



Michigan Housing Opportunities
Promoting Energy Efficiency
Program

Phase II

Policy and Compliance Handbook

Effective Date: June 29, 2023

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Section 1: MI-HOPE Program Overview

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Disclaimer

MSHDA reserves the right to update MI-HOPE Program guidance, including the term sheet parameters. All documents, processes, procedures, and approvals must follow current guidelines. Recent updates include, but are not limited to:

1. The full expenditure completion date is **April 30, 2026**
2. Land contracts are not eligible for the MI-HOPE Program
3. Mobile homes are not eligible for the MI-HOPE Program
4. Funding is limited to property-specific home repair activities and administration, as identified within the grant agreement, and based on subrecipient MSHDA approved program guidelines.
5. Subrecipients cannot award funding to employees and/or their immediate family members. Exceptions may be possible, on a case-by-case basis, if a Conflict of Interest Disclosure is prepared and sent to MSHDA outlining why participation is warranted and MSHDA legal accepts the disclosure as presented.
6. All administrative costs, both direct and indirect, must meet SLFRF parameters and the MI-HOPE Program's policy and follow all process requirements outlined within the compliance manual.
7. Layering SLFRF with Other Funding Opportunities
 - a. SLFRF may be combined with a wide range of other federal, state, local, and private resources to meet housing needs. The rest of this guide provides an overview of possible combinations and uses of resources. Recipients using statutory and regulatory requirements and policies of both programs, including the capital expenditure requirements and the requirement that if a project is only partially funded with SLFRF, the portion of the project funded must be an eligible use under the SLFRF program.
 - b. For further information, refer to the Affordable Housing How-To Guide on the MI-HOPE website. Link: [Affordable Housing How-To Guide \(michigan.gov\)](https://www.michigan.gov/affordable-housing)
8. If the property was previously assisted by NHID, the total amount of combined investment between the MI-HOPE program and all NHID funding assistance cannot exceed a combined total of \$25,000.
9. If a subrecipient has an open Neighborhood Enhancement Program (NEP) grant or other NHID grant, then a pre-disbursement condition will be imposed requiring full expenditure and completion of the NEP/NHID grant prior to incurring costs associated with the MI-HOPE award, unless MSHDA written approval is granted on a case-by-case basis.
10. An address cannot have NEP funds and MI-HOPE funds at the same time. If an address had previous NEP dollars invested, the combined total of NEP plus MI-HOPE cannot exceed \$25,000. If previously assisted property eligibility restricts NHID assistance to a max of \$25,000 within a five-year time period. Property eligibility is based on the date work was paid to the subrecipient agency.
11. For auditing purposes, the CFDA Number is 21.027
12. Formal construction contracts are required.
13. SAM.gov verification information is required once per MI-HOPE Program phase.
14. Changes to activity funding that exceed 25% (in comparison to initial project description/budget) must be approved by MSHDA and a form amendment is required.
15. Justification on Roof Only Energy Savings:
 - a. All roof only projects must evaluate and determine if the scope should include necessary attic sealing/insulation/ventilation in order to provide energy savings.
16. Subrecipients are responsible for verifying gross annual income eligibility prior to approving an application.
17. All portal information and applicant qualifications must be verified at the subrecipient level.
18. It is recommended that Financial Status Reports are kept under \$100,000.
19. An activity must be fully completed in IGX before an FSR for the same activity can be approved.

Program Statement

MSHDA is pleased to announce that an independent energy-efficiency program will provide up to \$28,500,000 dollars statewide via the Michigan's Housing Opportunities Promoting Energy-Efficiency (MI-HOPE) Program which will be an extension of the Neighborhood Enhancement Program. This funding will be made available in conjunction with \$15 million dollars allocated directly to the City of Detroit and \$5 million dollars allocated to The Heat and Warmth Fund (THAW).

MI-HOPE is a federally funded program utilizing United States Department of the Treasury American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (SLFRF). This funding will be made available statewide based on a formal subrecipient award structure to 501(c) nonprofit agencies and government entities with award determinations based on competitive funding rounds and subsequent obligation and expenditure performance.

This grant program is designed to encourage and facilitate energy-efficiency focused residential housing repairs and upgrades to owner occupied homes and non-owner-occupied single-family homes and multi-family properties, consisting of a maximum of three total units within both rural and urban areas. In conjunction with home repairs, the funding also allows for a portion of the award, up to ninety-five percent (95%), to be utilized for energy-oriented property repairs and administrative funding of up to five percent (5%).

MI-HOPE energy-efficiency improvement activities are defined as actions undertaken to incentivize energy efficiency and health improvements that promote health or safety for single-family and multi-family residential properties. Repairs are not to exceed \$25,000 in total assistance for either an owner-occupied home or non-owner-occupied unit. The program's intent is for regional distribution of the dollars. The program is structured to have both an individual short-term benefit and immediate impact on the household itself. The program is designed to facilitate a long-term community benefit that improves the existing housing stock and increases the area's home values.

MSHDA has implemented prioritization of funding in targeted areas and has reserved a percentage of the program funds for rural distribution. The program is based on a subrecipient structure that will facilitate the timely distribution, obligation, and expenditure of the allocated energy-efficiency funding in order to meet federal ARP deadlines. Subrecipient awards will consist of multi-year written agreements between MSHDA and the nonprofit 501(c) agency and/or government entity. The MI-HOPE program's intent is to direct at least thirty percent (30%) of the funding to rural communities with at least five percent (5%) being focused within the Upper Peninsula. The evaluation/awarding structure will identify rural agency applicants from urban agency applicants to ensure that each type of applicant is treated and evaluated separately.

Overall, the program's intent is to fund energy-efficiency activities that benefit area residents directly or indirectly. Funding award determinations will be made based on geographical regional distribution, area need, timing feasibility, organizational capacity, public and/or private partnerships, and identified leveraged resources. Respondents must be able to utilize funds strategically and mobilize quickly to meet the multi-year action response that is desired.





Michigan Housing Opportunity Promoting Energy- Efficiency (MI-HOPE) Term Sheet: Phase II

Date: June 27, 2022 (revised May 2023)

<p>Program Overview</p>	<p>The MI-HOPE Program will utilize United States Department of the Treasury American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) as a grant mechanism within the MSHDA Neighborhood Housing Initiatives Division (NHID).</p> <p>All applicable Treasury ARP rules and regulations will be strictly enforced.</p>
<p>MI-HOPE Program Goal</p>	<p>To provide financial assistance to eligible non-profit 501(c) agencies and government entities via a multi-year subrecipient agreement awarded for \$50,000 up to \$500,000 per agency. Subrecipients will then distribute the funds within their local area(s) for energy focused residential housing repairs and upgrades within both rural and urban areas. The total MI-HOPE assistance amount per home/unit may not exceed \$25,000 per assisted occupied home or individual assisted unit. In order to qualify for the MI-HOPE program, all assisted multi-family properties cannot consist of more than three units. In conjunction with home/unit repairs the funding also allows for a portion of the award, up to ten percent (10%), to be utilized for administrative funding.</p> <p>MI-HOPE energy-efficiency improvement activities are defined as actions undertaken to incentivize energy efficiency and health improvements that promote health or safety for single-family and multi-family residential properties. The intent is to have both an individual short-term benefit and immediate impact on the household itself and to also facilitate a long-term community benefit by improving existing housing stock resulting in increased area home values.</p>
<p>Size of MI-HOPE Program</p>	<p>Michigan State Housing Development Authority (the Authority) will utilize up to \$27,300,000 (total award \$50,000,000, less \$15,000,000 to the City of Detroit and less \$5,000,000 to the non-profit THAW, less \$2,700,000 which is for MSHDA administrative costs for Phases 1-3) of its total allocation for this program through multiple statewide competitive funding rounds.</p>
<p>Targeted Population of Homeowners and Financial Challenges Program Seeks to Address</p>	<p>Funding will be made available to subrecipient Agencies to administer the MI-HOPE Program at the local level and to directly provide energy-efficiency assistance to eligible households having gross incomes equal to or less than three hundred percent (300%) of the federal poverty level as outlined in United States Department of the Treasury Guidance. Program funds will be made available to assist all eligible homeowners based on Subrecipient program guidelines that are approved by MSHDA.</p>

<p>“Eligible Owners” for the MI-HOPE program</p>	<p>“Eligible Owners” must meet the following criteria:</p> <ul style="list-style-type: none"> • Occupants (owner and/or tenant if applicable) must have experienced and attest to a Qualified Financial Hardship on or after March 3, 2021. The attestation must describe the nature of the financial hardship. (Refer to Exhibit D for attestation language.) • Homeowner must currently own and occupy the property as their primary residence. • Homeowner and/or Tenant households must meet the MI-HOPE Income Eligibility Requirements. • Homeowners must provide verification of occupancy of the home for a minimum of twelve months from the date of the MI-HOPE application submission, or for non-owner-occupied units the landlord must provide proof of ownership for twelve months and provide a six-month occupancy history. • All properties must be current in their taxes or be current in a repayment plan. • All properties must be insured or provide written verification of insurability post-rehab. • Rental properties must be occupied by tenants with a written lease stating that rent rates will not be increased post-rehab for a minimum of twelve months. • For properties owned by a trust, a Certificate of Trust is required. This must confirm that the applicant is the trustee and has the requisite authority to approve participation in the MI-HOPE program. If the Certificate of Trust does not provide the appropriate verification, a Certificate of Trustee Authority will also be required.
<p>MI-HOPE Parameters</p>	<ul style="list-style-type: none"> • Maximum Subrecipient Allocation is within a funding range of \$50,000 - \$500,000. Awards will be made at MSHDA’s discretion primarily determined based on regional distribution, community need, entity type/capacity, and submission information. Agencies should only request the amount of funding they can obligate and expend within the deadlines identified. • Minimum Subrecipient Allocation = \$50,000 Note: Multiple activities and/or areas can be combined to reach this minimum threshold. Proposals may include more than one area served by an agency; however, each area must realize a significant impact. Agency funding prioritization of areas must be provided if more than one is proposed. MSHDA reserves the right to select portions of proposals for funding based on availability and overall impact. • Maximum Household Assistance = \$25,000 per owner occupied home or non-owner-occupied unit. <p>Note: Award determinations will be based on an agency demonstrating experience with homeowner and/or rental rehabilitation. Previous housing capacity/experience preferred.</p>

<p>Eligible Subrecipient Structures</p> <p>Note: If you are not one of the agency types listed or cannot provide the applicable required verification documentation you are not eligible to submit for this program.</p>	<p>“Eligible Subrecipients” included only the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Type 1: Nonprofit Organization 501(c): A nonprofit organization that is currently servicing the proposed community/neighborhood within the State of Michigan. The applicant’s name and address must be the same as the 501(c) Letter from the IRS and on file with the Michigan Department of Licensing and Regulatory Affairs. The applicant must have at least one full-time paid employee; cannot be operating the agency via their principal residence and must have an operating budget exceeding \$30,000 per year, not including MSHDA funded projects. <p>The 501(c) must upload agency contact information on letterhead AND attach IRS issued 501(c) Letter. (This agency type includes Community Action Agencies)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Type2: Government Entity <input type="checkbox"/> Type 3: Lead Agency Designation (This must be either a Nonprofit 501(c) Agency or Government Entity as defined above) **The Lead Agency would have the ability to pass the funds through to other local entities defined as Type 1 or 2 above and they would be primarily responsible for all entities awarded and provide formal funding compliance and oversight. A written memorandum of understanding between all entities outlining roles and responsibilities will be required. (This could be a housing trade organization that is a nonprofit 501(c) agency. As part of the submission the agency will need to identify its membership agencies that anticipate partnering with them. Partnering agencies will be prohibited from receiving MI-HOPE funds directly during the first funding round.) <p>Note: This funding will not be made available within the City of Detroit boundaries as energy-efficiency funding was allocated to this area directly. In addition, Type 3 Applicants with membership organizations that include City of Detroit members can only utilize MI-HOPE funding for entities servicing area(s) outside of the City of Detroit.</p> <p>This funding is being made available to all eligible entities outside of the City of Detroit.</p>
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<p>Presumed Benefit - Qualified Financial Hardship</p>	<p>A “Qualified Financial Hardship” is a material reduction in income or material increase in living expenses associated with the coronavirus pandemic and Exhibit D Self- Attestation will be required.</p> <ul style="list-style-type: none"> • This program is designed to address energy insecurity resulting from improper insulation, outdated heating, cooling, and ventilation systems, and outdated and/or malfunctioning electrical service and appliances. This benefit will be measured by assessing a particular property’s needs and how those needs were addressed by the improvements. • All proposed activities are restricted to income qualified areas and/or household income eligibility and meet the Treasury ARP criteria for presumed benefit requirements.
<p>Household Income Restrictions</p>	<p>Income-targeting requirement will be used to assist homeowners having gross household incomes equal to or less than 300% of the Poverty Federal Guidelines (PFG) as defined by the Department of Health and Human Services. Refer to the United States Department of the Treasury’s guidance spreadsheet on household income thresholds: SLFRF-LMI- tool.xlsx (live.com) to identify specific Michigan County Income Limits.</p> <p>Each applicant is encouraged to identify their service boundaries while being mindful of the community zip code data (Exhibit C).</p> <p>For all assisted properties, there are three action steps required:</p> <ol style="list-style-type: none"> 1) self-attestation of household income including all adult occupant earning members over the age of 18 that are not in school as a student; 2) household submission of formal income verification documentation including year to date pay stubs, if pay stubs are not available the household will need to provide the previous year’s W-2 forms or if self-employed last year’s 1040 form; and 3) subrecipient review and approval.
<p>Subrecipient Prioritization</p>	<p>Subrecipients will have individual written program guidelines to meet their service area needs. They will establish the following:</p> <ul style="list-style-type: none"> • Activity Dollar Limits per Property • Types of Properties Assisted • Selection of Service Area • Household Applicant Intake and Selection Process • Select Households based on preference/priority based on need, eligibility, or other factors outlined in the guidelines • Select/Define Activities/Scope of Work • Leveraging Use/Requirements • Contractor Selection Process and Criteria (must be licensed and insured)

Note: Subrecipients are not allowed to use a security instrument on assisted properties/units.

<p>Eligible Properties</p>	<p><u>Eligible Property Types:</u></p> <ul style="list-style-type: none"> • Single-family owner-occupied with an income qualified household • Single-family non-owner-occupied with an income qualified household • Multi-family (attached or detached- up to 3 units) owner-occupied with an income qualified household • Multi-family (attached or detached- up to 3 units) non-owner-occupied with an income qualified household • Detached Site Condominium units • Modular/Manufactured homes permanently affixed to real property and taxed as real estate <p>Eligible Occupied Property Criteria: A single-family property which is zoned residential that: a) has no unaddressed mortgage and/or tax delinquencies; b) is not subject to a foreclosure or forfeiture proceedings, court-ordered receivership, or nuisance abatement; c) has utilities services turned on and operable or in situations where utilities are shut off but operable once safety issues are addressed – with MSHDA pre-approval prior to contract execution; d) is permanently occupied by homeowners that identify the assisted address as their primary residence; and e) is affixed to a permanent foundation.</p> <p>Eligible Rental Occupied Property Criteria: Rental single-family properties that a) the landlord has no unaddressed mortgage and/or tax delinquencies within the community; b) the landlord has no unaddressed/outstanding code compliance issues within the community; c) a signed contract is in place which identifies the current occupants and the monthly occupancy provisions; d) is not subject to a foreclosure or forfeiture proceedings, court-ordered receivership or nuisance abatement; e) has utilities services turned on and operable or in situations where utilities are shut off but operable once safety issues are addressed – with MSHDA pre-approval prior to contract execution; f) is affixed to a permanent foundation; g) occupant household is income-eligible; and h) all parties must sign a written participation consent form.</p> <p>Note: Land contracts and mobile homes are not eligible.</p>
<p>Eligible Qualified MI-HOPE Activities</p>	<p>All MI-HOPE program financed activities are specific and necessary health and safety improvements to an existing structure occupied with a qualified financial hardship based on presumed benefit. Activities undertaken must be selected based on inspection, code compliance documented needs, energy assessment/audit recommendation, local building official report, etc.</p> <p>MI-HOPE assisted activities are limited to:</p> <ul style="list-style-type: none"> • Roof • Storm Doors/Exterior Doors • Windows • Insulation • Modification for modernization/efficiency purposes or replacement of heating (furnaces or boilers)/cooling (full home only)/ventilation systems and water heater upgrades including on demand retrofitting • Functioning and up to date exterior security lighting • Appliance upgrades to energy star rating i.e., stove, refrigerator • Electrical upgrades or replacement – wiring of home (partial or full) <p>Note: If the activity is roof, windows, and/or insulation and the home is pre-1978 construction, then the subrecipient must provide a pre-evaluation disclosure (page 52 of the MI-HOPE Handbook) of Lead Based Paint Procedure to the Property Owner. The Property Owner must provide the informational lead brochure (EPA Brochure 1 and EPA Brochure 2) to occupant/tenant.</p> <p>If the activity is insulation, modification for modernization/efficiency purposes or replacement of heating (furnaces or boilers)/cooling (full home only)/ventilation systems and water heater upgrades including on demand retrofitting, and/or electrical upgrades or replacement directly tied to plaster walls. If a subrecipient determines asbestos to be present, then mitigation measures are required to be completed.</p>

<p>Subrecipient Award Activity Structure (Phase Two)</p>	<p>UP TO \$8,000,000 IN THE COMPETITIVE FUNDING ROUND IS ANTICIPATED TO BE ALLOCATED IN PHASE ONE AS FOLLOWS:</p> <p>TYPE 1: Up to \$7,200,000 (90%) Housing Energy-Efficiency Activities</p> <p>No specific sites/addresses need to be pre-identified but must be fully under contract no later than September 30, 2024.</p> <p>Specific sites are selected post subrecipient award via a formal local written application process utilizing a MSHDA system. No carryover waitlists from previous non-MI-HOPE programs/applications allowed unless identified within the program guidelines. Note: Activities are restricted to households that meet the program's eligibility criteria.</p> <p>All activities undertaken must enable that assisted MI-HOPE funding component to be brought up to meet a local permitting requirements and local code.</p> <p>TYPE 2: \$800,000 (10%) Subrecipient Program Administration</p> <p>Agencies may opt out of utilizing MI-HOPE funding for administration but are not allowed to amend their budget post grant award to add it in as a funding component.</p> <p>Note: A tracking report form must document and itemize administrative expenses.</p> <p>In addition to administrative costs that are program specific subrecipients will be able to get reimbursed for activity delivery costs to cover project specific soft costs on a per property billing basis.</p> <p>Assistance is limited to one award per agency. Each award is limited to a minimum of \$50,000 up to \$500,000.</p> <p>Multiple agencies can be awarded funds within an area, but each agency will be limited to defined service area boundaries – an area may be served by multiple agencies but for program purposes overlapping/duplicative service areas will not be approved to ensure statewide distribution of the funding.</p>
<p>Grant Structure</p>	<p>The Subrecipient award will be structured as a performance-based grant.</p> <p>Property assistance will be structured as a non-recourse grant.</p>

<p>Payout of MI- HOPE Assistance and Payment Process Description</p>	<p>The Authority will disburse MI-HOPE assistance directly to subrecipient agencies. The Authority will make disbursements on a reimbursement basis only. Reimbursement for purposes of the program is defined as the issuance of a paper check via a MSHDA grant management system when work has been completed, an agency is invoiced for the work performed, and both agency and owner sign-off has been secured. A hold back of up to ten percent (10%) of the property setup amount may be held and not reimbursed until all paperwork regarding final completion and reporting of activity outcomes is provided.</p>
<p>Community/Area Eligibility</p>	<p>A minimum of thirty percent (30%) of the funds will be set-aside to assist households within rural communities/areas. Of that thirty percent (30%), five (5%) will be set-aside to assist households located within the Upper Peninsula.</p> <p>Refer to the MI-HOPE Eligibility map (Exhibit B) for defined rural and urban areas.</p>
<p>Program Launch</p>	<p>The Authority is planning to launch the initial competitive funding round for subrecipient submissions statewide Summer 2022, after MSHDA approval, stakeholder engagement, and public engagement/comment process is complete.</p>
<p>Program Duration</p>	<p>The period of performance for the MI-HOPE award begins on the effective date of the written agreement, requires subrecipient obligation at the property level (street address contract fully executed) prior to September 30, 2024, and full disbursement of funds no later than April 30, 2026. MI-HOPE recipients shall not incur any obligations to be paid with the funding from this award after such period of performance ends.</p> <p>The Authority plans to disburse all funds prior to the end of the written agreement date of April 30, 2026.</p>
<p>Program Leverage with Other Financial Resources</p>	<p>The Authority will undertake its best effort approach to encourage subrecipients to leverage additional complementary assistance that is made available for homeowners through other local, state, and/or federal programs.</p> <p>Leverage is not required to come directly from the homeowner, unless specified within the subrecipient guidelines.</p> <p>Note: If the applicant chooses to identify leverage within the proposed budget, in order to receive evaluation preference, all leverage identified must be committed/secured.</p> <p>Applicants are encouraged to partner and leverage funding.</p>

Program Parameters

This grant program is designed to encourage and facilitate energy-efficiency focused residential housing repairs and upgrades to owner occupied homes and non-owner-occupied single-family homes and multi-family properties consisting of a maximum of three total units within both rural and urban areas. In conjunction with home repairs, the funding also allows for a portion of the award, up to ten percent (10%), to be utilized for administrative funding.

Funding will be provided to eligible subrecipients as outlined in the Terms Sheet.

Note: This funding will not be made available within the City of Detroit boundaries as energy-efficiency funding was allocated to this area directly. In addition, Type 3 Applicants with membership organizations that include City of Detroit members can only utilize MI-HOPE funding for entities servicing area(s) outside of the City of Detroit.

Funding will be made available to assist eligible properties, referenced in the term sheet.

Key items to pay attention to:

- Do not start work and/or execute contract(s) until all pre-disbursement conditions are met.
- Subrecipient is responsible for making sure contractors and sub-contractors are licensed and insured.
- If there is a change in the scope of work or an increase in price beyond ten percent (10%) of the original estimate and contract award amount; prior approval is needed from your Champion.
- Keep a spreadsheet for all approved activities.
- The subrecipient must submit Financial Status Reports for reimbursement. All billing and invoices are approved by the subrecipient prior to submission for reimbursement. Checks from MSHDA are made payable to and mailed directly to the subrecipient.
- Property rehabilitation work – All work should take place on single family occupied properties (Single Family 1 to 3-unit properties only).
- **Work tied directly to non-occupied properties is not allowed. Refer to the Non-Owner-Occupied Rental Units section of this manual.**
- If an activity that was approved does not move forward notify your Champion. Any cancelled activity that has been entered into the MSHDA Grants System will need to be cancelled in the system, using the following steps:
 1. If the activity was drawn on, the subrecipient will need to return the funds for the cancelled activity.
 2. MSHDA staff will enter a return funds entry on the grant page.
 3. The subrecipient will need to cancel the activity in the system. This cannot be done until steps 1 and 2 are finished.



Project Condition

A successful place-based project must be in an eligible area and/or result in an eligible beneficiary/recipient.

Property Condition

Emergency repairs are restricted to permanent activities and defined as those necessary when a lack of repair or replacement threatens the safety of occupants and if not addressed will cause structural damage to the home.

The assisted property must be currently occupied and not red tagged or defined as inhabitable based on local code.

This program is not designed to address mold, animal infestations, or other immediate threats to the health and safety of residents. If an emergency need is identified during the construction phase, and funds are earmarked within the existing grant budget, change orders exceeding twenty five percent (25%) require MSHDA pre-authorization.

MI-HOPE Expectations

- A determination of licensing, insurance, lead, asbestos, and other local requirements, including but not limited to permits, must be made by the subrecipient.
- A notice to proceed by MSHDA must be secured prior to any work being performed and/or costs being incurred by the subrecipient.
- A determination of required inspections and/or confirmation that all other local requirements were met must be made by the subrecipient.
- Completion and satisfaction with work must be formally signed and dated by the homeowner, subrecipient, and contractor prior to FSR request.

Eligible Activity Guide

Improvements in the Housing Opportunities Promoting Energy Efficiency Program can be comprised of both exterior and interior activities of a single-family home.

Improvements must substantially protect or improve the basic livability of a single-family home. Improvements must be physically attached and be permanent in nature unless it is an energy star appliance.

Homeowners Insurance is required for all activities except emergency situations where the activity is necessary to secure the insurance. Written MSHDA pre-authorization is required and will be contingent upon sufficient documentation, including an insurance company's written statement being secured.



Category A. Exterior/Interior Eligible Repairs

All MI-HOPE program financed activities are specific and necessary health and safety improvements to an existing structure occupied with a qualified financial hardship based on presumed benefit. Activities undertaken must be selected based on inspection, code compliance documented needs, energy assessment/audit recommendation, local building official report, etc.

MI-HOPE assisted activities are limited to:

- Roof
- Storm Doors/Exterior Doors
- Windows
- Insulation
- Modification for modernization/efficiency purposes or replacement of heating (furnaces or boilers)/cooling (full home only)/ventilation systems and water heater upgrades including on demand retrofitting
- Functioning and up to date exterior security lighting
- Appliance upgrades to energy star rating i.e., stove, refrigerator
- Electrical upgrades or replacement - wiring of home (partial or full)

Activity must bring the assisted component up to federal, state, or local code conditions, whichever is stricter.

Category B. Administration

Planning and Administration can be up to ten percent (10%) of the grant award. Documented and itemized program planning and administration tracking is required. Please use the Administration Report form that is in the attachments at the end of this handbook.

- No generic descriptions will be allowed.
- Expenses entered must match what you are requesting.
- Date ranges are not allowed.
- Must be signed by the employee and the Authorized Official. If the employee is the Authorized Official, then a signature on the second line is acceptable with a statement on the first line see below – note this is only allowed if the employee and Authorized Official are the same person.

Cost overruns and/or overall budgeting issues beyond the grant award amount are the responsibility of the subrecipient and cannot be covered by MSHDA.



Owner-Occupied Units

Owner-Occupied Single-Family Rehabilitation Site Guidance

Eligible Owners: Must meet the following criteria:

- The Property owner must have experienced and attest to a Qualified Financial Hardship on or after March 3, 2021. The attestation must describe the nature of the financial hardship. (Refer to Exhibit D for attestation language.)
- Homeowner must currently own and occupy the property as their primary residence.
- Homeowner households must meet the MI-HOPE Income Eligibility Requirements.
- Homeowners must provide verification of occupancy of the home for a minimum of twelve months from the date of the MI-HOPE application submission.
- All properties must be current in their taxes or be current in a repayment plan.
- All properties must be insured or provide written verification of insurability post-rehab.
- For properties owned by a trust, a Certificate of Trust is required. This must confirm that the applicant is the trustee and has the requisite authority to approve participation in the MI-HOPE program. If the Certificate of Trust does not provide the appropriate verification, a Certificate of Trustee Authority will also be required.

Non-Owner-Occupied Rental Units

Single-Family Rental Rehabilitation/Non-Owner-Occupied Site Ownership Guidance

MI-HOPE Funding is limited to assisting a maximum of one property per rental owner within a MI-HOPE funding round. **This requirement must be included in your Program Guidelines.**

Eligible Owners: Must meet the following criteria:

- Owner and/or tenant (if applicable) must have experienced and attest to a Qualified Financial Hardship on or after March 3, 2021. The attestation must describe the nature of the financial hardship. (Refer to Exhibit D for attestation language.)
- Tenant must currently occupy the property as their primary residence.
- Tenant households must meet the MI-HOPE Income Eligibility Requirements.
- For non-owner-occupied units the landlord must provide proof of ownership for twelve months and provide a six-month occupancy history.
- All properties must be current in their taxes or be current in a repayment plan.
- All properties must be insured or provide written verification of insurability post-rehab.
- Rental properties must be occupied by tenants with a written lease stating that rent rates will not be increased post-rehab for a minimum of twelve months.

Ownership for Non-Owner-Occupied Properties: Recommendation

If you will be undertaking work on a site that is:

- a) not owned by the subrecipient based on the current recorded deed
- and**
- b) the assisted property is not an owner-occupied single-family structure

Then the following action steps will be required by your agency:

1. Develop a scope of work and timeline that is agreed to in writing by all parties.
2. Obtain formal written authorization and a Notice to Proceed from the current owner.
3. A Landlord Written Participation and Certification Agreement will be required.
4. Obtain verification that there is current liability insurance, and all taxes are current and/or a current payment plan/agreement is in place for the site prior to any work taking place.

Ineligible Improvements Activity Guide

MSHDA at its discretion will determine the specific activities it will fund during the review process. Public infrastructure such as streets, curbs, sidewalks, streetlights, and any activities within the public right of way; and any other activities already funded by another entity/agency including but not limited to economic development, direct business assistance, workforce training, etc. are prohibited. This is also not replacement funding; it cannot be re-granted and/or serve as a matching resource for another State and/or Federal Program without written NHID pre-authorization. Entities eligible for the Priority Home Repair Program with Habitat for Humanity of Michigan will require pre-approval by MSHDA.

The subrecipient cannot specify that every house in the program receive the same type of assistance. All activities undertaken with MI-HOPE funds must be based on property specific need and are limited to costs associated with specific activities outlined within the term sheet.

The MI-HOPE Program and funding does not reimburse for event food and/or event-oriented items (paper/plastic products, cleaning/office supplies, etc.).



Program Guidelines

Program Guidelines are a requirement for NHID’s Housing Opportunities Promoting Energy Efficiency Program funds. They are used by NHID subrecipients as an outline of program offerings, program and compliance requirements, eligibility requirements, selection criteria, complaint procedures, and program processes. They are intended to inform potential participants of the program’s rules, expectations, and requirements.

Ultimately, Program Guidelines protect the subrecipient from claims of discrimination, favoritism, or other unfair treatment. Program Guidelines should spell out in plain terms the substantive requirements of the program, so that if an applicant is denied, the reason is clearly supported by the written rules of the program. Program Guidelines should also be directed at potential participants of the MI-HOPE program.

The below information is meant to provide guidance in the formulation of the Program Guidelines. All items might not pertain and therefore will not be included.

General Provisions

- MI-HOPE Program Goals/Purpose/Desired Outcomes
- Program Location (Target Area with boundaries identified)
- Leveraged Resources (if applicable) – All resources need to be committed prior to project start
- Owner Contribution (if applicable) – Must be placed in Subrecipient’s escrow fund prior to project start. Lines of credit (LOCs) are not considered secure for this program (LOCs can be nullified by the time project starts)
- Fair Housing/Equal Opportunity/Non-Discrimination – Statement of the Agency’s Policy, Identity of Contact Person and contact number
- Conflict of Interest provisions – No employee or paid individual associated with the entity can participate in the program (refer to Conflict of Interest Memo)
- Complaint Resolution – Review Committee, Procedures, Filing Complaints/Appeal Process, Response, Dispute Resolution, Final Recourse, Reinstatement
- Program Administration – Confidentiality, Files, File Retention, Approval Authority, Written Agreement and Program Compliance



Program Guidelines Content Requirements

Applicants

- Eligibility of Applicants – Household Income Self-Certification Form (Exhibit D)

Property

- Building types assisted
- Ownership criteria and eligibility
- Property condition criteria
- Architectural Drawings (if applicable)
- Historical Property – local historic review (if applicable)
- Lead Based Paint/Asbestos compliance (if applicable)

Eligible Activities

- Clear definition of the scope of work
- Minimum/Maximum Levels of Assistance (if applicable)
- Eligible/Ineligible activities list
- Minimum Requirements and Standards must follow local code
- Materials – including “green” standards utilized (if applicable)

Application Process

- Notice of Funding Availability (NOFA)
- Application Intake Process/Review – all activities must be clearly stated, and a written application form must be used (no carryover of non-MI-HOPE waiting lists)
- Project Selection Process/Inspections (i.e., site selection; prioritization of properties and percentage distribution of homeowners vs. single-family rental)

Applicant Selection

- Selection Process/Eligibility (standalone first come first served selection criteria is not allowed)
- Demographics of neighborhood composition requirement
- Kinetech applicant intake required
- Form and Required Attachments - Household Self-Certification Form, photos, and cost estimates

Property Eligibility Verification Process

- Photographs (before and after – similar angle/location/reference)
- Scope of Work/Cost Estimates – minimum two estimates/quotes required



Contractor/Vendor Selection

- Procurement/Small Purchase Procedures for Contractor/Vendor Solicitation
- Contractor Verification of Eligibility (State Licensing, Insurance Certifications, etc.)
- Contract Approval, Award, and Notification
- Pre-Construction Meeting (if applicable)
- Notice to Proceed
- Contractor Performance
- Change Orders
- Permits and Inspections/Notification Procedures (local and state code)
- Construction and Contractor Payment Provisions (final FSR holdback provisions)
- Contract Extensions
- Damages

Lien Requirements (if applicable and for non-MSHDA funds only)

- Lien requirements cannot be tied to MI-HOPE funds. If a subrecipient chooses to allow liens on non-MI-HOPE funds, this must be outlined in their guidelines and the following documentation is required:
 - Lien Provisions
 - Lien Execution
 - Lien Recording
 - Pay-off Requests/Procedures



Subrecipient Program Guidelines must include a plan regarding the prevention of fraud

These organization specific program guideline parameters are designed to assist with developing a formal written approach to **deter, detect**, and hopefully **prevent** and/or mitigate the risk of fraud occurring within this federally funded program.

- Agencies need to establish and implement an effective and engaged audit/finance process to review and inspect certain documents directly associated with individual beneficiary activities on an informal ongoing basis and formally on a quarterly basis.
- Agencies need to establish a code of ethics/structural overview including both formal guidelines of the specified acceptable applicant intake criteria utilizing MSHDA software and clearly defined applicant award parameters. This overview is designed to provide transparency to applicants and minimize grey areas of the review, selection, and award process.
- Agencies need to adopt a formal fraud policy that identifies procedures to be followed for suspected fraud and the methodology employees should utilize to report their suspicions. Note: MSHDA has a fraud hotline and electronic form that can be utilized.
- Agencies must ensure that effective internal controls are in place and enforced. At a minimum, two check signatures must be required and safeguards must be in place to ensure adequate oversight and separation of duties is being conducted on a regular basis. Entities that have been cited for internal control issues within the past 5 years must disclose that to MSHDA as part of the organization/financial review process.
- Agencies should have a licensed independent body audit financial statements for the MI-HOPE expenditures and receipts.
- Agencies must have a formal written document retention policy and records containing Personally Identifiable Information (PII) must be carefully stored in an area accessible only to necessary staff. And records must be retained for five years after the closeout date, according to the MI-HOPE written agreement requirements.
- Agencies must have whistleblower procedures in place to encourage reporting without fear of retaliation and/or establishment of an anonymous methodology of reporting concerns.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
NEIGHBORHOOD HOUSING INITIATIVES DIVISION
Subject: COMPLAINT PROCEDURE

Effective Date: November 1, 2018

The purpose of this policy bulletin is to outline requirements for NHID Subrecipients to establish a client complaint procedure for consistent resolution of conflicts. Complaints may come from applicants for assistance, owners dissatisfied with work, participating contractors, or other interested parties.

A SUBRECIPIENT'S CLIENT COMPLAINT PROCEDURE MUST

- 1. Be outlined in Subrecipient's Program Guidelines.** Clients and contractors must be informed of the complaint procedure when they are selected to participate in the program or upon receipt of a written complaint.
- 2. Establish a timely response.** Ensure that a client's initial complaint is responded to by the program administrator within 15 working days of the date of the complaint.
- 3. Require that the Chief Executive Officer (CEO) or Executive Director** of the subrecipient be informed of any complaint the program administrator fails to resolve. The subrecipient (at its option) may ask the CEO to review the case and recommend a resolution.
- 4. Provide for the establishment of a review committee,** to be comprised of at least three people, which must hear all cases that cannot be successfully resolved by the program administrator (and CEO if he/she is part of the complaint procedure). It is recommended that the committee members serve a specified number of years.

The review committee should be comprised of:

- A person with building/construction expertise (completely separate from the contractor who is part of the complaint);
- A local community representative; and
- A representative of the subrecipient (but should not be administrator or staff member of housing program)

The claimant may choose to make a presentation or submit a written description (including documentation) to the committee for review.

- 5. Establish process to notify the client in writing of the review committee's decision** within 15 working days of the date of the hearing.

This policy covers the following processes:

- The subrecipient's client complaint procedure
- Referrals to Dispute Resolution Services
- MSHDA review of complaint
- Resolution determined by MSHDA

REFERRAL TO DISPUTE RESOLUTION SERVICES REQUIRED IF CONFLICT NOT SATISFACTORILY RESOLVED

Should the above listed efforts fail to resolve all outstanding issues, subrecipients must seek the services of the closest Dispute Resolution/Mediation Program. The costs, if any, for using mediation to seek resolution of the dispute are eligible administrative costs under MSHDA's Neighborhood Housing Initiatives Division written agreements. A list of Community Dispute Resolution Program (CDRP) Mediation Centers may be found at <http://courts.mi.gov/administration/scao/officesprograms/odr/pages/community-dispute-resolution-program.aspx>. Attached is a process map for a typical complaint procedure (**Attachment A, Client Complaint Procedure**).

MSHDA will review complaints only after the above process is complete and the dispute is still unresolved.

In the event that MSHDA is contacted directly by a complainant, they will be referred to the subrecipient for implementation of policy procedures. After all previously outlined steps have failed to resolve the complaint, the subrecipient may contact MSHDA in writing, detailing the complaint and verifying its compliance with the above listed steps.

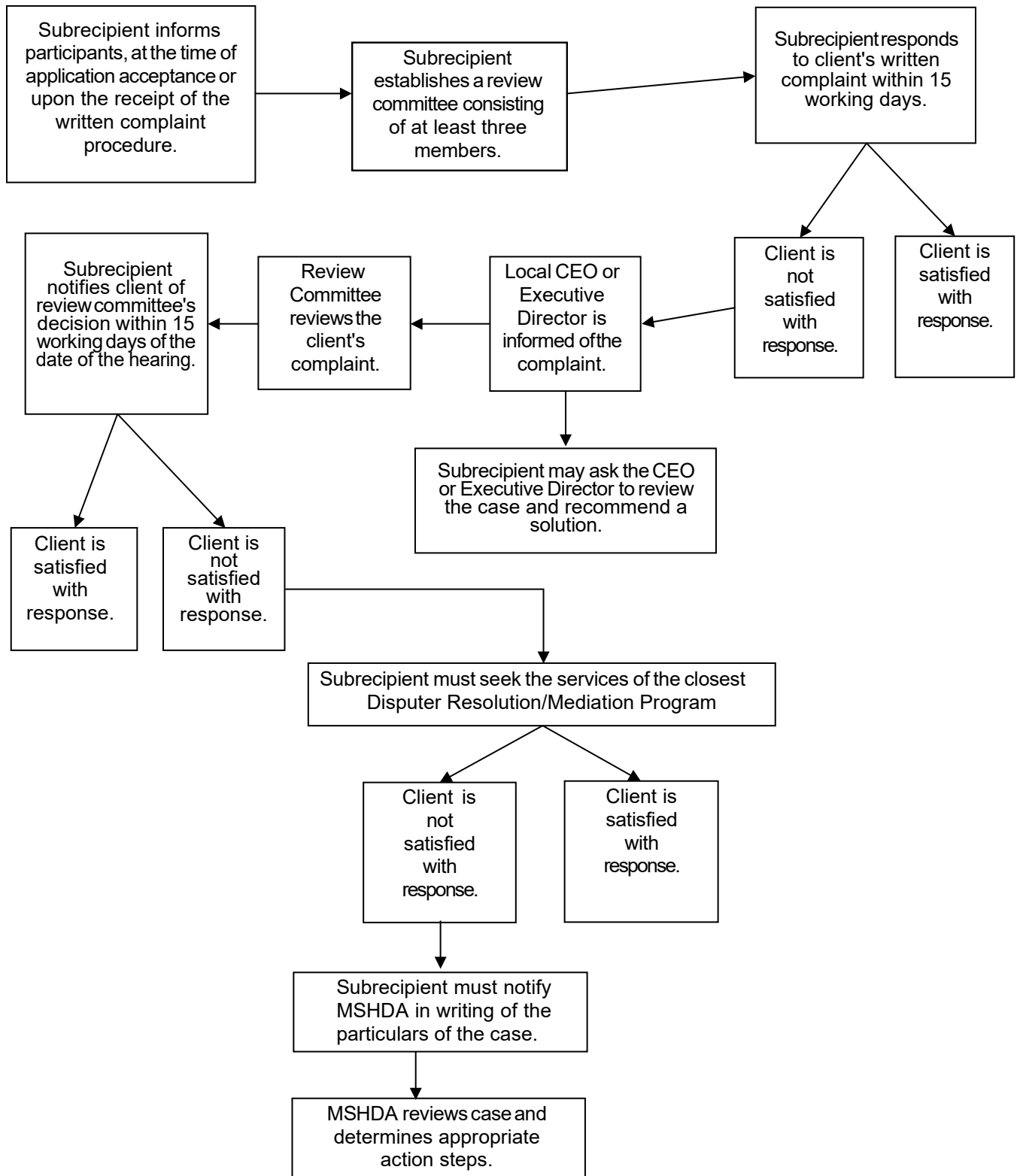
NOTE: All liability to third parties, loss or damage as a result of claims, demands, costs, or judgments arising out of activities, such as direct service delivery, to be carried out by the subrecipient in the performance of its NHID funded written grant agreement shall be the responsibility of the subrecipient, and not the responsibility of the Authority, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the subrecipient, any subcontractor, anyone directly or indirectly employed by the subrecipient, provided that nothing herein shall be construed as a waiver of any governmental immunity that has been provided to the subrecipient or its employees by statute or court decisions.

If you have questions, contact your Champion.



Attachment A

CLIENT COMPLAINT PROCEDURE



**Michigan State Housing Development Authority
Neighborhood Housing Initiatives Division**

2022 - 2023 MONITORING PLAN

The Neighborhood Housing Initiatives Division (NHID) is responsible for ensuring that funds are committed and expended in accordance with the program requirements of NHID's funding sources -- MSHDA Habitat for Humanity DPA/PHR/Prison Build grants, MSHDA HDF funds (including the Neighborhood Enhancement Program and MSHDA MOD), MI-HOPE Department of Treasury funds, and NSP-Program Income including SHRP. NHID's 2022/2023 Monitoring Plan identifies monitoring objectives, ongoing monitoring procedures, and criteria for on-site monitoring of program participants. This annual monitoring plan serves as a strategy for determining compliance as well as guidance for NHID housing staff.

MONITORING OBJECTIVES

Ensure Production and Accountability. NHID staff will monitor subrecipient performance to ensure state and/or federal funds are used to provide housing and housing-related services for low to moderate income residents; all assisted housing units must meet, at a minimum, HUD's Housing Quality Standards (HQS), if applicable; and program funds are expended in a timely manner.

Ensure Program Compliance and other Federal Requirements. NHID is responsible for ensuring funds are spent for eligible program purposes and in accordance with all applicable Federal regulations and state and local laws.

Evaluate Organizational and Project Performance. NHID will monitor how efficiently and effectively services are provided. NHID will evaluate whether an organization has an effective flow of work, and has incorporated checks and balances into its operations, so that compliance is built into the standard operating procedures.

MONITORING STRATEGY

To ensure successful performance and compliance in every program and project, NHID adopts the following monitoring strategy for all active grants:

- Conduct on-going monitoring reviews of all active grants with a balance by evaluating the monitoring objectives throughout the grant term.
- Perform On-Site Monitoring Reviews when applicable and deemed appropriate by the on-going monitoring performed throughout the grant term.
- Conduct follow-up activities as needed.



MSHDA (Habitat, NEP, MSHDA MOD, and NSP-PI) ONGOING MONITORING

Ongoing monitoring reviews are built into NHID's service delivery system and occur every year on open grants that are not being monitored on-site. Housing staff monitor program progress and performance, compliance, and financial management on an ongoing basis throughout the grant period using the MSHDA grant management system, as subrecipients submit electronically financial status reports for each expenditure, including but not limited, to the following through the MSHDA grant management system:

- Financial Status Report to request grant payments and report expenditure details.
- Partnership Profile that includes corporate information: Audits, Articles of Incorporation, Bylaws, Board of Director Membership, IRS 990's, etc. Organizational review is performed by NHID staff, and the financial review is completed by the Asset Management Division.
- Final Outcome Report –measures and collects final project and grant outcomes.

Inconsistencies or questions regarding the timelines, content, or accuracy of submitted reports are communicated to the subrecipient for follow up as they occur.

NHID MI-HOPE Monitoring Oversight

On-going desk reviews and technical assistance will be observed throughout the grant term. After the initial draw of twenty five percent (25%) a technical assistance visit will be performed by a MI-HOPE staff member. After the second draw of an additional fifty percent (50%) a formal site visit may be conducted based on a program level risk assessment by MI-HOPE staff including site visits to assisted properties by the MI-HOPE Program Manager for construction purposes.

A risk ranked sub-recipient structure will be used to determine high medium and low risk awards. The top twenty percent (20%) of sub-recipients by dollar amount will be selected for on-site monitoring visits. Both quantitative and qualitative factors will be evaluated to determine risk.

Upon the final draw (remaining 25%) the closeout process will be prepared by MI-HOPE staff and submit to the Closeout Specialist for closeout.

NHID Grant and Project Documentation

In addition to information obtained from MSHDA's database system(s), ongoing monitoring involves a review of hard copies of documents that are submitted directly to this office:

- Grant agreement
- Income verification/Household Self Certification Forms
- Project specifications (before and after photos, pre-approval forms, invoices)
- Mortgage/Note
- Audits (if applicable)



ON-SITE MONITORING

Subrecipients are selected for on-site monitoring visits based on the status of the on-going monitoring of each active (open) grant with a balance or when an on-site monitoring visit is determined necessary. Then the following steps will be taken:

Steps for On-site Monitoring Review

1. Set up monitoring date with subrecipient and Third-Party Administrator (if applicable).
2. Send Confirmation of Monitoring Visit letter enclosing copies of the forms to be used.
3. Conduct on-site monitoring using the following documents:
 - Monitoring Checklist
 - Required Documents Checklists sufficient to review project files
4. Follow-up Letter is prepared by the Housing staff that communicates the results of the grant monitoring including any recommendations or findings.

Definitions

1. **Recommendations.** A deficiency in program performance not based on a statutory, regulatory, or other program requirement. Sanctions or corrective actions are not authorized for concerns. However, Housing Specialist should bring the concern to the program participant's attention and, if appropriate, may *recommend* (but cannot require) actions to address concerns and/or provide technical assistance.
2. **Findings.** A deficiency in program performance based on a federal statutory, regulatory or program requirement, NHID Policy Bulletin or subrecipient's Program Guidelines for which sanctions or other corrective actions are authorized. Such sanctions or actions are generally subject to NHID discretion.

On-Site File Review

1. Complete On-Site Monitoring Review Checklist for all administrative and compliance sections and the relevant grant component sections. If a third party is administering the grant, the review must include a visit to both the subrecipient and to the third-party administrator with monitoring questions directed to the responsible party as outlined in the Third-Party Management Plan. Regardless of how grant management responsibilities are divided between the subrecipient and the grant administrator, the subrecipient of record has ultimate responsibility for compliance with the terms of the grant agreement.
2. Complete a Required Documents Checklist review of at least 3 project files (if applicable).



3. Verify household eligibility based on income/asset verifications and calculations compared to relevant MSHDA or HUD Income Limits.
4. Review project files for the units that not visited to inspect required documentation is completed and located in the files.

FOLLOW UP

1. Review the On-Site Monitoring Review Checklist for comprehensiveness and clarity adding comments to substantiate subrecipient responses to a third-party reviewer (NHID Management and/or HUD).
2. The On-Site Monitoring Review Checklist, when finalized, becomes the Grant Monitoring Report, and is retained in the grant file.
3. Within 30 days of the date of the monitoring visit, send an On-Site Monitoring Follow-Up Letter to the chief elected official or nonprofit board chairperson of the subrecipient with a copy to the housing official with whom the monitoring visit was conducted. The follow-up letter should identify findings, recommendations, requests for information, and any other required action allowing 30 days for a response. A copy of the On-Site Monitoring Follow-Up Letter is forwarded to NHID's Manager.
4. Enter monitoring information in the MSHDA Grants System on the grant menu screen under comments.
5. Clear findings within 30 days of receipt of adequate documentation. Record resolution of findings in the MSHDA Grants System.
6. Prepare the Findings Cleared letter and mail to subrecipient, third party administrator, etc. If all findings are not cleared, additional correspondence is required with subrecipient until all are resolved.
7. If there is no response to the Follow-Up Letter within the 30-day deadline, contact subrecipient to determine the status and how much additional time is needed. Keep written notes of efforts to clear findings in the file. **Withhold further grant payments if finding is unresolved 60 days after agreed upon or re-negotiated deadline.** After this time period the subrecipient is considered not to be in good standing with MSHDA.

ADDITIONAL MONITORING REQUIREMENTS

Additional monitoring requirements will be considered and incorporated where appropriate. At the subrecipient level a minimum of twenty percent (20%) of the self-certifications by contractors/subcontractors will need to be validated.

NHID SUPPLEMENTAL AUDIT GUIDE

Purpose: This Audit Guide is designed to assist the Michigan State Housing Development Authority's (MSHDA) Neighborhood Housing Initiatives Division (NHID) grantees and their respective auditors in completing audits for NHID-funded grants. Grantee audits are the primary source used during the review and closeout of completed NHID grant programs. They are also used to help NHID assess grantee capacity at the time of grant application.

Audit Requirements

The following submissions are required in order to satisfy the audit requirements for administering NHID grant programs. Please review the details below regarding audit requirements according to funding level or expenditure according to funding source.¹

- A. If a Grantee's total federal grant expenditure is **\$750,000 or more** in a fiscal year (starting with FY 2015 audits):
1. Single Audit must be electronically submitted to the Federal Audit Clearinghouse within 9 months of the grantee's FY end.
 2. Audited Financial Statements are required to be submitted to MSHDA within six months of the grantee's FY end annually, until the grantee receives a grant closeout letter from NHID for all open NHID grants.
 3. If a non-profit, Form 990 is also required, or documentation certifying that the organization is exempt from the 990 filing.

Single Audits must be conducted in accordance with the provisions stated in OMB 2 C.F.R. Part 200 Subpart F: Audit Requirements for Federal Awards (Subpart F of 2 CFR Part 200). See section §200.502 Basis for determining Federal awards expended.

- B. If a Grantee's total federal grant expenditure is **less than \$750,000** in a fiscal year (starting with FY 2015 audits):
1. Audited Financial Statements are required to be submitted to MSHDA within six months of the grantee's FY end. MSHDA requires that a Supplemental Information Schedule (SIS) be included in the audited financial statements. The SIS should list each CFDA number, reported revenues, expenditures during the fiscal year, and any match/leverage funds used. The financial statements are to be submitted to MSHDA within six months of the grantee's FY end, until they receive a grant closeout letter from NHID.
 2. If a non-profit, Form 990 is also required, or documentation certifying that the organization is exempt from the 990 filing
 3. If a non-profit is exempt from annual audited financial statements, documentation certifying such must be submitted to MSHDA annually.
- C. Annually, any subrecipient of MSHDA NHID grants must complete and submit a Single Audit Certification form (found on the last page of this document) until all open grants from these units have been officially closed out by MSHDA staff.

¹ Third-party administrators are required to adhere to this Audit Guide and the requirements established under the Subpart F of 2 CFR Part 200. To that end, audits should be conducted for both the grantee and third-party administrator for the NHID programs reviewed during a given fiscal year.

Auditee Responsibilities

The auditee receiving and administering NHID grant awards should:

- A. Identify in its accounts all federal and non-federal awards received and expended and the programs under which they were received. NHID awards typically have the funding source stated on the cover page of the grant agreement.
- B. Maintain internal controls that provide reasonable assurance that the auditee is managing awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its programs.
- C. Prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards (SEFA) in accordance with 200.510-Financial Statements of the Subpart F of 2 CFR Part 200.
 - 1. List **separately** each federal award identification number, the corresponding grant award and expended amount as part of the Schedule of Expenditures of Federal Awards for single audits. Each NHID grant should be listed separately as well in the Supplemental Information Schedule (SIS) for financial statements (see section B on page 1 for more specifics regarding the SIS). **Neither NHID grant awards nor grant expenditures should be listed as an aggregate amount in the single audit or financial statements.**
 - 2. For grantees who have third-party administrators¹ conducting their housing programs, the third-party administrator should list the grantee in their financial statements or single audit as the pass-through entity.
 - 3. Provide the auditor with the following Catalog of Federal Domestic Assistance (CFDA) numbers based on the federally funded NHID program(s) being audited:
 - a. HOME 14.239
 - b. NSP1 14.228
 - c. NSP2 14.256
 - d. ARP 21.027
 - 4. For grantees who are also pass-through entities, the total amount of federal fund expenditures passed to subrecipients should be identified on the SEFA.
 - 5. Include notes that describe the significant accounting policies used in preparing the schedule.
- D. Ensure that the Single Audits required by this Audit Guide are performed and submitted to the Federal Audit Clearinghouse when due. Single Audits are due no later than nine months after the end of the grantee's fiscal year.

Ensure that any audit performed other than the Single Audit be submitted to MSHDA within 30 days of completion, but no later than six months after the end of the grantee's fiscal year.

- E. Promptly follow-up and take corrective action on audit findings and/or questioned costs. This includes preparing a summary schedule of *prior* audit findings and/or a corrective action plan for current year audit findings in accordance with 200.511 Audit findings follow-up for. Both the summary schedule and the corrective action plan should include the reference numbers the auditor assigns to the audit finding. The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.

Since the summary schedule may include findings/questioned costs from multiple years, the fiscal year in which the finding initially occurred should also be included and an update should be given

on the findings/questioned costs reported in previous summary schedules unless the finding has been documented as corrected or no longer valid.

Auditor Selection

In arranging for audit services, auditees should follow applicable federal procurement standards found in 2 CFR 200.317-326.

- A. Factors to be considered in evaluating each proposal for audit services include: the responsiveness to the request for proposal, relevant experience, availability of staff with professional qualifications and technical abilities, the results of external quality control reviews, and price. For Single Audit RFPs, the auditee must request a copy of the audit organization's peer review report, which the auditor is required to provide under GAGAS.
- B. An auditor who prepares the indirect cost proposal or cost allocation plan may not also be selected to perform the Single Audit when the indirect costs recovered by the auditee during the prior year exceeded \$1 million.
- C. Auditors should be familiar with the following definitions:
 1. Federal award - Federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities.
 2. Federal financial assistance - Assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other financial assistance. This does not include amounts received as reimbursement for services rendered to individuals as described in Subpart F of 2 CFR Part 200.502 Basis for determining Federal awards expended.
 3. GAGAS – Generally accepted government auditing standards issued by the Comptroller General of the United States which are applicable to financial audits.
 4. Internal control - A process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - a. Effectiveness and efficiency of operations
 - b. Reliability of reporting for internal and external use; and
 - c. Compliance with applicable laws and regulations.
 5. Internal control over compliance requirements for Federal awards – a process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:
 - a. Transactions are properly recorded and accounted for, to ensure all of the following:
 1. Permit the preparation of reliable financial statements and Federal reports.
 2. Maintain accountability over assets.
 3. Demonstrate compliance with Federal statutes, regulations, and the terms and condition of the Federal award.
 - b. Transactions are executed in compliance with all of the following:
 1. Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program.
 2. Any other Federal statutes and regulations that are identified in the Compliance Supplement.
 3. Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.
 6. Major Program - A federal program determined by the auditor to be a major program in accordance with the Subpart F of 2 CFR Part 200 or a program identified as a major program

by a federal agency or pass-through entity in accordance with the Subpart F of 2 CFR Part 200.

7. Non-federal entity - A state, local government, or nonprofit organization.
8. Pass-through entity – A non-federal entity that provides a federal award to a subrecipient to carry out part of a federal program.
9. Program-specific audit - An audit of one federal program as provided for in the Subpart F of 2 CFR Part 200.
10. Single audit – An audit which includes both the entity's financial statements and the federal awards as described in the Subpart F of 2 CFR Part 200.
11. Subrecipient (i.e. a MSHDA grantee or the third party administrator for the grantee) – A non-federal entity that receives federal/MSHDA awards either directly from a Federal agency or through MSHDA to carry out part of a federal/MSHDA program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a pass-through entity.

Pass-through Entity Responsibilities

A non-Federal entity that provides a subaward to a subrecipient to carry out a part of a Federal Program (for example, a grantee or a third party administrator). More details can be found in Subpart F of 2 CFR 200.331

A pass-through entity shall perform the following for the federal- and MSHDA-funded awards it makes:

1. Identify awards made by informing each subrecipient (see definition given above) of the, CFDA title and number, Federal awarding agency name, Federal award identification number, federal award date, contact information for awarding official of the pass-through entity, subaward period of performance dates, amount of sub award, federal award project description, if the specific award is Research & Development (R&D), and the indirect cost rate (including if the de minimus rate is charged) .
2. Advise subrecipients of requirements imposed on them by federal laws, regulations, and the provisions of contracts or grant agreements, as well as any supplemental requirements imposed by the pass-through entity.
3. Advise subrecipients of the approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with federal regulations), or a de minimum indirect cost rate as defined in 200.414, paragraph (f).
4. Monitor the activities of subrecipients as necessary to ensure that awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
5. Ensure that subrecipients expending \$750,000 or more in federal awards during the subrecipient's fiscal year have met the audit requirements of Subpart F of 2 CFR Part 200 for that fiscal year.
6. Issue a management decision in accordance with 200.521 Management decision on audit findings that relate to Federal awards it makes to subrecipients within six months of acceptance of the audit report by the FAC and ensure that the subrecipient takes appropriate and timely corrective action.
7. The management decision shall clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee corrective action. The decision should also include the reference numbers the auditor assigned to each audit finding.

8. Require each subrecipient to permit the pass-through entity and auditors to have access to subrecipient records and financial statements as necessary for the pass-through entity to comply with 200.331 Requirements for pass-through entities.
9. Respond to audit confirmation letters. MSHDA, as of the date of this supplement, will only respond to confirmation letters where the subrecipient, based on their accounting records, has provided the payments received by MSHDA before MSHDA replies with the dollar amounts noted in their records.
10. Endorse the performance of additional audits as necessary in situations where the mismanagement of grant funds has been verified or is suspected based on reasonable cause.

Audit Reporting

The auditor's report shall state that the audit was conducted in accordance with Part 200--Uniform Administrative Guidance, Cost Principles, and Audit Requirements for Federal Awards and include the following:

- A. An opinion (or disclaimer of opinion) as to whether the financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles and an opinion (or disclaimer of opinion) as to whether the schedule of expenditures of Federal awards is presented fairly stated in all material respects in relation to the financial statements taken as a whole.

Each audited NHID grant should be listed **separately** by NHID grant number, the corresponding grant award amount, and the expended amount as part of the Schedule of Expenditures of Federal Awards for single audits. If a single audit is not required, each audited NHID grant should be listed separately as in the Supplemental Information Schedule (SIS) for financial statements (see section F below for more specifics regarding the SIS). **Neither NHID grant awards nor grant expenditures should be listed as an aggregate amount in the single audit or financial statements.**

- B. A report on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements. This report must describe the scope of testing of internal control and compliance and the results of the tests, and, where applicable, it will refer to the separate schedule of findings and questioned costs described below.
- C. A report on compliance for each major program and a report on internal control over compliance. This report must describe the scope of testing of internal control over compliance, include an opinion or disclaimer of opinion as to whether the auditee complied with Federal statutes, regulations, and the terms and conditions of Federal awards which could have a direct and material effect on each major program and refer to the separate schedule of findings and questioned costs described below.
- D. A Schedule of Findings and Questioned Costs which includes a summary of the auditor's results, in accordance with 200.515 Audit reporting, findings relating to the financial statements which are required to be reported in accordance with GAGAS, and findings and questioned costs for Federal awards which must include audit findings as defined in 200.516 Audit findings, paragraph (a).
- E. A follow-up from the auditor on prior audit findings, a review of the summary schedule of prior audit findings prepared by the auditee, and a report, as a current year audit finding, when the auditor concludes that the auditee's summary schedule misrepresents the status of any prior audit finding.

Audit Working Papers

- A. Auditors should retain working papers and reports for a minimum of three years from the date of submission of the report to the Federal awarding agency or pass-through entity in the case of a subrecipient the issuance of the auditor's report to the auditee, unless notified in writing to extend the retention period.

Records for program income transactions. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned. Other exceptions to the three-year retention requirement are found in 200.333, Retention requirements for records.

- B. Audit working papers should be made available upon request to HUD, MSHDA or their designee, or the U.S. Government Accountability Office (GAO) at the completion of the audit.

Frequency of Audits

Audits are to be conducted annually except where biennial audits are permitted. Biennial audits, where applicable, must cover both fiscal years within the biennial period. Biennial audits can be performed when:

- A. A local government is required by constitution or statute, in effect on January 1, 1987, to undergo its audits less frequently than annually. This requirement must still be in effect for the biennial period under audit.
- B. A nonprofit organization had biennial audits for all biennial periods ending between July 1, 1992 and January 1, 1995.

Report Submission

- A. Auditors should ensure that each auditee uploads a reporting package to the Federal Audit Clearinghouse's Internet Data Entry System within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.
- B. Auditees should keep the reporting package on file for three years from the date of submission to the federal clearinghouse. Pass-through entities shall keep auditee reporting packages on file for a minimum of three years from the date of receipt.
- C. Local units of government should post their audits on the Michigan Department of Treasury's website (www.michigan.gov/treasury). Auditors can assist with the uploading of this submission.

Audit Costs

A reasonably proportionate share of the costs of audits required by, and performed in accordance with, the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507), as implemented by requirements of the Subpart F of 2 CFR Part 200 are allowable.

Section 2: MI-HOPE Action Steps All Components

TELEPHONE: 517-335-2524

EMAIL: MSHDA-MI-HOPE@MICHIGAN.GOV



MI-HOPE Program Checklist for Subrecipients

The following is a checklist of steps that represents what MSHDA expects all subrecipients to complete. Documents must be maintained in local project files. The list of required documents is generally organized in a chronological order and broken into key phases of the life cycle of a specific project. *Note: There should be a separate file set up for each component and/or project.*

Date Completed

- _____ Partnership Profile Creation and Submission.
- _____ Staff Report Creation by MSHDA and approved by the Subrecipient.
- _____ Grant Documents signed and returned to MSHDA.
 1. Grant Agreement
 2. Certified Resolution(Non-Profits only)
 3. Grant Closing Statement(Non-Profits only)
 4. Authorized Signature Form (Local Units of Government only)
 5. Exhibit A (Eligibility Requirements)
 6. Exhibit B (Project Description)
 7. Exhibit C (Household Self Certification Template)
 8. Exhibit D (Program Administration Report Form)
 9. Exhibit E (Authorization to Release Form)
 10. Exhibit F (Quarterly Reporting Timeline)
 11. Media Kit
- _____ Program Guidelines Creation by the Subrecipient.
- _____ Program Guidelines reviewed and approved by MSHDA.
- _____ Overall Notice to Proceed Issued.
- _____ Application marketed to residents/intake process completed on MSHDA system.
- _____ Verification of Property Eligibility via MI-HOPE project checklist for subrecipients. Address specific information entered and uploaded into the MSHDA Grants System.
- _____ All applicable data has been collected, including the Household Income Self-Certification form, authorization to release information, landlord written participation and certification agreement, demographic information, and lead/asbestos form all required to be uploaded prior to execution of the property specific construction contract.



- _____ Issuance of Contract with an Effective Date, Scope of Work, Completion Date, and Dollar Amount.
- _____ Prior to the start of work, a determination of required inspection and/or confirmation that all other local requirements were met must be made by the subrecipient.
- _____ Notice to Proceed issued by the Subrecipient based on signed and dated formal approval by the homeowner, subrecipient, and contractor, based on an accepted bid/quote (per address).
- _____ If Change order to the Contract is required (submit a modified Pre-Approval form to Champion for approval). Required if there is a change in the scope of work or an increase in price beyond ten percent (10%) of the original estimate and contract amount.
- _____ Financial Status Report (FSR) entered in the system that includes:
 1. Program Administration Report filled out, signed, and uploaded if billing admin.
 2. Upload invoices for all work performed that identifies contractor name, description of the work performed, dates work was performed (start and end) uploaded.
- _____ Retain in file all checks issued and received for each invoice.
- _____ Approval and Request for Contractor Payment Form and Inspection Report must be uploaded to the system prior to FSR.
- _____ Final billing from contractor: Itemized summary listing all project costs.
- _____ Outcomes Report entered in the system that includes:
 1. Uploaded before and after pictures/video
 2. Uploaded MSHDA Homeowner Surveys
 3. Energy efficiency savings projections
 4. Yearly billing analysis
- _____ If the activity is roof, windows, and/or insulation *and* the home is pre-1978 construction then subrecipient must provide a pre-evaluation disclosure of Lead Based Paint Procedure to Property Owner. Property Owner must provide the informational lead brochure to occupant/tenant.
- _____ If the activity is insulation, modification for modernization/efficiency purposes or replacement of heating (furnaces or boilers)/cooling (full home only)/ventilation systems and water heater upgrades including on demand retrofitting, and/or electrical upgrades or replacement directly tied to plaster walls. If a subrecipient determines asbestos to be present, then mitigation measures are required to be completed.



MI-HOPE Project Specific Checklist for Subrecipients

Assisted Property Address: _____ Date App Received: _____

Verification Of Property Within Agency's Area/Zip Code Boundaries Date _____

Applicant Selection Date: _____

Applicant Selection Criteria Utilized: _____

Homeowner/Tenant(s) Names: _____

Contact Information: Phone/Email Address(es) _____

- Clear ID Verification Complete and SIGNED copy of MI-HOPE application
- SIGNED and DATED copy of Household Income Self-Certification Form
- Procurement/Cost Reasonableness/Formal Bids Obtained (2 or 3 if necessary)
- Before pictures, including one that shows entire front of house with address numbers
- Copy of insurance certifications and license for contractor and subcontractors (if applicable)
- Volunteer labor approved by MSHDA (if applicable)
- Proof of current homeowner insurance
- Proof that property taxes are up to date or property is current in a repayment plan
- Inspections/Lead/Asbestos evaluations and actions undertaken
- Activity Scope determined/Specs/Work orders approved by all parties

Description of Work Performed:

- | | |
|---|--|
| <input type="checkbox"/> Roof | <input type="checkbox"/> Functioning and up to date exterior security lighting |
| <input type="checkbox"/> Storm Doors/Exterior Doors | <input type="checkbox"/> Appliance upgrades to energy star rating, i.e., stove, refrigerator |
| <input type="checkbox"/> Windows | <input type="checkbox"/> Electrical upgrades or replacement – wiring of home (partial or full) |
| <input type="checkbox"/> Insulation | |
| <input type="checkbox"/> Modification for modernization/efficiency purposes or replacement of heating (furnaces or boilers)/cooling (full home only)/ventilation systems and water heater upgrades including on demand retrofitting | |

Contract Fully Executed Date: _____

Name of Contractor/Subcontractor: _____ / _____

- Total Contract Amount \$ _____
- Notice To Proceed Issued Date: _____
- Change Orders/Revisions to Contract - Note if >10% MSHDA Pre-Approval Required
Description: _____
- Approval and Request for Contractor Payment(s) Signed and Dated by all Parties
- Reimbursement from MSHDA requested for work performed and approved

Upon Completion of Work

- | | |
|--|--|
| <input type="checkbox"/> After picture | <input type="checkbox"/> Final energy bill/savings calculation |
| <input type="checkbox"/> Invoice(s) submitted/Final billing and Approval Form provided | <input type="checkbox"/> Surveys-Owner/Occupant |

TELEPHONE: 517-335-2524

EMAIL: MSHDA-MI-HOPE@MICHIGAN.GOV



Section 3: MI-HOPE Housing Enhancement Component

TELEPHONE: 517-335-2524

EMAIL: MSHDA-MI-HOPE@MICHIGAN.GOV



Home Energy Analysis/Audit Component Recommendation and Required Actions

- An energy analyst will inspect and identify the best opportunities to save energy and money while improving comfort within the home
- Identify component areas to make valuable home improvements to save energy
- Provide a better understanding of a home's energy efficiency

Note:

- If the MI-HOPE activities are limited to only appliance upgrades, a home energy analysis/audit is not required.
- If MI-HOPE activities are limited to roof repair, only an attic audit is required.

Action Steps

Step #1: Identify utility company servicing the home and analyze monthly energy bills. An initial monthly utility bill must be uploaded as part of the application intake process. On a yearly basis, a utility bill for the same month is required to be collected, tracked, and uploaded as part of the reporting process, until grant close out.

Step #2: Determine what incentives are currently being offered by the utility company

Step #3: Applicant submitted a Home Energy Assessment/Audit by one of the following methods (required):

- A. Home Energy Rating Systems (HERS) Rater, RESNET
- B. Utility Company Energy Rater Program, i.e., Consumers Power or DTE Energy
- C. National Energy Audit Tool (NEAT)
- D. U.S. Department of Energy Home Energy Saver tool [Home Energy Saver\(lbl.gov\)](http://HomeEnergySaver.lbl.gov) or Home Energy Score

Step #4: Review and evaluate results

Step #5: Plan project parameters



Procurement Requirements

Procurement – small purchase procedures are used to provide written documentation on how your agency will validate that the expenses made are reasonable and necessary. The purchase procedures should be part of your program guidelines and followed when selection of contractor(s) occur.

A minimum of two written quotes/cost estimates must be obtained in writing, emails are acceptable. Must contain a name, date, scope of work for a specified property, and a dollar amount per activity. Quotes that are comparable in scope for each activity are needed. If the gap between the two quotes/cost estimates is equal to or greater than 25% (rounded) of the lowest quote/cost estimate you must seek a third quote/estimate. The estimates can be from stores with dated receipts/invoices, activities itemized by type and cost. All quotes/estimates must be itemized and clearly documented and be comparable in scope and materials.

The subrecipient must follow procurement procedures, obtain bids for all necessary work (labor and materials), and determine reasonableness.

Volunteers

We will require MSHDA written pre-authorization to utilize volunteer labor for work not requiring a licensed contractor, based on local requirements as long as lead/asbestos testing is conducted upfront and property does not have Lead/Asbestos issues identified based on test results.

If a property owner is a licensed contractor and requests to complete the work on their own property, then written MSHDA pre-approval is required and all purchases including supplies and equipment must be purchased and completed by the subrecipient on their behalf based on the procurement requirements outlined above.

Failure to secure written pre-approvals from MSHDA will result in a determination of non-compliance that will result in funding awards to applicable properties being denied for reimbursement.



Licensing Requirements

Each subrecipient must ensure that the work is undertaken by a knowledgeable, experienced, and capable individual. Subrecipient assumes responsibility and oversight of all work performance and to ensure cost reasonableness.

Note: The activities outlined below are not all eligible under MI-HOPE, please refer to the Eligible Improvements Activity Guide.

You should be aware that all contractors offering to do work, which totals \$600 or more in labor and materials must be licensed by the Department of Licensing and Regulatory Affairs.

A **Residential Builders license** allows a contractor to build a complete residential structure and to do maintenance & alteration (remodeling) work on a residential structure.

A **Residential Maintenance & Alteration license** indicates that the holder has met requirements for one or more of the following trades:

- Carpentry
- Concrete
- Excavation
- Insulation Work
- Masonry
- Siding
- Roofing
- Screens and Storm Sash
- Gutters
- Tile & Marble
- House Wrecking
- Swimming Pools
- Basement Waterproofing

The trades for which a Maintenance & Alteration contractor is qualified to practice are listed on the license.

The holders' state license must be displayed in the place of business and all contractors, and their salespersons must carry a pocket card which you should ask to see. If they cannot show you a license, check the department's License Information database or call the Licensing Division at 517-335-9700.



Generally, we suggest you look at the definition of a Residential Builder and the list of specialty trades for a Residential Maintenance & Alteration Contractor to see what is required to be licensed. You may wish to review Article 24 of the Occupational Code and read sections 339.2401, 339.2403, and 339.2404. However, over the years some specific services have been removed from the licensing law or rules.

Activity License Requirements

Required

- New Construction/Remodeling of Homes, Apartment Buildings, Condominiums, Townhouses, etc.
- Carpentry
- Concrete
- Excavation
- Insulation Work Requiring Masonry
- Painting & Decorating
- Siding
- Roofing
- Screen & Storm Sash
- Gutters
- Tile & Marble
- House Wrecking
- Swimming Pools
- Replacement Windows/Doors/
- Garage Doors
- Laying Wood Floors
- Basement Waterproofing

Not Required

- Drywall
- Awnings
- Pavers Without Mortar
- House Moving
- Carpeting & Vinyl Floors (Not Wood)
- Fences
- Sewer & Septic, Water Lines, Sprinklers
- Asphalt Paving
- Plaster & Lathe



Approval and Request for Contractor Payment

Activity #: _____ DATE: _____

Name of Owner(s): _____

Property Address: _____

Name of Contractor: _____

Total Contract Amount: \$ _____

Amount Being Approved for Payment: \$ _____

Description of Work Performed:

- | | |
|---|--|
| <input type="checkbox"/> Roof | <input type="checkbox"/> Functioning and up to date exterior security lighting |
| <input type="checkbox"/> Storm Doors/Exterior Doors | <input type="checkbox"/> Appliance upgrades to energy star rating, i.e., stove, refrigerator |
| <input type="checkbox"/> Windows | <input type="checkbox"/> Electrical upgrades or replacement – wiring of home (partial or full) |
| <input type="checkbox"/> Insulation | |
| <input type="checkbox"/> Modification for modernization/efficiency purposes or replacement of heating (furnaces or boilers)/cooling (full home only)/ventilation systems and water heater upgrades including on demand retrofitting | |

Notes, Corrections:

Workmanship:

Subrecipient Approval: I hereby certify that I have reviewed the work completed and find it acceptable as described in the Contract Work Specifications. At this time, the Contractor has completed _____% of the project and a payment of \$ _____ will be processed.

Date: _____

Subrecipient Signature

Request for Contractor Payment

I hereby express approval of the work performed and hereby agree the specified work has been performed to satisfaction by above Contractor. Further, I authorize the above payment.

Date: _____

Signature of Owner

Date: _____

Signature of Owner



Property Owner and Contractor Contract (Sample)
(This document can be modified to reflect Agency criteria)

THIS CONTRACT, dated month, day, year between **PROPERTY OWNER NAME** hereinafter referred to as "Property Owner") and **CONTRACTOR NAME** hereinafter referred to as "Contractor"), sets forth the terms and conditions for work to be performed on the premises located at:

Street Address: Address, City, County, Michigan Zip Code

FOR PURPOSES of this Contract, **SUBRECIPIENT NAME** (hereinafter referred to as "Administrator") shall assume the role of intermediary between the Property Owner and the Contractor in order to provide assistance in completing the work to be performed under the Contract.

ARTICLE I

THE SPECIFICATION entitled "Bid Specifications for Home Improvement Project #_____, are hereby incorporated into this Contract and made a part hereof (hereinafter referred to as "Work Specifications") for the purpose of setting forth the work to be performed under this Contract. All work specifications must be pre-approved by the administrator via a written Notice to Proceed.

ARTICLE II

IN CONSIDERATION of the work performed by the Contractor according to the Work Specifications, the Contractor shall receive a payment in full the sum of dollar amount spelled out, (**\$ numeric amount**), Dollars, which may be paid at the Contractor's option, as follows:

- Option 1:** A sum equal to 100% of the total Contract amount paid upon completion and approval of the work.

- Option 2:** A sum equal to ___% of the total Contract amount at one-half completion and, ___% of the total contract amount at three quarter completion and, at completion and Final approval of work by the Property Owner, an additional_ %.

ARTICLE III

THE WORK to be performed under this Contract shall begin within days from the date of the "Proceed to Work Order" issued by Property Owner. The work shall be completed within days from the start of the work, unless the Contractor can show just cause for the delay of completion and obtains an extension of time in writing and signed by the Property Owner and approved by the Administrator.

ARTICLE IV

IF THE CONTRACTOR fails to complete the work within the specified time, the Administrator (with the consent of and on behalf of the Property Owner) will send the Contractor a letter by Certified Mail requesting completion of the work within a reasonable number of days from the date of the letter. If the Contractor fails to complete the work within the time stipulated, the Property Owner will hire another contractor to complete the work. The second contractor will be paid first. The first Contractor will only be entitled to the difference between the balance of the Contract amount and what is paid to the second contractor, if any, providing that the first and second contractors performed acceptable work.

ARTICLE V

THE CONTRACTOR will provide all materials, equipment, and labor necessary to perform the work stated in the Work Specifications. All work performed under this Contract will be completed in a good and reasonably workmanlike manner in strict adherence to the Work Specifications. "Workmanlike" will include reasonable aesthetic standards. Any work performed by the Contractor which is not stated in the Work Specifications and Work Change Orders authorized by the Administrator will not be paid under this Contract.

ARTICLE VI

THE CONTRACTOR will keep the premises clean, orderly, and safe during the course of the work. It is understood that the premises are to be occupied by the Property Owner during the performance of the work. The Contractor will be responsible for removing the debris from the work site at the completion of the work. Unless otherwise stipulated in the Work Specifications, materials and equipment which are to be removed and replaced as part of the Work Specifications shall become the property of the Contractor. The Contractor shall not use or cause to be used any hazardous materials, such as lead-based paint, in the performance of the work.

ARTICLE VII

IT IS THE CONTRACTOR'S responsibility to obtain any required work permits and arrange for subsequent inspections through the County or City or Township or other Code Departments when applicable. The Contractor will comply with all applicable local codes and ordinances whether or not specifically stated in the Work Specifications and will comply with all applicable State and Federal Codes and Laws, including all applicable licensure laws

ARTICLE VIII

THE CONTRACTOR will be required to perform any related work covered by the "Work Change Orders" issued by the Administrator and approved by the Property Owner. The Contract amount and completion date will be adjusted accordingly to allow time and agreeable compensation for the additional work performance.

ARTICLE IX

THE CONTRACTOR shall furnish evidence of Comprehensive Public Liability Insurance coverage protecting the Property Owner in the event of bodily injury including death for not less than \$300,000. and in the event of property damage arising out of the work performed by the Contractor or subcontractors, of \$100,000. Contractor will further furnish evidence of all other coverage required by Michigan Statutes, including but not limited to Workman's Compensation Insurance, before the start of the work to be performed under this Contract. A statement of Sole Proprietorship must be furnished in cases where Contractor is exempt from Workman's Compensation coverage.

ARTICLE X

THE CONTRACTOR may not assign this Contract to any other Contractor without the express consent of both the Property Owner and the Administrator.

ARTICLE XI

UPON COMPLETION OF THE WORK, the premises will be inspected by the Administrator's Housing Inspector to ascertain if the work stated in the Work Specifications has been completed satisfactorily in the opinion of the Administrator. The Property Owner will be also required to give written approval of the work performed even if the Housing Inspector ascertains that the work has been completed satisfactorily. If it is determined by either, that the work has not been completed satisfactorily or not in accordance with the Work Specifications, the Administrator will, by written notice to the Contractor, advise the Contractor to complete and/or correct the unsatisfactorily work within ten days from the date of receipt of the written notification by the Administrator.

ARTICLE XII

THE CONTRACTOR expressly and impliedly warrants against any faulty materials or workmanship. The Contractor expressly guarantees and agrees to remedy any defects in the work and to pay for any damage to other work resulting therefrom which shall appear within a period of warranty from the date of final acceptance of the work unless a longer period is specified in writing by agreement of the parties. The Contractor will provide a signed statement of "Contractor's Release of Liens and Claims" upon completion of the work from Contractor and any subcontractors, or material men. The Contractor will furnish the Property Owner with all manufacturers and supplier's written guarantees and warranties covering the materials and equipment furnished in the performance of the work under this Contract.

ARTICLE XIII

THE PROPERTY OWNER may not perform any of the work stated in the Work Specifications nor interfere in any way with the work being performed by the Contractor. Property Owner may not remove or alter any of the materials to be used in the performance of work. If the Property Owner is not satisfied with the work being done or the materials being used, the Property Owner will contact the Administrator in writing.

ARTICLE XIV

THE PROPERTY OWNER shall supply the Contractor, at no cost, the use of existing utilities such as light, heat, power, and water necessary to the performance and completion of the work. The Property Owner will provide the Contractor access to the property during the hours of 7:00 a.m. and 6:00 p.m., Monday through Saturday, or as otherwise mutually agreed between, Property Owner and Contractor.

ARTICLE XV

THE ADMINISTRATOR is held harmless by the Property Owner and Contractor as to any and all damages, injuries or losses, claims or cause of action. It is expressly understood by and between the parties that the Administrator does not guarantee the performance of and/or completion of work performed or to be performed pursuant to this Contract, nor does the Administrator warrant either impliedly or expressly the work, products, materials, or services provided by this Contract.

The Administrator will not be responsible for any oral or written agreements, in addition to the original contracted work as stated in the Work Specifications, between Contractor and Property Owner. This Contract constitutes the entire agreement between the parties and cannot be in any way altered, modified, or rescinded, except by its own terms or by written agreement of all the parties hereto.

ARTICLE XVI

Payment shall be made directly to the Contractor by the Subrecipient with the consent of and on behalf of the Property Owner.

ARTICLE XVII

IN THE EVENT a dispute arises hereunder between Contractor and Property Owner, the parties hereby agree: That if an impasse is reached between the parties during the construction phase of the project, the Administrator will be contacted and act as intermediary of the dispute; once project completion and disbursement of funds has occurred, Property Owner accepts responsibility for obtaining relief through appropriate channels such as the Michigan Department of Licensing and Regulation.

ARTICLE XVIII

DURING THE PERFORMANCE, of any contract under the Housing Program, the Contractor hereby agrees that the Contractor will not discriminate against any employee or applicant for employment because of Race, Color, Religion, Sex, or National Origin. The Contractor will take affirmative action to ensure that applicants are employed, and treated during employment without regard to their Race, Color, Religion, Sex, or National Origin. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to their Race, Color, Religion, Sex, or National Origin. The Contractor shall further comply with all State or Federal laws regarding Disabilities, Age, or other Civil Right Statues.

ARTICLE XIX

THE PROPERTY OWNER AND THE CONTRACTOR agree they have read and understood the terms of this Contract. In the event the Contractor has demonstrated non-compliance with any of the above clauses or those attached to the Contract, the Contract may be canceled, terminated or suspended, in whole or part, and the Contractor may be declared INELIGIBLE for future work by this program.

**IN WITNESS WHEREOF, the parties hereto have executed this Contract this date
day of month, year.**

WITNESS:

Witness Name

PROPERTY OWNER(S):

Property Owner Name

Property Owner Name

CONTRACTOR:

Witness Name

Contractor Name and Title

DBA Name: _____

FEIN # _____

SUBRECIPIENT:

Name

Contact #

Subrecipient Lead and Asbestos Compliance Requirements

The attached guidance will mostly pertain to MI-HOPE subrecipients with housing enhancement activities. With the Housing Opportunities Promoting Energy Efficiency Program there are some judgement calls that need to be made on each component and per each activity. These judgement calls would be made specifically by each subrecipient, who knows best what their work involves. To be clear, these are judgements about things like whether lead or asbestos-containing material are likely to be disturbed and to what degree, not judgements on whether or not these laws apply, for they do. The goal of this guidance is to make you aware of the basic tenets of the laws. The determination of the process that will be used should be incorporated into your agency's program guidelines.

The following environmental rehabilitation component standards shall be part of a holistic rehabilitation activity. No stand-alone environmental activities are allowed.

If you have any questions in regard to the activity you are completing and lead and asbestos, please contact: Jim Davis, MI-HOPE Program Manager, 517-335-0560 or DavisJ83@michigan.gov.

Purpose

To establish MSHDA's expectations for compliance with lead and asbestos regulations for MI-HOPE funded projects.

Background

Although MI-HOPE is not sourced from the Department of Housing and Urban Development (HUD) and therefore not subject to HUD-Specific environmental review requirements (e.g., 24 CFR 35, 24 CFR 58)¹, MI-HOPE recipients and contractors are responsible for complying with all federal, state, and local public health and environmental laws or regulations that apply to activities under this eligible use category. Requirements around the handling and disposal of asbestos-containing materials, lead paint, and other harmful materials may apply. Treasury also encourages recipients to consult and apply best practices from the Environmental Protection Agency.

1. Lead Based Paint – EPA's Renovation, Repair and Painting (RRP) Rule

The EPA's Lead Renovation, Repair and Painting (RRP) Rule requires that firms performing renovation, repair and painting projects that disturb lead-based paint in homes built prior to 1978 have their firm certified by the EPA. When lead painted surfaces are disturbed during a MI-HOPE rehabilitation activity, subrecipients must use certified renovators who are trained by EPA-approved training providers and follow lead-safe work practices.

¹ If MI-HOPE funds are blended with federal funds, then additional requirements may apply.



All contractors working on MI-HOPE-funded projects in qualifying homes must have a current EPA RRP certification. However, a current EPA RRP certification is not required for trades people that are not working on lead paint surfaces. The subrecipient shall request and maintain proof of RRP certification in the project file along with documentation of lead-safe work practices and cleaning verification. At least one certified renovator must be at the job site when work is being done and all individuals trained in the use of lead safe work practices, per the RRP rule. For more information on lead-based paint how the RRP rule applies to your project, please contact the National Lead Information Center at (800) 424-5323.

2. Asbestos - National Emissions Standards for Hazardous Air Pollutants (NESHAP) & OSHA worker protection standards

Promulgated in 1973, the goal of EPA's NESHAP regulation is to minimize the release of asbestos fibers during renovation and demolition activities. Although there is a single-family, exemption clause in NESHAP, activities funded as part of a larger project, such MSHDA/HUD grants, are not covered under this exemption. Compliance with NESHAP may require an asbestos inspection prior to renovation activities. This inspection will determine whether building components in the scope of work are Asbestos Containing Materials or ACM (material >1% asbestos) and how much ACM is present. It will also determine whether some or all of the ACM is friable or regulated and therefore may require abatement. If abatement is necessary, it must be completed by a currently licensed Asbestos Abatement Contractor.

The Occupational Safety and Health Administration (OSHA) regulates worker protection and exposures to asbestos. Within the Michigan Department of Licensing and Regulatory Affairs (LARA), the Michigan Occupational Safety and Health Administration (MIOSHA) Asbestos Program administers the federal OSHA asbestos standards. The MIOSHA Asbestos Program also accredits and licenses professionals in the asbestos industry and processes asbestos abatement project notifications which require specific procedures that differ from NESHAP notification procedures. Contractors are responsible for OSHA compliance with worker safety provisions.

Only EPA asbestos certified specialist workers along with a supervisor can carry out asbestos abatement tasks. Asbestos activities must be associated with an approved rehabilitation activity.



Although only an inspection can determine whether a building material contains asbestos, some well-known ACM components include:

- Cement shingles
- Roofing felt, coatings, shingles and/or tiles
- Millboard
- Pipeline wrap
- Gaskets
- Boiler wrapped pipes
- Transit siding
- 9"x9" vinyl-asbestos floor tiles
- Vermiculite insulation-attics and walls
- Various plaster material at walls and ceilings
- Various mastics, glue caulks, glazing, etc.

For more information on how NESHAP or OSHA worker protection standards apply to your project, please contact the MDEQ NESHAP Program at (517) 284-6777 or the MIOSHA Asbestos Program at (517) 284-7680.



**PRE-EVALUATION DISCLOSURE OF
LEAD BASED PAINT PROCEDURES TO PROPERTY OWNER**

Pre-1978 Home Yes No

If yes, please complete the form below. If no, you are exempt from the next steps.

Dear Property Owner

You have applied for federal funds through our agency to rehabilitate housing that was built prior to 1978. Please carefully review the following procedures that may apply.

DISCLOSURE

Our agency is required to give you a brochure entitled "Protect Your Family from Lead In Your Home". If the housing you are rehabilitating is rental property and you have tenants in the unit(s), you must give the tenant(s) a copy of this brochure. Effective December 22, 2008, for rehabilitation of homes built before 1978, an EPA brochure entitled "Renovate Right – Important Lead Hazard Information for Families, Child Care Providers and Schools".

In addition, if a Risk Assessment is conducted as described below, you will receive a summary of the results of that assessment, or the actual risk assessment report. If the housing is rental housing, you are required to post or distribute this disclosure statement in a manner that ensures that all tenants can review the results.

If any lead hazard control activities are undertaken, and clearance is required, you will also receive a summary of the results of the clearance. If the housing is rental housing, you are required to post or distribute this disclosure statement in a manner that ensures that all tenants can review the results.

Under Federal lead-based paint regulations 24 CFR Part 35-125 you are required to disclose all information on lead paint hazards contained in the report, to anyone who may wish to purchase or rent the dwelling from now on.

RISK ASSESSMENT

For rehab projects that require \$5,000 or more in federal assistance, a Risk Assessment must be completed prior to conducting any rehab work. The intent of the risk assessment is to identify all lead paint hazards that may exist at the property and lead-based paint in any surfaces that will be disturbed by the rehab work. A risk assessment does not identify all lead paint. You must disclose the presence of any lead-based paint or lead-based paint hazards confirmed by the Risk Assessment to any future renter or buyer, unless the identified lead-based paint is fully abated.

SAFE WORK PRACTICES

All lead hazards that are identified in the Risk Assessment will be addressed as part of the rehabilitation process. While this may affect the total cost of the project, the agency will cover these costs from funds made available by the State. This may, however, increase the size of the lien placed on your property.

For any work addressing hazards or lead-based paint, safe work practices will be followed. There are federally required procedures to ensure that the hazard is addressed, and the work areas are cleaned to ensure no contamination. To ensure your safety during this process, you may be required to relocate temporarily, restrict your access to such areas and/or have your belongings stored. On completion of any hazard control work, clearance tests will be conducted to ensure you can safely occupy the unit. You will receive a report of the results.

By signing below, you acknowledge that you have received and read the brochure “Protect Your Family From Lead In Your Home” and/or, effective December 22, 2008, for rehabilitation of homes built before 1978, an EPA brochure entitled “Renovate Right – Important Lead Hazard Information for Families, Child Care Providers and Schools”, you have also read and understand the this disclosure statement, and you will comply with the requirements to disclose the information to any occupants of the property.

Date

Owner's or Tenant's Name, Owner and/or Tenant

Property Address:

*Address
City, State Zip*

Agency Name

Date

Agency Administrator Name, Title

TELEPHONE: 517-335-2524

EMAIL: MSHDA-MI-HOPE@MICHIGAN.GOV



Michigan Occupational Safety and Health Administration (MIOSHA) Fact Sheets & Standards

Asbestos

OSHA regulates worker protection standards and exposures for Asbestos Materials. For details regarding the OSHA regulations, refer to 29 CFR 1910.1001 (non-construction) and 1926.1101 (construction)

Asbestos:

The Michigan Occupational Safety and Health Administration (MIOSHA) Asbestos Program was initiated in September of 1986. The primary function of the program is to assure that the people working with asbestos are properly trained and the individuals performing asbestos removal comply with rules governing the work activity. These rules are designed to protect not only the individual employee performing asbestos abatement work, but also the general public that occupy the area or building in which the work occurs.

Owner occupied primary residences may contain material components which have historically been proven to have Asbestos-Containing Materials (ACM's) and are subject to testing and/or assumption they contain asbestos, if disturbed during rehabilitation activities, these material components shall be subject to testing, abatement protocol for worker and occupant safety. The following is a list of various examples "but not limited to" some residential building components historically proven to have ACM's.

- boiler wrapped pipes
- transite siding
- 9" x 9" floor tiles
- vermiculate insulation-attics and walls
- various plaster material at walls and ceilings
- Various mastics, glues, caulks, glazing etc...

1. The following websites/PDF are MIOSHA Asbestos Fact Sheets and Standards for general construction activities and/or projects.



MIOSHA Asbestos
Fact.pdf

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2. Asbestos Safety & Health Standards in Construction

[2020-055 LE CS Part 602 Asbestos in Construction \(print version\) \(michigan.gov\)](#)

[29 CFR § 1926.1101 - Asbestos. | CFR | US Law | LII / Legal Information Institute \(cornell.edu\)](#)

Lead Paint

The Michigan Occupational Safety and Health Administration (MIOSHA) regulates worker protection standards and exposures for Lead Based Paint. MIOSHA's Lead Standard for the Construction Industry, Title 29 Code of Federal Regulations 1926.62, covers lead in a variety of forms, including metallic lead, all inorganic lead compounds, and organic lead soaps. Lead Based Paint:

In 1992, Congress passed the Housing and Community Development Act (Public Law 102–550), which included as Title X the “Residential Lead-Based Paint Hazard Reduction Act of 1992.” Title X is a comprehensive law designed to direct the Nation’s response to the public health problem of lead-based paint hazards in housing. This law directed the Occupational Safety and Health Administration to increase the protection for workers exposed to lead hazards throughout the construction industry.

1. The following websites/PDF are MIOSHA Lead Based Paint Fact Sheets and Standards for the general construction industry.



OSHA Lead Paint
Fact_C012.pdf

2. MIOSHA-STD-1403 (03/21) Part 603. Lead Exposure in Construction

[BSR-STD- \(michigan.gov\)](#)

[Lead in Construction \(osha.gov\)](#)



MI-HOPE Component Standards for Allowable Rehabilitation Activities

Eligible Qualified MI-Hope Activities

All MI-HOPE program financed activities are specific and necessary health and safety improvements to an existing structure occupied with a qualified financial hardship based on presumed benefit. Activities undertaken must be selected based on inspection, code compliance documented needs, energy assessment/audit recommendations and if needed to comply with certain codes and ordinances per local building official reports.

MI-HOPE assisted activities are limited to:

- Roof
- Storm Doors and Exterior Doors.
- Windows.
- Insulation.
- Modification for modernization/efficiency purposes or replacement of heating (furnaces/boilers) cooling (full home only) ventilation systems and water heater upgrades including on demand retrofitting.
- Functioning and up to date exterior security lighting.
- Appliance upgrades to energy star rating.
- Electrical upgrades or replacement wiring of home, partial or full.

NOTE: All MI-HOPE construction activities shall comply with the standards within this document.

Energy Rehabilitation Standards

Standards for energy efficient rehabilitation upgrades provide direction in making appropriate choices for treatments that guide homeowners on how to save money on utility cost and ultimately reduce the carbon footprint of their home. The inclusion of component guidelines describes specific treatments that do or do not meet the standards.

Guidelines include providing convenient and valuable web-links to State and Local Energy Codes, EPA information and best practices, Energy Star articles and guidance on the highest energy efficient furnaces, water heaters, windows, doors, air sealing and other energy saving household items such as lighting, air cleaning, smart thermostats, appliances, and advice on household behavior to saving energy. The energy rehabilitation standards appropriately guide homeowners, state or county grant administrators, energy auditors, contractors, and housing sub-trades to properly implement energy related rehabilitation activities within their prospective business areas of expertise.



At minimum the Energy Rehabilitation Standards should address:

- **Health and Safety**- items such as asbestos containing materials, lead paint, and other life-threatening deficiencies, which must be addressed immediately if the home is occupied at the time of rehabilitation.
- **Major Systems** – including roofing, weatherproofing, windows, doors, attic wall and floor insulation, air sealing, gutters, electrical, whole house heating and air conditioning, water heaters, ventilation, lighting, appliances, whole house generators, solar panels, and environmental activities associated with applicable rehabilitation activities.
- **Energy Audits**- Standards must require a professional energy audit to properly evaluate the home systems, and upon project completion, energy audit analyzing the energy savings.

Pitched Roofs

Repair Standards

- Missing and leaking shingles and flashing will be repaired on otherwise functional roofs. Slate, metal, and tile roofs will be repaired when possible. Antennas will be removed.

Replacement Standard

- No more than 2 layers of roofing are permitted. Install fiberglass, asphalt, 3-tab or architectural, class A shingles with a prorated 25/30-year warranty. When possible, a continuous ridge vent will be installed over 30-lb. felt with new drip edge on all edges. Ice and water shield will be installed per local/state codes and manufacturer's specifications.

NOTE: MI-HOPE (Roof Only Projects) shall have a comprehensive attic space energy audit completed to evaluate attic insulation R-Value and proper ventilation to meet the following criteria.

- Attic insulation shall be a minimum of R-49 with soffit baffles installed when there are soffit vents to maintain ventilation at the eaves. All soffit & fascia components shall be in good condition and vented where possible. Gutters and Downspouts **shall be installed** per MI-HOPE standards written within this document.



Gutters and Downspouts

Repair Standards

- **Gutters & Downspouts** must be in good repair, leak free and collect storm water from all lower roof edges. Concrete or Plastic splash blocks will be installed to move water away from the foundation. The system must move all storm water away from the house/building and prevent water from entering the structure.

Replacement Standards

- **K-Style Aluminum Gutters & Downspouts** will be installed to collect storm water from all lower roof edges and upper roof areas where needed. Leaf guards will be installed, color to match new gutters & downspouts. Concrete or Plastic splash blocks will be installed to move water away from the foundation. The system must move all roof component storm water away from the house/building and prevent water from entering the structure. Downspout outlets shall project a minimum of 3 feet away from the foundation.

Exterior Doors & Storm Doors

Repair Standards

- **Exterior Doors**- shall be solid, insulated, weather-stripped, and will operate smoothly. They will include a peep hole or light panel, a dead bolt, and an entrance lock set keyed to match.
- **Storm Doors**- shall be in good working condition, sealed tight when closed and ventilated with either one screen for full view or two screens with double glass windows.

Replacement Standards

- **Replacement doors**- at the front of the property for historically significant buildings will be historically sensitive. Local Historic District approval may be needed.
- **Exterior Doors**- Steel, six-panel doors with lite panels may be installed on homes that are not historically significant. Dead bolt locks and entrance lock sets will be installed on all exterior doors keyed to match. *All new doors shall be insulated, weather-stripped and airtight.*
- **Storm Doors- shall be insulated, sealed tight** when closed and ventilated with either one screen for full view or two screens with double glass.

Windows

Repair Standards

- All windows will operate, remain in an open position when placed there, lock when closed and the open section will be covered with a screen.



Replacement Standards

- Windows that are not repairable may be replaced and will meet the ENERGY STAR standard for this geographic region.
- http://www.energystar.gov/index.cfm?c=windows_doors.pr_anat_window
- Windows on key façades of historically sensitive properties will be of the style, size and profile of the existing windows and building type. New windows on other properties may be vinyl and double-glazed.
- [Consumer Guide to Energy-Efficient Windows](#)
- [ENERGY STAR Program Requirements for Windows, Doors & Skylights](#)

Air Sealing/Insulating and Michigan Uniform Energy Codes

Air Sealing/Infiltration & Leakage

Repair Standards

- All homes or rental units will be tested with a Blower Door and existing air sealing shall be repaired to attain 4 to 8 Air Changes per Hour at 50 Pascal pressure (4-8 ACH50). All Duct work shall be sealed per Energy Star Standards and with approved materials.

Replacement Standards

- All homes or rental units will be air sealed to meet the Blower Door test requirements of 4 to 8 Air Changes per Hour at 50 Pascal pressure (4-8 ACH50). All Duct work shall be sealed per Energy Star Standards and with approved materials.
- Air Sealing: See further information. Attic, Windows and Doors, Basement & Crawl Spaces.
- [Attic Air Sealing Project | ENERGY STAR](#)
- Do it yourself guide. [A Do-It-Yourself Guide to Sealing and Insulating with ENERGY STAR: Sealing Air Leaks and Adding Attic Insulation](#)
- [Duct Sealing | ENERGY STAR](#)

Insulation Types and Standards

NOTE: All MI-HOPE home insulating will be completed utilizing the Department of Energy (DOE) R-values and utilize approved insulation types that comply with Michigan Residential Codes.

- When insulating your home, you can choose from many types of insulation. To choose the best type of insulation, you should first determine the following:
 - Where you want or need to install/add insulation.
 - The recommended [R-values](#) for areas you want to insulate.



R-Values

- An insulating material's resistance to conductive heat flow is measured or rated in terms of its thermal resistance or R-value -- the higher the R-value, the greater the insulating effectiveness. The R-value depends on the type of insulation, its thickness, and its density. The R-value of most insulations also depends on temperature, aging, and moisture accumulation.
- [Types of Insulation | Department of Energy](#)

MI-HOPE Recommended Areas:

- Basement Walls-Interior and/or Exterior, Rim Joist, Floors, Walls, Ceilings, Attics & access covers. Reflective surfaces can be used in attics per manufacturer standards.

Michigan Codes: [Chapter 11: \[RE\] Energy Efficiency, 2015 Michigan Residential Code | UpCodes](#)

- R 408.30524 Michigan uniform energy code. [Michigan | Building Energy Codes Program](#)
- [Bureau of Construction Codes - 2009 Michigan Uniform Energy Code - Residential & Commercial \(bloomfieldhillsmi.net\)](#)

NOTE: All MI-HOPE projects shall comply with the Michigan Residential Code Part 5.

Michigan Residential Code (Part 5) [Microsoft Word - R 408.30501 to 408.30547 \(state.mi.us\)](#)

- Michigan Climate Zones R 408.30547c General; Specifically, Pages 69, 70, 71, 72.

Building Thermal Envelope R408.30547d

- Thermal Envelope Pages 73,74-Tables on 75, 76, 77, 78, 79, 80, 81 and 82.
- R408.30547f Systems: Pages 83, 84, 85.

IECC Compliance Guide for Homes in Michigan

- [MI-2009.pdf \(insulationinstitute.org\)](#)

Michigan Energy Code

[Ten things to know about the 2021 Michigan energy code based on the ASHRAE 90.1-2019 standard | Consulting - Specifying Engineer \(csemaq.com\)](#)



Heating Systems

Repair Standards

- Workable existing heating systems will be inspected and serviced to operate in a safe manner with the highest energy efficiency possible for the heating unit.
- Boiler Systems shall be inspected for proper operation and repaired as applicable for good operation and energy efficiency.
- Electric heating systems shall be removed and replaced unless such units have a current energy star approved rating.

Replacement Standards

- Gas-fired heating plants will be rated at $\geq 97\%$ AFUE or better. Oil-fired boilers will be rated at $> 85\%$ AFUE or better. All heating units shall be properly sized utilizing the climate zone & area square footage to determine British Thermal Units (BTUs). A professional Heating & Cooling Contractor shall perform all calculations and provide them to the homeowner.
- Metrics for HVAC Systems & IECC Climate Zone Map; [IECC climate zone map | Building America Solution Center \(pnnl.gov\)](#)
- Programmable Thermostats shall be installed on all new heating systems regardless of type.
- (Smart) Heat Pump Thermostats work on Wi-Fi internet. For customers in rural areas that have intermittent internet or simply bad internet service, the installer shall provide a separate thermostat installed on the outside within the condenser to allow natural means of temperature measurements triggering heat or cooling, allowing your home to lose heat energy to the surrounding environment more slowly especially at very low temperatures.
- Companies with specially designed programmable thermostats for heat pumps are acceptable, which make setting back the thermostat cost-effective. These thermostats typically use special algorithms to minimize the use of backup electric resistance heat systems. NOTE: Specially designed heat pump thermostats may still need additional exterior thermostats installed where internet service is poor.
- Wood and Pellet Heating units cannot be installed as the main heating furnace without prior approval by NHID and/or MI-HOPE Program/Construction Manager. See more information on Wood and Pellet Heating types; [Wood and Pellet Heating | Department of Energy](#)

Boiler Systems: Energy Star boiler systems have annual fuel utilization efficiency (AFUE) ratings of 87% or greater for oil boilers and 90% or greater for gas boilers. AFUE is the measure of heating equipment efficiency. They achieve greater efficiency with features, including:

- Electronic ignition, which eliminates the need to have the pilot light burning all the time
- New combustion technologies that extract more heat from the same amount of fuel
- Sealed combustion that uses outside air to fuel the burner, reducing drafts and improving safety
- Furnaces and Boilers: See more information on Furnaces and Boilers. [Furnaces and Boilers | Department of Energy](#)
- Michigan Boiler Codes:
- [Microsoft Word - R 408.30501 to 408.30547 \(state.mi.us\)](#). Specifically, Page 40



Air Conditioning

Repair Standards

- Non-functioning, non-repairable air conditioners will be removed and drained of all CFCs. Existing central air conditioning will be inspected, serviced, and refurbished to operate safely and efficiently. If the existing system cannot conform with the AC (replacement) standard, the system shall be replaced.

Replacement Standards

- ***Energy Star Cooling Systems:*** The installation of whole house air-conditioning shall conform to the following most common Energy Star rating for AC Systems.

DAY & NIGHT - 13 SEER N SERIES R410A AC

Type: Split System

Cooling Capacity: 17,000 - 47,000 BTUs (1.4 - 3.9 tons)

SEER: 15.0

EER: 12.5 - 13.0

- Heat Pump Systems as written within these standards are acceptable for both air-conditioning and heating.
- For more information on Energy Star Heating and Cooling Systems:
www.ceedirectory.org/site/1/Home

Water Heaters

Repair Standards

- Each housing unit will have a working water heater less than 5 years old with a minimum capacity of 40 gallons if it is gas-fired. Gas water heaters more than 3 years old may be repaired if a repair will make it operable. All electric water heaters will be replaced with a gas-fired model or demand electric heater, or gas heater as described within the Replacement Standard.

Replacement Standards

- All New Water Heater units shall meet Energy Star Certification. Tank type units shall be a minimum 40-gallon, 40,000 BTU natural or propane gas-fired water heater with a 10-year warranty, installed to the mechanical code and electrical code as applicable.
- NOTE: For homes that use 41 gallons or less of hot water daily, ***demand type water heaters*** can be 24% to 34% more energy efficient than conventional storage tank water heaters; therefore, homes that use 41 gallons or less, electric or gas (demand) type fired systems can be installed.
[Tankless or Demand-Type Water Heaters | Department of Energy](#)
- Energy Star Certified Heat Pump Water Heaters can be installed when feasible. See Energy Star Savings & Pay Back Link-[Save Money and More with ENERGY STAR Certified Heat Pump Water Heaters | ENERGY STAR](#) & [Super-Efficient Water Heater | ENERGY STAR](#)



Exterior Security Lighting

Repair Standards

Bulb Replacement Only: DOE Recommended LED bulbs. NOTE: If the current fixture does not allow for LED bulbs, the fixture shall be replaced per (Replacement Standard)

Replacement Standards

- When replacement or installation of exterior lighting is performed, all new lighting fixtures and bulbs shall be energy efficient lighting per Department of Energy Standards. Minimum Standard: LED fixtures and bulbs shall be the replacement standard unless otherwise recommended by the Department of Energy.
- NOTE: When designing outdoor lighting, consider the purpose of the lighting along with basic methods for achieving energy efficiency.

Outdoor lighting for homes generally serves one or more of three purposes:

- Aesthetics, Illuminate the exterior of the house and landscape.
- Security, Illuminate the grounds near the house or driveway.
- Utility, Illuminate the porch and driveway to help people navigate safely to and from the house.

Here are some basic methods for achieving energy-efficient outdoor lighting.

- Security and utility lighting does not necessarily need to be bright in every instance to be effective.
- Consider LED flood lights with combined photosensors and motion sensors in the place of other security lighting options.
- [Lighting Controls | Department of Energy](#)
- Make sure outdoor light fixtures have reflectors, deflectors, or covers to make more efficient use of the light source and help reduce light pollution
- Whenever possible use outdoor solar lighting fixtures
- [Outdoor Solar Lighting | Department of Energy](#)
- Use timers and other controls to turn decorative lighting on and off.

Energy Efficient Lighting Information, Décor Ideas and Products.

- [Lighting Design | Department of Energy](#)
- [Top 8 Outdoor Lighting Safety Tips To Keep You Safe \(lightscoop.com\)](#)

Appliances

Repair Standards

- All appliance units shall be in good working condition and comply to current Energy Star standards and be no more than 5 years old.

Replacement Standards

- New appliances shall be current ENERGY STAR-labeled and have current ratings. All new cooking ranges will be electric or natural gas. Propane is acceptable only within areas where natural gas is not available.
- Smart Energy Star Appliances are acceptable when budgets allow them. Current Energy Star Rated Appliances; see product finder: www.energystar.gov/productfinder/
- All US energy star information is located at the www.energystar.gov website.

Appliances are limited to: Kitchen-Refrigerators, Stoves, Microwaves, Dishwashers. Laundry-Washer & Dryer. All new installed appliances shall match.

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Electrical Upgrades

Partial or Full Electrical Upgrades: All MI-HOPE projects involving electrical wiring upgrades shall meet all (current) Michigan Residential Electrical Building Codes and associated Local Codes. All projects shall have electrical permits, associated approved progress and final inspections. [Michigan Residential Electrical Building Codes \(legalbeagle.com\)](http://legalbeagle.com)

Residential Environmental & MIOSHA Lead Based Paint (LBP)

Repair Standards

- For all houses constructed prior to 1978 and investment of \$5,000 or more, grantees must perform a Combination Inspection Risk Assessment. Post Rehabilitation Clearance Testing Protocol and associated sampling must be submitted to an Environmental Protection Agency (EPA) accredited lead analytical laboratory and the dust samples must pass a dust wipe test for lead content as per the protocol in the HUD Guidelines.
- EPA Certified Firms shall perform Lead-safe Work Practices on Interim Control projects. [BSR-STD- \(michigan.gov\)](http://BSR-STD-(michigan.gov))
- All Lead Related Topics: [Lead | US EPA](#)

Replacement Standards

- When stabilization of surfaces containing LBP is impractical, the most affordable solution for abatement of the component will be chosen. Walls containing LBP may be covered with drywall or gutted and replaced with drywall. Trim and other wood or metal components containing hazardous LBP may be removed and replaced with similar materials. Lead-safe work practices must be followed, and only Certified Abatement Contractors used to perform the work.
- [Lead Exposure in Construction \(michigan.gov\)](#)
- [Preambles to Final Rules | Occupational Safety and Health Administration \(osha.gov\)](#)
- [Fact Sheet: EPA and HUD Move to Protect Children from Lead-Based Paint Poisoning: Disclosure of Lead-Based Paint Hazards in Housing](#)

Asbestos

Repair Standards

- Non-friable intact Asbestos materials that are not creating a hazard such as cementitious exterior wall shingles may be left intact and painted if appropriate. Asbestos-resilient floor tiles may be labeled as such and covered with underlayment and new resilient flooring. [MIOSHA Asbestos Fact.pdf](#)



Replacement Standards

- Friable asbestos components such as boiler or pipe insulation, badly deteriorated cementitious shingles or deteriorated flooring will be removed and, if necessary, replaced with non-hazardous materials.
- [2020-055 LE CS Part 602 Asbestos in Construction \(print version\) \(michigan.gov\)](#)



MIOSHA Asbestos
Fact.pdf



MIOSHA Lead Paint
Fact_C012.pdf

Mold

Repair Standards

- Any presence of mold is unacceptable and must be addressed per the National Center for Healthy Housing protocol “Creating a Healthy Home.” [A Brief Guide to Mold, Moisture and Your Home | US EPA](#)

Replacement Standards

- NOTE: Mold Remediation for the MI-HOPE is required when directly associated and tied to approved activities. Standalone mold projects are not permitted.



Reporting Responses:

Project Workforce Continuity Plan

*How the recipient will ensure the project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure high-quality construction throughout the life of the project, including a description of any required professional certifications and/or in-house training?

*How will the recipient minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the project?

*How the recipient will provide a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities, including descriptions of safety training, certification, and/or licensure requirements for all relevant workers (e.g., OSHA 10, OSHA 30)?

*Will workers on the project receive wages and benefits that will secure an appropriately skilled workforce in the context of the local and regional labor market?

*Does the project have a completed project labor agreement?

Figure 37 Additional Questions if Response to Certifications of Labor Agreements is "No"

Within the written construction contract there will be provisions outlining the process of work approval:

UPON COMPLETION OF THE WORK, the premises will be inspected by the Administrator's Housing Inspector and/or MSHDA's NHID Construction Manger to ascertain if the work stated in the Work Specifications has been completed satisfactorily in the opinion of the Administrator. The Property Owner will be also required to give written approval of the work performed even if the Housing Inspector ascertains that the work has been completed satisfactorily. If it is determined by either, that the work has not been completed satisfactorily or not in accordance with the Work Specifications, the Administrator will, by written notice to the Contractor, advise the Contractor to complete and/or correct the unsatisfactorily work within ten days from the date of receipt of the written notification by the Administrator.

Within the written construction contract there will be provisions outlining the process of minimizing labor disputes:

IN THE EVENT a dispute arises hereunder between Contractor and Property Owner, the parties hereby agree: That if an impasse is reached between the parties during the construction phase of the project, the Administrator will be contacted and act as intermediary of the dispute; once project completion and disbursement of funds has occurred, Property Owner accepts responsibility for obtaining relief through appropriate channels such as the Michigan Department of Licensing and Regulation.



c) Whether the project prioritizes local hires (see Figure 38).

Each subrecipient will follow their procurement procedures which may include prioritization of local hires but is not required by the program guidelines.

d) Whether the project has a Community Benefit Agreement, with a description of any such agreement (see Figure 38).

Does the project prioritize local hires? --None--
Does the project have a Community Benefit Agreement, with a description of any such agreement? --None--

The subrecipients are not anticipated to have Community Benefit Agreements in place as they are not applicable to the single-family home repairs being undertaken within MI-HOPE.



Section 4: Documents

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MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
AMERICAN RESCUE PLAN
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS
CONFLICT OF INTEREST POLICY

The following conflict of interest standards apply to all recipients of and participants in any program administered by the Michigan State Housing Development Authority (the “Authority”) using American Rescue Plan Coronavirus State and Local Fiscal Recovery Funds (the “SLFRF Program”), including, but not limited to, officers and employees of the Authority and any vendors, agents, contractors, and subcontractors working with the Authority in connection with the SLFRF Program.

Conflict of Interest

A conflict of interest occurs when an employee that either works on the SLFRF Program (i.e.: participates in the selection, award, or administration) or is receiving an award from the SLFRF Program (this includes both permanent or limited term and contract employees; collectively, “Employee”) or an immediate family member of the Employee has a direct, actual financial or ownership interest in a development, program or matter pending before the Authority. In such a case, the Employee or immediate family member must either withdraw from the interest that creates the conflict or remove the matter from the Authority’s consideration. Conflict of interests will be subject to the Authority’s Code of Ethics and may be reviewed by the Authority’s Ethics Committee.

A conflict of interest may also occur if friends, family members, or business associates of an Employee apply for and receive program benefits. To avoid such a conflict, the Employee must disclose any family, friend, or business associate relationship with a program applicant to the Authority’s Director of the SLFRF Program and/or Operations Manager and must not participate in the processing, approval, underwriting, or administration of such application for assistance, or any other related decision-making.

A conflict of interest may also occur if an Employee or an Employee’s immediate family member receives a gift, gratuity, favor, loan of money, or other thing of value from a person or organization applying to a SLFRF Program or otherwise doing business with the Authority. An Employee or an Employee’s immediate family member may not solicit or accept any money, gift, loan, services, goods, or other thing of value from a person or organization applying to, or doing business with, the Authority except under the following circumstances:

- a. A *de minimis* gift of \$20 or less in value.
- b. Meals or beverages paid for by a person or organization doing business with the Authority if incidental to a business meeting, seminar, training session, or other organized function that has a purpose beyond the providing of the meal or beverage.

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A conflict of interest may also occur based on the appearance of a conflict, whether or not an actual conflict exists. An Employee must treat any apparent conflict in the same manner as an actual conflict.

If you believe a conflict or potential conflict or the appearance of a conflict exists, please report in writing to the Authority's Director of the SLFRF Program and/or Operations Manager, the Authority's Director of Legal Affairs, and the United States Department of the Treasury.

Employee and Immediate Family Member Participation in SLFRF Programs

An Employee of the Authority or the SLFRF Program and/or that Employee's immediate family member may apply for assistance through a SLFRF Program. To avoid any actual or perceived favoritism or conflict of interest, the Employee and the Authority must observe the following principles and guidelines:

- a. The Employee and/or the Employee's immediate family member must meet all eligibility criteria required of program participants.
- b. The Employee cannot supervise or participate in the processing of their application.
- c. The Employee's direct subordinates cannot participate in the approval of the Employee's application or in any decision or recommendation regarding the Employee's participation.
- d. The Authority's Director of the SLFRF Program and/or Operations Manager, the Authority's Director of Legal Affairs, and the United States Department of the Treasury may require additional documentation.
- e. The Authority's Director of the SLFRF Program and/or Operations Manager must approve the Employee's participation in writing.

Before an Employee and/or the Employee's immediate family member applies for any SLFRF Program, the Employee must follow the following procedures:

- a. The Employee must notify the Authority's Director of the SLFRF Program and/or Operations Manager and the Authority's Director of Legal Affairs of their intent to apply for assistance prior to submitting an application.
- b. The Employee must follow all program application procedures. The Authority's SLFRF Program staff will review and process the Employee's application, with a recommendation to the Authority's Director of the SLFRF Program and/or Operations Manager and the Authority's Director of Legal Affairs regarding approval.



Definitions

In interpreting the foregoing provisions, the following definitions apply:

- a. "immediate family member" means an Employee's grandparent, grandchild, parent, parent-in-law, stepparent, sibling, spouse, child, or stepchild¹
- b. "family member" means an Employee's relative by blood, marriage, partnership or adoption, including an Employee's spouse, partner, parent, sibling, grandparent, child, grandchild, aunt or uncle, or cousin, and step-, half- or in-law relations of the same types of family members.
- c. "friend" means an individual not related by blood, marriage, or partnership with whom an Employee enjoys a close personal relationship.
- d. "business associate" means a person associated with an Employee to achieve a common financial objective.

Agreement

I have read this *Conflict of Interest Policy*, and I agree to comply with the provisions herein.

Name (Printed)

Signature

Date

¹ The Authority acknowledges that the Michigan Civil Service Commission Rule 2-8 does not include a grandchild in its definition of immediate family member and the United States Department of the Treasury does not include a grandparent in its definitions of immediate family member for 12 CFR 26.2 and 12 CFR 161.24. Out of an abundance of caution, the Authority recommends including both grandchild and grandparent in the definition of immediate family member.





MSHDA's FAIR HOUSING POLICY STATEMENT

Equal housing opportunity for all persons, regardless of race, color, national origin, religion, age, sex, familial status, marital status, or disability, is a fundamental policy of the Michigan State Housing Development Authority. MSHDA is committed to diligence in assuring equal housing opportunity and non-discrimination to all aspects of its housing financing activities. As a state created housing financing agency, MSHDA has an ethical as well as legal imperative to work aggressively to ensure that MSHDA financed housing programs comply fully with all state, and federal fair housing laws.

If you believe you are the victim of housing discrimination you can contact the **Michigan Department of Civil Rights** at <http://www.michigan.gov/mdcr/1,1607,7-138-4953-6202--,00.html> or call their Fair Housing hotline number at 1-800-482-3604.

If you live in a MSHDA financed development or are applying to live in a MSHDA financed development, and you believe you are the victim of housing discrimination, you can contact Kara Hart-Negrich at hartnegrichk@michigan.gov or call her at (517) 335-2273.

Michigan Fair Housing agencies:

Fair Housing Center of Metropolitan Detroit

220 Bagley
Suite 1020
Detroit, MI 48226
(313) 963-1274
(313) 963-4817 fax
www.Fhcmetrodetroit.org

Fair Housing Center of Western Michigan

20 Hall Street, SE
Grand Rapids, MI 49507
(616) 451-2980
(616) 451-2657 fax
www.Fhcwm.org

Fair Housing Center of Southeastern Michigan

P.O. Box 7825
Ann Arbor, MI 48107
(724) 994-3426 or 1-877-979-FAIR
(734) 665-2974 fax
www.Fhcmichigan.org

Fair Housing Alliance of Mid-Michigan

209 East Washington, Suite 234
Jackson, MI 48903
Phone Number Not Available
(517) 780-4774
www.Fhcmichigan.org

Fair Housing Center of Southwest Michigan

410 E. Michigan Ave
Kalamazoo, MI 49007
(269) 276-9100
(269) 276-9101
www.fhcswm.org

RESOURCES:

Fair Housing Act as Amended (Title VIII)

<http://www.usdoj.gov/crt/housing/title8.htm>

Frequently asked questions about the Fair Housing Act

<http://www.usdoj.gov/crt/housing/faq.htm>

HUD's Office of Fair Housing and Equal Opportunity

<http://www.hud.gov/offices/fheo/aboutfheo/aboutfheo.cfm>

National Fair Housing Advocate

www.fairhousing.com

People with Disabilities

<http://www.hud.gov/offices/fheo/disabilities/sect504.cfm>

<http://www.hud.gov/offices/fheo/disabilities/index.cfm>

<http://www.usdoj.gov/crt/ada/adahom1.htm>

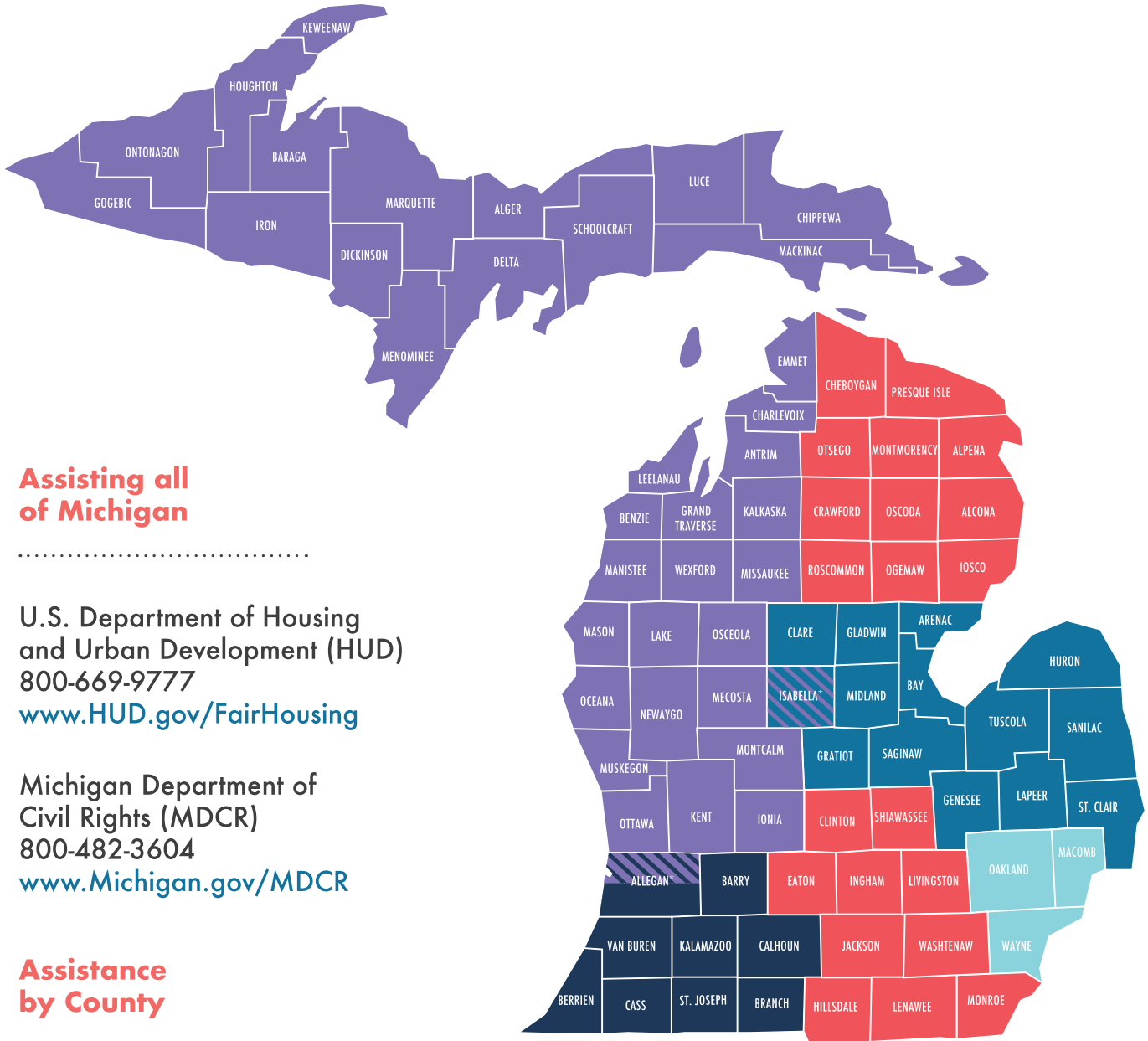
Accessibility Requirements for Buildings

<http://www.hud.gov/offices/fheo/disabilities/accessibilityR.cfm>

MSHDA's Affirmative Fair Housing Marketing plan form, for MSHDA financed developments.

http://www.michigan.gov/documents/mshda_affirmative_fair_housing_plan_form_131501_7.DOC

FAIR HOUSING RESOURCES



Assisting all of Michigan

U.S. Department of Housing and Urban Development (HUD)
800-669-9777
www.HUD.gov/FairHousing

Michigan Department of Civil Rights (MDCR)
800-482-3604
www.Michigan.gov/MDCR

Assistance by County

■ Fair Housing Center of West Michigan
20 Hall Street SE, Grand Rapids, MI 49507
616-451-2980 | 866-389-FAIR (3247)
www.FHCWM.org

■ Fair Housing Center of Eastern Michigan
436 Saginaw Street #101, Flint, MI 48502
800-322-4512
www.LSEM-FHC.org

■ Fair Housing Center of Southwest Michigan
405 W. Michigan Avenue, Kalamazoo, MI 49007
269-276-9100 | 866-637-0733
www.FHCSWM.org

■ Fair Housing Center of Southeast-Mid Michigan
P.O. Box 7825, Ann Arbor, MI 48107
877-979-FAIR (3247)
www.FHCMichigan.org

■ Fair Housing Center of Metro-Detroit
5555 Conner St. Suite 1017 Detroit, MI 48213
313-963-1274
www.FairHousingDetroit.org

*Double Coverage

Forms

- [Household Income Self-Certification Form and Authorization to Release Information](#)
- [Demographic Information](#)
- [Landlord Written Participation and Certification Agreement](#)
- [Program Administration Report](#)
- FSR Tracking Template
- [Subrecipient Participation Engagement Survey](#)
- [Household Participation Engagement Survey](#)
- Final Outcome Report
- CFR 200.344 Closeout
- Table 3: Quarterly Reporting Timeline
- MI-HOPE Program Guidelines Template

Useful Links (Ctrl + Click to follow link)

- [Training Manual/System User's Guide](#)
- [2021 Contractors by Region](#)
- [2021 Lead Inspectors](#)
- [EPA Lead Based Paint Program Q & A \(March 2018\)](#)
- [Steps to Lead-Safe RRP Brochure \(March 2021\)](#)
- [Lead in Your Home Portrait Color \(epa.gov, March 2021\)](#)
- [The Lead-Safe Certified Guide to Renovate Right \(epa.gov, September 2011\)](#)
- [Social Media](#)



Michigan Housing Opportunities Promoting Energy-Efficiency (MI-HOPE) Household Income Self-Certification Form

Subrecipient Name: _____

Grant Number: _____

Applicant Name _____

- This is a homeowner occupied property or This is a tenant occupied property

Assisted Property Address _____

Project Description _____

Income Attestation Statement:

- I/We attest that all household income is truthful and accurately disclosed for all members of the household including dependents 18 years or older that are not full-time students.
- I/We knowingly understand that submitting false information may violate Federal or State law and may prohibit my/our participation in the MI-HOPE program.

Applicant Qualifications

- The applicant is the **owner** and **occupies** the **assisted** property.
Or the applicant is the **owner** and a **tenant occupies** the **assisted** property and has a written lease.
- The applicant does **not** own any property that is **tax delinquent**.
- There is **current insurance** coverage on the property.
- The applicant does **not** own any property that is subject to any **citation of violation** of the state and/or local codes and ordinances.
- The applicant has **not** been the **prior owner** of any property transferred to the Treasurer or to a local government as a result of tax foreclosure proceedings.

In order to participate, the occupant household income must be at or below 300% of the Federal Poverty Levels

Federal Poverty Levels								
Household Size	1	2	3	4	5	6	7	8
Income Limits 300% FPG	\$38,640	\$52,260	\$65,880	\$79,500	\$93,120	\$106,740	\$120,360	\$133,980

Occupant Income Verification Statement:

BY MY SIGNATURE BELOW, I CERTIFY THAT MY INDIVIDUAL INCOME OR HOUSEHOLD INCOME IS NO MORE THAN \$ _____ ANNUALLY AND _____ NUMBER OF PERSONS RESIDE IN MY HOME.

Please indicate total number of household members over 18 that are not a full-time student: _____

Please indicate the total number of household members under 18 or are a full-time student: _____

I FURTHER CERTIFY THAT I AM ABLE TO DOCUMENT MY ANNUAL INCOME WITH PAYSTUBS, OR OTHER REQUIRED EVIDENCE AND HAVE PROVIDED THE SUPPORTING DOCUMENTATION ALONG WITH THIS FORM.

In addition, I further certify that I am able to provide applicable Pandemic Hardship Self-Attestation that began on or after March 3, 2021.

The financial hardship caused by the coronavirus pandemic was a (select all that apply):

- Decrease in household income
 - Reduction in work hours
 - Layoff
 - Other _____ (Limit Characters to 40)
- and/or

The financial hardship caused by the coronavirus pandemic was an increase of (select all that apply):

- Utility Expenses
- Food Expenses
- Childcare Expenses
- Medical Expenses
- Other _____ (Limit Characters to 40)

Under penalties of perjury, I declare that I have examined this certification statement, and to the best of my knowledge and belief, the supporting documentation provided, and the household eligibility facts provided are consistent, true, correct, and complete.

I also understand and provide consent for MSHDA and/or its Subrecipient Agency to verify accuracy of the certified information and determine if it is in compliance with the program's requirements and policies and federal regulations.

In addition, I understand that there is a formal on-line process to report fraud concerns:

[How to Report Fraud \(michigan.gov\)](https://www.michigan.gov/how-to-report-fraud)

PRINTED NAME SIGNATURE OF OWNER (APPLICANT):

DATE:

PRINTED NAME AND SIGNATURE OF OCCUPANT – Head of Household:

DATE:

PRINTED NAME AND SIGNATURE OF AGENCY OFFICIAL

DATE:

False Statements - Parties signing this certification form understand that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.

AUTHORIZATION TO RELEASE INFORMATION

To Michigan State Housing Development Authority and Housing Agency (HA):

I/we, the individual/household member(s) below is/are a current tenant (occupant) of the residence located at Michigan and is/are an applicant or participant in the MI-HOPE Neighborhood Housing Initiatives Division Program. This program is funded by the Michigan State Housing Development Authority (MSHDA) and administered by Housing Agency (HA). In order to be eligible for this Neighborhood Housing Initiatives Division Program, my household income is collected along with other information in my/our program file including my/our address, household size, household member names and photographs. MSHDA and the HA are requesting consent to release this file information for marketing and program purposes. However, the information will not be otherwise disclosed or released outside of MSHDA or the HA, except as permitted or required by law. MSHDA and the HA will protect the file information in accordance with any applicable State privacy law.

Signatures:

Date:

Head of Household

Spouse

Other Family Member/Occupant over age 18

Other Family Member/Occupant over age 18

Other Family Member/Occupant over age 18

Other Family Member/Occupant over age 18



Demographic Information

Instructions: Applicants for the Michigan Housing Opportunities Promoting Energy-Efficiency (MI-HOPE) must complete this form and submit with the initial MI-HOPE application. This information is collected in order to help certify that the application process is open and fair. Each household must be given the opportunity to disclose this information. Parents or guardians are asked to complete this disclosure on behalf of household members who are under the age of 18. Individuals who do not wish to provide some or all of this information are asked to select the corresponding box when appropriate. There is no penalty for households or individuals who do not wish to provide information. This should match the Household Income Certification Form information.

Property Address:	Unit Number:
Zip Code:	

Household Composition

Complete for each individual living in the housing unit. Check all that apply:

Name (Print):	Date of Birth:		
Full-Time Student: <input type="checkbox"/> Yes	<input type="checkbox"/> No		
Marital Status:	<input type="checkbox"/> Married	<input type="checkbox"/> Single	<input type="checkbox"/> Do Not Wish to Provide
Ethnicity:	<input type="checkbox"/> Hispanic/Latino	<input type="checkbox"/> Not Hispanic/Latino	<input type="checkbox"/> Do Not Wish to Provide
Gender:	<input type="checkbox"/> Male	<input type="checkbox"/> Female	<input type="checkbox"/> Non-Binary <input type="checkbox"/> Do Not Wish to Provide
Race:	<input type="checkbox"/> American Indian or Alaska Native	<input type="checkbox"/> Asian <input type="checkbox"/> White	<input type="checkbox"/> Other/Multiracial
	<input type="checkbox"/> Black or African American	<input type="checkbox"/> Native Hawaiian or Other Pacific Islander	<input type="checkbox"/> Do Not Wish to Provide
Disability Status:	<input type="checkbox"/> Disabled	<input type="checkbox"/> Not Disabled	<input type="checkbox"/> Do Not Wish to Provide

Name (Print):	Date of Birth:		
Full-Time Student: <input type="checkbox"/> Yes	<input type="checkbox"/> No		
Marital Status:	<input type="checkbox"/> Married	<input type="checkbox"/> Single	<input type="checkbox"/> Do Not Wish to Provide
Ethnicity:	<input type="checkbox"/> Hispanic/Latino	<input type="checkbox"/> Not Hispanic/Latino	<input type="checkbox"/> Do Not Wish to Provide
Gender:	<input type="checkbox"/> Male	<input type="checkbox"/> Female	<input type="checkbox"/> Non-Binary <input type="checkbox"/> Do Not Wish to Provide
Race:	<input type="checkbox"/> American Indian or Alaska Native	<input type="checkbox"/> Asian <input type="checkbox"/> White	<input type="checkbox"/> Other/Multiracial
	<input type="checkbox"/> Black or African American	<input type="checkbox"/> Native Hawaiian or Other Pacific Islander	<input type="checkbox"/> Do Not Wish to Provide
Disability Status:	<input type="checkbox"/> Disabled	<input type="checkbox"/> Not Disabled	<input type="checkbox"/> Do Not Wish to Provide



**MICHIGANHOUSING OPPORTUNITIES PROMOTING ENERGY EFFICIENCY PROGRAM
LANDLORD WRITTEN PARTICIPATION & CERTIFICATION AGREEMENT**

Eligible Tenant(s) / Principal Occupant(s): _____

Landlord(s) / Non-Occupant(s): _____

Property Address: _____

The parties identified above are receiving rehabilitation assistance. All parties must have read and signed below to certify their understanding and acceptance of the following:

MI-HOPE funding is limited to assisting a maximum of one property per rental owner within a MI-HOPE funding round. In order to be eligible, all rental properties must fulfill all of the following requirements:

- The landlord has no unaddressed mortgage and/or tax delinquencies.
- The landlord is not subject to a foreclosure proceeding, court-order receivership, or nuisance abatement.
- The landlord has no unaddressed/outstanding code compliance issues.
- The property has utility services turned on and operable or, based on MSHDA pre-approval prior to contract execution, will be turned on and operable after safety issues are addressed.
- The property must be insured or provide written verification of insurability post-rehab.
- The property is affixed to a permanent foundation.
- The property is currently occupied by tenants that identify the assisted address as their primary residence.
- For non-owner-occupied units, the landlord must provide proof of ownership for twelve months and provide a six-month occupancy history.
- The occupant household is income eligible. Landlord and tenant are required to complete the Household Self Certification Form.
- The property may not be used for any illegal activity. The landlord(s) must keep the home in reasonably good repair and free from code violations. Must keep all debris to a minimum to reduce fire, health, and safety hazards.
- The property has a formal written lease agreement and rents cannot be increased during the first year (12 months) after the completion of MI-HOPE program financed activities and final billing is completed.
- A copy of the current rental agreement must be retained in local files and be made available to MSHDA upon request, within three business days. This agreement must be fully signed and dated.
- The property is not owned by the subrecipient.

I/We, being the Landlord(s) of the property located at _____
hereby certify my/our understanding and acceptance of the above-written participation & certification
agreement.

LANDLORD(S)

Date: _____

Print Name

Date: _____

Print Name

SUBRECIPIENT NAME

Date: _____

Program Administrator Name and Title

GUIDANCE FOR MI-HOPE PROGRAM ADMINISTRATION REPORT

Subrecipient Program Administration, Activity Delivery Costs, and Soft Costs

Agencies may opt out of utilizing MI-HOPE funding for administration but are not allowed to amend their budget post grant award to add it in as a funding component post grant award.

Note: Documentation and itemized administrative tracking is required via a required tracking report form.

In addition to administrative costs, subrecipients will be able to get reimbursed for soft and activity delivery costs to cover project specific costs on a per property billing basis, as outlined on the chart below:

MI-HOPE ADMINISTRATIVE AND PROJECT COSTS CHART

ADMINISTRATIVE COSTS			PROJECT COSTS	
			Amounts in these columns + project hard costs must not exceed total project maximum allowance of \$25,000 per property.	
Component	Funding Source	Program Admin	Soft Costs	Activity Delivery Costs (ADC)** or Indirect Cost Rate
Homeowner Rehab	MI-HOPE	10% of grant	No limit, include in total project costs	ADC - 10% of total project cost or indirect cost rate

Administrative Costs – General management, oversight, and coordination of the housing program. Reasonable costs of overall program management, marketing, monitoring, and evaluation. (Not address specific)

Activity/Project Delivery Costs – Associated with specific addresses. Grantee staff time directly related to carrying out the project and assisting owners and tenants via advisory services, including timely written notices to occupants, property inspections, counseling, and other assistance necessary to minimize hardship during the construction phase. For MI-HOPE assisted projects, such costs must be allocated among units in a reasonable manner and documented.

Time Study – A formal time study may be utilized to determine activity delivery costs. A time study is defined as “the art of observing and recording the time required to do each detailed element of an operation”. A time study must contain the following:

- Consist of a minimum of 2 weeks of the activity being undertaken
- Consist of a minimum of 5 addresses undertaking the same activity
- Take average time for activity to be completed
- Multiply time by salary to determine cost per property
- Bill accordingly

Ex. City X Employee (Name) I perform evaluation in Kinetech on applications in the portal
 Over two weeks I look at 5 applications.
 App. 1 – 8 hrs; App. 2 – 2 hrs; App. 3 – 6 hours; App. 4 – 1 hour; App. 5 – 4.5 hours
 Combined it was 21.5 hours to complete 5 applications
 Average time per application is 21.5/5 = 4.3 hour
 City X Employee (Name) makes \$21/hour including wages and fringes
 \$21 x 4.3 = 90.3 rounded it takes 90 hours

or

Indirect Cost Rate – The de minimis indirect cost rate is calculated on modified total direct costs (MTDC) which exclude equipment and capital expenditures. MTDC is defined as “...all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the

period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

- Uniform Guidance on indirect costs [2 CFR 200.414](#) – See subsection (f) for de minimis rate and MTDC information.
- Uniform Guidance definition [2 CFR 200.1](#) – See Modified Total Direct Cost alphabetically in the listing

Soft Costs – Associated with specific addresses. Costs for project-related services, whether or not these services are provided by the grantee’s staff or contracted to third parties.

Note: All program administrative costs, activity/project delivery costs and soft costs require documentation.

<p style="text-align: center;">ADMINISTRATIVE COSTS</p> <p>General management, oversight, and coordination of the housing program. Reasonable costs of overall program management, marketing, monitoring, and evaluation. (Not address specific)</p>	<p style="text-align: center;">INDIRECT COST RATE</p> <p>An indirect cost rate is the ratio between the total indirect expenses and some direct cost base. The indirect cost allocation methods used by each organization depend on its own structure, program functions, and accounting system.</p>
<p>Expenses must be formally tracked to program time and charged directly via the report form. Employees and/or activities identified in the program guidelines to be paid for with administrative funds cannot also be billed as an indirect cost rate.</p>	<p>Expenses are tied to all other non-administrative specific activities and roles – not included in the administrative cost program guidelines. A formal written calculation must be provided for Draw #2 and/or Draw #3 based on expenditures/reimbursement requests.</p>
<p>Within the program guidelines:</p> <p>A. Provide a list of Employee names and titles that will be billed based on performance of an administrative activity</p> <p>B. Provide a list of non-employee expense line items that will be billed to administrative costs.</p>	<p>Within the program guidelines:</p> <p>A. Provide a copy of the indirect cost rate being utilized for the MI-HOPE Program.</p> <p>B. Provide a summary of what costs will be included within the indirect costs. Note: any items and/or staffing names cannot be duplicated between indirect and administrative costs.</p> <p>To calculate indirect costs on total project costs, use this formula:</p> <p>Calculation: Direct costs/(1 –allowed indirect rate) = Total Costs Total costs - Direct costs = Indirect costs</p> <p>Example: $\\$250,000/(1-.10) = \\$250,000/.9 = \\$277,778$ $\\$277,778-\\$250,000 = \\$27,778$</p> <p>You could request \$27,778 in the Draw Request.</p>



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

MI-HOPE

Program Administration Report

Activity Delivery Cost

Note: For Activity Delivery Costs, billing documentation is required per the MI-HOPE Handbook specifications. Invoices and/or supporting documents must be attached for all expenses except Administration. Indirect cost rate billing falls under the Activity Delivery Cost checkbox.

Subrecipient: _____ Grant # _____

Employee Name: _____

Title: _____ Report Period: _____

Date	Task Description (use one line per expense/invoice)	Hours/Expense	Hourly Pay Rate /Invoice Amount	Total
Total				

If you are the Authorized Official and/or the Authorized Signer, signatures are not required below. If you are the Employee and the Approving Supervisor, only one signature and date is required. When the same signature is applicable to both lines, the signature and date should be on the Employee lines, and "same" should be written on the Approving Signature lines. Electronic signatures are acceptable.

Employee Signature

Date

Approving Supervisor Signature

Date

FSR Tracking Template –for Internal Grant Management Tracking Purposes (Optional)

NOTE: For each FSR submitted, list each activity address/description. Attach receipt(s) identifying what is eligible for MSHDA reimbursement. Cross off items not reimbursable by MSHDA. Be sure the amount on this spreadsheet equals the amount you are asking on your FSR.

SUBRECIPIENT NAME: _____
 GRANT #: _____
 FSR #: _____ REQUESTED AMOUNT: _____

Address/description	Housing Activity
Ex. 123 North St.	\$2,000.00
456 South St.	\$500.00
TOTAL NON-ADMIN	\$2,500.00
ADMIN	

**If Admin is being requested, attach a completed MI-HOPE Program Administration Report.*

FSR Draw Schedule

- 1) 1st draw – up to 25% - can be advanced (Note: Administration cannot be advanced.)
- 2) Champion technical assistance visit, any issues noted
- 3) 2nd draw – up to an additional 50%, aka up to 75% total award draw; the 2nd draw will require the full expenditure of the 1st draw
- 4) On site monitoring visit conducted (if selected based on risk selection process), to include the construction visits to a minimum of 20% of the assisted properties (based on a random sampling)
- 5) 3rd draw – additional 25%, or the remaining percentage needed to reach 100%
- 6) Selection of Final FSR is completed within the system.

Grant Management Tracking Template for Internal Purposes (non-admin) (optional)

Address	Homeowner	Work being done	Issues/Notes	Contractor	Approved Amount
123 North Street	Doe, J.	Windows		ABC Construction	\$2,000.00
456 South Street	Public, J.	Exterior Door		Acme Construction	\$500.00
				Total	\$2,500.00
Notes:					
MI-HOPE Award	\$100,000.00				
Housing Enhancements	\$100,000.00				
Admin - None	\$0.00				
Spent so far	\$2,500.00				
Admin spent so far	\$0.00				
Left to spend	\$97,500.00				
Grant Expires: 9/30/26					
Note: Final Outcome Report and Surveys need to be submitted before the Final FSR is approved!					

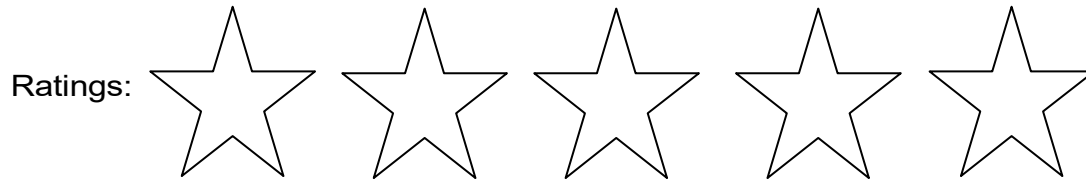
MI-HOPE Subrecipient Participation Engagement Survey



1. Overall, how would you rate the experience out of 5 stars (5 is the best rating and 0 is the worst)?
2. Suggestions on how the process could be improved.
3. How would you describe the overall benefit/impact of this grant on the neighborhood and community?
4. Do you feel that this program was beneficial to promoting energy efficiency within your service area/community?



MI-HOPE Household Participation Engagement Survey



1. Overall, how would you rate the experience out of 5 stars (5 is the best rating and 0 is the worst)?
2. Suggestions on how the process could it be improved.
3. How would you describe the overall benefit/impact of this grant on your household and neighborhood?
4. Do you believe that this energy efficiency assistance has saved your household money?
5. Did this assistance minimize your pandemic hardship?

Final Outcome Report

Leveraged Funds Summary



Amount

Funding Source

Brief Description including what the leveraged funds were used for.

0 of 3000

Total Leveraged Funds

\$0.00

Photos

Upload before and after photos of projects/units undertaken with this grant

Instructions:

- Rename photo files with grant #, component/activity and Before or After (i.e., #HRF-2020-9882-00004, Activity, Before)
- One document should be uploaded with the before and after photo from all project/units in one document.

Survey

Please complete and upload the MI HOPE Grantee Participation Engagement Survey: [Download Survey](#)

Please complete and upload ALL MI HOPE Homeowner Participation Engagement Survey: [Download Survey](#)

Home Energy Measurables of Cost Savings

Please upload an overall final projections of energy Savings of all addresses by one of the following:

- Home Energy Rating Systems (HERS) Rater, RESNET
- Utility Company Energy Rater Program, i.e., Consumers Power or DTE Energy
- National Energy Audit Toll (NEAT)
- US Department of Energy (Home Energy Saver) tool Home Energy Saver (lbl.gov)

Please upload an overall cost savings post construction of each address and the actual monthly utility bill (must be the same month as application submission):

Cumulative energy savings for grant

2 CFR 200.344 (up to date as of 10/05/2022)
Closeout.

2 CFR 200.344

This content is from the eCFR and is authoritative but unofficial.

Title 2 - Grants and Agreements

Subtitle A - Office of Management and Budget Guidance for Grants and Agreements

Chapter II - Office of Management and Budget Guidance

Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Subpart D - Post Federal Award Requirements

Closeout

Source: 85 FR 49543, Aug. 13, 2020, unless otherwise noted.

Authority: 31 U.S.C. 503

Source: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

§ 200.344 Closeout.

The Federal awarding agency or pass-through entity will close out the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed by the non-Federal entity. If the non-Federal entity fails to complete the requirements, the Federal awarding agency or pass-through entity will proceed to close out the Federal award with the information available. This section specifies the actions the non-Federal entity and Federal awarding agency or pass-through entity must take to complete this process at the end of the period of performance.

- (a) The recipient must submit, no later than 120 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award. A subrecipient must submit to the pass-through entity, no later than 90 calendar days (or an earlier date as agreed upon by the pass-through entity and subrecipient) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested and justified by the non-Federal entity, as applicable.
- (b) Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all financial obligations incurred under the Federal award no later than 120 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.
- (c) The Federal awarding agency or pass-through entity must make prompt payments to the non-Federal entity for costs meeting the requirements in Subpart E of this part under the Federal award being closed out.
- (d) The non-Federal entity must promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid and that are not authorized to be retained by the non-Federal entity for use in other projects. See OMB Circular A-129 and see § 200.346, for requirements regarding unreturned amounts that become delinquent debts.
- (e) Consistent with the terms and conditions of the Federal award, the Federal awarding agency or pass-through entity must make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received.

2 CFR 200.344(e) (enhanced display)

page 1 of 2

TELEPHONE: 517-335-2524

EMAIL: MSHDA-MI-HOPE@MICHIGAN.GOV

2 CFR 200.344 (up to date as of 10/05/2022)
Closeout.

2 CFR 200.344(f)

- (f) The non-Federal entity must account for any real and personal property acquired with Federal funds or received from the Federal Government in accordance with §§ 200.310 through 200.316 and 200.330.
- (g) When a recipient or subrecipient completes all closeout requirements, the Federal awarding agency or pass-through entity must promptly complete all closeout actions for Federal awards. The Federal awarding agency must make every effort to complete closeout actions no later than one year after the end of the period of performance unless otherwise directed by authorizing statutes. Closeout actions include Federal awarding agency actions in the grants management and payment systems.
- (h) If the non-Federal entity does not submit all reports in accordance with this section and the terms and conditions of the Federal Award, the Federal awarding agency must proceed to close out with the information available within one year of the period of performance end date.
- (i) If the non-Federal entity does not submit all reports in accordance with this section within one year of the period of performance end date, the Federal awarding agency must report the non-Federal entity's material failure to comply with the terms and conditions of the award with the OMB-designated integrity and performance system (currently FAPIIS). Federal awarding agencies may also pursue other enforcement actions per § 200.339.

2 CFR 200.344(i) (enhanced display)

page 2 of 2

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Table 3: Quarterly Project and Expenditure Report Timeline

Report	Year	Quarter	Period Covered	Due Date
1	2021	2 – 4	March 3 – December 31	N/A
2	2022	1	January 1 – March 31	N/A
3	2022	2	April 1 – June 30	N/A
4	2022	3	July 1 – September 30	N/A
5	2022	4	October 1 – December 31	January 31, 2023
6	2023	1	January 1 – March 31	April 30, 2023
7	2023	2	April 1 – June 30	July 31, 2023
8	2023	3	July 1 – September 30	October 31, 2023
9	2023	4	October 1 – December 31	January 31, 2024
10	2024	1	January 1 – March 31	April 30, 2024
11	2024	2	April 1 – June 30	July 31, 2024
12	2024	3	July 1 – September 30	October 31, 2024
13	2024	4	October 1 – December 31	January 31, 2025
14	2025	1	January 1 – March 31	April 30, 2025
15	2025	2	April 1 – June 30	July 31, 2025
16	2025	3	July 1 – September 30	October 31, 2025
17	2025	4	October 1 – December 31	January 31, 2026
18	2026	1	January 1 – March 31	April 30, 2026
19	2026	2	April 1 – June 30	July 31, 2026
20	2026	3	July 1 – September 30	October 31, 2026
21	2026	4	October 1 – December 31	April 30, 2027

The table above was pulled from the [State and Local Fiscal Recovery Fund Compliance and](#)

NOTE: In order to meet the above deadlines, quarterly reports must be submitted to MSHDA by the second Wednesday following the end of a quarter.

Quarter 2 2023 Report due to MSHDA on July 12, 2023
 Quarter 3 2023 Report due to MSHDA on October 11, 2023
 Quarter 4 2023 Report due to MSHDA on January 10, 2024
 Etc.





(Place on Your Letterhead)

***MI-HOPE Phase 2 Program Guidelines Template
(Updated 5/8/23)***

Note: Please provide attachments and/or descriptions for ALL required categories (denoted in red with an asterisk). If more room for descriptions is needed provide a labeled “Agency Specific Attachment” to add to the back of this document.

General Provisions

Below all red asterisk items must be completed based on agency application submission:

1. **MI-HOPE Program Goals/Purpose/Desired Outcomes** - MI-HOPE intends to promote local service area engagement and closely monitor subrecipient intake and selection practices to facilitate equitable outcomes, including economic and racial equity.
 This funding is specifically tied to providing housing assistance to address and minimize the economic impacts of the pandemic within each subrecipient service area. It is highly expected that the program will reach residents of low-income neighborhoods, minorities, disconnected youth, the unemployed, formerly incarcerated citizens, veterans, and persons with disabilities and that all the identified resident groups living in programmatic eligible households within the defined service area boundaries can apply.
 The program is being designed to provide long-term housing security and housing supports to provide impacted and disproportionately impacted communities with services to address the negative economic impacts of the Covid-19 pandemic.
2. **Program Location***- Regions were identified in the Reservation Memorandum. Identify target area(s) with street boundaries/correlating zip codes and attach to back of document as **Exhibit 1**.
3. **Leveraged Resources***– Check one of the boxes below. All resources need to be committed prior to project starting.

Applicable- Fill out chart below Not Applicable

<i>Funding Source</i>	<i>Funding Amount</i>



4. **Owner Contribution***– Check one of the boxes below. Must be placed in Subrecipient’s escrow fund prior to project start. Lines of credit are not secure or acceptable. (Can be nullified by the time project starts.) MI-HOPE funding cannot be used to cover relocation costs. Project cost overruns are the responsibility of the subrecipient.

Applicable- Specify and Describe Requirements Below Not Applicable

5. **Fair Housing/Equal Employment Opportunity/Non-Discrimination*** – Attach a document labeled **Exhibit 2**. It should include a Statement of the Subrecipient’s Policy, Identity of Contact Person, and Contact Information.

MSHDA will require all subrecipients, as part of the agency-specific program guidelines outlining MI- HOPE’s procedures, to obtain data and or be supplied data about the demographic composition of their selected area(s). Based on this data, the subrecipient agency will gain insight into which residents are historically underserved, marginalized, or adversely affected groups that can be served within their jurisdiction.

Marketing efforts must contain a documented and demonstrated methodology to notify **all** residents of the MI-HOPE energy efficiency grant opportunity. If there is a population within the area that is predominantly non-English speaking, marketing materials will need to be prepared in the applicable language.

6. **Conflict of Interest Statement/Fraud*** – See MSHDA’s Conflict of Interest Policy which can be found at the end of this document labeled **Attachment 2** and sign and date it. Subrecipient Program Guidelines must include a plan regarding conflict of interest and the prevention of fraud. Attach a copy of your agency specific Fraud Prevention Plan (refer to **Attachment 3 for Required Guidelines**) and sign and date it.
7. **Complaint Resolution Process*** – Attach Complaint Procedure and label it **Exhibit 4**. It must include Review Committee, Procedures, Filing Complaints/Appeal Process, Response, Dispute Resolution, Final Recourse, and Reinstatement (Refer to **Attachment 4** for details).

Eligible Requirements

Applicants

- Eligibility of Applicants – Household Income Self-Certification Form and Supporting Doc’s must be submitted via MI-HOPE Application Portal by either applicant or subrecipient.
- **Check one of the boxes below.** Household gross income limits must be at or below income limits chart shown below.



Federal Poverty Levels								
Household Size	1	2	3	4	5	6	7	8
Income Limits 300% FPL	\$38,640	\$52,260	\$65,880	\$79,500	\$93,120	\$106,740	\$120,360	\$133,980

The chart above will be used **The chart above will not be used***

- **If using stricter income limits, attach chart that will be utilized as Exhibit 5*.**

Minimum/Maximum Levels of Assistance* – Insert amounts below

Minimum Assistance Amount Per Property: \$ _____

Maximum Assistance Amount Per Property: \$ _____

Note: An address cannot have NEP funds and MI-HOPE funds at the same time. If an address had previous NEP dollars invested, the combined total of NEP plus MI-HOPE cannot exceed \$25,000. If previously assisted property eligibility restricts NHID assistance to a max of \$25,000 **within a five year time** period. Property eligibility is based on the date work was paid to the subrecipient agency.

Property Criteria*

If you are using stricter property criteria, create a document detailing the additional requirements and label it Exhibit 6a. Priority selection of property housing types can be identified in Program Guidelines.

All housing types assisted are restricted to:

- Single-family owner-occupied with an income qualified household
- Single-family non-owner-occupied with an income qualified household
- Multi-family (attached or detached – up to 3 units) owner occupied with an income qualified household
- Multi-family (attached or detached – up to 3 units) non-owner-occupied with a Covid-19 pandemic hardship and income qualified eligible household
- Detached Site Condominium units
- Modular/Manufactured homes permanently affixed to real property and taxed as real estate

Owner Criteria and Eligibility

Owner criteria local parameters regarding selection and eligibility must be identified in program guidelines. Create a document detailing the additional requirements and label it **Exhibit 6b**.

Owner-Occupied Single-Family Rehabilitation

Eligible Owners must meet the following criteria:

1. Homeowner households must meet the MI-HOPE Income Eligibility Requirements.
2. The Property owner must have experienced and attest to a Qualified Financial Hardship on or after March 3, 2021. The attestation must describe the nature of the financial hardship. (Refer to Exhibit D for attestation language.)
3. Homeowners must provide verification of occupancy of the home for a minimum of twelve months from the date of the MI-HOPE application submission.
4. Homeowner must currently own and occupy the property as their primary residence.
5. All properties must be current in their taxes or be current in a repayment plan.
6. All properties must be insured or provide written verification of insurability post- rehab.
7. For properties owned by a trust, a Certificate of Trust is required. This must confirm that the applicant is the trustee and has the requisite authority to approve participation in the MI-HOPE program. If the Certificate of Trust does not provide the appropriate verification, a Certificate of Trustee Authority will also be required.

Single-Family Rental Rehabilitation/Non-Owner-Occupied Site

Eligible Owners must meet the following criteria:

1. Tenant households must meet the MI-HOPE Income Eligibility Requirements.
2. Owner and/or tenant (if applicable) must have experienced and attest to a Qualified Financial Hardship on or after March 3, 2021. The attestation must describe the nature of the financial hardship. (Refer to Exhibit D for attestation language.)
3. For non-owner-occupied units the landlord must provide proof of ownership for twelve months and provide a six-month occupancy history.
4. Tenant must currently occupy the property as their primary residence.
5. All properties must be current in their taxes or be current in a repayment plan.
6. All properties must be insured or provide written verification of insurability post- rehab.
7. Rental properties must be occupied by tenants with a written lease stating that rent rates will not be increased post-rehab for a minimum of twelve months.

NOTE: MI-HOPE Funding is limited to assisting a maximum of one property per rental owner within a MI-HOPE funding round. No individual can be assisted on more than one property.

Property Condition Criteria

If you are prioritizing property condition criteria within your selection process, create a document detailing the additional requirements and label it **Exhibit 6c**.

Eligible Occupied Property Criteria

A single-family property which is zoned residential that: a) has no unaddressed mortgage and/or tax delinquencies; b) is not subject to a foreclosure or forfeiture proceedings, court-ordered receivership, or nuisance abatement; c) has utilities services turned on and operable or in situations where utilities are shut off but operable once safety issues are addressed – with MSHDA pre-approval prior to contract execution; d) is permanently occupied by homeowners that identify the assisted address as their primary residence; and e) is affixed to a permanent foundation.

Eligible Rental Occupied Property Criteria

Rental single-family properties that a) the landlord has no unaddressed mortgage and/or tax delinquencies within the community; b) the landlord has no unaddressed/outstanding code compliance issues within the community; c) a signed contract is in place which identifies the current occupants and the monthly occupancy provisions; d) is not subject to a foreclosure or forfeiture proceedings, court-ordered receivership or nuisance abatement; e) has utilities services turned on and operable or in situations where utilities are shut off but operable once safety issues are addressed – with MSHDA pre-approval prior to contract execution; f) is affixed to a permanent foundation; g) occupant household is income-eligible; and h) all parties must sign a written participation consent form.

Additional Property Criteria

- Repairs are restricted to permanent activities and defined as those necessary when a lack of repair or replacement threatens the safety of occupants and if not addressed will cause structural damage to the home.
- The assisted property must be currently occupied and not red tagged or defined as inhabitable based on local code.
- This program is not designed to address mold, animal infestations, or other immediate threats to the health and safety of residents. If an emergency need is identified during the construction phase, and funds are earmarked within the existing grant budget, change orders exceeding twenty five percent (25%) require MSHDA pre-authorization.
- MSHDA rehabilitation standards must be followed (see handbook on website)

Historical Property – Local Historic Review (if applicable)

All historic structures activities must be historically sensitive and local historic authorization must be secured prior to activity taking place.

Applicable* Not Applicable

*May be applicable to the following MI-HOPE Activities: Roof, Storm Door/Exterior Doors, Windows and Functioning and Up to Date Exterior Security. We will require local historic review and approval prior to disbursement of funds.

Lead-Based Paint/Asbestos Compliance (if applicable)

Environmental Related Treatments and Standards – The following environmental rehabilitation component standards shall be part of a holistic rehabilitation activity. **No stand-alone environmental activities are allowed.**

- Lead Paint: EPA’s Lead Renovation, Repair and Painting Rule (RRP Rule) requires that firms performing renovation, repair and painting projects that disturb lead-based paint in homes built prior to 1978 have their firm certified by EPA. When lead painted surfaces are disturbed during a MI-HOPE rehabilitation activity, sub-recipients must use certified renovators who are trained by EPA-approved training providers and follow lead-safe work practices.
- Asbestos: Only EPA asbestos certified specialist, workers along with a supervisor can carry out asbestos abatement tasks. Asbestos activities must be associated with an approved rehabilitation activity.

Eligible Activities* – Consult Rehab Standards on MSHDA website for more details.

Applicable Activities undertaken at local level:

- Storm Doors/Exterior Doors
- Windows
- Insulation

- Modification for modernization/efficiency purposes or replacement of heating (furnaces or boilers)/cooling (full home only)/ventilation systems and water heater upgrades including on-demand retrofitting

Application Process and Applicant Selection* - The application process must be free, fair and open to all area residents that fully meet qualifications outlined within the MI-HOPE program materials.

- Utilization of the MSHDA MI-Hope Applicant Portal is required for all applicants.
- Subrecipients will be required to prioritize applicants through a written selection process.
- Subrecipients will be required to provide a list of all assisted households and collect property address specific information.

Attach the Application and Applicant Selection Process Narrative labeled Exhibit 7. Include the following:

- Application Intake Process/Review: First come, first come selection process is not allowed. No old/pipeline applicants funded unless dated after March 3, 2021.
- Phase I eligible applicants not funded should be prioritized for Phase II review.
- Project Selection Process /Inspections, i.e., site selection, prioritization of properties, etc. Photographs are required before and after with similar angle/location/reference and contain the address.
- Selection Process/Eligibility/Lottery Process (encompassing all eligible community members).
- Applicant Prioritization Selection Process: Subrecipients must identify how applicants are sorted into each category: Income level; zip code preferences; activity need; demographics/long-time resident; owner occupied vs non owner occupied; activity tied to weatherization/deferral item.
- Applicant data will be reported each quarter and a formal analysis will be undertaken at MSHDA to ensure that fair and equitable distribution of the resources is actively undertaken.
- From the selected applicant pool, if a method other than lottery/random sample selection is undertaken, the assisted households must fall within 50% of the composite neighborhood demographics and resemble neighborhood resident population to ensure equitable distribution of funds.

Process*

- **Attach any internal forms and/or attachments required for Project Selection & Approval and label it Exhibit 8.**

Contractor/Vendor Selection*

- **Attach a document describing the process that will be undertaken for each bullet below and label it Exhibit 9:**
 - Procurement/Small Purchase Procedures for Contractor/Vendor Solicitation (a minimum of two weeks notice to respond is required)
 - Contractor Verification of Eligibility (State Licensing, Insurance Certifications, etc.)
 - Contract Approval, Award, and Notification
 - Pre-Construction Meeting (if applicable)
 - Contractor Notice to Proceed
 - Contractor Performance
 - Scope of Work Descriptions and Cost Estimates must be documented. A minimum of two quotes is required unless there is more than a 25% difference between them, in which case a third quote is required and/or it will be reviewed by MSHDA's Construction Manager.
 - Change Orders (Subrecipients will be required to update the Sworn Statement and Change Orders cannot exceed 10% post contract execution without prior approval from MSHDA)
 - Permits and Inspections/Notification Procedures (Federal and State Code)
 - Construction and Contractor Payment Provisions
 - Contract Extensions (Note: all work must be completed prior to April 30, 2026)
 - Damages caused by Contractors and/or Subcontractors

Lien Requirements* - For non-MSHDA funds only

Applicable- Describe Requirements Below Not Applicable

Description: (Must Include Local Level Leveraged Funds Lien Provisions, Execution, Recording, and Pay-off Requests/Procedure)

Program Administration*

- **Attach document detailing breakdown of distribution of administrative expenses and label it Exhibit 10.** Refer to Policy and Compliance Handbook for additional details.
- Administrative expenses are tied to the project budget and grant agreement. **No changes can be made after grant agreement is signed. The administrative project budget in the grant agreement cannot exceed 10% of the total grant.**
- Program Compliance/Use of Funds Restrictions: First, A recipient may not use SLFRF funds for a program, service, or capital expenditure that includes a term or condition that undermines efforts to stop the spread of COVID-19. A program or service that imposes conditions on participation or acceptance of the service that would undermine efforts to stop the spread of COVID-19 or discourage compliance with recommendations and guidelines in CDC guidance for stopping the spread of COVID-19 is not a permissible use of SLFRF funds. Second, a recipient may not use SLFRF funds in violation of the conflict-of-interest requirements contained in the Award Terms and Conditions or the Office of Management and Budget's Uniform Guidance, including any self-dealing or violation of ethics rules. Recipients are required to establish policies and procedures to manage potential conflicts of interest. Lastly, recipients should also be cognizant that federal, state, and local laws and regulations, outside of SLFRF program requirements, may apply. Furthermore, recipients are also required to comply with other federal, state, and local background laws, including environmental laws and federal civil rights and nondiscrimination requirements, which include prohibitions on discrimination on the basis of race, color, national origin, sex, (including sexual orientation and gender identity), religion, disability, age, or familial status (having children under the age of 18).
- Activity/Project Delivery Costs - Associated with specific addresses. Subrecipient staff time directly related to carrying out the project and assisting owners and tenants via advisory services, including timely written notices to occupants, property inspections, counseling, and other assistance necessary to minimize hardship during the construction phase. For MI-
- HOPE assisted projects, such costs must be allocated among units in a reasonable manner and documented.
- Soft Costs - Associated with specific addresses. Costs for project-related services, whether or not these services are provided by the subrecipient's staff or contracted to third parties.
- Note: All program administrative costs, activity/project delivery costs and soft costs require documentation

Admin	ADC	Soft Costs
Not Address Specific Program Expenses Only	Address specific one-off not consistent items	Address specific consistent items for all: 1 sheet outlines what your billing (time study)
<i>Example:</i> Preparing Program Guidelines	<i>Example:</i> Going out and dealing with a client multiple times to resolve an issue	<i>Examples:</i> Final Inspection Before/After Photos

- Program Administration Report (Admin Tracking Form) – Must be Fully Completed, Signed, and Dated (Reference **Attachment 5**; a fillable version of the form is available on MSHDA Website)
- Maintaining Confidentiality of Files, Records, etc.

Describe Agency Specific Confidentiality Procedures Below*:

- Files and File Retention - Records and Financial Statements must be retained until December 31, 2031 and recipients must provide or make available the records and financial statements upon request

Monitoring

- Monitoring of files at the local level will not occur until after the first draw and prior to closeout
- Additional on-site monitoring if drastic deficiencies/issues are found during file monitoring visit(s)

Refer to the MI-HOPE Program Policy and Compliance Handbook for further details, all Subrecipient Program Guidelines are subject to MSHDA approval.

I certify and acknowledge that all items identified above will be carried out in a compliant manner.

Subrecipient Printed Name

Subrecipient's Signature

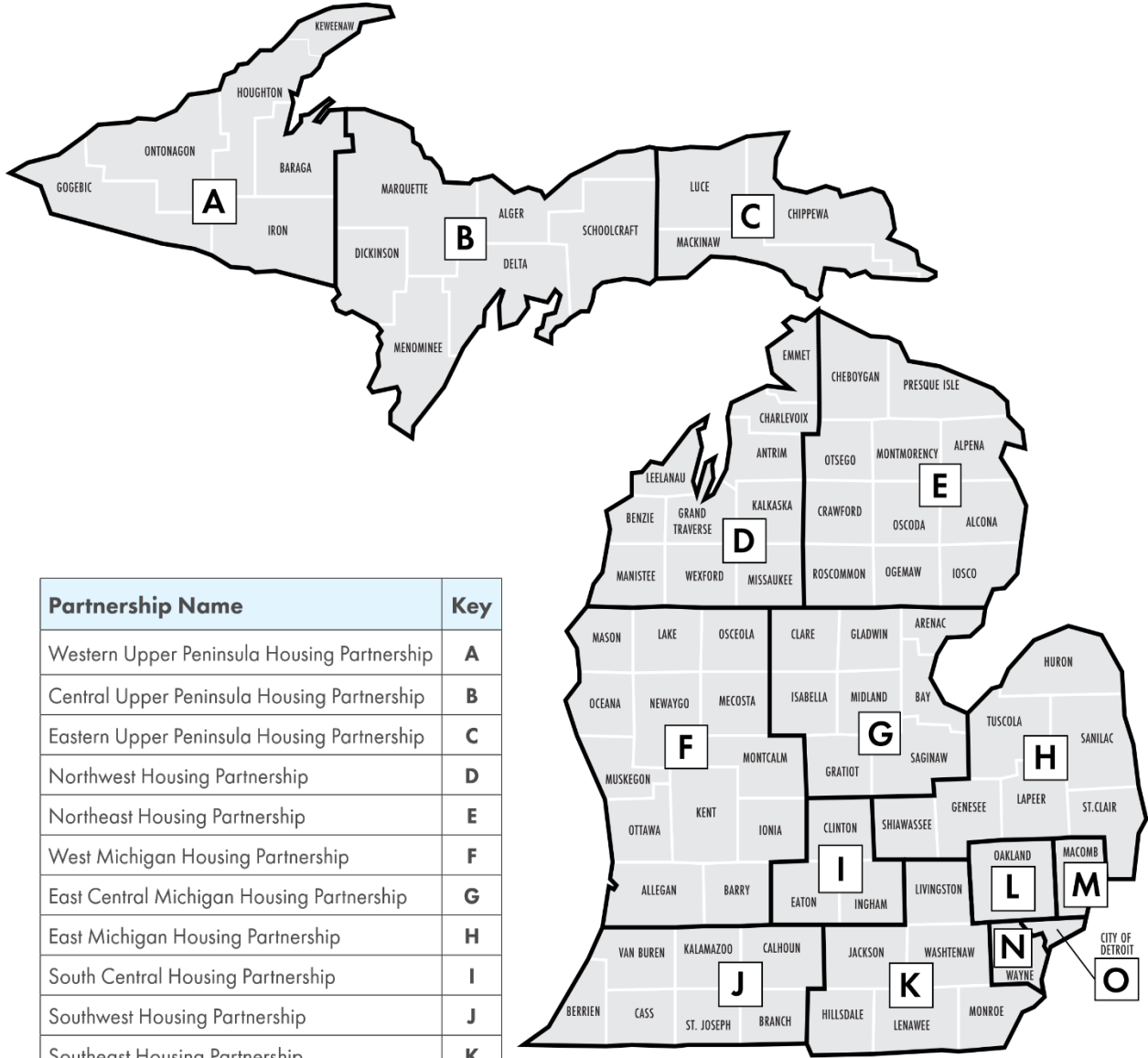
Date

MSHDA Approval:

MSHDA NHID Director Date



Housing Partnerships



Partnership Name	Key
Western Upper Peninsula Housing Partnership	A
Central Upper Peninsula Housing Partnership	B
Eastern Upper Peninsula Housing Partnership	C
Northwest Housing Partnership	D
Northeast Housing Partnership	E
West Michigan Housing Partnership	F
East Central Michigan Housing Partnership	G
East Michigan Housing Partnership	H
South Central Housing Partnership	I
Southwest Housing Partnership	J
Southeast Housing Partnership	K
Oakland Housing Partnership	L
Macomb Housing Partnership	M
Wayne Housing Partnership <i>including Hamtramck and Highland Park</i>	N
Detroit Housing Partnership	O

Attachment 2 (Page 1 of 3)

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY AMERICAN RESCUE PLAN CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

CONFLICT OF INTEREST POLICY

The following conflict of interest standards apply to all recipients of and participants in any program administered by the Michigan State Housing Development Authority (the “Authority”) using American Rescue Plan Coronavirus State and Local Fiscal Recovery Funds (the “SLFRF Program”), including, but not limited to, officers and employees of the Authority and any vendors, agents, contractors, and subcontractors working with the Authority in connection with the SLFRF Program.

Conflict of Interest

A conflict of interest occurs when an employee that either works on the SLFRF Program (i.e.: participates in the selection, award, or administration) or is receiving an award from the SLFRF Program (this includes both permanent or limited term and contract employees; collectively, “Employee”) or an immediate family member of the Employee has a direct, actual financial or ownership interest in a development, program or matter pending before the Authority. In such a case, the Employee or immediate family member must either withdraw from the interest that creates the conflict or remove the matter from the Authority’s consideration. Conflict of interests will be subject to the Authority’s Code of Ethics and may be reviewed by the Authority’s Ethics Committee.

A conflict of interest may also occur if friends, family members, or business associates of an Employee apply for and receive program benefits. To avoid such a conflict, the Employee must disclose any family, friend, or business associate relationship with a program applicant to the Authority’s Director of the SLFRF Program and/or Operations Manager and must not participate in the processing, approval, underwriting, or administration of such application for assistance, or any other related decision-making.

A conflict of interest may also occur if an Employee or an Employee’s immediate family member receives a gift, gratuity, favor, loan of money, or other thing of value from a person or organization applying to a SLFRF Program or otherwise doing business with the Authority. An Employee or an Employee’s immediate family member may not solicit or accept any money, gift, loan, services, goods, or other thing of value from a person or organization applying to, or doing business with, the Authority except under the following circumstances:

- a. A *de minimis* gift of \$20 or less in value.
- b. Meals or beverages paid for by a person or organization doing business with the Authority if incidental to a business meeting, seminar, training session, or other organized function that has a purpose beyond the providing of the meal or beverage.

A conflict of interest may also occur based on the appearance of a conflict, whether or not an actual conflict exists. An Employee must treat any apparent conflict in the same manner as an actual conflict.

If you believe a conflict or potential conflict or the appearance of a conflict exists, please report in writing to the Authority’s Director of the SLFRF Program and/or Operations Manager, the Authority’s Director of Legal Affairs, and the United States Department of the Treasury.

Attachment 2 (Page 2 of 3)

Employee and Immediate Family Member Participation in SLFRF Programs

An Employee of the Authority or the SLFRF Program and/or that Employee's immediate family member may apply for assistance through a SLFRF Program. To avoid any actual or perceived favoritism or conflict of interest, the Employee and the Authority must observe the following principles and guidelines:

- a. The Employee and/or the Employee's immediate family member must meet all eligibility criteria required of program participants.
- b. The Employee cannot supervise or participate in the processing of their application.
- c. The Employee's direct subordinates cannot participate in the approval of the Employee's application or in any decision or recommendation regarding the Employee's participation.
- d. The Authority's Director of the SLFRF Program and/or Operations Manager, the Authority's Director of Legal Affairs, and the United States Department of the Treasury may require additional documentation.
- e. The Authority's Director of the SLFRF Program and/or Operations Manager must approve the Employee's participation in writing.

Before an Employee and/or the Employee's immediate family member applies for any SLFRF Program, the Employee must follow the following procedures:

- a. The Employee must notify the Authority's Director of the SLFRF Program and/or Operations Manager and the Authority's Director of Legal Affairs of their intent to apply for assistance prior to submitting an application.
- b. The Employee must follow all program application procedures. The Authority's SLFRF Program staff will review and process the Employee's application, with a recommendation to the Authority's Director of the SLFRF Program and/or Operations Manager and the Authority's Director of Legal Affairs regarding approval.

Definitions

In interpreting the foregoing provisions, the following definitions apply:

- a. "immediate family member" means an Employee's grandparent, grandchild, parent, parent-in-law, stepparent, sibling, spouse, child, or stepchild¹
- b. "family member" means an Employee's relative by blood, marriage, partnership or adoption, including an Employee's spouse, partner, parent, sibling, grandparent, child, grandchild, aunt or uncle, or cousin, and step-, half- or in-law relations of the same types of family members.
- c. "friend" means an individual not related by blood, marriage, or partnership with whom an Employee enjoys a close personal relationship.
- d. "business associate" means a person associated with an Employee to achieve a common financial objective.

Attachment 2 (Page 3 of 3)

Agreement

I have read this *Conflict of Interest Policy*, and I agree to comply with the provisions herein.

Name (Printed)

Signature

Date

¹ The Authority acknowledges that the Michigan Civil Service Commission Rule 2-8 does not include a grandchild in its definition of immediate family member and the United States Department of the Treasury does not include a grandparent in its definitions of immediate family member for 12 CFR 26.2 and 12 CFR 161.24. Out of an abundance of caution, the Authority recommends including both grandchild and grandparent in the definition of immediate family member.

Attachment 3 (Page 1 of 1)

Subrecipient Program Guidelines must include a plan regarding the prevention of fraud

These organization specific program guideline parameters are designed to assist with developing a formal written approach to **deter, detect**, and hopefully **prevent** and/or mitigate the risk of fraud occurring within this federally funded program.

- Agencies need to establish and implement an effective and engaged audit/finance process to review and inspect certain documents directly associated with individual beneficiary activities on an informal ongoing basis and formally on a quarterly basis.
- Agencies need to establish a code of ethics/structural overview including both formal guidelines of the specified acceptable applicant intake criteria utilizing MSHDA software and clearly defined applicant award parameters. This overview is designed to provide transparency to applicants and minimize grey areas of the review, selection, and award process.
- Agencies need to adopt a formal fraud policy that identifies procedures to be followed for suspected fraud and the methodology employees should utilize to report their suspicions. Note: MSHDA has a fraud hotline and electronic form that can be utilized.
- Agencies must ensure that effective internal controls are in place and enforced. At a minimum, two check signatures must be required and safeguards must be in place to ensure adequate oversight and separation of duties is being conducted on a regular basis. Entities that have been cited for internal control issues within the past 5 years must disclose that to MSHDA as part of the organization/financial review process.
- Agencies should have a licensed independent body audit financial statements for the MI-HOPE expenditures and receipts.
- Agencies must have a formal written document retention policy and records containing Personally Identifiable Information (PII) must be carefully stored in an area accessible only to necessary staff. And records must be retained for five years after the closeout date, according to the MI-HOPE written agreement requirements.
- Agencies must have whistleblower procedures in place to encourage reporting without fear of retaliation and/or establishment of an anonymous methodology of reporting concerns.

I have read the fraud plan parameters above, and I agree to comply with the provisions herein.

Name (Printed)

Signature

Date

Attachment 4 (Page 1 of 3)

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY NEIGHBORHOOD HOUSING INITIATIVES DIVISION Subject: COMPLAINT PROCEDURE

Effective Date: November 1, 2018

The purpose of this policy bulletin is to outline requirements for NHID Subrecipients to establish a client complaint procedure for consistent resolution of conflicts. Complaints may come from applicants for assistance, owners dissatisfied with work, participating contractors, or other interested parties.

A SUBRECIPIENT'S CLIENT COMPLAINT PROCEDURE MUST

- 1. Be outlined in Subrecipient's Program Guidelines.** Clients and contractors must be informed of the complaint procedure when they are selected to participate in the program or upon receipt of a written complaint.
- 2. Establish a timely response.** Ensure that a client's initial complaint is responded to by the program administrator within 15 working days of the date of the complaint.
- 3. Require that the Chief Executive Officer (CEO) or Executive Director** of the subrecipient be informed of any complaint the program administrator fails to resolve. The subrecipient (at its option) may ask the CEO to review the case and recommend a resolution.
- 4. Provide for the establishment of a review committee,** to be comprised of at least three people, which must hear all cases that cannot be successfully resolved by the program administrator (and CEO if he/she is part of the complaint procedure). It is recommended that the committee members serve a specified number of years. **The review committee should be comprised of:**
 - A person with building/construction expertise (completely separate from the contractor who is part of the complaint);
 - A local community representative; and
 - A representative of the subrecipient (but should not be administrator or staff member of housing program)**The claimant** may choose to make a presentation or submit a written description (including documentation) to the committee for review.
- 5. Establish process to notify the client in writing of the review committee's decision** within 15 working days of the date of the hearing.

This policy covers the following processes:

- The subrecipient's client complaint procedure
- Referrals to Dispute Resolution Services
- MSHDA review of complaint
- Resolution determined by MSHDA

REFERRAL TO DISPUTE RESOLUTION SERVICES REQUIRED IF CONFLICT NOT SATISFACTORILY RESOLVED

Should the above listed efforts fail to resolve all outstanding issues, subrecipients must seek the services of the closest Dispute Resolution/Mediation Program. The costs, if any, for using mediation to seek resolution of the dispute are eligible administrative costs under MSHDA's Neighborhood Housing Initiatives Division written agreements. A list of Community Dispute Resolution Program (CDRP) Mediation Centers may be found at <http://courts.mi.gov/administration/scao/officesprograms/odr/pages/community-dispute-resolution-program.aspx>. Attached is a process map for a typical complaint procedure (See Attachment 4 Page 3 of 3).

Attachment 4 (Page 2 of 3)

MSHDA will review complaints only after the above process is complete and the dispute is still unresolved.

In the event that MSHDA is contacted directly by a complainant, they will be referred to the subrecipient for implementation of policy procedures. After all previously outlined steps have failed to resolve the complaint, the subrecipient may contact MSHDA in writing, detailing the complaint and verifying its compliance with the above listed steps.

NOTE: All liability to third parties, loss or damage as a result of claims, demands, costs, or judgments arising out of activities, such as direct service delivery, to be carried out by the subrecipient in the performance of its NHID funded written grant agreement shall be the responsibility of the subrecipient, and not the responsibility of the Authority, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the subrecipient, any subcontractor, anyone directly or indirectly employed by the subrecipient, provided that nothing herein shall be construed as a waiver of any governmental immunity that has been provided to the subrecipient or its employees by statute or court decisions.

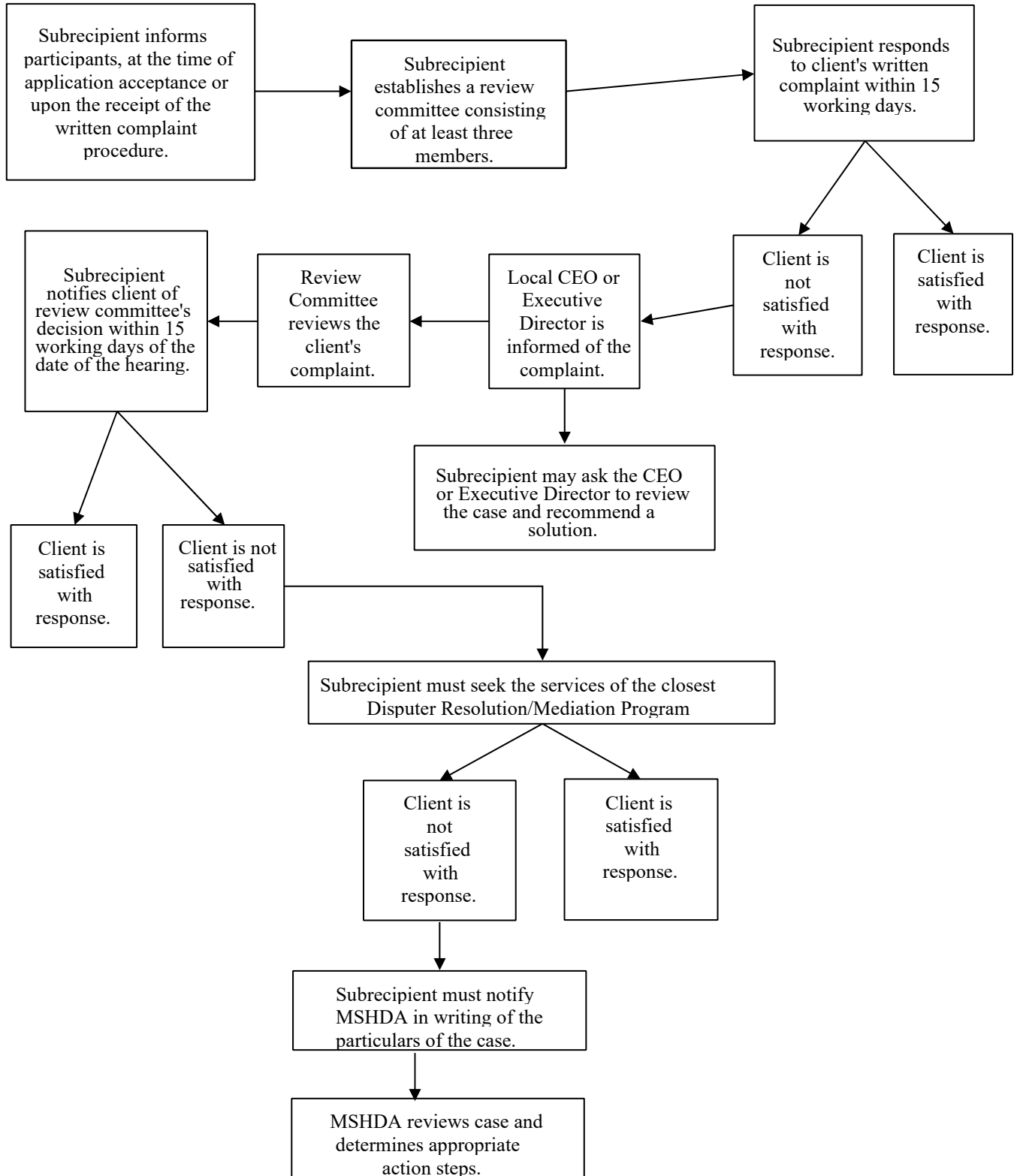
If you have questions, contact your Champion.

I am adopting the MSHDA procedure.

I am attaching agency specific procedures labeled _____.

Attachment 4 (Page 3 of 3)

CLIENT COMPLAINT PROCEDURE





MI-HOPE **Program Administration Report** **Activity Delivery Cost**

Note: For Activity Delivery Costs, billing documentation is required per the MI-HOPE Handbook specifications. Invoices and/or supporting documents must be attached for all expenses except Administration. Indirect cost rate billing falls under the Activity Delivery Cost checkbox.

Subrecipient: _____ Grant # _____

Employee Name: _____

Title: _____ Report Period: _____

Date	Task Description (use one line per expense/invoice)	Hours/Expense	Hourly Pay Rate /Invoice Amount	Total
Total				

If you are the Authorized Official and/or the Authorized Signer, signatures are not required below. If you are the Employee and the Approving Supervisor, only one signature and date is required. When the same signature is applicable to both lines, the signature and date should be on the Employee lines, and "same" should be written on the Approving Signature lines. Electronic signatures are acceptable.

Employee Signature

Date

Approving Supervisor Signature

Date

***IF YOU HAVE ANY QUESTIONS REGARDING THE
CONTENTS OF THIS HANDBOOK
PLEASE CONTACT YOUR MSHDA NEIGHBORHOOD
HOUSING INITIATIVES DIVISION
MI-HOPE CHAMPION***

Public Email Address:

MSHDA-MI-HOPE@michigan.gov

Subrecipient Email Address:

MSHDA-MI-HopeSR@michigan.gov

TELEPHONE: 517-335-2524

EMAIL: MSHDA-MI-HOPE@MICHIGAN.GOV

