



Coordinating Homeowner Rehabilitation in Michigan

RECOMMENDATIONS FOR POLICYMAKERS

Michigan faces an urgent need to revitalize and preserve its existing housing stock to ensure the health and safety of residents and the long-term sustainability of communities. To this end, there are several statewide programs in place that provide low-to-moderate income residents with housing rehabilitation, repair, and energy efficiency services.

However, Michigan's homeowner rehabilitation programs are funded from a variety of sources and are administered across a few state agencies, and there is limited coordination and alignment of program processes. This results in a complicated web of program rules and requirements that makes it difficult for program implementers to efficiently and effectively serve homeowners.

The Need for Homeowner Rehabilitation in Michigan

There are more than an estimated 520,000 owner-occupied homes potentially in need of free or subsidized repair, rehabilitation, or preservation services in Michigan. This is 17% of all owner-occupied homes in the state. Rehabilitation of owner-occupied homes presents a big opportunity in Michigan because:

- Most occupied homes in Michigan are owner-occupied (73%) (U.S. Census Bureau, n.d.).
- Most owner-occupied homes in Michigan are 30+ years old (75%), and this housing stock is aging.
- Most owner-occupied homes were built around or before the time lead-based paint was banned in Michigan (61%) (U.S. Census Bureau, n.d.).
- Owner-occupied homes belonging to households with low or moderate incomes are more likely to be old.

“We’re against the clock and it’s a losing battle...We’ll never be able to take care of all the homes that are just falling in on themselves, and we’ve got people living in them.”
—Housing leader

Michigan's Fragmented System

Michigan's homeowner rehabilitation programs come from a hodgepodge of resources across multiple government agencies, community, philanthropic, and private organizations, often operating with different eligibility requirements, intake processes, and administrative parameters. This report focuses on Michigan's eight active statewide programs which are administered by three state agencies and one state commission and funded by nine funding streams from four federal agencies, state sources, and utility ratepayers.



IMPACTS OF A FRAGMENTED SYSTEM

Housing rehabilitation program administrators, implementers, and other housing leaders that participated in interviews, roundtables, and feedback sessions spoke about the impacts of this fragmented system on their programs and their ability to serve homeowners, including:

1. Inefficiencies and burdens of administering programs
2. Challenges with bringing together programs and funding sources to address multiple needs in a home
3. Confusion and frustration for homeowners

“...these programs standing on their own can often not meet the needs of what a person or a homeowner or household needs, so helping to find better ways to layer up these many funding sources is certainly an important question...”

—Housing leader

Recommendations

The study team recommends the following:

- The Governor create an interagency coordinating council within the Statewide Housing Partnership and led by a policy advisor within the Governor’s office.
- Policymakers further consider consolidating the administration of homeowner rehabilitation programs within fewer state agencies and strengthening local capacity to coordinate funding sources and programs.

A newly created interagency council should take the lead on developing the following components of a unified system.

- *Simplification and alignment of program rules*, starting with a comprehensive review of each program’s state requirements compared to federal requirements.
- *Common systems and processes*, including for application and eligibility review; sharing client information; tracking program progress, compliance, and reporting; household assessment; and documenting available resources.
- *Flexible funding* that could be used when needed repairs and services exceed what funding caps will allow, are necessary to prepare a home for weatherization, or are not allowable through other funding sources.

About the Project

This study was designed to identify opportunities to improve coordination and governance, align resources, strengthen delivery systems, and support more cohesive and flexible delivery of housing rehabilitation resources. Study activities included:

- **An environmental scan** of relevant homeowner repair, weatherization, utility assistance, and energy efficiency programs
- **A policy scan** of legislative actions in Michigan
- **Data analysis** to estimate the numbers and characteristics of owner-occupied homes in Michigan
- **Feedback from 57 housing leaders representing 33 organizations** through semi-structured interviews, roundtables, and feedback sessions

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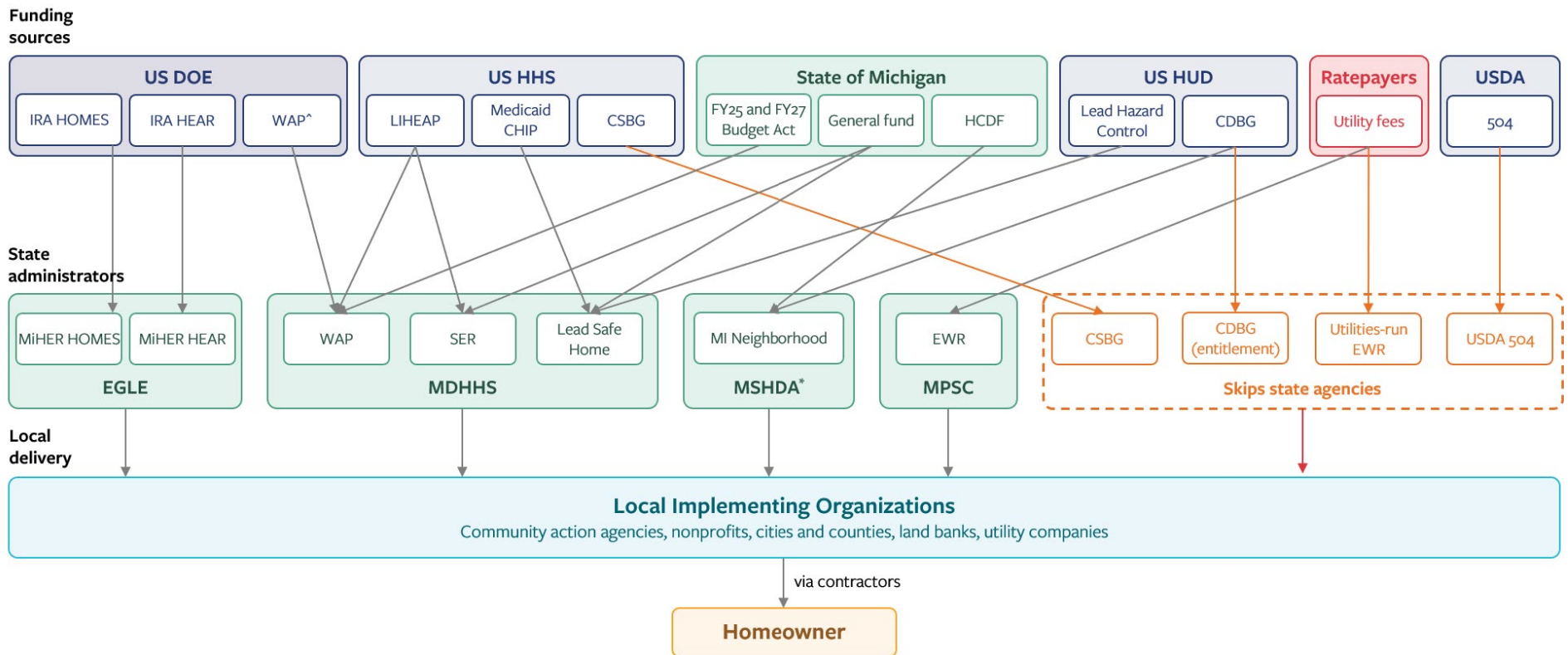
To read the full report, visit:

<https://publicpolicy.com/featured-work/housingrehabstudy/>



How homeowner rehab funds reach Michigan households

Federal funding streams mapped to the statewide programs they support



Bypasses state agencies

“Skips state agencies”: CDBG entitlement funds go directly to qualifying cities and counties; USDA 504 runs through federal rural development offices; some utilities self-administer EWR programs. CSBG is awarded to MDHHS, but federal statute requires at least 90% to pass directly to community action agencies.

^ includes Weatherization Readiness Funds within the WAP program

*MSHDA directs the US HUD HOME Investment Partnerships Program allocation to rental housing, rather than homeowner rehab, so HOME is not included.

Active programs are shown; sunseting efforts (CHILL, MI-HOPE) are not included. Funding sources specific to Tribes and Tribal Entities and related programs are also not included.



Acronyms and program names

504	USDA Section 504 Home Repair Loan and Grant Program
CAA	Community action agency
CDBG	Community Development Block Grant
CHIP	Children's Health Insurance Program
CSBG	Community Services Block Grant
EGLE	Michigan Department of Environment, Great Lakes, and Energy
EWR	Energy waste reduction
FY25	Fiscal year 2025
HCDF	Michigan Housing and Community Development Fund
HEAR	Home Electrification and Appliance Rebates
HOME	HOME Investment Partnerships Program
HOMES	Home Efficiency Rebates
IRA	Inflation Reduction Act of 2022
LIHEAP	Low Income Home Energy Assistance Program
MDHHS	Michigan Department of Health and Human Services
MiHER	Michigan Home Energy Rebates
MPSC	Michigan Public Service Commission
MSHDA	Michigan State Housing Development Authority
SER	State Emergency Relief
US DOE	U.S. Department of Energy
US HHS	U.S. Department of Health and Human Services
US HUD	U.S. Department of Housing and Urban Development
USDA	U.S. Department of Agriculture
WAP	Weatherization Assistance Program
WRF	Weatherization Readiness Funds

DEFINING HOMEOWNER REHABILITATION

This report focuses on and refers to homeowner rehabilitation programs. The authors define this as any program that supports improvements to, repairs to, or preservation of (including through weatherization and energy efficiency services) owner-occupied homes of people with low or moderate incomes. These programs could also support organizations, such as a landbank or nonprofits, to rehabilitate or repair homes that will eventually be sold to occupants with low or moderate incomes. The report does not cover programs that are exclusively focused on rental properties or homes owned by corporations or investors.

HOUSING LEADERS

This study involved conducting semi-structured interviews, roundtables, and feedback sessions with housing program administrators, local implementers, and other experts. In total, 57 people from 33 organizations participated. In the report, this group is referred to as “housing leaders,” when referencing their feedback.