



Michigan Housing Overview and Programs

August 24, 2023



Housing Crisis

- Michigan is experiencing a housing crisis.
- The Statewide Housing Plan provides a call to action to all because housing is a basic human need, and everyone deserves to have safe, healthy, affordable, accessible, and attainable housing in a community of their choice.
- MSHDA can't fix challenges alone.
- Collaboration is key to implementation of the plan at the state, regional and local levels.
- It will involve leveraging resources, growing the labor force, recognizing strengths of organizations across the state, and using best practices to achieve shared goals while combating long standing inequities in housing.

Critical Housing Issues

- Michigan needs over 190,000 of new housing units at a variety of price points
- 48% of renters pay too much for housing
- Between 2013 and 2023, average home sales price went up 129%
- 47% of the housing stock is over 50 years old
- About 22,000 new housing starts in 2022; 6th lowest rate in the nation
- 179,000 Michiganders worked in construction in November 2021, a drop of 16% since early 2000.

MSHDA Programs

- Affordable rental housing
- Homeownership
- Housing Choice Vouchers
- Homeless programs
- Missing Middle Housing Program
- Housing Opportunities Promoting Energy Efficiency
- Housing and Community Development Fund
- Community Development Block Grant

Affordable Rental Housing

- MSHDA uses a variety of federal programs to finance the new construction or rehabilitation of affordable housing
- Developers apply within these programs and the financing is used as capital funding to construct the housing
- Long-term restrictions are placed on the development that require the rents to be kept within affordable ranges and tenants must be below income limits to live there
- In a typical year we are financing about 5,000 units

Expanding Homeownership

- MSHDA offers down payment assistance of \$10,000 in conjunction with a first-mortgage loan through our network of participating lenders
- Local lenders work with the prospective homeowners and executes the loan, which MSHDA purchases and services
- Down payment assistance is a loan in second position
- Housing education classes are required to access DPA
- In a typical year, we provide about 3,000 loans

Housing Choice Vouchers

- Voucher holders rent homes from landlords and pay 30% of their income towards the rent; the subsidy pays the rest of the rent to the landlord
- MSHDA has a homeless preference, so the majority of new vouchers are used to assist homeless households
- We also use HCV at specific developments (Project-based Vouchers)
- We assist about 28,000 households statewide

Homeless Programs

- MSHDA administers the Emergency Solutions Grant program through homeless service agencies statewide
- About \$10 million in federal and MSHDA funds are distributed in a typical year
- Funds are used for Emergency Shelter, homelessness prevention, rapid rehousing and case management

Missing Middle Housing Program

- Grant funding to construct/rehab housing for households between 60% AMI to 120% AMI
- Rental or homeownership
- Funding is geographically distributed throughout state
- Open to nonprofit, for-profit, local government or land bank
- Once constructed, properties are sold/rented to families in the income range
- Rent/purchase price limits make it affordable to families in this income range
- \$110 million total in program

Housing Opportunities Promoting Energy-Efficiency (MI-HOPE)

- \$28 million available to non-profits or local units of government
- Up to \$25,000 per home to be spent on energy efficiency upgrades to the home
- Grants can range between \$100,000-\$1 million
- Intended to be leveraged with other programs like DHHS's Weatherization Assistance Program and utility Energy Waste Reduction programs

Housing and Community Development Fund

- \$50 million available
- Will be used for the following housing programs:
 - Contractor Assistance Program
 - Good Housing = Good Health Program
 - Shelter Diversion Pilot
 - Housing Choice Voucher Key to Own Program
 - Housing Choice Voucher Mobility Program
 - Permanent Supportive Housing Gap Financing Program
 - MSHDA Incentivizing Communities with Housing (MICH)
 - Tribal Nations Housing Development Assistance Program

Community Development Block Grant

- \$30 million available annually
- Restricted to rural areas
- Can fund a wide variety of housing activities
 - Homeowner repair
 - Acquisition/Development/Resale of small scale properties
 - Homeless Services
 - Second floor rental units in downtowns

Statewide Housing Partnership

- The vision: Michigan's successful housing ecosystem provides safe, healthy, affordable, accessible, and attainable housing for all in a community of their choice.
- A collaborative approach is required to address Michigan's housing challenges and create economic opportunities within the state.
- Nearly 7,000 people contributed to the creation of Michigan's first Statewide Housing Plan.
- Implementation will involve leveraging resources, growing the labor force, recognizing strengths of organizations across the state, and utilizing best practices to achieve shared goals while combating long standing inequities in housing.



— MICHIGAN STATEWIDE —
HOUSING PLAN