

Michigan State Housing Development Authority (MSHDA)
Michigan Housing and Community Development Fund (MHCDF)
2009 Notice of Funding Availability (NOFA)
Invitation to Apply
Due: April 9, 2009

Summary

The Michigan Housing and Community Development Fund (the "Fund") has been appropriated \$2,163,400 to be allocated and committed in calendar year 2009. The allocation of 2009 funds represents the second opportunity to allocate funding to eligible activities under legislation authorizing the Michigan Housing and Community Development Fund ("Fund") created pursuant to Section 125.1458a of the Michigan Compiled Laws. The Fund will support projects designed to fuel strategies leveraging public and private resources to meet the affordable housing needs of low income, very low income, and extremely low income households and to finance projects located in a downtown area or adjacent neighborhood.

To apply for awards, eligible applicants must submit a 2009 MHCDF application on or before April 9, 2009. Only one application per applicant is permitted with a maximum request of \$300,000. Habitat for Humanity of Michigan (HFHM) should submit one application for all affiliates and Oakland Livingston Human Service Agency should submit one application for all Individual Development Account (IDA) program sites. A copy of this NOFA, the 2009 Allocation Plan, and the 2009 Application is available at www.michigan.gov/mshda.

Eligible Applicants

- 1) Nonprofit corporations;
- 2) For-profit corporations;
- 3) Municipalities;
- 4) Land Bank Fast Track Authorities organized under the Land Bank Fast Track Act;
- 5) Partnerships or special purpose entities approved by MSHDA that are organized for the purpose of developing and supporting affordable housing for household incomes at or below 60% AMI or for projects located in a downtown area or adjacent neighborhood .

Permitted Use of Funds

The Michigan State Housing Development Authority (MSHDA) will use the Fund to make grants, mortgage loans, or other loans to finance the activities listed below for housing opportunities for low income, very low income, and extremely low income households, including projects located in a downtown area or adjacent neighborhood. Funds may be used to develop housing for the homeless, rental housing, and provide homeownership assistance. Innovative strategies leveraging public and private resources are encouraged. Eligible activities and Area Median Income (AMI) requirements are as follows:

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- 1) Eligible activities include, but are not limited to:
 - a) Acquisition of land and buildings
 - b) Rehabilitation
 - c) New construction of housing
 - d) Development and predevelopment costs
 - e) Preservation of existing housing
 - f) Community development projects, including infrastructure improvements, economic development projects, blight elimination, or community facilities.
 - g) Operating and replacement reserves
 - h) Down payment assistance
 - i) Security deposit assistance
 - j) Foreclosure prevention and assistance
 - k) Individual development accounts
 - l) Activities related to ending homelessness
 - m) Assistance to nonprofit organizations, municipalities, and land bank fast track authorities
 - n) Predatory lending prevention or relief
- 2) The authority may make a loan to an eligible applicant from the fund at no interest or at below market interest rates, with or without security, and may make a loan for predevelopment financing.
- 3) A rental housing project assisted by the Fund must set aside at least 20% of the rental units included in the project for households earning no more than 60% of the area median income.
- 4) A homeownership project assisted by the Fund must set aside at least 20% of the housing units in the project for households earning no more than 60% of the area median income.

Threshold Requirements

To be considered for funding, an applicant must meet all of the following threshold criteria:

- 1) Submit with the application, a letter of support from the highest elected official, or their designee, for each of the jurisdictions in which the project is located or in which project activities will be conducted. Applicants intending to reallocate MHCDF funds to affiliate agencies should require letters of support for individual projects.
- 2) Populations served must be at or below 60% Area Median Income, where applicable.
- 3) Any outstanding Housing and Community Development Fund Pre-Development loans for the same proposed development site must be paid in full at the time of loan closing for the current requested funds.
- 4) The proposal must be consistent with the requirements established in the Statute (Act 346 of 1966).

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- 5) Applicant must be in compliance with all other developments, projects and programs, current on all financial obligations, and free of any imposed or pending sanctions or debarment proceedings with the federal government and/or the State of Michigan.

Scoring Criteria, Preferences and Ranking

MSHDA will review and rank each proposal based on the following scoring criteria:

- 1) Leverage funds supported by letters of commitment – 20 points
- 2) Proposal targets activities in Designated Revitalization Areas – 15 points
- 3) Capacity to administer effectively – 25 points
- 4) Relation of project to outcomes – 25 points
- 5) Vision for neighborhood/community – 15 points

If needed to fulfill a statutory preference, MSHDA will bypass higher scoring projects and allocate to the next highest scoring application that meets the criteria for the target percentage. Statutory preferences and their percents are indicated in the Allocation Plan under Preferences.

Submission Requirements

- The application must be submitted on the form located at www.michigan.gov/mshda.
- The original along with 4 copies of the signed application and all supporting documents must be mailed or dropped off to:
Michigan State Housing Development Authority
Attn: Carolyn Cunningham
735 E. Michigan Avenue
Lansing, MI 48912
- As an alternative, the original along with 4 copies of the signed application and all supporting documents may also be dropped off at our Detroit office:
Michigan State Housing Development Authority
Cadillac Place
3028 W. Grand Blvd., Suite 4-600
Detroit, MI 48202
- The application must be received on or before April 9, 2009 by 5:00 p.m., no exceptions.

Public Hearings

Five public hearings on the NOFA/Allocation Plan will be held as follows:

Lansing: Friday, January 30, 2009, 10:00-12:00 p.m., Michigan State Housing Development Authority, 735 East Michigan Avenue, Lansing, Michigan 48912

Detroit: Tuesday, February 3, 2009, 10:30-12:30 p.m., Michigan State Housing Development Authority, Cadillac Place, 3028 West Grand Boulevard, Detroit, Michigan, 48202

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Grand Rapids: Thursday, February 5, 2009, 1:00 p.m. – 3:00 p.m., Hilton Grand Rapids Airport,
4747 28th Street SE, Grand Rapids, Michigan 49512

Gaylord: Friday, February 6, 2009, 12:00 p.m. – 2:00 p.m. Treetops Resort, 3962
Wilkinson Road, Gaylord, Michigan 49735

Marquette: Wednesday, February 11, 2009. 11:00 a.m.–1:00 p.m., Northern Michigan
University, Learning Resource Center, Room 109, 1401 Presque Isle Ave.,
Marquette, Michigan, 49855

**Note: All funding that may be made available by the Fund through these awards must
comply with applicable law, relevant regulations, and MSHDA program rules and policy.
Additional application information may be requested.**

Contact Carolyn Cunningham, 517-335-4661, cunninghamc@michigan.gov, or Julie Hales-
Smith, 517-373-6026, halesj@michigan.gov, with any questions.