



HOME-American Rescue Plan or “HOME-ARP”

On March 11, 2021, President Biden signed the American Rescue Plan (ARP) into law, which provides over \$1.9 trillion in relief to address the continued impact of the COVID-19 pandemic on the economy, public health, state and local governments, individuals, and businesses.

To address the need for homelessness assistance and supportive services, Congress appropriated \$5 billion in ARP funds to be administered through HOME to perform four activities that must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations. These activities include: (1) development and support of affordable housing, (2) tenant-based rental assistance (TBRA), (3) provision of supportive services; and (4) acquisition and development of non-congregate shelter units. The program described in this notice for the use of the \$5 billion in ARP funds is the HOME-American Rescue Plan or “HOME-ARP.”

The Michigan State Housing Development Authority (“MSHDA”) was allocated \$63,793,681 of HOME-ARP. The following plan describes how MSHDA will utilize the HOME-ARP resource throughout the state of Michigan. MSHDA will issue specific guidance regarding implementation of HOME-ARP in conjunction with the specific Notices of Funding Availability (NOFA) or Request for Proposals (RFP) for each program.

Consultation

Describe the consultation process including methods used and dates of consultation:

MSHDA’s HOME-ARP allocation plan was created based on focus groups conducted with agencies and service providers whose clientele include the HOME-ARP qualifying populations. Two focus groups were conducted on January 19, 2022. Staff from other Michigan PHAs, CoC agencies, Veteran Affairs, Michigan Department of Health and Human Services (MDHHS), Michigan Coalition Against Homelessness, Corporation for Supportive Housing, and multifamily affordable housing developers and syndicators were invited to participate. The table below provides information on partners that were invited to attend.

Agency/Org Consulted	Type of Agency/Org	Method of Consultation
Stratford Group	Housing Syndicator	Focus Group
R4 Capital	Housing Syndicator	Focus Group
Raymond James Tax Credit Funds, Inc.	Housing Syndicator	Focus Group

GA Haan Development	Multifamily Developer	Focus Group
American Community Developers	Multifamily Developer	Focus Group
Full Circle	Multifamily Developer	Focus Group
Levine Law Group	Multifamily Developer	Focus Group
Pinnacle Construction	Multifamily Developer	Focus Group
Detroit Peoples Platform	Multifamily Developer	Focus Group
MV Communities	Multifamily Developer	Focus Group
Oakland Livingston Human Service Agency	Homeless Service Provider	Focus Group
Woda Group	Multifamily Developer	Focus Group
Medallion Management	Multifamily Developer	Focus Group
Southwest Solutions	Homeless Service Provider	Focus Group
Larc Properties	Multifamily Developer	Focus Group
Genesis Non-Profit Housing Corporation	Multifamily Developer	Focus Group
Communities First	Multifamily Developer	Focus Group
Capital Area Housing Partnership	Multifamily Developer/homeless service provider	Focus Group
Regions Affordable Housing	Housing Syndicator	Focus Group
Stratford Capital Group	Housing Syndicator	Focus Group
Alliant Capital	Housing Syndicator	Focus Group
US Bankcorp	Housing Syndicator	Focus Group
Cinnaire	Housing Syndicator	Focus Group
Boston Financial	Housing Syndicator	Focus Group
Insight Capital	Housing Syndicator	Focus Group
Richman Group	Housing Syndicator	Focus Group
Churchill Stateside Group	Housing Syndicator	Focus Group
R4 Capital	Housing Syndicator	Focus Group
Community Economic Development Association of Michigan (CEDAM)	Non-Profit Trade Association	Focus Group

Michigan Department of Veterans Affairs (VA)	Homeless Veterans and Public Agency addressing qualifying populations	Focus Group
Zero Day	Homeless Veterans	Focus Group
Michigan Department of Health and Human Services (MDHHS)	State Partner and Public Agency addressing qualifying populations	Focus Group
Corporation for Supportive Housing	State Partner	Focus Group
Listening Ear	Homeless Youth Provider	Focus Group
Ozone House	Homeless Youth Provider	Focus Group
Child and Family Services	Homeless Youth and Family Provider	Focus Group
Ruth Ellis Center	Homeless Youth Provider	Focus Group
United Way of Saginaw	CoC	Focus Group
Northwest Michigan Coalition Against Homelessness	CoC	Focus Group
Washtenaw County	CoC and Public Agency addressing qualifying populations	Focus Group
Michigan Balance of State CoC	CoC	Focus Group
Heart of West Michigan United Way	CoC	Focus Group
City Rescue Mission of Saginaw	Emergency Shelter Provider	Focus Group
Shelter Association of Washtenaw County	Emergency Shelter Provider	Focus Group
Emergency Shelter Services	Emergency Shelter Provider	Focus Group
Have Mercy	Emergency Shelter Provider	Focus Group
Michigan Coalition Against Homelessness	State Partner	Focus Group
Avalon Housing	Developer/Homeless Service Provider	Focus Group
Community Housing Network	Developer/Homeless Service Provider	Focus Group
Holy Cross Services of Lansing	Homeless Service Provider	Focus Group
Dwelling Place of Grand Rapids	Developer/Homeless Service Provider	Focus Group

Inner City Christian Federation	Developer/Homeless Service Provider	Focus Group
Michigan Poverty Law Program	Fair Housing/Civil Legal Matters	Focus Group
Detroit Central Cities	Disability Provider	Focus Group
Disability Network-Michigan	Disability Provider	Focus Group
Hope Network	Disability Provider	Focus Group
Grand Rapids Housing Commission	Public Housing Agency (PHA)	Focus Group
Michigan Coalition to End Domestic Violence and Sexual Violence	Domestic Violence Provider	Focus Group

Summarize feedback received and results of upfront consultation with these entities:

MSHDA also created a survey for interested parties to provide comment on the HOME-ARP activities and funding allocations. Those providing comments represented emergency shelters, Housing Assessment Resource Agencies (HARA), Domestic Violence/Sexual Assault providers, Youth service providers, Veteran Service Agencies, CoC members, City and County government, Philanthropic/Private funders, Community Mental Health agencies, Tribal agencies, Public Housing Authorities, organizations serving those with disabilities, Offender Success programs, Faith-based ministry, and Recovery support services.

Most comments received from the focus groups and survey supported the creation of more affordable housing units across the state; dedication of service funding for the new units created yet recognizing the need to leverage other funding sources due to the costs associated with supportive services; and the importance of coordinating supportive service activities with the CoC for the activities identified.

Other key feedback received includes:

- Adding more units to the state is important, but also expensive.
- Service providers should be rooted in trauma informed care, dignity, and respect.
- MSHDA should consider establishing an Eviction Diversion Program in partnership with local District Courts.
- MSHDA should implement inclusive tenant selection guidelines to lessen the disproportionate impact of housing disparities on formerly incarcerated and justice-involved people.
- MSHDA must balance the need in urban, suburban, and rural areas.
- MSHDA should allow for smaller size rental developments, even though they do not always score well under the QAP.
- People experiencing homelessness need help accessing all systems; need to shorten the timeframes for completing paperwork and determining eligibility.
- Supportive services are critical to support youth and families; social workers should be utilized to help apply for public benefits and case management to keep them housed.
- Case management/supportive services may be temporary for some, but permanent for others. Need flexibility funding to account for that.
- Permanent non-congregate shelter space could eliminate the constant retooling done each year to bring emergency capacity on-line to keep youth/families off the street.
- Need to develop affordable housing, including rehab/conversion of existing under-utilized structures.
- There needs to be income protections put in place for these vulnerable populations.

- Development of affordable housing is critical, but also consider reallocation of current rental units to be income-based.
- More rental facilities are needed to accommodate individuals and families within the community as many low-income persons that work in our county reside in affordable units in other areas and commute to work. This is costly for these families.
- More housing options needed for those with criminal history or credit issues.
- Making housing affordable enough so that families can afford health foods, childcare, transportation, and health care.
- Supportive services for Permanent Supportive Housing (PSH) are critical to ending homelessness in our community; however, supportive services are massively underfunded.
- Having a non-barrier shelter in our area to support the identified need.
- Gap financing is necessary to subsidize the cost of construction so that rural communities can increase the supply of affordable rental units.
- More affordable 1 bedroom housing options; landlord incentives to increase rental stock; additional support for a Housing Trust Fund; shallow subsidy programs; landlord mitigation funds.

MSHDA considered all feedback received when developing its final HOME-ARP allocation plan. It was important for MSHDA to consider all areas of the state when determining an equitable distribution of HOME-ARP funds. As such, MSHDA considered local HOME-ARP funding amounts when determining regional allocations for MSHDA HOME-ARP. For each region (**see Addendum A**), MSHDA used the percentage of the population at 40% Area Median Income level to establish the regional need. MSHDA then allocated 85% of its HOME-ARP, less MSHDA administrative costs, to the regions across the state with 15% held back for any regions use (statewide pool). Once the regional allocations were established, MSHDA then determined the HOME-ARP allowable activities and associated funding for its allocation plan, in large part, due to the feedback received from partners and stakeholders through the consultation and public comment process. A description of the activities can be located later in this plan under “HOME-ARP Activities Description”.

Public Participation

Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan:

- Date(s) of public notice: 6/29/2022
- Public comment period: start date - 6/29/2022 end date - 7/22/2022
- Date(s) of public hearing: 7/11/2022

Describe the public participation process:

MSHDA followed the State of Michigan’s current Citizen Participation Plan when providing reasonable notice for opportunity to comment on its HOME-ARP allocation plan (**See Addendum B**). Per the Citizen Participation Plan, the public notification took place via internet posting, rather than newspaper publication.

On June 29, 2022, MSHDA posted its draft HOME-ARP allocation plan to its [HOME-ARP](#) webpage for public comment on the proposed activities and allocations outlined in the plan. Included with this information was a designated email address to submit comments and a Zoom meeting link for interested parties to connect and participate in a virtual public hearing that was conducted on July 11, 2022. While the public hearing was held this date, MSHDA accepted public comments through 5:00 pm July 22, 2022.

Other Permanent Housing	574	192	365	365	1								
Sheltered Homeless						989	4,359	594	1,626				
Unsheltered Homeless						37	908	45	#				
Current Gap										1,274	425	3,128	3,128

Data sources: 2020 Statewide Housing Inventory Count (HIC); 2020 Statewide Point in Time Count (PIT); Consultation. Sheltered homeless families average 2.23 individuals per household; unsheltered families average 3.54 individuals per household.

Table 2: Non-Homeless Needs Inventory and Gap Analysis Table

Non-Homeless			
	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households
Total Rental Units	1,198,786		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	5,610		
Rental Units Affordable to HH at 50% AMI (Other Populations)	17,040		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		216,175	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		163,960	
Current Gaps			357,485

Data Sources: Comprehensive Housing Affordability Strategy (2014-2018); American Community Survey (2020)

Describe the size and demographic composition of qualifying populations within the PJ's boundaries:

- Homeless as defined in 24 CFR 91.5
- At Risk of Homelessness as defined in 24 CFR 91.5
- Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the Notice

- **Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability, as defined by HUD in the Notice**

Homeless as defined in 24 CFR 91.5

Under HOME-ARP, MSHDA will consider any individual or household as homeless in accordance with HUD's definition of homeless as described in 24 CFR 91.5. This includes:

- An individual or household that lacks a permanent and adequate home
- An individual or household that will imminently lose their permanent home due to lack of resources or support
- A youth under the age of 25, even if accompanied by an adult, that does not have a permanent home

Representing 83 counties and 96,716 square miles, Michigan has 20 Continuums of Care (CoCs) that serve to end and prevent homelessness through collaboration and strategic implementation of all available resources. According to the 2020 Point in Time (PIT) count, over 8,600 experienced homelessness on any given night in Michigan. Of those individuals, children ages 0-17 made up nearly 26% of the total count. Racial disparity is also significant, with almost 46% of those counted identifying as Black or African American, compared to just 14% of the general population. Individuals experiencing chronic homelessness accounted for nearly 13% and veterans represented 7% of the total PIT count.

HUD System Performance Measures also demonstrate urgent disparities within those experiencing homelessness for the first time. In 2020, people identifying as Black or African American accounted for 44% of the first-time homeless population and children under the age of 18 represented 22%.

At risk of homelessness as defined in 24 CFR 91.5; and Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability, as defined by HUD in the Notice

HUD defines those at risk of homelessness as individuals and families who have an income below 30% of the area median income (AMI), do not have sufficient resources or support networks to prevent them from becoming homeless, or live with instability, like moving two or more times during the last 60 days due to economic reasons.

HUD defines "other populations" (4th qualifying population) as those who have previously qualified as homeless, are currently housed with temporary or emergency assistance, and who need additional housing assistance or supportive services to avoid a return to homelessness. In addition, HUD defines those at greatest risk of housing instability as households that have an annual income less than 30% AMI and are experiencing severe cost burden or have an income less than 50% AMI and meet a certain condition, like living in someone else's home or living in a hotel due to an economic hardship. While there are no data sources that perfectly reflect "other populations", the following data points support the size and demographic composition for both at-risk and other populations defined in the HUD Notice. Likewise, the need for affordable housing and supportive services is identified in the [Non-Homeless Needs Inventory and Gap Analysis Table](#) above.

According to the [Comprehensive Housing Affordability Strategy \(CHAS\)](#), about 361,000 households in Michigan (over nine percent of all households) had incomes below 30% of AMI while also exhibiting at least one of the following housing problems: lacking kitchen or plumbing, having more than 1 person per room, or enduring cost burden greater than 30%. Another 296,000 earned between 30% and 50% of AMI while having one of the four housing problems listed. All told, about 16% of Michigan households were in either of these income and housing condition groups.

Black households were overrepresented in these groups. While they comprise about 13% of all households in the state, Black households account for 30% of households earning below 30% of AMI and having at least one of the listed housing problems. This overconcentration also exists at the 30% to 50% AMI level, but to a lower degree (13% overall vs. 17% in the 30% to 50% AMI group).

Hispanic households are also overrepresented in both income groups, but to a smaller extent than among Blacks. In both income groups, Hispanics account for about four percent of the total, as opposed to about three percent among all Michigan households.

Native American households have an above-average presence among all households earning less than 30% of AMI and beset with at least one housing issue. They account for about 0.4% of all households in Michigan, but 0.7% of households in that income/housing quality group.

At the same time, white households are significantly underrepresented in both groups. They comprise almost 79% of all Michigan households, but only 63% of those under 30% of AMI with housing issues, and 59% of those earning between 30% and 50% of AMI.

[Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by HUD in the Notice](#)

For HOME-ARP, this population includes any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking. It includes cases where an individual or family reasonably believes that there is a threat of imminent harm from further violence due to dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return or remain within the same dwelling unit.

According to the National Coalition Against Domestic Violence, 36% of women in Michigan experience intimate partner physical violence, rape, or stalking in their lifetime. During 2020 (and continuing through the pandemic), many counties across Michigan saw an increase in the number of domestic violence occurrences. This corresponds with the 2021 national study from the National Commission on COVID-19 and Criminal Justice that found there was an 8% increase in the number of domestic violence incidents during 2020. The Michigan Coalition to End Sexual and Domestic Violence expresses concerns that further increases in rates are still to come.

Understanding that 2020's increase in numbers most likely reflects the tip of the iceberg, this has significant impact for preparing to assist homeless families within Michigan. Domestic violence was the most common reason women gave for their homelessness in 2017. The National Law Center on Homelessness and Poverty published in 2012 that 28% of cities cited domestic violence as a leading cause of homelessness among families with children. Half of all homeless women and children reported experiencing physical violence, and 92% of homeless mothers reported experiencing physical or sexual assault.

Identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing (optional):

Shelter Units: As indicated in the 2020 Housing Inventory Count (HIC), Michigan's homeless system had 6,549 emergency shelter beds for people experiencing homelessness. These beds are supported through federal, state, and philanthropic funds, including Emergency Solutions Grant (ESG - with additional CARES Act allocations) and the state's Emergency Shelter Program. During the pandemic, ESG funding supported an increase in access to non-congregate shelter through the use of hotels and motels.

Permanent Supportive Housing (PSH): Through Coordinated Entry Systems across the state, individuals and families are prioritized for housing opportunities using a standardized assessment and vulnerability index. PSH establishes further priority for individuals and families who qualify as chronically homeless. According to the 2020 HIC, Michigan reports permanent supportive housing beds for 3,899 family members, 5,132 beds for individuals, and 2,241 for veterans. These beds are supported through a combination of HUD CoC Program funds and federally funded vouchers (Housing Choice Voucher, Project Based Vouchers, and Veteran Affairs Supportive Housing Vouchers).

Describe the unmet housing and service needs of qualifying populations, including but not limited to:

- **Homeless as defined in 24 CFR 91.5**
- **At Risk of Homelessness as defined in 24 CFR 91.5**
- **Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the Notice**
- **Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability, as defined by HUD in the Notice**

According to the [2021 Out of Reach Report](#) from the National Low Income Housing Coalition (NLIHC), Michigan residents seeking a 2-bedroom rental unit must earn a minimum of \$38,575 annually to ensure rent and utilities are affordable (representing no more than 30% of the household's monthly income). This equates to an hourly pay rate of \$18.55, which is nearly double Michigan's minimum wage of \$9.65 per hour. The necessary housing wage is significantly higher for specific communities, with 2-bedroom rental units in Ann Arbor requiring more than \$24.00 per hour to remain affordable.

While Michigan's area median income (AMI) is nearly \$76,000, the [Comprehensive Housing Affordability Strategy](#) (CHAS) produced by HUD shows that over 74% of all renters earn less than 100% of AMI – and over 43% earn less than 50% of AMI.

According to the [2020 American Housing Survey](#) (AHS), Michigan's rental vacancy rate was 5% which is lower than the national average of 5.8%. This significantly contributes to the overall availability of rental units and places households with lowest AMI at a disadvantage to securing units that become available.

Identify any gaps within the current shelter and housing inventory as well as the service delivery system:

The average length of stay in Michigan emergency shelters increased from 55 days in 2019 to 59 days in 2020. This upward trend is anticipated to continue for the 2021 and will be reviewed in the upcoming Annual Homelessness Report released in fall 2022. Lack of available rental units is frequently cited as a primary factor for ongoing emergency shelter stays, which is compounded by the lack of income or extremely low income for households in shelter. The gap in needed emergency shelter beds is 1,274 for families and 3,128 for individuals, as outlined in Table 1.

For Table 2, the CHAS data points to a gap of 357,485 units between the number of rental units affordable to households earning 30% or 50% of Area Median Income, and the number of households with at least one severe housing problem earning those incomes. This stark difference in demand for these units, and their supply, points to the need to expand housing opportunities for this large group of Michigan residents.

Under Section IV.4.2.ii.G of the HOME-ARP Notice, a PJ may provide additional characteristics associated with instability and an increased risk of homelessness in their HOME-ARP allocation plan. These characteristics will further refine the definition of “other populations” that are “At Greatest Risk of Housing Instability”, as established in the HOME-ARP Notice. If including these characteristics, identify them here:

MSHDA will not include any additional conditions in its definition of other populations.

Identify priority needs for qualifying populations:

The purpose of coordinated entry systems is to ensure that resources and services are responsive and effective at quickly ending an experience of homelessness or preventing one from occurring. Qualifying populations require affordable housing and effective support services delivered at the right time, with the appropriate intensity. MSHDA, along with other state and federal funders, has deployed rental assistance and funds for security deposits, moving expenses, landlord incentives, utility assistance and furniture, all matched with emergency funds to provide case management support. The key missing links now for most qualifying populations are:

- available permanent housing opportunities for very low- and extremely low-income families and individuals to call home;
- financial assistance for households with rental arrears facing possible loss of housing and/or homelessness due to eviction;
- enough well-trained direct service provider staff to sustainably support the growing needs of households to access or maintain housing; and
- increased non-congregate shelter space to ensure safety and improved access in areas with insufficient shelter space.

Specifically, there is a critical need for additional housing units that accept rental assistance vouchers or are priced affordably for very and extremely low-income households and the services to accompany them. Most formerly homeless households require very little support long-term, but some require long-term on-going support. The evidence base suggests a system that is equipped to provide the right intensity of services at the right time. These services can be as simple as teaching someone how to pay their rent and complete housing recertifications, to more complicated support such as coordinating urgent behavioral healthcare.

Explain how the level of need and gaps in its shelter and housing inventory and service delivery systems based on the data presented in the plan were determined:

The gap analysis for emergency shelter beds considered the total number of bed nights accessed in 2020 and divided this by 365 to determine a single night of emergency shelter utilization. This number, which best aligns with the Point In Time count figures used in Table 1, was then multiplied by .75 to account for length of stay in shelter. The average length of stay in 2020 was 59 days, and year over year figures point to an increasing trend for 2021 data. This same formula was used for families and individuals seeking emergency shelter. Total emergency shelter units for the family population were determined by dividing the total number of family beds by 3 – the median family size among sheltered and unsheltered families.

The data for the non-homeless housing gaps analysis was taken from the CHAS data. Information from Michigan was downloaded from the HUD website (<https://www.huduser.gov/portal/datasets/cp.html>) and organized to yield estimates of the statistics referred to in the table.

Use of HOME-ARP Funds

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$ 10,800,000		
Acquisition and Development of Non-Congregate Shelters	\$ 5,700,000		
Tenant Based Rental Assistance (TBRA)	\$ 0		
Development of Affordable Rental Housing	\$ 43,293,681		
Non-Profit Operating	\$ 0	0 %	5%
Non-Profit Capacity Building	\$ 0	0 %	5%
Administration and Planning	\$ 4,000,000	6.3 %	15%
Total HOME ARP Allocation	\$ 63,793,681		

Regional Allocation Methodology

HOME-ARP funds were allocated to 19 different cities and counties across the state for a total of \$89,849,402. To achieve an equitable distribution of funds statewide, MSHDA will consider these local funding amounts when determining regional allocations for MSHDA HOME-ARP.

MSHDA will use the percentage of the population at 40% Area Median Income level to establish the regional need. MSHDA will allocate 85% of its HOME-ARP, less MSHDA Administrative costs, to regions across the state and 15% can be used in any region (statewide pool). If the regional minimums are not met with commitments to specific projects by June 30, 2023, they will be moved to the statewide pool. All uses of HOME-ARP, except MSHDA Admin, will count towards the minimum regional allocation.

Prosperity Region	% Statewide Population Below 40% AMI	Local HOME-ARP Allocations	MSHDA HOME-ARP Minimum	Regional % of minimum state and local funds	Regional % of only MSHDA funds
Region 1	3.27%		\$3,950,000	2.6%	6.4%
Region 2	2.58%		\$3,120,000	2.1%	5.1%
Region 3	2.24%		\$2,700,000	1.8%	4.4%
Region 4	13.20%	\$9,201,683	\$8,910,000	12.0%	14.5%
Region 5	5.98%	\$2,389,364	\$5,400,000	5.2%	8.8%
Region 6	8.55%	\$7,226,566	\$4,810,000	8.0%	7.8%
Region 7	4.78%	\$2,784,822	\$3,650,000	4.3%	6.0%
Region 8	7.12%	\$2,976,006	\$6,330,000	6.2%	10.3%
Region 9	9.40%	\$5,699,628	\$7,000,000	8.4%	11.4%
Region 10	42.87%	\$59,571,333	\$6,230,000	43.5%	10.2%
\$89,849,402			\$52,100,000	Fixed to Region	
			\$9,193,681	Floating Statewide	

HOME-ARP Activities Description

1. Development of Affordable Rental Housing: MSHDA intends to allocate a total of \$43,293,681 in HOME-ARP for the development of affordable housing. The HOME-ARP funds will be used in conjunction with the 4% Low Income Housing Tax Credit (LIHTC) program and tax-exempt bonds financing program. MSHDA will not administer this activity directly; rather, MSHDA intends to hold a competitive funding round in April 2023 where all developments/projects will be required to meet requirements for MSHDA's Direct Lending Parameters, Site Selection Criteria, Design Review Standards, and other applicable programmatic requirements. Any new construction, adaptive re-use, or rehabilitation of a multifamily rental housing development in Michigan, including existing affordable housing and small-scale rental developments are eligible to apply.

Owners applying for financing in this activity will be required to set-aside at least 35% of the total units in the project for HOME-ARP qualifying populations. The HOME-ARP units can be designated as Permanent Supportive Housing (PSH) or Rapid Rehousing (RRH). MSHDA will allow for 100% of the units to be PSH and/or RRH. RRH units must have rents restricted at 30% AMI to ensure affordability for qualifying individuals and families; PSH units can have project-based vouchers (PBVs) from MSHDA or another Public Housing Agency to ensure the projects remain both affordable and financially viable. It is anticipated that a total of 1,000-1,100 new units will be developed with at approximately 275-300 designated as PSH.

Tenants for HOME-ARP units must be within the identified qualified populations. Any units supported by Project Based Vouchers will have a preference for those experiencing literal (category 1) homelessness as defined at 24 CFR 91.5.

2. Supportive Services: MSHDA intends to allocate a total of \$12,000,000 in HOME-ARP to support the following supportive services activities (\$10.8 million in Supportive Services and \$1.2 million in Admin). MSHDA will not administer these activities directly; rather, MSHDA will issue a Notice of Funding Availability (NOFA) for the solicitation of applications under the first two categories below. Funding under Supportive Services for PSH units will be directly allocated to service providers partnering with developers for projects created under the "Development of Affordable Rental Housing" activity identified above. Service partners must demonstrate the capacity and commitment to serving all qualifying populations, with a preference given to homeless or domestic violence/sexual assault/trafficking individuals/families.
 - \$5,000,000 (\$4.5 million Supportive Services and \$500,000 Admin): Eviction Prevention financial assistance of up to six months of rental or utility arrears for qualifying individuals and families with incomes below 50% AMI. MSHDA may potentially leverage funding from the Housing and Community Development Fund (HCDF) to provide for up to 3 months of future rent assistance.
 - \$3,000,000 (3 years at \$1,000,000 per year) (\$2.7 million Supportive Services and \$300,000 Admin): Funding to support local homeless service agencies in providing housing navigation services for qualifying individuals and families that are searching for housing/newly housed with MSHDA's Homeless Preference Housing Choice Voucher Program or other CoC or ESG funded housing programs. Services will include but not be limited to assistance with eligibility paperwork; robust housing search assistance; assistance with the annual recertification paperwork; landlord mediation and housing retention and stabilization services.
 - \$4,000,000 (\$3.6 million in Supportive Services and \$400,000 Admin): Supportive Services funding for PSH units created under the Permanent Supportive Housing activity. Services will vary

depending on the individual/family's need. MSHDA anticipates \$2,000-\$2,500 per unit for six years (2025-2030). Total service funding per unit will be dependent upon the total number of PSH units created.

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- 3. Acquisition and Development of Non-congregate Shelter: MSHDA intends to allocate \$6,000,000 in HOME-ARP for the acquisition and/or rehabilitation of existing structures for non-congregate sheltering. \$5.7 million will be dedicated for related hard and soft costs and \$300,000 for administrative costs. The maximum award per project under this category will be \$1.5 million. The funds will have a preference for counties that do not currently have emergency shelter facilities. Projects must show adequate operating cost funding from another program/funding source as HOME-ARP funds cannot be used for operating costs. Projects without dedicated operating cost funding will not be feasible. If these funds are not committed to feasible projects by March 31, 2023, they will be moved into the Development of Affordable Rental Housing category. MSHDA will issue a Request for Proposals (RFP) for selection of projects under this category.
- 4. Administrative and Planning: MSHDA intends to allocate \$2,500,000 in HOME-ARP to support the hiring of six staff for the planning and development of the activities outlined in this plan, ensuring compliance with federal regulations, monitoring spending, and evaluating program results.

HOME-ARP Production Goals

Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation.

Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how the production goal will address the PJ's priority needs.

MSHDA estimates that 1,000-1,100 affordable rental housing units (under 60% AMI) will be developed and about 400 of these will be specifically set aside for qualifying populations. The development of these units will help address the lack of permanent supportive services as MSHDA has designated \$4 million of HOME-ARP (separate from the \$43+ million for affordable housing) for the provision of supportive services for PSH tenants. Applicants must commit to keeping HOME-ARP units affordable, including all applicable income, and rent restrictions, for a period of no less than 15 years from the point of project completion. This new affordable housing creation will be distributed in all areas of the state and will help to address the gaps in affordable housing access that we have identified.

Preferences

Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project.

If a preference was identified, explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or subpopulation of qualifying population, consistent with the PJ's needs assessment and gap analysis.

MSHDA's HOME-ARP non-congregate shelter (NCS) will prioritize admission of individuals or households in the homeless or domestic violence/sexual assault/trafficking qualifying populations (QPs) over the other QPs (i.e., at risk of homelessness and other populations). This preference is substantiated by the homeless gaps analysis completed in Table 1 of the Needs Assessment and Gaps Analysis section. However, members of all four QPs are eligible to apply for and be admitted to the NCS.

MSHDA's HOME-ARP affordable rental housing units that are supported by MSHDA Project Based Vouchers will be preferenced for households that meet the Category 1 homeless or domestic violence/sexual assault/trafficking qualifying populations (QPs) over the other QPs (i.e., at risk of homelessness and other populations). This preference is substantiated by the homeless gaps analysis completed in Table 1 of the Needs Assessment and Gaps Analysis section. However, members of all four QPs are eligible to apply for the HOME-ARP affordable rental housing units created.

Referral Methods

Identify the referral methods that the PJ intends to use for its HOME-ARP projects and activities. PJ's may use multiple referral methods in its HOME-ARP program. (Optional).

If the PJ intends to use the coordinated entry (CE) process established by the CoC, describe whether all qualifying populations eligible for a project or activity will be included in the CE process, or the method by which all qualifying populations eligible for the project or activity will be covered. (Optional).

If the PJ intends to use the CE process established by the CoC, describe the method of prioritization to be used by the CE. (Optional).

Coordinated Entry Systems (CES) are established within each of Michigan's 20 Continuums of Care (CoCs) and will be leveraged for implementation of HOME-ARP activities. To support referral to HOME-ARP assistance, CoCs will be required to complete a HOME-ARP CES agreement with MSHDA which incorporates the expanded qualifying populations (QPs) in access, assessment, prioritization, and referral in consideration of HOME-ARP activities. MSHDA will provide the agreement with standardized language to ensure consistent application for all QPs in all CoCs. Under this agreement, CES will prioritize individuals and families in the homeless QP for referrals to HOME-ARP assistance before other QPs. However, members of all four QPs are eligible to apply for and receive HOME-ARP assistance.

If the PJ intends to use both a CE process established by the CoC and another referral method for a project or activity, describe any method of prioritization between the two referral methods, if any. (Optional):

MSHDA does not intend to you another referral method besides local CE processes conducted by our Continuums of Care.

Limitations in a HOME-ARP rental housing or NCS project

Describe whether the PJ intends to limit eligibility for a HOME-ARP rental housing or NCS project to a particular qualifying population or specific subpopulation of a qualifying population identified in section IV.A of the Notice.

If a PJ intends to implement a limitation, explain why the use of a limitation is necessary to address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or subpopulation of qualifying population, consistent with the PJ's needs assessment and gap analysis.

If a limitation was identified, describe how the PJ will address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the limitation through the use of HOME-ARP funds (i.e., through another of the PJ's HOME-ARP projects or activities).

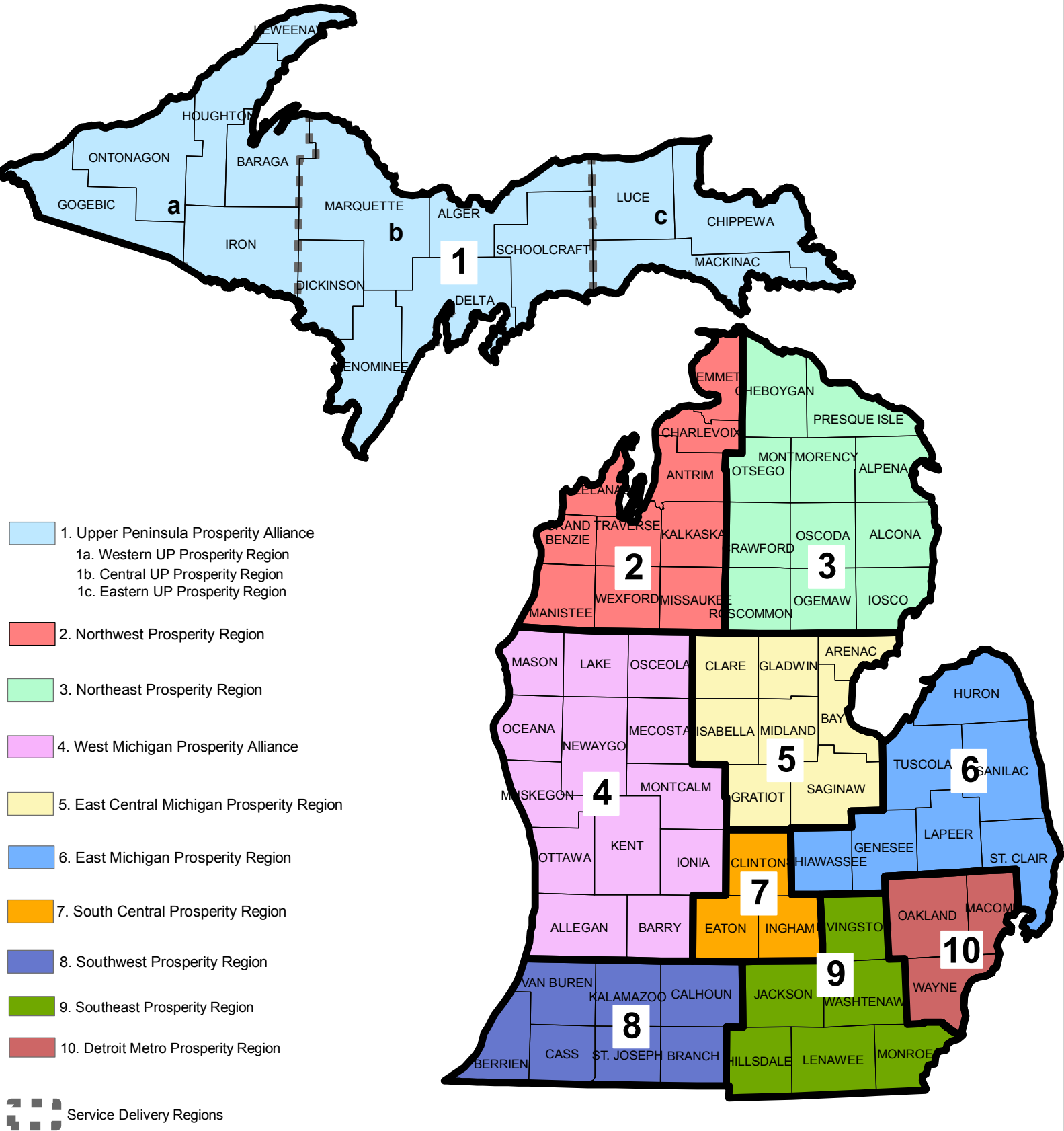
MSHDA does not intend to limit eligibility for a HOME-ARP rental housing or NCS project to a particular qualifying population or specific subpopulation of a qualifying population.

HOME-ARP Refinancing Guidelines

MSHDA does not intend to use HOME-ARP funds to refinance existing debt secured by multi-family rental housing.

State of Michigan Prosperity Regions

Addendum A



STATE OF MICHIGAN CITIZEN PARTICIPATION PLAN

APRIL 2021

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

Note: When additional funding is provided by the U.S. Department of Housing and Urban Development based on a declared emergency and/or funding needs to be repurposed to meet immediate need and in-person public hearings are not feasible, public notification will take place via internet postings only. An opportunity to offer comment will be provided by a period of not less than 5 days. The notice will clearly provide the methodology and contact person responsible for receiving comments.

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

Performance Reports.

1. Citizens shall be provided with a reasonable notice and opportunity to comment on any performance reports required on the Consolidated Plan. A period of not less than 15 days shall be provided to receive comments on the performance report prior to its submission to HUD. Reasonable notice shall be given in the form of an announcement in one or more newspapers of general public circulation.
2. The state shall consider any comments received in writing or orally when preparing the performance report. A summary of these comments shall be attached to the performance report.

Citizen participation requirements for local governments.

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

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

Availability to the public.

The consolidated plan, as adopted, substantial amendments, and the performance report, shall be available to the public, including the availability of materials in a form accessible to persons with disabilities, upon request. These documents shall be available at the MSHDA Website at www.michigan.gov/mshda and available upon request to members of the general public through U.S. Mail. _

Access to records.

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

Complaints.

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

Use of the Citizen Participation Plan.

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