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NBHD. GRANTS PROGRAM

House Bill 4835

Sponsor: Rep. Bob Emerson

Committee: Housing & Urban Affairs

Complete to 9-11-91

A SUMMARY OF HOUSE BILL 4835 INTRODUCED 5-20-91

House Bill 4835 would amend the State Housing Development Authority Act to establish a Neighborhood Grants Program, under which grants would be made by the Michigan State Housing Development Authority (MSHDA) for neighborhood improvement projects. The following are the provisions of the bill:

Eligibility Standards. A grant would be made to a nongovernmental, nonprofit organization that served a neighborhood and was neighborhood-based in its orientation. The organization would have to demonstrate that it had a record of neighborhood improvement activity, with substantiated self-help involvement by local residents, and that it had a history of responsible financial management. Under the bill, schools and religious institutions would not be eligible for grants. However, separate nonprofit organizations associated with schools, churches, synagogues, or other religious institutions would be eligible if they met the other requirements of the bill. Grants would be awarded for the following projects:

-- General neighborhood improvement projects, including, but not limited to, neighborhood cleanup or beautification, minor home repair, energy conservation, renovation of community centers, and neighborhood commercial revitalization.

-- Crime prevention and public safety projects, including, but not limited to, neighborhood watch programs, home security seminars, installation of security systems, and lighting improvements.

-- Housing projects, including, but not limited to, acquisition of houses for rehabilitation or demolition, major painting and repair projects, rehabilitation of multifamily rental units, creative use of existing buildings, and revolving loan funds.

-- Service projects relating to the needs of people living in the neighborhood, including, but not limited to, child care, tutoring, and senior citizen or youth services. The projects would have to be those that would lead to an increase in self-sufficiency of the persons being served. Under the bill, MSHDA would award grants based on the following criteria:

-- The applicant's capacity to complete the project.

-- The importance of the project to the revitalization of the neighborhood.

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-- The extent to which self-help (from conception of the project through its completion) was a component of the project.

-- The local government's support of the project.

-- Consistency of the project with local plans for the area.

-- The number of people who would benefit from the project.

-- The extent of cooperation between the applicant and other local groups.

-- The inclusion in the project of in-kind contributions.

-- The degree of distress of the neighborhood relative to neighborhoods served by other applicants.

-- The applicant's ability to raise funds.

-- The clarity of the application.

MSHDA could award a grant to an applicant that had managed a neighborhood improvement project but did not meet the eligibility standards if it determined that the applicant had potential to become a moving force for improvement in the neighborhood and that the assistance would enable the applicant to build the history of organizational capacity and fiscal responsibility that is required for grants under the program.

Prohibited Programs. MSHDA could not make grants under the program to supplant or replace existing funding that supported neighborhood activities. In addition, grants could not be made for the following:

1) Public works, operating costs of government facilities, or salaries of government personnel.

2) Employment programs or employment training programs.

3) Nonprogram related general operating expenses of a neighborhood organization.

4) Planning and feasibility studies, unless essential to implement a project that was eligible for a grant.

5) Transportation projects, including, but not limited to, purchase of vehicles.

6) Political activities, including, but not limited to, lobbying or organizing.

7) Projects resulting in personal profit or distribution of assets to members of the governing board or management of the organization.

8) Projects that exclusively benefit special interest populations, including, but not limited to, handicappers, domestic assault victims, substance abusers, child abuse victims, or the homeless. Projects that combined benefits for a special interest population and other residents of the neighborhood would be eligible.

9) Cultural activities, including, but not limited to, restoration of theaters or museums, art collection acquisition, dance troupes, or performance costs.

10) Projects that exclusively benefitted religious organizations or schools.

MCL 125.1445 et al.