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

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

Visit [www.michigan.gov/edp](http://www.michigan.gov/edp) for more information and links to the local HARA
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

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

*All services are provided by HUD Certified Housing Counselors located throughout Michigan.*
MSHDA’s Neighborhood Enhancement Programs and Modular Homes
Ann Grambau
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Ten pilot homes
  o Grayling
  o 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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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.
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](https://www.michigan.gov/mshda/0,4641,7-141-59976_41341_42401---,00.html)
Covid-19 Response Plan and Statewide Housing Plan
Karen Gagnon
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Spoke at beginning:
Marketing & Research
David Allen, PhD
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