



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

GARY HEIDEL
ACTING EXECUTIVE DIRECTOR

October 31, 2022

Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20024

Re: FHLBank System at 100 Focusing on the Future – Comments

Thank you for the opportunity to provide comments on behalf of the Michigan State Housing Development Authority (MSHDA) as you embark on the FHLBank System at 100: Focusing on the Future comprehensive review of the Federal Home Loan Bank System.

MSHDA is the Housing Finance Agency for the state of Michigan and administers critical housing programs that operate throughout the state such as the Low-Income Housing Tax Credit (LIHTC), HOME and Federal Housing Trust Fund, Tax-Exempt and Taxable Bond Lending, Homeowner Down-Payment Assistance, Housing Choice Voucher, as well as many other housing programs. Recently, MSHDA has also been the recipient of a significant amount of American Rescue Plan/State and Local Fiscal Recovery Funds that are targeted towards addressing the critical housing needs throughout the state including but not limited to Missing Middle Housing, Permanent Supportive Housing, Homeowner Energy upgrades, Emergency Rental Assistance, Contractor Assistance, and Homeowner Assistance Funding.

In order to better identify the housing needs throughout the state and the corresponding strategies, MSHDA recently completed a Statewide Housing Plan. According to the plan, nearly half of Michigan renters and 18% of Michigan homeowners pay over 30% of their income towards rent while construction of new units in Michigan falls far short of current demand. Substantial housing challenges exist in all areas throughout the state and the correct solutions vary and require a regional approach with strong partnerships, creative collaboration, and sufficient funding to be effective. MSHDA considers the Federal Home Loan Bank an important partner in this. MSHDA has appreciated a strong relationship between MSHDA staff and local FHLBank staff that has resulted in better understanding and collaboration between the FHLBank programs and the specific housing programs in Michigan. This has included the FHLBank hosting MSHDA and other members of the affordable housing development industry for a listening session in the newly opened FHLBank Detroit office to better understand specific challenges that Michigan developers are facing. From a funding perspective, the Affordable Housing Program (AHP) continues to be a critical part of assisting to fill the funding gaps that exist in affordable housing developments that are utilizing the 4% LIHTC/Tax-Exempt Bond Programs in Michigan and MSHDA looks forward to further collaboration and success in this area.

MSHDA appreciates its continued partnership with the FHLBank and believes that its regional approach and funding programs such as the AHP are important in assisting Michigan in successfully implementing the strategies necessary to achieve the goals of the Statewide Housing Plan.

Thank you,

Chad A. Benson

Chad Benson
Director of Development

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