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MSHDA offers \$1 million to local governments for residential blight removal

LANSING, Mich. -- More abandoned and blighted residential structures in Michigan may soon meet the wrecking ball as the result of blight funding being introduced by the Michigan State Housing Development Authority (MSHDA).

MSHDA is accepting funding requests from CDBG non-entitlement local units of government for residential blight removal projects under the Community Development Division's Community Development Block Grant (CDBG) Program. The CDBG program is federally funded by the U.S. Department of Housing and Urban Development.

It's open to cities, townships and villages of less than 50,000 in population, and non-urban counties that do not receive CDBG funding directly from HUD.

"This is a great opportunity for smaller towns to rid their communities of abandoned, blighted structures that cause safety concerns and drive down property values," MSHDA Executive Director Scott Woosley said. "It's the first time that standalone residential blight removal funding using CDBG grant dollars has been offered by MSHDA. This funding opportunity may not be offered again at a later date."

The program will provide financial assistance to communities to make physical improvements to residential neighborhoods through blight removal of vacant residential single-family structures that are publically owned and/or formally designated as dangerous structures. The sites must be located in a CDBG low and moderate income area, block group or census tract and meet one of the following blight definitions: 1) considered a public nuisance according to local code or ordinance; 2) is a nuisance because of age, physical condition, or use; or 3) has had utilities, plumbing, heating or sewerage disconnected, destroyed, removed, rendered ineffective so that the property is unfit for its intended use.

The program also will focus on demolition of vacant blighted single-family residential property that falls within one of these categories:

- In direct support of proposed investment of public or private funds including properties that will be redeveloped for residential use.

- Directly adjacent to or across from recent public or private investment, proposed investment, or other assets designated as critical investments or institutions by state or local officials.
- Critical for strategic redevelopment of a targeted area.
- Supports the stabilization of neighborhoods with high rates of foreclosure prevention services and/or homeownership, and other tipping point neighborhoods.

Due to federal regulations, projects that have already started or previously obligated funds are not eligible.

All submissions must be postmarked by Friday, Aug. 16. For additional project requirements and information, visit http://www.michigan.gov/mshda/0,4641,7-141-5564_14770-310394--,00.html.

The Michigan State Housing Development Authority (MSHDA) provides financial and technical assistance through public and private partnerships to create and preserve decent, affordable housing for low- and moderate-income residents and to engage in community economic development activities to revitalize urban and rural communities.*

*MSHDA's loans and operating expenses are financed through the sale of tax-exempt and taxable bonds as well as notes to private investors, not from state tax revenues. Proceeds are loaned at below-market interest rates to developers of rental housing, and help fund mortgages and home improvement loans. MSHDA also administers several federal housing programs. For more information, visit www.michigan.gov/mshda

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