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MICHIGAN HOUSING AND COMMUNITY DEVELOPMENT FUND (MHCDF)

Why we need ongoing, dedicated revenue for Michigan housing

- In Michigan, there are only 37 affordable and available units for every 100 extremely low-income renters. (NLIHC, The Gap, 2019)
- Wages are not keeping up with rising housing costs. A minimum wage worker would have to work 73 hours per week to afford a 2-bedroom home at fair market rent. (NLIHC, Out of Reach, 2018)
- Our most vulnerable households - extremely low income, homeless - are struggling to access housing. In 2017, 63,024 individuals experienced literal homelessness in Michigan. Instances of homelessness for seniors (55+) and children in families are increasing. (Ending Homelessness In Michigan, 2017)

The solution: The Michigan Housing and Community Development Fund (MHCDF)

- The Michigan Housing and Community Development Fund (**MHCDF**) was created by legislation in 2004 to develop and coordinate public and private resources to meet the affordable housing needs of low income, very low income, and extremely low-income households.
 - Administered by the Michigan State Housing Development Authority (**MSHDA**)
- It has only received funding twice:
 - 2008 - \$2,163,400 appropriated from General Fund
 - 2012 - \$3,700,000 allocated from National Mortgage Settlement
- In 2008, funded projects served 130 low income households and prevented homelessness for 78 households in rural and urban areas. (MHCDF Annual Report, 2008)
 - Funded projects included: 9 Habitat for Humanity projects, 16 units of Permanent Supportive Housing, Security Deposits for precariously-housed persons, Programming for homeless or at-risk households, Mixed-use affordable housing, Energy efficient senior housing
 - These projects generated thousands of jobs, millions of dollars in state and local taxes, and created vibrant cities to attract and retain young/newly educated people.
 - These projects resulted in a \$24,041,009 investment leveraged.
- In 2012, only 9 projects out of the 65 submitted were able to receive funding due to the limited resources of the MHCDF.

How other states are funding their housing funds

- 47 states have housing trust funds (Housing Trust Fund Project, Housing Trust Fund Survey Report, 2016)
- 30 states have ongoing, dedicated funding sources for their funds - including every state in the Midwest except for Michigan
- In the Midwest, these sources of funding include:
 - Real estate transfer tax (Illinois, Iowa)
 - Real estate document recording fees (Illinois, Missouri, Ohio)
 - Interest on real estate escrow accounts (Wisconsin, Minnesota)
 - Bond and fee revenues (Kansas)
 - Other program income or taxes (Indiana, Iowa, Nebraska)

Our Ask

- Create a permanent funding source for the Michigan Housing and Community Development Fund so that we can fund housing projects to revitalize our communities, create housing options for low income households, and invest in the future of Michigan housing.