



MSHDA's Eviction Diversion Program
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Eviction Diversion Program Overview



\$60 million total appropriated from CRF (CARES Act funds)



\$50 million for rental assistance



Housing Assessment and Resource Agencies lead local teams



Courts begin accepting new landlord/tenant filings



Tenants up to 100% AMI



Rental assistance varies based on income



Settle cases with settlement agreement or conditional dismissal

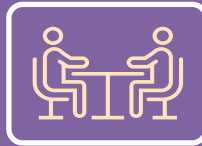
Eviction Diversion Program Overview



Tenant can apply if they receive a Notice to Quit for non-payment of rent



Tenant and landlord will be notified about EDP via paperwork in the summons



Tenants will meet with HARA and Legal Aid



Legal Aid will work with tenant and landlord to negotiate settlement agreement or conditional dismissal



HARA pays landlord the rental assistance within the agreed upon date

Rental Assistance Structure

Tenant AMI	Rental Assistance % of rent due	Tenant % of Rent Due	LL % forgiven	Future rental payments	Payment Cap for Rental Assistance
Under 50% AMI	90%	0%	1/9 of rental assistance (10%)	Lesser of two months rent or \$1,200	\$3,500 for past due; \$1,200 future rent
50-80% AMI	75%	16.66%	1/9 of rental assistance (8.3%)	None	\$3,000
80-100% AMI	65%	27.77%	1/9 of rental assistance (7.2%)	None	\$3,000

Eviction Diversion Program Overview



Visit www.michigan.gov/edp
for more information and
links to the local HARA





MSHDA's Housing Education Programs
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MSHDA HEP DEPARTMENT

HUD HOUSING COUNSELING SERVICES

ONE-ON-ONE COUNSELING

- Homeless Assistance
- Rental Topics
- Pre-purchase/Homebuying
- Home Maintenance and Financial Management for Homeowners (Non-Delinquency Post-Purchase)
- Resolving or Preventing Mortgage Delinquency or Default

**All services are provided by HUD Certified Housing Counselors located throughout Michigan.*

GROUP EDUCATION

- Financial literacy workshop, including home affordability, budgeting and understanding use of credit
- Predatory lending, loan scam or other fraud prevention workshop
- Fair housing workshop
- Homelessness prevention workshop
- Rental workshop
- Pre-purchase homebuyer education workshop
- Non-delinquency post-purchase workshop, including home maintenance and/or financial management for homeowners
- Resolving or preventing mortgage delinquency workshop



MSHDA's Neighborhood Enhancement
Programs and Modular Homes

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- Ten pilot homes
 - Grayling
 - Ishpeming
- Success in rural areas
- Five sold!
- Approved as permanent MSHDA Program in September 2020
- RFP January 2021
- Homes completed December 2021



MSHDA's Rental Development Programs
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Center City Downtown Hillsdale – Hillsdale, MI



Center Street Apts – Hartford, MI



Sharon Ann Apts – Chelsea, MI

Rental Development Overview

- MSHDA's Rental Development division administers programs that promote the production & preservation of affordable rental housing
- Affordable housing generally means 60% AMI and below, but can go up to 80% AMI in certain circumstances
- Each program requires a minimum percentage of affordable units and certain programs incentivize more affordability
- There are three main programs/paths that a project can pursue:
 - 9% Low-Income Housing Tax Credit (LIHTC) Program
 - Direct Lending Program (can be coupled with 4% LIHTC)
 - Pass-Through Program
- The path that makes the most sense to pursue depends on the characteristics of the project

9% Low-Income Housing Tax Credit (LIHTC) Program



- Approximately \$27 million in annual credit available
- Very competitive application process for funding
 - Applications are scored based on a Scoring Criteria and the higher scoring projects receive funding
 - Some scoring metrics are Proximity to Transportation, Proximity to Amenities, Developments Near Downtowns/Corridors, Developments Near an Employment Center, Proximity to Investment Activity Areas, etc.
- The Project Team consists of a Developer, a LIHTC Investor, a General Contractor, Architect, Attorney, Management Company, etc.
- Public-Private Partnership
- Must have a minimum number of affordable units in the development to qualify for funding
- Generally, larger developments (20 units or more) have characteristics that work well with this program
 - These developments can be new construction, acquisition/rehabilitation, adaptive-reuse, etc.
- The program operates throughout the entire state

Direct Lending Program



- This is MSHDA's primary multifamily lending program
- Projects receive a Tax-Exempt Bond or Taxable Bond loan from MSHDA, typically coupled with 4% LIHTC and a Gap Financing source
- Projects needing gap financing must apply under a Gap Financing NOFA and compete with other projects for gap funding
- Generally, larger developments (20 units or more) have characteristics that work well with this program
 - These developments can be new construction, acquisition/rehabilitation, adaptive-reuse, etc.

Pass-Through Program



- This is MSHDA's conduit lending program
- MSHDA makes Tax-Exempt Bond cap available for this program
- These financings are a limited obligation and are not secured by MSHDA's capital reserve account or backed by the moral obligation of the State of Michigan.
- Typically, a development will pair the Pass-Through Program with 4% LIHTC funding
- Applications are accepted on a rolling, first-come first-serve basis, subject to funding availability.
- Generally, larger developments (20 units or more) have characteristics that work well with this program
 - These developments can be new construction, acquisition/rehabilitation, adaptive-reuse, etc.



MSHDA's Homeownership Programs
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Homeownerships Role in Housing



- Provide affordable mortgages (Low costs, great rate) Reduced MI on convention loans.
- Offer Down Payment assistance
- Offer Federal Tax Credits to stimulate homebuying
- Targeted areas offer a waiver of the first-time homebuyer requirement This makes MSHDA loans available to more Michigan homebuyers

MI Home Loan Compliance Requirements



- Prior Homeownership
(Targeted/Non-Targeted areas)
- Sales Price Limits \$224,500 Statewide
- Income Limits \$74,000 - \$142,380 by county
- Asset Limit for MSHDA Down Payment Assistance loans

Loan Types

- Conventional With Reduced MI (with or without DPA)
- FHA (with or without DPA)
- RD (with or without DPA)
- VA

MSHDA Down Payment Assistance



- \$7,500 maximum
- Appraised value must support sales price
- Down payment, closing costs, prepaid/escrow items (no cash back)
- 0% interest with no monthly payments
- Use with MSHDA/FHA, MSHDA/RD & MSHDA/Conventional
- Borrower cash investment 1% of sales price (may come from approved gift source)

MSHDA Down Payment Assistance



- Cash asset restriction - \$20,000 (includes equity in current home)
- A Homebuyer Education Certificate required
- MSHDA Down Payment Assistance loan is due on sale, transfer, refinance, or repayment of first MSHDA mortgage

MCC Program



- Federal income tax credit
- Tax credit is based on the annual mortgage interest paid times the 20% credit issued by MSHDA
- **Available for life of original mortgage**
(as long as the home is primary residence)
- Single family, owner occupied principal residences
- How to take advantage of MSHDA mortgages
 - MSHDA Lender Locator https://www.michigan.gov/mshda/0,4641,7-141-59976_41341_42401---_00.html



Covid-19 Response Plan and Statewide Housing Plan

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Spoke at beginning:
Marketing & Research

David Allen, PhD

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