section 105(a) (23) of the CDBG Act; Applicants may use a portion of their award to pay closing and other costs related to the refinancing of the first mortgage for a recipient receiving homeowner rehabilitation assistance. The first mortgage will typically be an adjustable rate mortgage, a balloon, or have an extremely high interest rate putting the property at risk of foreclosure. This assistance is limited to $3,500 and is included in the maximum $35,000 allowed for homeowner assistance; and/or

- MSHDA may award general program related administrative funding up to a maximum of 18 percent of the total grant dollars awarded. **Costs of preparing grant applications are not allowable.**

CDBG housing funds may be awarded only to non-entitled UGLGs, including counties and municipalities. UGLGs may enter into subrecipient agreements or contracts with other entities with prior approval from MSHDA.

Distributions Methods

There are three different MSHDA allocation processes that may be used to distribute the funding as outlined below:

a. Method #1- County Allocation Process: In this method, counties are eligible for funding on a two year grant cycle. The amount of the county's allocation awarded is based primarily based on the county's population. For counties with entitlement communities located in the county, the populations of entitlement communities will be subtracted from the total county population.

Awards tied to implementation of the area's place-based strategic plan and all funding except emergency repair will be restricted to target areas identified by the County that

are correlated to the plan. Awards will be performance-based contingent on grantee capacity, expenditure & their compliance record.

Projected maximum allocations amounts are as follows:

POPULATION	MAXIMUM AMOUNT *
0-5,000	$100,000
5,001-10,000	$125,000
10,001-20,000	$150,000
20,001-30,000	$175,000
30,001-40,000	$200,000
40,001-50,000	$225,000
50,001-60,000	$250,000
60,001-70,000	$275,000
Over 70,000	$300,000

**MSHDA may make exceptions to allocations based on performance of an UGLG, significance of project impacts on the community, needs of the community, overall demand for funds, and/or based on the availability of funds.*

b. Method #2- Housing Resource Fund: CDBG housing funds may be used to support proposals by non-entitled UGLGs for competitive funding awarded by the MSHDA under the Housing Resource Fund through an open and/or competitive window application process. Activities funded by the Housing Resource Fund include homeowner, homebuyer and rental assistance which are eligible for funding under HOME or CDBG.

c. Method #3- Funding Award Competitions: MSHDA may, at its discretion, award funding for regional and strategic projects directly related to placemaking under the above CDBG eligible activities.

Project Term

Program funds may be awarded as early as July 1, 2014, but will be contingent on actual award of grant funds to the State by HUD. Grant terms for 2014 funds will generally be

24 months.

Threshold Requirements

In order to be eligible for MSHDA funding, UGLGs must meet the following minimum requirements:

a. Community Development and Housing Needs Assessment. An assessment which identifies community development and housing needs and specifies both short and long term community development strategies must be submitted with the application.

b. Previous Performance. Each UGLG previously funded will be evaluated on its previous performance. An UGLG that has failed to meet previous grant agreement requirements, including commitment of funds, may be deemed ineligible to apply for an additional award.

Current county grantees are not eligible to apply for 2014 housing funds until at least 75 percent of their current grant funds, exclusive of administrative funds, have been disbursed or some unusual circumstance is involved to warrant a request to apply for additional funds.

Further, UGLGs that have received MSHDA County Allocation funds from fiscal year 2009 or earlier cannot apply for 2014 funds until any grants covering those years have been audited and closed.

c. Low and Moderate Income Benefit. Applications for MSHDA County Allocation funds provide the following low and moderate income benefits in accordance with the HUD Section 8 Income Limits:

- Single family, owner-occupied housing rehabilitation must provide 100 percent low/moderate income benefit. Therefore, 100 percent of the funds must be awarded to households with gross annual incomes 80 percent or less of the area median income, based on household size;

- A rental rehabilitation activity must assure at a minimum that 51 percent of units after rehabilitation are occupied by low/moderate income households (if a two unit property, at least one of the units must be affordable);
- In calculating the low/moderate income benefit for a demolition, infrastructure or public improvement project, at least 51 percent of the households served by the project must be low/moderate income; or
- Applications with less than the above stated low/moderate income requirements will not be considered for funding.

d. Maximum Investment.

Homeowner rehabilitation assistance will generally not exceed $40,000 per unit, including costs attributable to lead-based paint hazard remediation or abatement. The MSHDA may make exceptions to this maximum assistance for cause.

Homebuyer assistance programs include the following minimum guidelines:

- MSHDA Single Family asset limitation applies;
- Not limited to first-time homebuyers;
- Purchase price limit is the lesser of the HUD 203(b) limit or the appraised value;
- Homeownership education is required; and
- UGLGs are expected to obtain leverage funds from other housing programs such as federal weatherization funding, Rural Development, and MSHDA Property Improvement Program (PIP). UGLGs are also encouraged to leverage dollars and in-kind services locally.

Rental rehabilitation assistance is primarily targeted to neighborhoods, including downtowns. The investor must contribute, at minimum, 25 percent of total development costs (i.e., the maximum investment may not generally exceed 75 percent of the project cost).

Project Selection

While a variety of housing activities are eligible for funds, the following guidelines must be considered when proposing a homeowner rehabilitation activity. The financing

mechanism may be a deferred loan or may be forgiven at up to ten percent each year during the 6th through 15th year following the provision of the assistance.

MSHDA requires the placement and recording of a lien on properties receiving CDBG assistance. Exception will be given to emergency repair loans where the cost of the repairs is at or below $2,500. Waivers will be considered for other unique circumstances on a case-by-case basis.

Public Services

The use of 15 percent of local county allocation for public services is restricted to supportive services directly associated with MSHDA or HUD funded supportive housing projects, including case management, enhanced management, and direct supports for persons residing in transitional housing for homeless households and/or in permanent supportive housing for homeless and/or special needs populations.

MSHDA may use CDBG funds, up to 15 percent of its housing funds including any amounts allocated by counties, as stated above, for public services.

Award Process

Applications for awards will be evaluated to assure that all threshold requirements are met and that the proposed housing program is acceptable.

The following factors must be addressed adequately in applications for a housing proposal to assure favorable consideration:

- Total number of units to be rehabilitated in relation to community population and identified housing need;
- Estimated average and maximum total cost and average and maximum CDBG assistance per unit and the amount of funds to be leveraged;
- Level of improvement to be achieved in assisted properties. All properties assisted with CDBG funds must be brought up to local code, Section 8 Existing Minimum Housing Quality Standards or 2009 Michigan Rehabilitation Code. (NOTE: An exception can be made for an Emergency Repair Activity not to exceed 15 percent of the total grant);
- Newly construction units to meet the 2009 Michigan Construction Code, as well

as 5-Star Energy and MSHDA Visitability Requirements;

- Administrative and staff capacity to manage program;
- A marketing plan to include "Affirmative Marketing";
- Percent of requested funds to be used for administrative purposes (18 percent maximum); and
- The extent to which the proposal will further fair housing activities.

Housing projects are awarded CDBG funds where CDBG is a more appropriate funding source than HOME. Examples would include single family rehabilitation, homebuyer assistance (with or without rehabilitation), demolition, beautification, rental rehabilitation, including mixed-income projects and activities on non-residential portions of mixed-use buildings where a national objective is met. See pages 32 and 33 for additional details. Applications are funded based on:

- Prospect for substantial community impact;
- Compliance with federal regulations and MSHDA policy;
- Cost-effectiveness; and
- Applicant capacity and track record.

Applications are evaluated by a review team. Applications are funded, in whole or in part, based on the amount of the request, the capacity of the UGLG, an assessment of market need/demand, and available resources.

Monitoring

MSHDA will monitor the implementation of these projects to determine that good faith efforts have been made to carry out the procedures and requirements specified in the projects, to determine if the objectives have been met, evaluate compliance and to take corrective action as necessary.

Lead-Based Paint Hazards

Properties rehabilitated must meet local code, HUD's Section 8 Existing Minimum Housing Quality Standards (HQS) or the 2009 Michigan Rehabilitation Code and MSHDA will be training and implementing the use of Uniform Physical Conditions

Standards (UPCS). As lead-based paint requirements are incorporated into HUD's standards, on a statewide level we are continuously addressing lead-based paint issues on housing rehabilitation projects. Contractors must be Environmental Protection Agency Renovation and Painting Rule (RRP) trained. Note: An exception can be made for CDBG funded county allocations, as communities may request up to 15 percent of their homeowner rehabilitation funds be utilized for Emergency Repair Activities.

CDBG ECONOMIC AND COMMUNITY DEVELOPMENT: ONE-YEAR ACTION PLAN

General

The Michigan CDBG Program for economic and community development includes funding of grants or loans for direct assistance to business, infrastructure, planning, and blight elimination. These programs are administered by the Michigan Economic Development Corporation (MEDC) on behalf of the Michigan Strategic Fund (MSF).

National Objectives

In order to qualify for CDBG funding consideration, all economic and community development projects must meet a federally-required, national objective, which includes providing direct benefit to low and moderate-income people or elimination of slum and blight. Area benefit projects must provide benefit to the entire UGLG, census block groups, or survey approved neighborhood populations. Economic and community development job creation projects must result in job creation or retention where at least 51 percent of the jobs are made available to, or held by, low and moderate-income people. Planning projects must be considered as leading to development projects which will result in future job creation where at least 51 percent of the jobs are made available to, or held by, low and moderate-income people. Blight elimination projects must be designed to eliminate specific conditions of blight or physical decay.

Very low, low, and moderate-income limits are defined each year by the HUD, and identify household income levels by household size. Typically the moderate-income level is 80 percent of the county median family income and is based on the income level of the household and not the individual filling the job. For job creation projects, the very low, low, and moderate-income requirement is applied at the time of hire. For job retention and community development projects, the eligibility requirement is applied at the time of application for CDBG funds. In unique instances of job retention, the eligibility requirement may apply to a portion of the positions that are anticipated to turnover, for which the job requirement would be applied at the time of the new person being hired.

Jobs are defined as full-time and full-time equivalent permanent positions, which do not

include construction jobs, temporary jobs, or layoff recalls. Only those jobs, which are created, or retained, within the grant project period, will be considered in meeting the national objective and screening guidelines. The State will make a final determination of the actual number of jobs created, or retained, and the actual number of jobs available to, or held by very low, low, or moderate-income people at the time the project is officially closed out by the State and will be based on documentation provided by the UGLG.

All UGLGs will be required to comply with all current and newly adopted reporting requirements, including all items necessary to meet Integrated Disbursement and Information System (IDIS) project compliance and performance measurement data collection parameters.

Funding Cycle, Proposal Review, and Project Limitations

Proposals are considered on a continuous basis for most programs. The application is a form submitted by an UGLG providing basic information on the proposed project, project activities, and a summary of the project budget including grant funds being requested and other funds supporting the proposed project. Grants and/or loans will be awarded as funding availability allows.

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. Approved projects will include only those activities identified in the Action Plan and will be awarded as funding availability allows.

If it is determined that the proposed project has adequately met the screening guidelines and selection criteria, the UGLG will be authorized to execute a grant or loan agreement.

Screening Guidelines and Selection Criteria

In considering project funding, a system based on screening guidelines and selection criteria is used to evaluate and invite applications and approve funding. These guidelines and selection criteria are outlined the MSF approved Application Guide that is available to all potential grantees. The screening guidelines are considered to be

thresholds that must be met or exceeded for a particular project to receive funding. If these 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.

Maximum Project Period

MSF projects must usually be completed within 24 months from the date the funding is awarded. Funds not disbursed within the specified time limit may be recaptured by the MSF for reallocation to eligible CDBG projects.

The MSF may make exceptions to grant/loan amount limits and project periods based on the significance of the project's impact on the UGLG and the economy, the number of jobs created, the needs of the UGLG, and/or the level of benefits to low and moderate income people. Exceptions will be considered as part of the funding decision.

Funding Categories and Programs

The State of Michigan, the MSF, and the MEDC envision a transformed Michigan economy; a State where 21st Century businesses will provide desirable jobs in emerging sectors of commerce; where Michigan's tradition of manufacturing and automotive engineering generate new opportunities to participate in the global economy; where educational standards of excellence support a sophisticated workforce; where communities are restored into vibrant places; and where travel and tourism thrive. All projects are required to meet a national objective.

1. **Blight elimination:** 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.
2. **Direct Assistance to Business:** 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 and utility/ pipeline projects.
3. **Infrastructure:** 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.
4. **Planning:** Economic and downtown development planning grants are available to help UGLGs accomplish project specific planning and design work which is likely to lead to an eligible economic development implementation project. Eligible under this activity would be planning and capacity building, as identified in Section 105(a) (12) of Title I of the Housing and Community Development Act of 1974, as amended. CDBG Planning funding cannot be utilized to create, update, or provide information solely for an UGLG to meet

legislatively mandated community planning requirements, including Downtown Development Authority plans.

5. **Revolving Loan Funds:** The MSF has finalized the regionalization of all existing revolving loan funds. The intent of the revolving loan funds is to provide CDBG eligible loans to businesses within the identified regional territory. Repayments of the loans back to the fund with interest generates program income that is used to cover fund administrative expenses and provides for additional funds for additional CDBG eligible loans to businesses. The State has identified nine regional entities as eligible within HCDA 105(a) 15. These entities will operate in non-entitlement areas within the State and will exercise the ability to act as the subreceipent for existing funds to allow for the redirection of existing inactive fund balance. The State may also make additional CDBG funds available to UGLG's that have regionalized for the purpose of providing capital for the issuance of CDBG eligible loans to small businesses whose projects meet the selection criteria outlined in the Application Guide. Some funds have remained independent of the regional and will continue to be fund projects under the same requirements.
6. **Unique Grants:** Innovative and creative funding requests will be considered based on special and/or unique needs or situations requiring innovative program approaches not specifically provided for in other defined programs.

C. EMERGENCY SOLUTION GRANTS: ONE-YEAR ACTION PLAN

Substantial Amendment to 2014 Consolidated Action Plan (Annual Action Plan)

1. **Standard Form 424 (SF-424)**

2. **Summary of Consultation Process**

Michigan is composed of 21 Continuum of Care (CoC) Independent Jurisdictions (IJs) including the Balance of State (BOS). The BOS CoC is further divided into 39 local planning bodies that correspond to counties or small groups of counties in very rural areas. These planning bodies are referred to as "BOS CoCs", and these planning bodies comply with the basic frame of the IJs. The 39 BOS CoCs provide the rural plan for the ESG allocation.

All 21 IJs meet monthly to plan local funding priorities, to evaluate performance and prioritize projects for funding and to provide planning and guidance for their HMIS administration. A description of the core CoC planning activities, the composition and organization of the CoCs and supporting planning groups is provided below.

The Michigan State Housing Development Authority (MSHDA) began evolving its' statewide structure, processes and ESG allocation to a housing approach organized around "single points of entry" called Housing Assessment and Resource Agencies (HARA) during 2010 in anticipation of the Emergency Solutions Grant. Prior to this initiative, MSHDA contracted with over 250 organizations to provide ESG Services. Grant Year 2011 marked the first full year of this evolutionary process. MSHDA contracted with a Lead Fiscal Agency in each of the 21 IJs and the 39 rural BOS CoCs.

CoCs were charged with developing their local plan for evolving to a "single point of entry." That plan included the identification of additional agencies that would participate in the HARA, a listing of key stakeholders from the community, a mapping of other funding streams that exist in the community, a diagram of the local delivery system, a plan for building public support, and a description of the how local funding decisions were made, including a justification of how that process was participatory and unbiased.

The local CoC was responsible for selecting additional local sub-recipients. Plans were submitted to MSHDA in August 2011.

Throughout this process partners at the local and state level negotiated the structures and processes that would underpin the Emergency Solutions Grant. These included a number of innovations based on national best practices: (1) defining common screening and assessment tools, (2) approaches that emphasized consumer strengths and progressive engagement, (3) required characteristics of a HARA, (4) a mapping of state resources to specific communities (5) performance standards including specific measureable outcomes, processing for setting local targets, reporting requirements and providing comparison rates for benchmarking purposes, and (6) Continuous Quality Improvement geared to CoCs to support this change process. To the highest degree possible, the change process was guided by lessons learned through the Homelessness Prevention and Rapid Re-housing Program (HPRP) Grant.

HMIS Background:

In 2003 all but four of Michigan IJs elected to join together to create a Statewide Homeless Management Information System (HMIS) implementation. They met throughout a two-year period to negotiate this process including selection of a vendor, initial privacy and security guidelines, and rules regarding data organization and workflows. Since that time, the remaining four IJs have also joined to create a true Statewide HMIS implementation. All IJs have local System Administrators and coordinate with the Statewide HMIS staff that represents the BOS.

Sharing a common platform supports more efficient development, implementation, operation, and report development of the HMIS. The HMIS allows communities to share consumer data with other supporting providers improved coordination of care. In rural jurisdictions sharing may cross multiple counties, thereby reflecting the movement of clients. Finally, a statewide HMIS allows for common analytical strategies to be used in measuring locally and federally defined outcomes and the opportunity to benchmark performance with other like providers and localities. Outcomes make a great deal more sense when you can compare your performance with “like” entities. A monthly System Administrator meeting is used to coordinate ongoing technical and process decisions.

Local System Administrators report to their respective CoCs and IJs are responsible for developing local policies and procedures governing their HMIS.

Planning for homeless activities, including allocation of ESG funds, is grounded in the CoC structure. All 59 CoCs, both IJ and rural BOS CoCs, have diverse membership and manage a local "10 Year Plan to End Homelessness." Membership of the State level planning groups includes representatives from MSHDA, the Michigan Departments of Human Services (DHS), Community Health (Health, Mental Health and Substance Abuse), Veterans, Education, and Corrections, the Domestic Violence Board, Disability Rights, Youth and Family Services, Head Start, United Way, Advocacy Organizations (Corporation for Supportive Housing and the Michigan Coalition Against Homelessness) and the Statewide HMIS Director.

At the local level, IJs and BOS CoCs engage local partners representing the same departments and organizations participating in State planning groups (where local offices exist), local homeless service providers, local mental health/substance abuse/health care providers, HMIS System Administrators/Coordinators and the homeless. All CoCs meet at least quarterly and many meet monthly.

Supporting increased local coordination and communication, all CoCs participate in eight Regional Councils designed to streamline communication, training and to support better coordination across local jurisdictions and with the State "10 Year Plan to End Homelessness." Regional meetings include both in-person and conference call sessions and also meet monthly. Semi-annually all eight Regional Councils come together for in-person meetings to evaluate progress, train on new initiatives, and share best practices.

Finally, within the Campaign structure, several Work Groups meet monthly to address specialized issues including housing, employment/income, training, communication /advocacy, and planning/evaluation/ technology. Membership on these workgroups include: state department and advocacy group representation, leadership from provider agencies, specialized consultants such as public relations staff, and HMIS System Administrators from multiple CoCs. The workgroups are facilitated professionally, operate according to an Action Plan, and are responsible for generating specific products related to Michigan's Campaign to End Homelessness.

3. **Summary of Citizen Participation Process**

Prior to its submission the Michigan State Housing Development Authority (MSHDA) followed its Citizen Participation Plan, which complies with the provisions of 24 CFR 91.115.

Encouragement of citizen participation: MSHDA 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. Participation is also encouraged from local, regional, and statewide institutions, CoCs, and other organizations (including businesses, developers, non-profit organizations, philanthropic organizations, community-and faith-based organizations) that are affected by the programs or activities covered in the consolidated plan.

The State will provide citizens and units of local government with reasonable notice and an opportunity to comment on substantial amendments. Reasonable notice will be given through a public notice in a newspaper(s) with statewide circulation. Opportunity to offer comments will be provided by a period of not less than 14 days, identified in the public notice, to receive comments on the substantial amendment before the amendment is implemented. A public hearing was not held.

4. **Match**

- Break down of award **from HUD:** $4,214,303 (MSHDA) + $140,319 (Dearborn) = $4,354,622 total HUD Award.
- States are required to match 100 percent, minus $100,000, of their ESG allocation, which can include cash resources provided any time after HUD signed the grant. MSHDA will be providing a large cash match.
- MSHDA will require all sub-grantees to provide a 50% in-kind or cash match.

5a. Proposed Activities: Grants will be for a 12 month period beginning no later than 60 days from the date HUD signs the grant agreement.

Shelter Operations, Street Outreach, and related case management cannot exceed

60% of the total grant amount. (One hundred percent (100%) of this money can be moved to Rapid Re-Housing and Prevention activities if a sub-grantees chooses).

Rapid Re-Housing – Rental Assistance

MSHDA is requiring that a minimum of 15% of the FY14 funds be used for Rapid Re-housing activities. This includes short term leasing assistance up to six (6) months, security deposits up to one month's rent, lead-based paint inspection and habitability inspection, and housing case management payment associated with these funds. It is expected that approximately 206 households will be assisted. These activities correspond to activities outlined in MSHDA's Annual Action Plan. In addition, since MSHDA preferences its' Housing Choice Voucher (HCV) to the homeless, assisted households can be placed on the HCV waiting list for a long term Section 8 voucher. Unspent funds will be reallocated to another ESG grantee for Rapid Re-Housing.

Homeless Prevention

MSHDA is requiring 15% of the FY14 funds go to prevention activities. This includes security deposits up to one months' rent, rental arrearages up to two months' rent, and housing case management payment associated with these funds. It is expected that approximately 413 households will be assisted. These activities correspond to activities outlined in MSHDA's Annual Action Plan. One hundred percent (100%) of this money can be moved to Rapid Re-Housing. Funds can be reallocated to rapid re-housing.

HMIS Entry

Input into HMIS is limited to three percent (3%) of the grant amount. Funds can be reallocated to rapid re-housing or prevention.

Administration Expenses

Grant administration is limited to seven (7%) of the grant amount. Activities including monitoring of sub-grantees, operations, staff such as bookkeepers, accountants, and support staff. Funds can be reallocated to rapid re-housing or prevention .

5b. **Discussion of Funding Priorities:**

Rapid Rehousing Data: Michigan conducted a rapid-rehousing follow-up analysis of

more than six thousand participants who received financial assistance, learning that only six percent returned to homelessness (been readmitted to a shelter) as of the sample date – two years into the program. The 6.5 percent were more likely to be in single households (54%), and these singles tended to be older and male. Family households (46%) most often had young children and a single, female head. Both singles and families who returned to shelter were much more likely to have a disabled adult in the household (45%) than households who remained housed (19%). Households who returned to shelter were the most vulnerable in the first three months after exiting HPRP, and the rate of failure declined substantially after that point.

Prevention Data: A preliminary risk factor analysis conducted on the 8,576 households served through the State's direct HPRP grant showed the five most commonly identified risk factors to be a physical disability or other chronic health condition, short-term unemployment, a high amount of medical debt, prior episode(s) of homelessness, and a lack of transportation that impacts employment. The comparison of risk and demographic factors also revealed that prevention clients looked very similar to homeless clients on all but four risk factors. Those risk factors where homeless persons had a somewhat higher prevalence were: (1.) frequency of moves in the last year, (2.) experience of domestic violence, (3.) being a young household with a young child and finally (4.) lacking transportation to work.

HMIS: Greater emphasis is being placed on the HMIS. CoCs and funding organizations are closely reviewing the data and using the information to make decisions. Standards on data quality have become more and more stringent at the same time many organizations have experienced reduced staffing. MSHDA's support for HMIS data entry and agency management of the HMIS system is critical at this time.

5c. Detailed Budget: Attached

6. Written Standards:

Critical to the success of the housing solutions approach is that all critical processes including referral are clearly defined, tested, and then optimized. Workgroups supporting Michigan's 10 Year Campaign to End Homelessness have developed

procedures for CoCs and agencies to adopt Continuous Quality Improvement (CQI). Early adopting CoCs from across the State are currently engaged in this process and have already identified a number of improvement strategies. We anticipate Policies and Procedures established through our ESG initiative to evolve informed through systematic data-driven CQI process.

a. **Evaluation of persons or families eligible for assistance:** Michigan developed initial standards for screening and admission to the HARAs (Central Points of Entry) during the initial roll-out of the 2011 ESG Grant. Screening and assessment forms and corresponding HMIS work-flow were developed during the summer and fall of 2011. The strategy adopted drew heavily on our experience with HPRP and input from provider agencies currently involved in Housing Assessment and Resource Centers. Part of this process included a review of various existing assessments such as the Vulnerability Index. MSHDA will continue to evolve this aspect of the Program as we learn from the existing processes. Of special concern is the need for progressive engagement, "right-sizing" the funds made available to participants and continuing to develop strategies for prioritizing the chronically homeless, families with children and Veterans. Evaluation processes are aligned with the HMIS Data Standards and also include those Risk Factors used by HPRP participants to help prioritize local selection processes and the Self Sufficiency Matrix designed to support the development of a comprehensive Housing Plan.

b. As a state recipient, MSHDA will establish program parameters, but will allow CoC Bodies some flexibility based upon individuals/family's needs within the CoC area. From MSHDA parameters, the CoC Body must select a fiduciary/sub recipient that will oversee that their funds are administered consistently, and where MSHDA allows flexibility, each CoC Body will be required to submit how they will administer their program in Exhibit 1-CoC Update. MSHDA's *first* round of FY11 ESG allowed 60% of the funds to go toward street outreach and emergency shelter activities.

For 2014 ESG funds, all beneficiaries must:

i. Have household incomes of less than 30% of median household income for the geographic area. Participants are required to notify programs when their income has changed.
ii. Lack sufficient resources and support networks to retain housing without ESG funds. Through ESG and HPRP MSHDA has set standards for establishing proof of lack of resources and those standards will be required. Housing case managers discuss with participants changes in their support network that impacts the participants housing.
iii. Must comply with HUD definition of homeless from federal register, December 5, 2011, Vol. 76. No 233.

iv. Intake completed on HMIS – requires intake workers and Housing Resources Specialists to determine if shelter diversion, shelter admission and length of stay, and if the individual/family has immediate needs to be safeguarded from domestic violence, sexual assault, etc.
v. Rental assistance is capped at six months.

In addition, in Exhibit 1 CoC Bodies must describe how they collaborate and coordinate with other emergency shelter and essential services providers. CoC Bodies must describe how they will practice shelter diversion, provide essential services and who will receive rapid re-housing in Exhibit 1-CoC Update.

c. Coordination: During the 2011 ESG application process, each CoC was required to submit a Coordinated Action Plan. That plan included the identification of additional agencies that would participate in the HARA, a listing of key stakeholders from the community, a mapping of other funding streams that exist in the community including information about Federal and State resources, a diagram of the local service delivery system, a plan for building public support, and a description of the how local funding decisions were made including a justification of how that process was participatory and unbiased. The local CoC was responsible for selecting additional local sub-recipients. Plans were submitted to MSHDA in August 2011.

Critical to the success of the ESG is the need to have a controlled referral process that assures that participants are routed to the right services when they need them. Using the listing of federal, state, and local resources, CoCs are also working on Resource Maps that match consumer characteristics to resources to ensure all staff supporting the process has the information they need. CoCs must establish a process for reviewing and updating the Map routinely.

Additionally, through collaboration some HARA's are either co-located with the Michigan Department of Human Services (DHS) and other homeless or poverty service agencies, or have staff traveling on a scheduled basis to coordinate services. From the State level, Michigan has emphasized managing those resource streams that provide temporary housing-related financial assistance to households directly from the designated HARAs or in collaboration with the HARA so that as

much as possible it is a “one stop” experience.

d. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance:

For rapid re-housing MSHDA will use HUD’s definition of homelessness as a guide and will prioritize from there. For example, the first priority for rapid re-housing will be ‘Homeless Individual with a Disability’ as defined by HUD, the second priority will be ‘Chronically Homeless’ as defined by HUD, and the third priority will be ‘General Homeless’ as defined by HUD.

For prevention, prior to each grant award, sub-grantees shall submit the characteristics they will use to prioritize their prevention funds from MSHDA. Communities will be required to prioritize based upon HUD’s definition of “At Risk of Homelessness”, using a combination of characteristics as a guide, to prioritize which families and individuals will become homeless “but for” this assistance. For example: (1) Has moved frequently because of economic reasons; (2) is living in the home of another because of economic hardship; (3) has been notified that their right to occupy their current housing or living situation will be terminated; (4) lives in a hotel or motel; (5) lives in severely overcrowded housing; (6) is exiting an institution.

e. Standards for determining the participant share of rent and utilities: Although MSHDA does not require program participants to contribute toward their rent; each CoC may establish program guidelines in which participants in their community are required to contribute to their rent.

f. Standards for how long a participant may receive rental assistance and how the amount of assistance will be adjusted over time:

After reviewing our HPRP APR, the average and median length of stays for prevention clients were three (3) months. For homeless clients they were about six (6) months. The goal is to provide enough assistance to achieve long term success. That is, serve fewer people, but select the harder to serve and provide more services. Housing case management

will be provided for prevention and rapid re-housing.

g. Standards for determining the amount, type, and duration of housing stabilization and relocation services. Michigan will comply with the following standards for housing stabilization and relocation services. No participant may receive services for longer than 24 months within a 3-year period as stated by HUD. More specifically, MSHDA will allow no more than six (6) months of leasing assistance within the 1-year grant period. Services will be restricted to:
    i. Security Deposits (cannot exceed one month's rent)
    ii. Up to six (6) months of leasing assistance
    iii. The following services:
        1. Housing search and placement.
        2. Assessment of housing barriers, needs and preferences.
        3. Development of a Housing (Action) Plan.
        4. Outreach and negotiation with landlords.
        5. Assistance with rental applications and understanding leases.
        6. Unit inspections.
        7. Tenant counseling.

7. Process for making sub-awards are as follows:

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 CoC 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:

- 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, school liaisons;
- Breakdown of ESG allocated amounts and populations to be targeted.

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.

In addition, MSHDA will be applying directly to HUD for the City of Dearborn's FY 2014 ESG allocation, $140,319. The funds will be awarded to a Wayne County HARA and administered within the Out-Wayne County CoC area.

8. **Homeless Participation Requirements:** Does not apply to MSHDA since we are a state of Michigan agency.

9. **Performance Standards:** In 2010 Michigan's Campaign to End Homelessness Statewide Implementation Group (CSIG) implemented written performance standards for the evaluation of outcomes and activities assisted by ESG funds. CoCs are required to embed routine measurement of both program and service outputs and outcomes in their planning and evaluation processes. The Guidelines provided a template for local CoC Evaluation of their ESG/HARA projects.
    a. The evaluation is grounded in a minimum set of shared performance outcomes based on federal and locally defined outcomes and outputs. An Outcomes Matrix that specifies each measure, the activity it applies to, the calculation strategy and the frequency of review was developed. An ESG Workflow was defined for the HMIS and corresponding reports were developed to assure that a common "yard stick" was used throughout the State. Current measurements include:
        i. Reducing the time spent in shelters with discharges to stable housing.
        ii. Increasing the percentage of persons discharged to stable housing.
        iii. Improving data quality and consumer engagement around the discharge process.
        iv. Reducing the number of persons returning to shelter.
        v. Increasing employment and income.
        vi. Improving Self Sufficiency as measured by the Self Sufficiency Matrix.
        vii. Improving retention in permanent supportive housing.
        viii. Increasing the number of consumers that achieve success on personally identified objectives in the housing case plan.
    b. CoCs are required to adopt local targets/indicators of success. Performance targets should be based on both historical individual program performance and benchmarked performance (comparison to peer programs). To ensure that the evaluation process does not disadvantage programs/activities that target the "hardest to serve," efforts will be made to match like programs by both program type and client population regionally or statewide. Where no similar program exists, that entity will be considered independently. Historical outcome performance rates (benchmarks) were published by Region, consumer characteristics, type of service improving the ability of local CoCs and agencies to

evaluate their performance and set appropriate targets (without "creaming").

c. All funded ESG Projects are required to report outputs and outcomes for both the local ESG Project and the larger CoC quarterly. The goal of this process is to insure local review of the ESG Project and overall CoC performance on shared measures.
d. Continuous Quality Improvement (CQI) training has been provided to CoCs and agencies throughout the State. The CQI process is offered to help manage the change process and to insure an evolution to data-driven decision making. During 2011 it was offered as a voluntary process and early adopters have already identified a variety of process improvements.

10. <u>Certifications</u>

Attached

E.1. <u>Centralized or Coordinated Assessment System</u>

In anticipation of the Emergency Solutions Grant, in 2010 MSHDA began to develop a centralized housing approach organized around "single points of entry" called Housing Assessment and Resource Agencies (HARA). CoCs were charged with developing their local plan for evolving to a "single point of entry", and in 2011 each CoC were required to implement a centralized/coordinated assessment system within their geographic area. HARAs are required to utilize the same tool and methodology for assessing those with a housing need so referrals for services are consistently completed within each CoC. This coordinated communitywide delivery system embraces housing first and thrives to make decisions based upon outcomes.

E.2. <u>Monitoring</u>

Monitoring procedures and current and sufficient.

<u>Table 3C</u>

Not required for state government.

Table 1: Declaration of FY 2010 Grant Fund Commitments

Activity Type	Obligated Amount
Homeless Assistance	$1,267,170
Homeless Prevention	$1,290,404
“Administration Activities	$243,350
Total FY 2010 Award	$2,800,924
MSHDA 2010 Match	$5,000,000
Total FY 2010 Award	$7,800,924

*The Michigan State Housing Development Authority (MSHDA) over-matches federal ESG by 714.05%. The required federal match for 2010 was 25% and MSHDA matched HUD’s $2,800,924 with $5,000,000, an overmatch of 712.56%. Therefore, MSHDA allowed agencies to take higher admin fees with a cap of up to 10% of their total grant amount. MSHDA’s ESG program was monitored by HUD field staff throughout the years, and HUD staff agreed that since MSHDA overmatched by a large amount, using 10% as a cap on admin fees vs. 5% was acceptable. HUD audits never showed this as an audit finding and MSHDA has been audited by HUD since this practice began years ago.

Please know that in the future MSHDA will follow HUD’s guidance and cap ESG Admin Fees at no more than 7.5% of the total grant amount.

2012 ESG (FY 12 HUD/FY 13 MSHDA)

FY 13 MSHDA Grant	5,000,000		
FY 11 HUD 1st Round Match*	-1,633,594	1,578,823	MSHDA
FY 12/13 CoC Grant**	-590,000	54,771	Dearborn
MSHDA Grant Balance	2,776,406	1,633,594	*
2012 ESG from HUD			
Dearborn	176,215		
MSHDA Grant	5,022,903	$590,000	** (59 CoC x $10,000 max CoC)
Total Grant	5,199,118		
2012 HUD & MSHDA Match			
Total HUD Award	5,199,118		
MSHDA Grant Balance	2,776,406		
Total Award	7,975,524		
2012 Match Requirement			
MSHDA & Dearborn	5,199,118		
State PHA Exemption	-100,000		
MSHDA Match Balance	-2,776,406		
In-Kind Match Required	2,322,712		
2,322,712/5,199,118	0.44675116		
In-Kind Match Required	45%		

FY 2012 Emergency Solutions Grant

MSHDA Allocation	5,022,903
Dearborn Allocation	176,215
TOTAL	5,199,118
Street Out & Shelter	3,119,471
Re-Housing	779,868
Prevention	779,868
HMIS	155,974
Admin	363,938
TOTAL	**5,199,118**

HOME INVESTMENT PARTNERSHIP: ONE-YEAR ACTION PLAN

Introduction

At the time of publication of this plan, the State of Michigan's FY14 allocation of HOME funds was not yet determined, but the range of activities planned for the FY14 allocation of HOME funds is similar to those undertaken with FY13 funds. The State of Michigan received an allocation of $12,658,970 in FY13 for the HOME Investment Partnership Program and projects a similar level of funding for FY14. The Michigan State Housing Development Authority (MSHDA) will continue to be the administrative agency for the state's allocation of HOME funds.

HOME funds in Michigan are used for projects to expand the supply and availability of safe, decent, accessible, and affordable housing for moderate, low and extremely low-income households through a statewide network of public/private partnerships. Activities eligible for funding include, but are not limited to:

- Rehabilitation for homeowner, homebuyer or rental;
- Acquisition including downpayment assistance;
- New construction of rental or homebuyer;
- Tenant based rental assistance;
- Demolition in conjunction with rehabilitation or new construction;
- Homeless assistance (restricted to housing development activities for transitional or permanent housing);
- Reconstruction housing; and
- An applicant may request funding for general administration.

Michigan will continue to allocate its HOME funds in a manner consistent with this Consolidated Plan. The state's allocation for HOME funds is based primarily on the demographics of non-HOME entitled areas of the state.
Eligible applicants include:

- All non-HOME entitled local units of government

NOTE: Projects in non–HOME entitled Local units of government may receive higher priority if one or more of the following conditions are met:

1. The unit of government is a local county seat;
2. The unit of government is designated by the State of Michigan as a Core Community, Main Street, or Michigan Blueprint community; or
3. The unit of government is requesting funds for a project located within the boundaries of a Cool Cities Designated Neighborhood.

- Local HOME Participating Jurisdictions (PJs).
- Non-profit organizations with a 501 (c) designation, including Community Housing Development Organizations (CHDOs).
- Non-profit and for-profit developers of rental housing
- Federally Recognized Indian Tribes where MSHDA has coordinated its activities with those of the local tribe; MSHDA may require local matching funds.

NOTE: Whenever MSHDA commits HOME funds within a local participating jurisdiction; MSHDA will coordinate its activities with those of the local participating jurisdiction and will generally require local matching funds.

Proposed Use of HOME Funds

MSHDA is reserving no more than five (5%) percent for CHDO operating expenses and no more than ten (10%) percent for administrative expenses. Of the funding available for projects, MSHDA will assure that at least fifteen (15%) percent of its cumulative allocations are invested in projects owned, developed or sponsored by CHDOs. MSHDA plans to invest its project funds in eligible activities, in accordance with this Consolidated Plan. In implementing these programs and other affordable housing activities, MSHDA will provide at least twenty-five (25%) percent in non-federal match.

Rental Housing Programs

The Rental Development Division provides technical assistance and support to for-profit and non-profit developers and provides financing, including HOME funds, for the

development of affordable rental housing. Programs include the provision of primary or subordinate financing to developers creating supportive housing units targeted to individuals and families who are homeless and/or have special needs, the provision of leveraging federal funding and Tenant Based Rental Assistance Initiatives, and the provision of subordinate financing to support affordable rental housing transactions participating in the Authority's tax-exempt and taxable direct lending programs.

Within these broad activities, the Authority periodically updates its lending parameters and selection procedures for the receipt of HOME funds while taking into account the following considerations:

a. Supportive Housing Program. For supportive housing proposals, the state's HOME funds may be used for eligible project activities in conjunction with funds provided locally through each community's Continuum of Care or supportive housing planning process. Local funds will come from public and private sources. Use of Low-Income Housing Tax Credits and local property tax relief are also encouraged. The amount of state HOME funds invested will be determined as part of an underwriting and review process for each development. Supportive housing is targeted to those individuals and families, who are at or below 30% of AMI, are homeless and/or have a special need condition. Specific subpopulations targeted include: homeless youth, homeless families with children, survivors of domestic violence, individuals who are considered to be chronically homeless, homeless veterans, and those with special needs.

Eligible HOME projects include:

1. Supportive housing developments of 12-100+ units, where all units in the development are targeted to individuals and families who are homeless or have a special need. In these developments all tenants have access to a moderately intensive array of supportive services.

2. Small-scale supportive housing developments of 1-11 units, which typically are targeted 100% to individuals and families with special needs. Tenants should be assured access to available supportive services with assistance provided in their residence as desired.

3. Supportive housing integrated into multi-family projects with typically no more than 10% of the development's total units committed to people who are homeless and/or have special needs. In this model, HOME funds are generally used to

assure that the supportive housing units are targeted to those whose income is at or below 30% AMI. The partnership between the developer, service agency, and property manager is documented through a Memorandum of Understanding, outlining the roles and responsibilities of all parties.

All services are voluntary and at no time can acceptance of services be made a requirement of tenancy.

b. Preservation. MSHDA will make HOME funds available for the preservation of MSHDA financed multi-family housing developments and may make HOME funds available for preservation of non-MSHDA financed multi-family housing developments. Recipients must extend the low-income character of the development. Transactions may involve a transfer of ownership or may support the physical needs of distressed multifamily properties already financed through one or more other Authority programs. The maximum HOME assistance will vary depending on the age, type and size of the development and an underwriting evaluation. HOME assistance will be limited to the amount of assistance needed to fill the funding gap, as determined by MSHDA. Rent and occupancy restrictions will apply for, at a minimum, the HOME affordability period.

c. Leveraging Federal Funding and Deep Subsidy Assistance. MSHDA may make funds available to leverage the construction of new developments and the award of project-based Rental Assistance under the U.S. Department of Agriculture-Rural Development Section 515 Program and/or the U.S. Department of Housing and Urban Development Section 202/811 Programs.

d. HOME Subordinate Financing. HOME funds for the development of rental housing other than the above-described initiatives will be made available to assist multifamily development proposals participating in other Authority financing programs.

Such projects may include family or senior housing, housing in urban or rural areas, and both new construction and acquisition and rehabilitation of housing. Proposals must meet the Authority's Direct Lending Parameters and underwriting standards as may be updated from time to time.

To reduce the need for HOME funding and ensure that resources can be invested broadly, typical applications for HOME Subordinate Financing will be required to participate in the Low Income Housing Tax Credit program and demonstrate some level

of leveraged funding (such as local tax abatement, local HOME or CDBG awards, private philanthropy, developer equity, and the like).

HOME Assistance Levels - The minimum amount of HOME assistance will be $1,000 per unit. The maximum amount of HOME assistance will be the lesser of the equity gap as determined by MSHDA, the total development cost of the HOME designated units, or the per unit HOME subsidy limit multiplied by the number of HOME designated units.

Loan Terms - HOME assistance will typically be provided as a 3% subordinate loan, amortizing over 50 years, to be repaid from cash flow on an annual basis. In the event a significant percentage of the developer fee is deferred, repayment of the HOME loan may be deferred until the deferred developer fee has been paid.

The loan will be repayable with:

- Twenty-five percent of any cash available for distribution to the project owner, as determined by an independent annual audit of project income and expenses, this repayment may be waived to the extent deferred developers fees exist. In cases where MSHDA exceeds its typical per unit investment targets, a higher payment (defined by a percentage of cash available for distribution) may be required.
- The proceeds of any refinancing or sale designed to alter the low income character of the residents of the development. In this event, the full subordinate HOME loan will be accelerated and become immediately due and payable; and
- Project operating revenue following repayment of the first mortgage. In this event, the outstanding balance of the HOME loan will become the new first mortgage and begin to bear interest at the same rate as the original mortgage with monthly mortgage payments equal to the payments under the original first mortgage.

In limited cases, the Authority may consider providing HOME funds—as primary or subordinate debt—to various mission driven or high-impact community projects that are not otherwise participating in the Authority's direct lending programs. In such cases, the underwriting standards noted above will still be used, and the Authority's Executive Director must approve the HOME investment.

Small Scale Rental Housing (1-24 units): The Authority may operate a small scale rental development program in limited cases.

(a) Project Eligibility - HOME funding may be invested in subsidized secondary loans for small scale development projects (1 to 24 units) on a case-by-case basis and where the project is aligned with MSHDA's placemaking priorities.

Proposed projects must meet all the following criteria:

- Sponsorship by a community-based nonprofit group, defined as:

  - A Community Housing Development Organization (CHDO);

  - A Community-Based Development Organization (CBDO), as defined by HUD;

  - A local 501(c) organization, organized in Michigan, currently involved in housing in the market area in which the housing is being proposed;

  OR

  -Sponsorship by a for-profit group.

It is the intent of MSHDA to reduce the need for HOME funding by leveraging other sources of financial assistance, but this may not always be practical.

(b) HOME Assistance Levels - The minimum amount of HOME assistance is $1,000 per unit. The maximum amount of HOME funding will be:

- Within a Participating Jurisdiction, the lesser of the equity gap as determined by MSHDA or $30,000 times the total number of HOME designated units in the project. For special needs housing the maximum HOME assistance will be the lesser of the equity gap as determined by MSHDA or the HOME maximum per-unit subsidy by jurisdiction.

- Outside a Participating Jurisdiction, the lesser of the equity gap as determined by MSHDA, the total development cost of the HOME designated units, or the per unit HOME subsidy limit multiplied by the number of HOME designated units.

(c) Income Targeting - MSHDA may elect, at its sole discretion, to apply the HOME funds to a specific number of units within the development and require that these units be deeply targeted and made affordable to families with incomes at or below 30% of the area median income, adjusted for family size.

(d) Loan or Grant Terms - The affordability and repayment terms will be determined by MSHDA's Executive Director. At a minimum, in the event of a refinancing, sale, or conversion of use that would alter the low income character of the residents of the development prior to the expiration of the affordability period, the full amount of HOME loan will be recaptured.

4. Requirements for Participating Jurisdiction Contributions

(a) For all multifamily rental developments located in participating jurisdictions, a local contribution must be made. The minimum contribution, excluding any credit for the value of property tax relief, must be the lesser of 50% of the total HOME funds necessary as determined by MSHDA or 5% of the participating jurisdiction's most recent annual HOME allocation.

(b) The participating jurisdiction must agree that match credit derived from the present value of property tax relief must, at a minimum, be split between the community and MSHDA based on a pro-rata share of the actual HOME assistance provided.

(c) At the discretion of MSHDA's Executive Director, proposals may not always require contribution from the participating jurisdiction's HOME allocation.

e. Rental Rehabilitation. MSHDA will make funds available for rental rehabilitation as follows:

1. Funding awards to local units of governments (state recipients) will be made to administer a HOME rental rehabilitation program. CDBG funds may be used if deemed more appropriate for the specific program proposed. The program will generally provide a forgivable loan of up to a maximum of $14,999 per unit however, additional funds needed to address lead-based paint hazard reductions may be allowed. Investors must contribute at least 25 percent of the total development cost. Loans up to $40,000 including lead based paint hazard reduction may be made available in Downtown or Neighborhood Preservation Program areas. The term of the loan will coincide with the rent affordability requirement. Units will be rehabilitated to the HUD Section 8 Existing Housing Quality Standards (HQS) or UPCS, or its replacement, and include addressing all local code items.

2. Loans to the owners of MSHDA financed multi-family developments will be made, at the sole discretion of MSHDA, for the rehabilitation of the development. Funding will only be available to the extent MSHDA determines that reserve levels are not adequate to cover the costs and still maintain an adequate balance for future needs. Funding will generally be limited to a maximum of $14,999 per unit. Units will be rehabilitated to the HUD Section 8 Existing Housing Quality Standards (HQS) or UPCS, or its replacement, and include addressing all local code items.

Homebuyer Assistance Programs

a. Acquisition/Development/Resale Assistance. MSHDA will make funds available through grants or loans to eligible nonprofit organizations and to local units of

government or may loan HOME funds to for-profit developers, for the purpose of newly constructing, acquiring and/or rehabilitating units for sale to low and moderate income families. The maximum amount of HOME funds that a grantee may invest in a home is the per unit dollar limits established by HUD under Section 221.514(b)(1) and (c). The appraised value of the properties may not exceed the single family mortgage limits established by HUD. The sale price (purchase price limit) may not exceed the lesser of the appraised value or the HUD maximum appraised value limits.

Grantees may resell the HOME-assisted property to a qualified buyer using affordable financing to address the needs of specific markets. MSHDA may also consider the use of lease-purchase agreements to families who will be able to qualify for mortgage financing within 24 months. The unit must meet HUD Section 8 Existing Housing Quality Standards (HQS) or UPCS, or its replacement, and include all energy conservation items at the time of occupancy. The affordability provisions described in Section 12 will be applied to any resale during the affordability term.

The unit must meet HUD Section 8 Existing Housing Quality Standards (HQS) or 2009 Michigan Building Code or 2009 Michigan Rehabilitation Code, and include all energy conservation items at the time of occupancy. All newly constructed units will meet 5-Star Energy and MSHDA's Visitability Standards unless a waiver is requested and approved by MSHDA

b. Down Payment Assistance. MSHDA will provide a down payment assistance program for qualified eligible families, especially first-time homebuyers by making funds available through financial institutions, eligible nonprofit organizations, for-profit developers, or local units of government. The homebuyer is responsible for a minimum cash contribution equal to 1 percent of the sales price. As permitted by HUD, homeownership assistance can be used for the balance of the minimum cash requirement to close (including closing costs, prepaids and down payment requirements) as calculated by the lending institution providing the first mortgage. The property's appraised value may not exceed the applicable HUD single family mortgage limit. Mortgage financing is required; land contracts are not eligible.

Additional funds may be provided for rehabilitation of homes receiving down payment assistance. Where rehabilitation funds are provided at closing as part of a single affordable financing package (1st and 2nd mortgage) based on the increased value of the

property. CHDOs may use funding from the CHDO set-aside as developers of the property in accordance with a written agreement between the CHDO and the owner of the property.

Down payment assistance will be combined with the acquisition/development/resale program. MSHDA may, under this combination of assistance, provide a higher maximum downpayment assistance to (a) achieve affordability or (b) permit recapture of HOME funds upon resale during the affordability period.

A lien will be placed on the property in the amount of the HOME funds used to make the property affordable. The lien will require repayment of the HOME funds, in accordance with the affordability provisions described in Section 12, if the property is sold within the term of the affordability period. The assistance may be forgiven after the term of affordability ends except for assistance provided in coordination with MSHDA's single family mortgage programs, which is forgiven at the end of the mortgage term. Any repayments received must be returned to the HOME Investment Trust Fund.

Funds for Down Payment Assistance will be made available (a) to support the activities of MSHDA's homebuyer development programs, (b) in coordination with MSHDA's single family mortgage programs, and (c) where a local nonprofit organization(s) or community demonstrates capacity to provide needed supportive services (such as counseling) or to reach underserved populations.

Homeowner Assistance

a. **Eligible Administrators:** MSHDA will make funds available to provide homeowner rehabilitation loans to families with incomes at or below eighty percent (80%) of area median. This program will be administered through either MSHDA direct loans or local administrators. Eligible local administrators include:

- In CDBG non-entitlement areas; a) local units of government or b) non-profit organizations proposing to administer homeowner rehabilitation programs in eligible, non-participating counties.
- In CDBG entitlement areas; local units of government or nonprofit organizations sponsoring a targeted strategy; targeted strategies such as,

but not limited to MSHDA NPP, Empowerment Zones, Enterprise Communities, and Renaissance Zones. A 1:1 match will generally be required from the entitlement community.

b. **Maximum Assistance:** Homeowner rehabilitation assistance will generally not exceed $40,000 per unit, including costs attributable to lead-based paint abatement.

c. **Leverage:** Local administrators are expected 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.

d. **Lien Requirements:** MSHDA requires the placement and recording of a lien on properties improved with HOME funds. Exception will be given to rehabilitation assistance loans where the cost of the repairs is at or below $2,500. Waivers will be considered for other unique circumstances on a case-by-case basis.

e. **Financing Mechanism:** Generally, the minimum requirement is a deferred, non-forgivable loan for any assistance between $2,501 and $25,000. However, County Allocation Grantees may choose to offer loans that are forgivable over a 15 year period, beginning in year 6.

Targeted Strategies: MSHDA reserves the right to adjust the criterion (b) through (e) listed above in targeted strategy areas.

Special Projects

Community Initiative Models. MSHDA's goal is to maximize the impact of HOME funds on local housing needs through the design of model programs that have broad applicability. The program parameters for these models may sometimes present barriers to innovative and creative responses to unique local situations. Applicants are encouraged to engage in local planning and collaborative efforts involving local government, private funders, lenders, and nonprofit organizations. MSHDA will consider

funding innovative and creative applications for HOME, which do not comport with the program parameters of the State's plan. Requests for funding must involve HOME-eligible activities using the applicable HOME regulations.

Empowerment Zones, Enterprise Communities and Renaissance Zones and other state designated target areas. MSHDA will make available HOME funds for other HOME eligible project activities which present innovative or otherwise responsive solutions to identified housing needs for persons residing in one of Michigan's designated target areas such as Empowerment Zones, Enterprise Communities, and Renaissance Zones. MSHDA reserves the right to determine the scope of these projects and procedures for awarding these funds.

Community Housing Development Organizations and HOME

MSHDA will assure that at least 15 percent of its cumulative HOME allocations are used for investment in affordable housing owned, developed or sponsored by Community Housing Development Organizations (CHDOs). CHDO funding will be accessed by certified CHDOs through the eligible program components of the overall State HOME Program. CHDO funding will be used for both rental housing and homebuyer activities. The programs where the greatest CHDO participation is anticipated are the two components of the HOME Equity Enhancement and the Acquisition, Development and Resale (ADR) Program.

MSHDA will also reserve up to 5 percent of its total HOME allocation for CHDO operating expenses. Certified CHDOs who are undertaking CHDO eligible activities through the State HOME Program will receive first priority for operational support.

MSHDA may also provide operating support for CHDOs, which are identified by MSHDA as having the potential to undertake CHDO-eligible activities within the time-frame specified by HUD for the commitment of FY14 HOME funds. These CHDOs and potential CHDOs will be required to submit work plans and budgets that identify the use of the operating funds. MSHDA will assess the progress of the recipient organization(s) on a regular basis. The disbursement of operating funds will be contingent upon the completion by the organization(s) of set goals within a specified time-frame. MSHDA will also make CHDO pre-development loan assistance available.

MSHDA is currently certifying CHDO organizations statewide and is continuing efforts to build the capacity of CHDO eligible organizations in both rural and urban areas. MSHDA will utilize HUD and its own technical assistance funds to build the capacity of Michigan nonprofit organizations to undertake HOME assisted activities and to qualify those organizations as CHDOs based on the new HOME rule requirements.

Affirmative Marketing and Outreach to Minority and Women Owned Businesses

All HOME activities will be subject to existing equal opportunity policies and protections in force within the Michigan State Housing Development Authority. In addition, all state recipients of HOME funds for rental activities of properties of five (5) or more must provide a plan which details their efforts to solicit the participation of minority and women owned businesses in the implementation of the program, and an affirmative marketing plan for the marketing of units in HOME assisted projects.

Affirmative Marketing

MSHDA will implement an affirmative marketing plan to assure that eligible persons from all racial, ethnic and gender groups in the designated housing market area are aware of and invited to apply for any available housing assistance which it directly administers. The following affirmative marketing requirements apply **only** to structures containing five (5) or more rental units assisted with HOME funds. In addition, MSHDA will provide state recipients with guidance in affirmative marketing of HOME assisted units. The affirmative marketing plans for state recipients must address the following requirements:

a. **Informing the General Public.** The method for informing the general public of the availability of the HOME Rental Rehabilitation Program will include at a minimum placing an advertisement in a newspaper of general circulation **and** a publication reaching those persons least likely to apply. All advertising will contain the HUD-approved Equal Opportunity logo **and** slogan. All display advertising will contain the logo in a prominent position with the advertisement in letter size equal to or greater than the smallest letters in the ad. Additional outreach to organizations which service disabled persons will be used when a barrier free unit(s) is part of the project.

A summary of the HOME Rental Rehabilitation Program guidelines and the ongoing affirmative marketing requirements will be made available at the state recipient's office and at other designated public places.

b. **Informing Potential HOME-Assisted Property Owners.** Upon initial contact with the property owner, the state recipient will inform interested property owners of the HOME Rental Rehabilitation Program Guidelines, the Fair Housing Laws and of their obligations and responsibilities under the HOME program guidelines. Copies of the HUD publication **Fair Housing-It's Your Right**, as well as other written materials will be provided to the property owners.

c. **Property Owner Obligations.** At the time of application, upon request of the state recipient the property owner shall issue letters to tenants currently occupying units to be rehabilitated and submit copies of those letters to the state recipient.

i. Vacancies. The property owner shall agree that he/she **will** notify the state recipient immediately upon learning that a rehabilitated unit will become vacant. The property owner **will** also send notification to the local PHA and one predetermined local agency or nonprofit that assists families with affordable housing services.

The property owner may simultaneously inform the general public, about the availability of rehabilitated units, by advertising for tenants in a paper of general circulation and a publication reaching those persons least likely to apply, using the Equal Housing Opportunity logo in display ads or "EHO" in line ads.

The property owner shall keep track of new tenants (race, ethnicity, gender, income, family size and rent) and notify the state recipient of all new occupancies and vacancies. All pertinent rental and statistical data, throughout the term of the agreement shall be reported to the state recipient, at least annually, and at other times as requested by the state recipient.

ii. Informing Potential Tenants. While taking applications to fill a vacancy, the property owner shall keep documentation of **all** applicants for the vacancy.

d. **HOME Rental Rehabilitation Agreement.** The state recipient shall prepare an Agreement with each property owner, which describes in part their willingness to comply with the affirmative marketing requirements. The affirmative marketing requirements shall remain in effect for the term required by the HOME regulations.

e. **Record keeping.** Property owners will, on an annual basis contact the state recipient to identify the race, ethnicity, gender, income, family size and rent of tenants. The state recipient will maintain records of flyers or ads and a list of contact dates with special outreach agencies. Property owners will provide, where possible, data on how applicants learned about the housing opportunities.

f. **Assessment.** The state recipient will assess affirmative marketing efforts made by property owners as follows:

- To determine if good faith efforts have been made: Property owners' records shall be examined for actions they have taken; those actions shall be compared with the affirmative marketing policy in their contractual provisions. If the state recipient finds that the required actions were carried out, it will be reasonably concluded that the property owners have made good faith efforts to comply.

- To determine results: Property owners' affirmative marketing efforts will be assessed to determine whether persons from all of the racial and ethnic groups in the state recipients area have become tenants in the HOME assisted rehabilitated units. If the groups are representative, we will assume that the property owners have complied with the affirmative marketing policy.

g. **Remedies for Noncompliance with Affirmative Marketing Requirements.** If a property owner fails to comply with the policy and any applicable federal laws regarding the affirmative marketing policy, the property owner will not be allowed to continue to participate in the rental program. The restriction would be lifted at such time when the property owner supplied the state recipient with a corrective action plan that sufficiently demonstrates the steps he/she will take to correct and

comply with applicable Federal Housing Laws and the affirmative marketing policy.

Outreach to Minority and Women Owned Businesses

MSHDA will make efforts to encourage the use of minority and women's business enterprises in connection with HOME funded activities. At a minimum, MSHDA will undertake the following steps:

- Work with the Michigan Department of Civil Rights to maintain and expand its inventory of Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs);
- Provide copies of MSHDA's MBE/WBE directory to state recipients and others;
- Promote affirmative procurement policies in promotional material and media announcements about the HOME program;
- Provide information to potential MBEs and WBEs on contract opportunities;
- Develop solicitation and procurement procedures that facilitate involvement by MBEs/WBEs;
- Assure that information is provided to MBEs and WBEs on business opportunities at meetings and seminars; and
- Maintain information and report on the use of MBE and WBE contractors MSHDA in the HOME program.

In addition, MSHDA will monitor the implementation of plans for outreach to minority and women-owned businesses by State recipients and grantees. These plans will at a minimum, require:

- including qualified minority and women's businesses on bid solicitation lists and assuring that minority and women's businesses are solicited whenever they are potential sources of materials or services;
- using the services and assistance of the Michigan Department of Civil Rights, the Michigan State Housing Development Authority, or any similar local agency to identify WBEs and MBEs, as needed;

- if any subcontracts are let, requiring the prime contractor to undertake similar outreach efforts.

Section 3

Section 3 of the Housing and Urban Development Act of 1968, {12U.S.C.1701u) (Section 3) and implementing regulations at 24 C.F.R.135 states the purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low and very low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low-and very low-income persons.

MSHDA fully embraces this definition of Section 3 and has set forth updating policies and procedures to "ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible be directed to low and very low income persons, and to business concerns which provide economic opportunities to low and very low income persons. MSHDA's Economic Opportunities Policy for Section 3 Covered Contracts has been approved by the MSHDA Board.

Match Requirement

The match for the FY14 HOME allocation will be met by a variety of resources, including but not limited to publicly issued debt, property tax abatement, value of donated land and property infrastructure improvements, grants from MSHDA funds, the Michigan General Fund, and private sources, as well as other funding for HOME-eligible projects.

Affordability Provisions

The federal HOME regulations require that a property purchased with HOME assistance remain affordable in accordance with §92.254(a)(4) of the HOME Regulations:

HOME Investment	Affordability Period
$1,000 - 14,999	5 years
$15,000 - 40,000	10 years
$40,001 - maximum allowable	15 years

The regulations stipulate that the initial homebuyer may sell the property during the term of affordability provided that 1) the initial homebuyer repays the HOME subsidy upon resale (the "recapture" option) **or** 2) the property is resold at a price which both ensures that the owner will receive a fair return on investment and ensures that the property will remain affordable to a reasonable range of low and moderate income buyers (the "reuse" option).

The Michigan State Housing Development Authority (MSHDA) will utilize the recapture option in its homebuyer programs but reserves the right to utilize the reuse option at its discretion. Under the recapture option, MSHDA will require that the initial homebuyer repays the outstanding HOME subsidy at the time of resale. Full repayment will not be required in the case of a resale with no net proceeds or insufficient net proceeds to fully repay the subsidy. The term of affordability will be terminated upon resale and repayment of the subsidy (if available) to the State HOME Investment Fund. All program requirements will remain in effect as long as the buyer owns the property, even if the HOME funds are repaid. The recapture provision will be enforced with a formal agreement with the homebuyer and a recorded lien on the property. Under the second recapture option, “Presumption of Affordability,” no lien will be required unless there is a homebuyer subsidy.

Under the reuse option, the homebuyer may sell the property during the term of affordability provided that the following conditions are met:

Subsequent Purchaser: The subsequent purchaser is a low or moderate income household that will use the property as its principal residence. Low or moderate income households are defined as households whose gross annual incomes do not exceed 80 percent of the area median income, adjusted for household size.

Sale Price: The sale price of the property may not exceed the lesser of 1) the appraised value of the property at the time of sale or 2) a sale price that yields an affordable 97% mortgage. A mortgage is considered affordable if the monthly payment for principal, interest, taxes, and insurance (PITI) does not exceed 30 percent of the gross monthly income of a household with an income that is 80 percent of the median income for the area, adjusted for household size. Household size will be determined by using the maximum occupancy standard. If necessary, MSHDA will invest additional HOME funds to assure that the subsequent mortgage is affordable as defined by the HOME Program regulations.

Return on Investment: The sellers' return on investment (fair return) will be limited by 1) the MSHDA fair return formula and 2) the area housing market value. Appreciation realized during the term of homeownership may be shared between the homeowner and MSHDA.

The fair return will equal the sum of 1) the amount of the homeowner's investment and 2) the amount of the standardized appreciation value, less any investment by MSHDA that is required at the time of resale to enable the property to meet HQS, or UPCS or its replacement. The homeowner's investment is calculated by adding the down payment made by the homebuyer from its own resources, the amount of the mortgage principal repaid by the homeowner during the period of ownership, and the value of any improvements installed at the expense of the homeowner. The standardized appreciation value will equal 3 percent of the original purchase price for each year the homeowner holds title to the property, calculated as one quarter of 1 percent per month.

The homebuyer will receive the full amount of the fair return only if sufficient sale proceeds remain after all outstanding debt (excluding repayable HOME contribution), closing costs, and HQS, UPCS, or its replacement required repairs are paid off. Any sale proceeds remaining after payment of the outstanding debt, closing costs, HQS, 2006 Michigan Rehabilitation Code required repairs, fair return, and the HOME contribution will be shared fifty/fifty between the homeowner and MSHDA. If necessary, MSHDA will

use its share for the purpose of reducing the monthly payment to an affordable level to the subsequent low or moderate income purchaser.

Monitoring

MSHDA will monitor the implementation of these plans to determine that good faith efforts have been made to carry out the procedures and requirements specified in the plans, to determine if the objectives have been met, and to take corrective action as necessary.

Lead-Based Paint Hazards

In the HOME Program, all properties rehabilitated must meet HUD's Section 8 Existing Minimum Housing Quality Standards (HQS) or 2009 Michigan Rehabilitation Code. As lead-based paint requirements are incorporated into HUD's standards, on a statewide level we are continuously addressing lead-based paint issues on housing rehabilitation projects (e.g., homeowner and rental rehabilitation).

Beginning August 11, 2001, the new HUD Lead Based Paint Regulation was put into effect throughout the State of Michigan relative to the HOME Program. HOME funded projects started after January 1, 2002 will be monitored for compliance with the Lead Regulation by MSHDA staff as part of the overall monitoring for the HOME Program.

Refinancing

On a limited basis for feasibility purposes, MSHDA will consider, as an eligible cost, the cost to refinance existing debt secured by multi-family housing that is being rehabilitated with HOME funds when the following conditions are met:

- The multi-family project contains $\leq$ 11 units except, at the discretion of MSHDA's Executive Director, the number of units may be increased to $\leq$ 50 units; and

- The rehabilitation cost of the project is equal to or exceeds the amount to be refinanced; and

- The refinanced units will have a minimum affordability period of 25 years; and

- A review of the management practices demonstrates that disinvestment in the property has not occurred, that the long term needs of the project can be met and

that the feasibility of serving the targeted population over the affordability period can be demonstrated; and

- That the investment of HOME funds for refinancing is being made to maintain current affordable units, create additional affordable units, or both; and

- That HOME funds will not be used to refinance multi-family loans made or insured by any federal program.

MSHDA will consider the use of HOME funds for this purpose and under these conditions for multi-family projects located outside of local Participating Jurisdictions.

Unit Goals - Section 215 Affordable Housing and Achievements

	Total # of 2011 Units Projected	Total # of 2011 Units Achieved to date (2-15-11)	Total # of 2013 Units Projected	HH AMI 0 ≤ 30%	HH AMI >30≤ 50%	HH AMI >50≤ 80%
Home Owner	500	272	500	150	300	50
Home Buyer	322	85	90	10	72	240
Rental	864	468	1130	335	557	238
TBRA	525	716	200	162	38	0

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA): ONE-YEAR ACTION PLAN

Executive Summary

Program Structure

The Michigan Department of Community Health (MDCH) administers a broad range of health care services to residents statewide, including services targeted to special needs populations. The Department is organized into five administrations: Operations Administration; Medical Services Administration; Health Policy, Regulation and Professions Administration; Public Health Administration; and the Mental Health and Substance Abuse Services Administration. The Division of Community Living within the Mental Health and Substance Abuse Services Administration manages the HOPWA formula grant.

Funding for the HOPWA program comes almost exclusively from the HOPWA formula grant. Grantee administrative costs of the HOPWA Specialist that exceed the 3% allowed via the grant are paid from the state general fund. Costs for accounting services are also paid from the State's general fund.

HOPWA sponsors are encouraged to utilize housing funded by other sources such as Shelter Plus Care, Supportive Housing Programs, and the various Voucher programs. However, continued HOPWA assistance (case management) usually ends as these services are provided by the other programs/agencies. In general, HOPWA sponsors do not provide other housing services or programs.

MDCH contracts with nine 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 2 Health Departments, 2 Hospitals and 5 non-profit 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).

The Michigan Department of Community Health (MDCH), Division of Community Living, strives to assure that comprehensive housing and supportive services are available to meet the needs of people and families living with HIV and AIDS. Project Sponsors assure that all persons living with HIV/AIDS (PLWH/A) had access to:

Direct Housing Assistance

Includes rent, mortgage payments, and utility assistance in rental arrangements or mortgage assistance in a home that the person owns. New construction, renovation of existing facilities and Facility based programs are not part of the MDCH program at this time.

Case management focused on housing

- Helping a person find and obtain housing, developing a housing plan to maintain housing stability, avoid homelessness, increase access to care services;
- Help to access other benefits such as health care and other supportive services;
- Connecting persons with HIV/AIDS to generic sources of housing (such as Vouchers – Section 8), financial support (such as SSI) and service dollars (such as Medicaid, Care Act assistance).

Permanent Housing Placement Services

- Security Deposit & first month's rent
- Fees for credit checks
- One time utility hookup and processing costs
- Life skills and housing counseling for household budgeting, cleaning, and maintenance,
- Support with completing applications and eligibility screenings for tenancy or utilities.

Housing Information services

Provide information and develop materials or other supports used to locate and apply for housing assistance, find affordable housing, etc.

Resource Identification

This is not a direct client service but includes staff activities that include developing housing assistance resources such as brochures and web resources, building relationships with landlords, identifying affordable housing and vacancies, and attending community housing related meetings which should benefit clients with better housing.

Objectives

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.

Outcome Measures

It is the expectation of HUD that 90% of the households assisted with Tenant Based Rental Assistance (TBRA) will be living in a housing arrangement that is defined as 'Stable' and that 70% of the households assisted with Short-term Rent, Mortgage and Utilities assistance (STRMU) will be living in a housing arrangement that is defined as 'Stable'. Additionally it is expected that HOPWA clients will improve access or maintain access to care and support by having a housing plan; having contact with a case manager-benefits counselor; visiting a primary health care provider; accessing medical insurance-assistance; and accessing or qualifying for income benefits.

Formula Grant Funding and Leveraged Services

HOPWA Grant Funding to MDCH

The current HOPWA operating year is July 1 through June 30.

CY	Formula Grant Amount	CY	Formula Grant Amount
2003	$884,000	2006	$877,000
2004	$911,000	2007	$893,000
2005	$862,000	2008	$941,000
OpYr 18 mo 1-1-2009 to 6-30-10	Formula Grant Amount		
2009	$980,158		
Op Yr 7-1 to 6-30	Formula Grant Amount	Op Yr 7-1 to 6-30	Formula Grant Amount
2010 (7-1-10 to 6-30-11)	$1,056,103	2013	$1,064,798
2011 (7-1-11 to 6-30-12)	$1,051,579	2013	

The HOPWA services are contracted through the nine project sponsors. HOPWA assistance is to be linked to medical and supportive services funded by Ryan White CARE Act funds. Eight of nine HOPWA Sponsors also provide services using CARE Act funds. The HIV/AIDS Prevention & Intervention Section (HAPIS) Division of MDCH is responsible for the distribution of CARE Act funds.

The regional HOPWA Project Sponsors assist clients with accessing other funds: this includes referral to the Michigan Department of Human Services for emergency funds and other benefits, applying for medical assistance from the CARE Act or Medicaid, assistance from the Salvation Army, Red Cross, Community Action Agencies, applying for MSHDA Housing Choice Vouchers, and applications for SSI or SSDI, etc. In addition, supportive services are accessed from existing service providers including community mental health agencies, substance abuse treatment centers, transportation authorities and health care providers.

In the 2009 operating year (18 months), $856,815.00 in leveraged services were provided to HOPWA households. Of this total, $343,500 went to Housing Assistance. In the 2010 operating year $780,937.00 in leveraged services were provided to HOPWA Households with $384,478.00 going to Housing Assistance. The sources of leveraged dollars included: CARE Act funds, Housing Choice Voucher, county assistance funds, in-kind resources and tenant rent co-payments in TBRA housing.

Evaluation of Performance

HOPWA: Housing Stability Outcomes – 2010 operating year 7-1-2010 to 6-30-2011

The housing stability worksheet summarized below is to assess program results based on information provided in the annual CAPER. HUD's goal is to have 90% of persons assisted with TBRA living in 'Stable' housing and 70% of the persons assisted with STRMU living in stable housing. The chart basically shows the housing status of the household either at the end of the Operating year (6-30-2011), when housing assistance ended (STRMU 21 week maximum support), or when it was determined the client no longer needed assistance. A Total of 302 households were assisted in the 2010 operating year.

	# in Stable Housing	# in Temporary Housing	# in Unstable Arrangement	# Life Event (death)	**% in Stable housing**	HUD Goal
Tenant-based Rental Assistance (TBRA)	113	0	1	1	98%	90%
	# Stable-Permanent Housing	# Temporarily Stable with reduced risk of homelessness	# in Unstable Arrangement	# Life Event (death)		
Short-Term rent, mortgage, utilities (STRMU)	128	72	2	0	63%	70%
Combined	241	72	3	1	76% av	

Due to the rating system in place, households assisted with STRMU housing assistance are not considered stable if STRMU assistance is in current use or if it is likely to be

needed in the next year. There was an increase in the number of households assisted with TBRA vs. STRMU in 2010.

Monitoring

Currently, HOPWA Project Sponsors are monitored on-site once a year (minimum) to ensure long-term compliance with program requirements. The items to be included in monitoring reviews are: housing assessments, household income, number in household, tracking of STRMU, assuring the accuracy of the CAPER, assuring that time sheets are kept, assuring that plan is in place for meeting project outcomes, assuring that regulations regarding eligibility of the person and the activity are met, assuring that contract requirements are met, assuring that tenant pay portion is accurate for TBRA, assuring that housing habitability standards are met, assuring that records are maintained for 4 years, assuring that adequate financial and program records are kept, assuring tracking on program income, and assuring adequate documentation of expenditures.

Conflict of interest form is on file for all project sponsors.

HOPWA Project Sponsors are required to have a tracking sheet for STRMU and TBRA (which also tracks permanent housing placement). DCH staff review tracking sheets and provide technical assistance periodically.

Financial Status reports are submitted monthly to the department. DCH Staff review the expenditure amounts and the timeliness of the FSR submission.

If problems are identified, training can be required. If needed, more frequent monitoring can be instituted including on-site or desk audits. If these non-compliance issues are not corrected, payments can be withheld until corrections are completed. As a last resort, the contract can be terminated.

HUD TA is also provided as needed to Grantees and to the Sponsors and their staff.

HUD completes a HOPWA Grantee Performance Profile that is updated at least yearly. To see the DCH HOPWA program Profile or any HOPWA program in the US go to http://www.hudhre.info/index.cfm , on the top bar scroll over to “Find a Resource” and scroll down and click on “HOPWA”. Under “Featured Links” click on “HOPWA Performance Measurement and Reporting”. On the page that comes up, under the section titled ‘HOPWA and Performance Reporting’ scroll down to the highlighted link and click on “Generate a Report”. On the page that comes up, in the “Report Type” select Performance Profile. For Year select the report year you wish to view. For level select either One State (then you can view all 3 HOPWA Grantees in Michigan) or Grantee. For Grantee Type select Formula (there are no competitive HOPWA Grants in Michigan). For State/Grantee select Michigan or, if you selected Grantee previously, select ‘The State of Michigan’. Then click on Search. Scroll down to see the listed reports. In the column Report click on Download. Maximize the page and increase the view/zoom to 100% or 125%. There are 2 pages. The numbers vary from what is reported here as this report includes recent corrections.

MDCH Other Programs

In 2009-10 MDCH provided assistance in increasing the availability of adequate affordable housing for homeless persons including those living with HIV/AIDS through:

- Administering 6 HUD Supportive Housing Program Grants (a seventh is gearing up);
- Administering 7 HUD Shelter + Care Grants (some S+C grants have been combined and it is planned that all will be combined into 1 S+C Grant.
- Administering 24 Projects for Assistance in Transition from Homelessness (PATH);
- Administers the Housing Assistance Fund. A program that was derived from the PATH program. It provides grants to assist persons with mental illness who are homeless or at risk of being homeless. It is available in areas not covered by a PATH Program.
- Encouragement of local collaborations to increase production of supportive housing units;
- Encouragement of local collaborations to assure the availability of the maximum number of Housing Choice Vouchers targeted to people with disabilities;

- Encouragement of local collaborations on housing development that serves people with special service needs through the low income housing tax credit process;
- Encouragement of local collaborations on HUD Section 811 units to ensure that adequate services are provided at those units;
- Participation in the Michigan Affordable Housing Conference to increase the housing IQ of developers, bankers, local officials and service providers

Activities 2010-11 and upcoming

All regional Sponsors have implementing the Performance Measurement system as required. HUD is in the process of revising the data collecting and reporting. Over the next year or 2 all HOPWA data collection and reporting will be done via HUD's Integrated Disbursement and Information System (IDIS). The HOPWA Consolidated Annual Performance and Evaluation Report (CAPER) reporting tool has also had minor revisions data collected.

The results of a HUD monitoring in 2009 and 2010, HUD TA training and a DCH monitoring have identified a number of programmatic items that need our attention and will be the focus in the five year planning cycle. They include a need to modify the HOPWA forms being used, some specific training (calculation using the utility allowance), completing a formal DCH and Sponsor HOPWA Policy Manuals, revising the dates for doing the HOPWA Operating Year Plan & Budget, clarifying more precisely the use of the HOPWA activities, sponsor implementation of a Time & Effort accounting system, and developing a more precise way of estimating unmet housing need.

The HMIS data system is still in use, although it is problematic. With the change to IDIS reporting, data reporting for the annual CAPER may need to be revised. And there continues to be inherent problems trying to use a data collection and reporting system designed for homeless programs as the data collected for the HOPWA program is not based on the number of households that enter and exit. We will explore the CAREWare software in use by all Michigan Care Act (Ryan White) providers, as it now has a HOPWA CAPER component and may offer some other advantages.

Method of Distribution

The Department of Community Health has the belief that HOPWA services need to be integrated with the provision of CARE Act funded services. Therefore the original choices for HOPWA Sponsors were required to be agencies that were also responsible for the distribution of CARE Act funds. Other important considerations were the closeness to major population centers, being near hospitals or health care centers providing needed services, availability of transportation services, etc. In 2008, one of the Region 5 sponsors discontinued providing HOPWA services. This agency was and continues to be the major distributor of CARE Act funds in the county. This meant there wasn't another nearby agency providing CARE Act assistance that could also provide HOPWA assistance. Therefore a Request for Proposal process was initiated to identify a replacement sponsor. This process was open to all non-profit agencies meeting the minimum requirements. In addition to the items noted above, Sponsors had to assure that HOPWA services would be available to all persons living in their region.

Note: Sponsors are to provide assistance to persons outside of their region that request assistance from that sponsor and cannot refuse services based on where a household is living with consideration for their ability to provide and monitor services.

Allocation Priorities and Geographic Distribution

The State of Michigan HOPWA service area is the entire state excluding the Warren and Detroit EMSAs (see Michigan HOPWA Service Areas Map in the appendices).
The allocations to Sponsors have been primarily based on available statistics of people living with HIV/AIDS in each region. Last year the DCH HIV/STD/TB Epidemiology Section began providing a report that showed the number, percent, and rate of persons living with HIV/AIDS by HOPWA region and county of residence at diagnosis as of July 1, 2010. They will continue to provide these yearly reports so that we can more accurately determine changes in the number of persons living with HIV/AIDS in each county that the DCH HOPWA program is responsible for and aid us in allocating funds based on need.

Other sources of data include reports from the Centers for Disease Control, and the MDCH Quarterly HIV/AIDS Reports on the "Estimated Prevalence" and the "Reported Prevalence" of persons with HIV/AIDS.

Each Project Sponsor submits a plan of service annually outlining the characteristics and needs of the persons they estimate that they will provide assistance to, how they coordinate with other housing, health care and community services, and how they plan to spend their allocation. Documentation of additional need by a Sponsor can also be considered.

Unmet Need

It was estimated that there were 532 households with unmet housing needs and that 133 would need TBRA and 399 would need STRMU assistance. This number is not very definitive as it is estimated from a variety of sources. We are reviewing ways to improve this number. One way would require the assistance of CARE Act staff in collecting housing stability data on persons receiving CARE Act services.

Homeless

It was noted that of the 302 persons that received HOPWA housing assistance this year, 16 were originally considered chronically homeless. For persons entering this year, 3 came from a place not meant for human habitation, 4 came from emergency shelters and 2 from transitional housing for homeless. The count of the 9 that were homeless and entered this year overlaps with the 16 considered chronically homeless. Using the count of the 16 chronically homeless people, about 5% of the people receiving HOPWA housing assistance were homeless. This is a slight increase over last year's 3%.

Summary of HOPWA Regions/Service Areas

See the attached HOPWA Service Area Map for a visual look at the area served.

Region 2 serves Jackson, Lenawee, Monroe, and Washtenaw counties in southeastern Michigan. DCH contracts with the HIV/AIDS Resource Center (HARC) to administer services in the region. Region 2, with an estimated 2008 population of 761,306, has a prevalence* of 721 people living with HIV/AIDS. In 2010, the number was 707.

Region 3 serves Allegan, Barry, Berrien, Branch, Calhoun, Cass, Eaton, Hillsdale, Kalamazoo, Saint Joseph and Van Buren counties in southwestern Michigan. DCH contracts with the Community AIDS Resource and Education Services (CARES) to administer HOPWA services in the region. Region 3, with an estimated 2008 population of 1,102,056, has a prevalence of 907 people living with HIV/AIDS. In 2010, the number was 915.

Region 4 serves Clinton, Gratiot, Ingham and Montcalm counties in the mid-Michigan area. DCH contracts with the Lansing Area AIDS Network (LAAN) to provide services in the region. Region 4 with an estimated 2008 population of 452,470 has a prevalence of 496 people living with HIV/AIDS in Region 4. In 2010 the number was 481.

Region 5 serves Ionia, Kent, Lake, Mason, Manistee, Mecosta, Muskegon, Newaygo, Oceana and Ottawa counties in western Lower Michigan. DCH contracts with 3 Project Sponsors to administer services for this region: Community Rebuilders, Mercy Health

Partners-Hackley Campus-McClees Clinic, and District Health Department #10. Region 5, with an estimated 2008 population of 1,286,247, has a prevalence of 1,136 persons living with HIV/AIDS. In 2010, the number was 1,116.

Region 6 serves Bay, Genesee, Huron, Midland, Saginaw, Sanilac, Shiawassee and Tuscola counties in the Thumb and eastern Lower Michigan. DCH contracts with the Sacred Heart Rehabilitation Center to administer services in Region 6. Region 6, with an estimated 2008 population of 1,022,531, has a prevalence of 886 persons living with HIV/AIDS. In 2010, the number was 845.

Region 7 serves 25 counties in Northern Lower Michigan. DCH contracts with the Munson Medical Center to administer services for the region. Region 7, with an estimated 2008 population of 645,383, has a prevalence of 232 persons living with HIV/AIDS. In 2010, the number was 230.

Region 8 serves all 15 counties in the Upper Peninsula of Michigan. DCH contracts with the Marquette County Health Department to administer services in the region. Region 8, has an estimated 2008 population of 308,319, with a prevalence of 66 persons living with HIV/AIDS. In 2010, the number was 67.

*Prevalence: The prevalence of HIV in Michigan has steadily increased, since persons with HIV are living longer. This is largely due to improved anti-retroviral therapy. The number of persons diagnosed, while stable for the last several years, is greater than the number of deaths each year. This directly contributes to the increase in prevalence. This data includes all persons with HIV, including those with AIDS, as well as those who have not been diagnosed with AIDS and is in part based on estimations.

See HOPWA Table 1 for additional data prepared by the DCH HIV/STD/VH/TB Epidemiology Section.

Also go to the DCH web page http://www.michigan.gov/mdch in the left column click on Statistics and Reports. On the next page click on the title “Communicable Diseases”, then on the next page click on the title “HIV/AIDS”. Click on any of the different reports listed. Annual Review of the HIV Trends in Michigan or Epidemiologic Profiles of

HIV/AIDS in Michigan may be a good place to start for an overview of HIV/AIDS in Michigan. From that same page on the left column click on MDCH Brochures Available for Download and on the next page scroll down to Communicable Disease Brochures. There you will find a number of information brochures, including those about HIV/AIDS topics.

Appendix I—State Tables

Appendix II—Certifications