

MI NEIGHBORHOOD CDBG PROGRAM

HOMEOWNER REHAB QUICKFINDER

The Community Development Block Grant (CDBG) Homeowner Rehab activity, administered by MSHDA's Neighborhood Development Division (NDD), provides funding to eligible local governments for home repairs and improvements. These efforts target homes occupied by low- and moderate-income homeowners, addressing critical health, safety, and energy efficiency needs.

Eligible Applicants	Non CDBG-entitled unit of a general local government (UGLG). See CDBG Municipalities Map to determine eligibility.
Eligible Households	Income qualified households with incomes at or below 80% of Area Median Income (AMI).
Eligible Properties	A single-family property which is zoned residential, and: - Is permanently owner-occupied by residents and their primary residence for a minimum of 12 months. - Is current on mortgage(s) payments, if applicable. - Has no tax delinquencies unless payment plan is in place and payments are current. - Is not subject to a foreclosure proceeding, court-ordered receivership, or nuisance abatement. - Has utilities services turned on. - Is affixed to a permanent foundation. - All assisted properties must be standalone single-family residences with their own unique address. - May include detached site condominium units or modular/manufactured homes permanently affixed to real property and taxed as real estate.
Eligible Rehabilitation Costs	The actual cost of rehabilitating housing, including: - Interior and Exterior Improvements to meet applicable rehabilitation standards and code requirements. The following are eligible costs if they are implemented in conjunction with another assisted activity (cannot be standalone): - Energy-related repairs or improvements provided they are permanently affixed. - Improvements necessary for persons with accessibility needs. - Remediation of lead-based paint hazards or asbestos abatement. - Modest landscaping (seed/sod, mulch, trees/shrubs, perennials), up to \$1,000.
Project Soft Costs	Reasonable and necessary costs associated with rehabilitation and tied to a specific address.
Relocation Costs	Not applicable.
Administrative Fees	Capped at 18%.

Housing Quality	Grantee must meet both federal standards and local code standards for activities undertaken, whichever is stricter. All permits and inspections are the responsibility of the UGLG.
Documents Required	▪ Proof of fee simple ownership back to Warranty Deed. ▪ Income verification required at time of application. ▪ Initial housing inspection to demonstrate rehabilitation need(s). ▪ Must use mortgage and note template provided by MSHDA.
Replacement Housing	Not allowed.
Compliance Requirements	▪ All U.S. Department of Housing and Urban Development (HUD) rules and regulations as applicable, including federal cross-cutting regulations as outlined in MSHDA's CDBG Policy Manual. ▪ Homeowner insurance on property or letter stating it could be insured once repairs are completed. ▪ When house is sold it is subject to payoff requirements pursuant to the terms of the Mortgage and Mortgage Note. See Loan Terms below.
Federal Laws & Regulations	Refer to MSHDA's CDBG Policy Manual and citations within written Grant Agreement.
Project Completion	All units must be completed within a 24 month period of performance.
Loan Terms	CDBG assistance of \$10,000 or less will be a grant to the homeowner with no repayment, mortgage or mortgage note required. CDBG assistance of \$10,001 or more shall be a zero interest, zero payment loan, forgivable after five years. Loans shall be secured by a second mortgage, forgiven in full at the end of five (5) years. Other loan characteristics: ▪ Mortgage shall include the full amount of assistance. ▪ Mortgage and Mortgage Note are between homeowner and MSHDA. ▪ Due on default, sale, refinance or transfer, or if no longer occupied by borrower. ▪ Subordination of this mortgage, i.e. through borrower refinancing, is not allowed. ▪ Program Income resulting from loan payoffs shall be returned to MSHDA.
Minimum Assistance Per Unit	\$1,000.
Maximum Assistance Per Unit	\$40,000.
Non-Owner Leverage Requirement	Not required; however, highly encouraged.

