

# MSHDA Neighborhood Enhancement Program (NEP)

**Michigan State Housing Development Authority**

Special Achievement: SA

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## **Entry Description**

### **MSHDA is Innovative**

The distinct shape of the state, challenges and drives Michigan to address housing needs on two peninsulas, separate and unique in resources, population, and demographics. To bridge the funding gap and the bodies of land, the Michigan State Housing Development Authority (MSHDA) relies on our guiding principles, “we pursue equitable outcomes for underserved populations.” There is a critical need in urban and rural sections of Michigan for affordable housing rehabilitation. As federal subsidies for aging housing rehab and neighborhood public amenity assistance continue to see funding cuts or elimination after the Great Depression, the role of local governments and non-profits in the development and preservation of affordable housing is increasingly important. The need for a “hands on” positive and measurable effect within communities was approached as a new initiative. The development of achievable guidelines began with outreach to Michigan communities to partner and create a special foundation for a housing rehabilitation and public amenities grant program to assist low to moderate homeowners.

MSHDA’s Neighborhood Enhancement Program (NEP), was established in 2016 and is designed to support communities and provide grant funding for “high impact, quick turnaround” projects during a 6 – 12-month construction timeline. By using direct funding sources from MSHDA, NEP was designed creatively by staff to make an immediate impact within rural and urban communities benefiting low- and moderate-income areas and residents. NEP’s primary goals are to identify and fund innovative activities, to address a neighborhood’s specific needs, and to create a more esthetically pleasing neighborhood, as well as assist and then showcase the Michigan neighborhood(s) where residents are engaged and facilitating change. The NEP began small and is now showing innovative results in communities throughout Michigan.

This year, \$2.1 million was awarded statewide via a competitive process, and awarded directly to communities from MSHDA, providing a smooth, quick, efficient process for putting the dollars directly in the hand of the individuals performing the rehab or improvement. To date, the NEP has provided five rounds of funding, assisting more than 90 communities. Twenty-one of these communities are first time grantees with MSHDA in the current year. The projects selected for these grants must demonstrate to MSHDA that the improvement is a highly visible housing-oriented opportunities that will improve the quality of life for the residents living within these communities. The funding source for the five funding rounds is MSHDA general fund dollars. This program does not use tax dollars from the state of Michigan.

The NEP is awarded to local municipalities and non-profit agencies and provides a series of housing improvements or upgrades, which are focused on improving an existing housing structure, to create efficiency and productivity with a sustainable, permanent improvement.

By partnering directly with communities, the advancements in this program have been measurable, particularly innovative, and strategic. MSHDA’s NEP continues to service and listen to the ever-increasing needs of rural and urban neighborhood communities, who continue to be dealt with economic hits.

### **MSHDA responds to an Important State Need**

In January of 2016, MSHDA went through a restructuring and disbanded the Community Development Division which, resulted in a loss of \$9 million in federal funding and a transfer of more than 40 staff to another state department. The restructuring created a huge void in funds available to single-family homeowner rehabilitation. The restructuring left five staff previously focused on community development,

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to be creative and identify a new division and focus. A few months later the Housing Initiatives Division (HID) was formed to address a state need: the lack of single-family homeowner rehabilitation. The division narrowed in and became a specific team: The Neighborhood Enhancement Team (NET). This team would visit each community and focus on impactful activities to address a neighborhood's special community needs; assist and then showcase Michigan neighborhood(s) where people are engaged and facilitating change; and to provide funding to facilitate and implement activities.

MSHDA conducted a statewide needs assessment in March 2019. The Michigan Statewide Needs Assessment validated NEP's efforts to provide solutions for needed housing rehabilitation to ensure existing housing stock does not fall further into a state of disrepair. Funding for these repairs is critical and MSHDA partnered with non-profits and municipalities to identify ways to create grant programs and pathways for existing homeowners, who need homeowner rehab dollars.

As a result of population and household declines during the 1980's, many communities were left with neighborhoods or areas experiencing high levels of unemployment and underinvestment in the housing stock. The Great Recession hit Michigan hard as one of the largest numbers of foreclosures in the nation. Over time, some communities were able to rebound from the decline and pivot towards revitalization, while others have not been able to find employment or resources that allow improvements to aging houses. Large scale rehabilitation of the housing stock is difficult to execute because it requires a concerted effort on the part of homeowners, the availability of financing, and coordinated efforts by local non-profits and municipal officials. This allowed the NEP to offer grants of up to \$7,499 on rehab projects and a five year forgivable lien on rehab projects over \$7,500.

There are an estimated 9.96 million residents who live in the state. In 2017, a total of approximately 4.6 million housing units existed around the state. This is up from 4.58 million the previous year—an increase of about 8%. Nearly 40% of residential units (either owner- or renter-occupied) built before 1960 and are in disrepair.

The Statewide Housing Assessment also identified that by enlarging the territory of homeowner rehab in rural areas, it would help address this statewide need. Public amenities were also identified by communities as a gap and NEP added public amenities to their program guidelines. NEP developed a massive statewide mailing list by partnering with other state departments, city officials and previous federally funded grantees, to include municipalities across the state with populations at or below 50,000. As a result of this mailing list, NEP was able to create effective outreach, which expanded NEP to fund more rural communities, including communities that never imagined they could receive state funding due to their small population.

### **MSHDA achieved intended results**

NEP has achieved measurable results by improving the quality of life for residents of the communities. Imagine a new roof completed in a day for a family of five that no longer has to endure wet ceilings and floors; picture a new porch installed for an elderly resident, who no longer has to fear boards caving in or leaning on sagging railings; feel the joy of a single mother or father who received a lower energy bill due to airtight windows to keep out Michigan's winter air. The program allows for these eligible housing enhancement improvements and include installation or repairs of roofing, siding, deck/ramps, private driveways/sidewalks, fences, soffit/gutters, and doors/windows. The eligible Public Amenity improvements include installation of murals, walking paths, pavilions, signage, play structures, dog parks, and permanent benches/picnic tables.

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To date, NEP has funded 90 communities statewide. The program began with \$285,000 in initial MSHDA funding. The second round increased to \$443,000 and the third and fourth rounds were combined and increased to \$1.6 million. The most current round topped off at \$2.1 million. That is an increase of over 700% from program launch in 2016.

By using state funding, the NEP can have more flexible guidelines by allowing eligibility requirements for homeowners to extend up to 120% Area Median Income. NEP is reaching a population that other federally funded housing programs are not targeting.

NEP has been impactful to the neighborhoods by generating a buzz and inspiring neighbors to do work on their homes. Communities are continuing to create pocket parks, and provide gathering space, taking pride, and empowering residents through neighborhood volunteerism.

At the end of each grant round, NEP requires feedback through surveys from residents and grantees. Homeowners provide responses on the work that was completed on their home. Whereas grantees provide feedback on ways to improve the program as well as giving feedback and the opportunity to propose immediately new and creative NEP projects. NEP provides “hands on” encouragement directly to the communities through on-site and virtual videocalls with a one-on-one Champion or staff person assigned to each grant.

**MSHDA provide benefits that outweigh costs**

NEP has been impactful to the neighborhoods by generating a buzz and inspiring neighbors to invest in their homes, increasing property values across the entire state. The neighbors are out and comparing their improvements. Communities have eliminated blight and are motivated to continue to create pocket parks, provided gathering spaces, taking pride and involving residents with neighborhood volunteers. All eligible activities focus on community-based initiatives that have buy-in from neighborhood residents. The activities create a sense of pride and it radiates throughout the neighborhoods. The Public Amenities improvements within parks and neighborhoods has encouraged volunteers to get involved. These intangible numbers are hard to quantify; however, volunteers are getting involved and reinvesting in their communities.

Over the last four years, the NEP has increased MSHDA’s investment by creating 92 partnerships, \$898,711 in leveraged dollars, which is a 42% match, 581 energy audits and effecting 491 household members across the state. The investment in NEP by MSHDA, increases MSHDA’s investment as a HFA in a community where MSHDA may have already provided funds for a multi-family housing development or where a newly installed MSHDA modular home was built. One of the NEP communities targeted their housing enhancement project to a four-block neighborhood adjacent to the MSHDA modular home recently listed for sale.

Bridging the gap between two peninsulas and allocating the funding is challenging. By visiting all funded communities within Michigan and partnering to create funding that has reached all corners of the upper and lower peninsulas, from Ironwood to Detroit, the program will continue to market and encourage urban and rural communities to bring their special needs to MSHDA to achieve flexible solutions. Without the interested communities or grantees, there would not be a program. MSHDA gives a standing ovation to each of our grantees and communities for partnering to bridge the gap in our unique state.

# NEIGHBORHOOD ENHANCEMENT PROGRAM

MSHDA

**The MSHDA Neighborhood Enhancement Program (NEP) provides statewide funding for activities directly tied to the stabilization and enhancement of Michigan neighborhoods by nonprofit 501(c)(3) organizations and/or local units of government.**

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The NEP program's primary goals are to identify and fund innovative activities to address a neighborhood's specific needs; assist and then showcase Michigan neighborhood(s) where people are engaged and facilitating change; and to provide funding to facilitate and implement housing-oriented activities.

The NEP program financially assists high-impact, innovative, neighborhood housing-oriented activities that benefit low- and moderate-income areas and residents. This includes housing enhancements to owner-occupied single-family homes and neighborhood public amenity enhancements.

All components are designed to fund tangible, housing-oriented activities that are: implementation ready; highly visible; impactful to the neighborhood and residents quality of life; holistically/ community focused; and where there is buy-in and demonstrated support within the neighborhood and community.

## FAST FACTS:



The Neighborhood Enhancement Program is provided by the Michigan State Housing Development Authority.



2020 is the fourth year of the NEP, to date, \$4,100,000 have been granted to communities throughout Michigan.



In NEP funding rounds 1-4 over 250 households and properties received assistance.



To date, NEP funding has been provided to 38 counties in Michigan. More than 55 different agencies received the funding to support both rural and urban areas.

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## NEIGHBORHOOD ENHANCEMENT GRANTS

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### A Few MSHDA Links



#### **MSHDA NEP WEBSITE**

**Website**

<http://bitly.ws/8QQs>



#### **HOUSING NEEDS ASSESSMENT**

**Housing Needs Assessment  
PDF**

<http://bitly.ws/8QQu>



#### **MSHDA VIDEOS**

**Kalamazoo Community  
Pocket Park**

<http://bitly.ws/8QQy>

**Foster Park Benefits from  
MSHDA's Neighborhood  
Enhancement Program**

<http://bitly.ws/8QQA>



#### **MSHDA MEDIA PLACEMENTS**

**Highland Park grant**

<http://bitly.ws/8QK6>

**Gogebic-Ontonagon  
grant**

<http://bitly.ws/8QKa>

**Mancelona grant**

<http://bitly.ws/8QPi>

**Dowagiac grant**

<http://bitly.ws/8QKg>

**Oakland County grant**

<http://bitly.ws/8QKh>

# NEIGHBORHOOD ENHANCEMENT PROGRAM

MSHDA

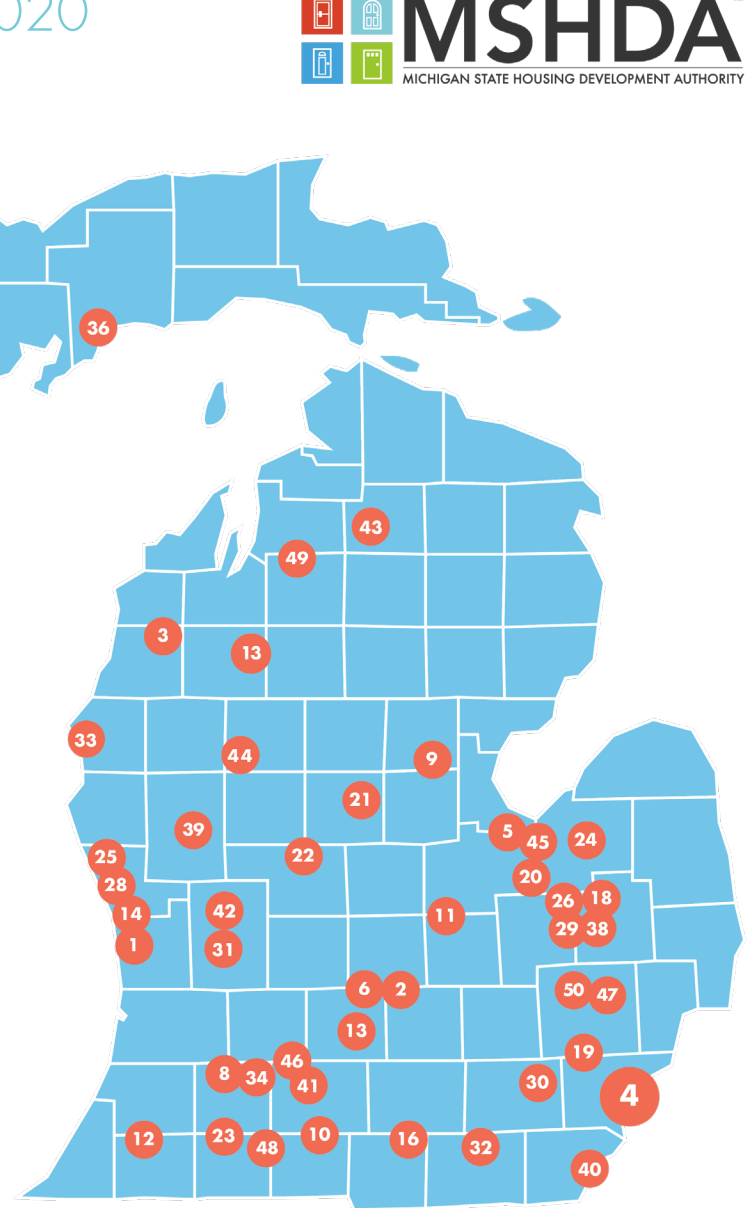
## NEIGHBORHOOD ENHANCEMENT GRANTS

2020



- 1 3Sixty
- 2 Allen Neighborhood Center
- 3 Alliance for Economic Success
- 4 Bridging Communities
- 5 Buena Vista Charter Township
- 6 Capital Area Housing Partnership
- 4 Central Detroit Christian
- 8 Chapel Hill United Methodist Church
- 9 City of Beaverton
- 10 City of Coldwater
- 11 City of Corunna
- 12 City of Dowagiac
- 13 City of Eaton Rapids
- 4 City of Ecorse
- 14 City of Grand Haven Neighborhood Housing Services
- 15 City of Hancock
- 16 City of Hillsdale
- 17 City of Ironwood
- 18 City of Lapeer
- 19 City of Madison Heights
- 20 City of Montrose
- 21 City of Mt. Pleasant
- 22 City of Stanton
- 23 City of Three Rivers
- 24 City of Vassar
- 4 Cody Rouge CAA
- 25 Community Encompass
- 26 Court Street Village Nonprofit Housing Corporation
- 4 Develop Detroit
- 4 GenesisHOPE
- 27 Gogebic Ontonagon CAA
- 28 Grand Haven
- 29 Habitat for Humanity of Genesee County
- 30 Habitat for Humanity of Huron Valley-Ypsilanti Twp

- 31 Habitat for Humanity of Kent County
- 32 Habitat for Humanity of Lenawee County
- 33 Habitat for Humanity of Mason County
- 4 Jefferson East, Inc.
- 4 Joy Southfield CDC
- 34 Kalamazoo Neighborhood Housing Services, Inc.
- 4 LifeBUILDERS
- 35 MDS Community Action Agency - Escanaba
- 36 MDS Community Action Agency - Manistique
- 37 MDS Community Action Agency - Menominee
- 38 Metro Community Development
- 39 NCCS
- 40 Monroe County Opportunity Program/The Opportunity Center
- 41 Neighborhood of Battle Creek, Inc
- 42 New Development Corporation
- 43 Otsego County Housing Committee
- 4 Rebuilding Together Southeast Michigan
- 44 Reed City
- 45 Saginaw County Community Action Committee, Inc
- 4 Sinai-Grace Guild CDC
- 46 Southwestern Michigan Urban League
- 47 Venture Inc.
- 48 Village of Colon
- 49 Village of Mancelona
- 4 Wayne County Land Bank
- 50 Wayne Metropolitan Community Action Agency



## GALLERY

### Before and After Photos

#### Smithvale

As a result of the NEP in Smithvale neighborhood, property values increased. Not only have the sales prices increased, the time on the market has decreased. The homes built had waiting lists as we built them; and other properties in the neighborhood are selling more quickly.

– DOUG, BAY AREA HOUSING, INC.



Before



After



## GALLERY

### Before and After Photos

#### Smithvale



Before



After

## GALLERY

### Before and After Photos

#### West Willow

The investments made through this program will allow for an increased tax base for the West Willow community. Additionally, participating residents are expected to see an increase in their assessed property value. There was an overwhelming response from residents expressing interest in participating in this program. This serves as a reminder of the significant need beyond what we were able to serve with this funding. Similarly, with an increased interest in Habitat programs through the visibility of this program will allow for further programming and investment through different programs going forward. Finally, this program allowed for a better understanding of the consistent needs throughout the neighborhood requiring additional funding and different program design.

- SARAH, HABITAT FOR HUMANITY HURON VALLEY



Before



After



## GALLERY

### Before and After Photos

#### West Willow



Before



After (New Roof)

## GALLERY

### Before and After Photos

#### Vanity Ballroom

Decades of deferred maintenance, unhealthy and hazardous conditions plague the housing stock hampering the residential housing market; even within the current increased rise in the City of Detroit's brand. Safe, hazard free, healthy homes are essential for residents especially our seniors. The targeted strategies, such as the MSHDA NEP funding helped JEI provide resources needed to strengthen and improve residential homeownership.

- MICHELLE, JEFFERSON EAST INCORPORATED



Before



After



## GALLERY

### Before and After Photos

#### **Detroit's Historic North End**

As a result of NEP grant in Detroit's Historic North End 16 low income senior citizens will experience a higher Quality of Life. Vanguard's intention was to serve as many residents as possible. The grant amount for each homeowner was relatively small. The homes in this neighborhood are on average 100 years old and have been in disrepair for an extended period of time.

- STEPHANIE, VANGUARD CDC



Before



After

## GALLERY

### Before and After Photos

#### Detroit's Historic North End



Before



After



Before



After

# FREQUENTLY ASKED QUESTIONS

## MSHDA Neighborhood Enhancement Program

**Q.** Who can apply?

**A.** Nonprofit 501c3 agencies and local units of government that receive a combined total of less than \$350,000 in annual CDBG/HOME allocations.

**Q.** Where does the grant come from?

**A.** MSHDA general operating dollars

**Q.** What can the grant be used for?

**A.** At least 50% must be used for housing enhancements and up to 50% of the remaining dollars can be used for Neighborhood Public Amenity Enhancements.

**Q.** What have past grantees used the funds for?

**A.** Accessibility improvements such as porches, entranceways/sidewalks, ramps, driveways, windows, doors, siding, paint, roofs, park improvements, orchards, community gardens, playground equipment, pavilion installation/repair, water faucet installation, trails, paths, signage.

### About Michigan State Housing Development Authority (MSHDA)

The Michigan State Housing Development Authority (MSHDA), established in 1966, provides financial and technical assistance through public and private partnerships to create and preserve safe and decent affordable housing, engage in community economic development activities, develop vibrant cities, towns and villages, and address homeless issues.

MSHDA's NEP grants are financed through general operating proceeds generated by the sale of tax-exempt and taxable bonds and notes to private investors, not from state tax revenues. Proceeds of the bonds and notes are loaned at below-market interest rates to developers of rental housing, and also fund home mortgages and home improvement loans. MSHDA also administers various federal housing programs.

For more details visit [Michigan.gov/mshda](http://Michigan.gov/mshda) and search for Neighborhood Enhancement Program.

