

2012 NCSHA Awards

HFA: Michigan State Housing Development Authority (MSHDA)

Category: Legislative Campaign

Subcategory: Federal Campaign

Entry Name: MSHDA Congressional Brochures

OVERVIEW

Federal investments through Community Development Block Grant (CDBG), housing tax credits and HOME funds are the centerpiece of the U.S. government's efforts to help cities, counties and states meet the needs of low- and moderate-income persons. Concern spread in 2012 that the foundation for transformative community projects is crumbling. Over the last two years, for example, Congress has cut funding for the CDBG program more than 25 percent, from about \$4 billion to \$2.9 billion. The impact of the decline in federal funding support is especially deep in financially challenged states such as Michigan. In this economic climate, the Michigan State Housing Development Authority (MSHDA) and the National Council of State Housing Authorities (NCSHA) believe the need to maintain services and assistance to low- and moderate-income households is overriding. MSHDA joined NCSHA in coordinating a congressional outreach plan that included new, innovative and low-budget federal legislative brochures prepared by MSHDA that became an integral tool as part of the communications effort.

ADVANCE THE OVERALL MISSION OF THE AGENCY

In early 2012, NCSHA called on MSHDA and all of the nation's state housing authorities to help inform members of Congress and their staff about the importance of maintaining federal investments for these essential community revitalization programs. MSHDA's marketing team was tasked with developing a brochure that could help frame policy discussions during meetings with Michigan's congressional delegation, as well as serve as a primer for legislators and staff updating them on MSHDA's impressive track record with grantees in each of Michigan's 15 congressional districts. MSHDA's marketing team was instructed to emphasize the local/regional return on investment generated by CDBG, HOME funds and housing tax credits, both statewide and within each Michigan congressional district. We also were tasked with crafting messages that could succinctly summarize the often complex and little-understood community and regional benefits generated by MSHDA's wise stewardship of these federal funds.

INNOVATIVE/REPLICABLE

The federal legislative brochures MSHDA created is the first such effort in the Michigan agency's 43-year history. Historically, MSHDA focused on developing affordable housing. However, MSHDA's mission has evolved as a direct response to Michigan's economic problems and the understanding that strong neighborhoods, vibrant downtowns, and creative, prosperous regions will be the infrastructure on which MSHDA helps build a new Michigan economy. MSHDA surveyed other state housing authorities' archives but found no results for similar federal legislative brochures. Officials with several state housing authorities told MSHDA they looked forward to seeing MSHDA's legislative brochure product upon completion for potential duplication and use with the congressional delegations in their respective states. The due diligence spurred MSHDA to design a brochure template that was customized with local information and images specific to Michigan communities and certain projects, along with graphics and ROI/job creation data tailored to each Michigan congressional district. The template was intentionally designed, however, to incorporate clear, concise and uniform messaging about the value of CDBG, HOME funds and housing tax credits, as well as a standardized template that provides easy duplication.

DEMONSTRATE COALITION BUILDING

Each of the 15 Michigan congressional district legislative brochures contains standardized headlines ("Cooperative Work in Every Michigan Community") and text that demonstrates MSHDA's strong

leadership in supporting strong urban neighborhoods; economic gardening to help businesses grow; homeownership and neighborhood stabilization through property improvement; revitalization of Michigan's downtowns; affordable rental housing; and community and statewide work to end homelessness. MSHDA also sought to emphasize the importance of developing partnerships and building coalitions with investors, businesses, nonprofits and local governments. This required MSHDA to conduct outreach with local civic leaders, elected officials and others to obtain permission for attribution and approval of quotes, localized data and photos of local grantee success stories. MSHDA's legislative brochures feature quotes from leaders and partners with nonprofits, city managers, county executives, downtown development directors, builders/construction company owners, community planning and development directors, CEOs, mayors, and many others.

FORGE EFFECTIVE RELATIONSHIPS WITH STATE/FEDERAL LEGISLATORS

MSHDA's 15 legislative brochures feature standardized text that further demonstrates MSHDA's effective coalition- and relationship-building activities and emphasize that its work often takes in partnership with other state agencies, including the Michigan Economic Development Corporation (MEDC), Department of Natural Resources (DNR), Department of Environmental Quality (DEQ), Department of Transportation (MDOT) and Department of Agricultural and Rural Development (DARD). In addition, each of the 15 brochures contains common language that highlights the sources for project financing from local, state and federal government funders. For example, Detroit's Neighborhood Service Organization (NSO) is creating homes for the chronically homeless by resurrecting the former Michigan Bell Building and spurring a renewed sense of community pride at the same time. The \$50 million investment is expected to help refurbish the surrounding neighborhood, where other development is taking place. As noted in the brochure, sources for project financing include MSHDA Housing Tax Credits, MSHDA Project Based Vouchers, Wayne County HOME, City of Detroit HOME, Michigan's Brownfield Tax Credit Program, Federal and State Historic Tax Credits, nonprofit foundations and funds, and conventional bank financing. MSHDA's brochures helped support the forging of more effective relationships with state and federal legislators, and their respective staff members, by simplifying and cleanly detailing the often-intricate patchwork of funding sources that MSHDA brings together to launch projects.

ACHIEVE STRATEGIC OBJECTIVES

Unfortunately, growing pressure to reduce the federal deficit has complicated the traditional processes by which members of Congress signal support for programs. MSHDA, however, has helped push toward a small reversal of these trends in 2012, thanks in part to MSHDA's federal communications strategies (including the dissemination of MSHDA's brochures to business and local government leaders in their respective congressional districts). The distribution of the MSHDA brochures to prominent local and respected community leaders ensured consistent, positive messaging. MSHDA's leadership also inspired calls and emails to members of Michigan's congressional delegation from local elected officials and representatives with the Michigan Municipal League, Michigan Association of Counties, Small Business Association of Michigan and other allies. As a result, three members of Michigan's congressional delegation (U.S. Reps. Gary Peters, Hansen Clarke and Dale Kildee) and both of Michigan's U.S. Senators (Carl Levin and Debbie Stabenow) have co-signed letters that support the Low Income Housing Tax Credit (Housing Credit) legislation introduced by Sen. Maria Cantwell (D-Wash.) and Rep. Pat Tiberi (R-Ohio). Senate bill 1989 and House Resolution 3661 will promote stability and certainty for affordable housing development through improved efficiencies in the housing credit – the most successful affordable housing production and preservation tool in U.S. history.

ANTICIPATE, IDENTIFY AND PRIORITIZE LEGISLATIVE ISSUES

MSHDA successfully anticipated, identified and prioritized at least three key legislative issues prior to the design, production and distribution of its 15 federal legislative brochures: (1) The brochures' "style" was intentionally designed to meet professional quality standards, but not appear too slick, glossy or

expensive. (2) The emphasis on “local, local, local” information pertinent to each congressional district was critical to that brochure’s effectiveness with federal legislators and staff. Many GOP policymakers expressed surprise at the extent and ROI of MSHDA-led projects in their communities. (3) The template had to be easily duplicable for new production of federal legislative brochures that will be used during 2013-2014, as Michigan’s congressional district boundaries have been realigned and become effective during the August and November 2012 elections.

REACH TARGET AUDIENCES

During the week of April 22–April 25, 2012, MSHDA distributed its entire supply of 375 legislative brochures while meeting with legislators and staff of all 15 Michigan congressional districts in Washington, D.C., a NCSHA senior legislative and policy associate, and representatives of state housing authorities from Ohio, Indiana, Pennsylvania and others. The response was overwhelmingly positive. Federal legislative staff requested PDFs of the print brochures for distribution to appropriate constituents and to share with other policy staff. Both the NCSHA and other state housing authority staff requested additional print copies and PDFs to use as starting points for similar productions for their respective organizations. In addition, based on interest and requests for copies of the federal legislative brochures from individual county, city and local civic leaders, MSHDA distributed another 450 copies of the brochures to community partners across the state. Due to the brochures’ widespread popularity with these audiences, MSHDA is now in the process of making additional copies of the brochures available to thousands of other key stakeholders.

EMPLOY ANALYTICAL SKILLS TO ANTICIPATE AND IDENTIFY THE POTENTIAL RAMIFICATIONS OF ISSUES

One of the most difficult analytical challenges that MSHDA anticipated and successfully resolved was identifying metrics that could be used to demonstrate the statewide economic impact and ROI of MSHDA-administered federal investments in Michigan by each congressional district. MSHDA policy staff had never before been asked to assemble data in the format proposed by MSHDA’s marketing team. MSHDA concluded – correctly – that the brochures’ effectiveness would hinge on the ability of MSHDA’s analysts to generate real dollars spent in each congressional district on community investment and the number of jobs produced in that district as a result of these investments. The design template also included data that showed community investment and job creation across relevant regions of Michigan as well as the statewide impact.

DEMONSTRATE EFFECTIVE USE OF RESOURCES/ PROVIDE BENEFITS THAT OUTWEIGH COSTS

MSHDA considered the amount of content to be delivered to the reader, the size of the audience the piece would be sent to, and the appropriate type of printer to handle the job. The final piece is an oversized tri-fold 8" x 12" with customized data and photography by district. The piece is designed for digital printing, which allows for easy updates and reprints in limited quantities, as low as one. Initial printing included 15 individual pieces with a quantity of between 25–45 per district. One of the benefits of the federal legislative brochures that outweigh costs is that MSHDA uses an environmentally responsible paper, McCoy Dull Digital cover 80#. (McCoy features FSC® and SFI® Chain of Custody certifications, is Lacey Act compliant, and 100 percent of the electricity used to manufacture McCoy is generated with Green-e® certified renewable energy. Ten percent of the fiber in McCoy sheets is derived from Post Consumer Waste (PCW). Sappi Fine Paper North America is a certified SmartWaySM Transport Partner.)

Total cost for printing: \$487.80.

Congress of the United States
Washington, DC 20515

February 28, 2012

Dear Colleague:

We are writing to invite you to join as a cosponsor of H.R. 3661, legislation that would prevent a significant reduction in the amount of investor equity that that can be used to build affordable housing. This legislation would extend a temporary provision enacted in 2008 which establishes a minimum tax credit rate for newly constructed or substantially rehabilitated property in the Low-Income Housing Tax Credit (LIHTC) program. In addition, it establishes a minimum tax credit rate for the acquisition of existing property in the LIHTC program.

The Low-Income Housing Tax Credit is the principal means by which the federal government supports the construction and preservation of affordable rental housing in this country. Today it builds about 100,000 units of affordable housing annually and accounts for about the same number of jobs in the economy, largely in the construction industry. As enacted in the Tax Reform Act of 1986, the amount of Low-Income Housing Tax Credits that are awarded to development projects is based on a formula which uses the federal cost of borrowing to determine the credit rate. As the federal cost of borrowing declines, the amount of tax credits that can be used to build a LIHTC project also declines. The extraordinarily low cost of federal borrowing in recent years led Congress to change the formula in 2008 so that there is a minimum credit amount, based on the original credit rate when the program was created. Unfortunately, the minimum credit rate expires for properties placed in service after 2013, which is now beginning to impact developments receiving allocations from state agencies.

In the next few weeks, affordable housing developers will have to begin assuming about an 18% reduction in the amount of investor equity they will be able to access to build affordable housing. When combined with budget cuts at the local, state and federal level, this further cut in resources for affordable housing will make it even more difficult to build and preserve affordable housing, even as the shortage of affordable housing is greater than ever.

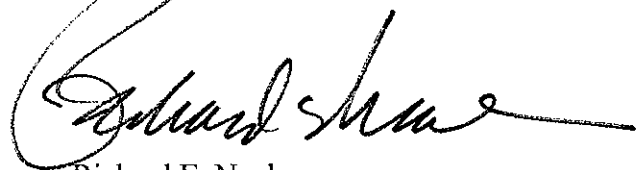
This legislation is widely supported by the housing industry. Over 350 national, state, and local organizations in all 50 states, representing all participants in the industry—from investors and developers to affordable housing advocates—strongly support H.R. 3661.

Since this legislation only affects the amount of tax credits that a housing finance agency may award a particular development, and does not affect the overall amount of state allocations of credit, we expect the revenue cost to be minimal. The 2008 legislation cost \$7 million over the ten year budget period. For further background, we have attached a summary of the legislation for your review. Please contact either Brad Bailey with Congressman Tiberi (5-5355) or Kara Getz with Congressman Neal (5-5601) if you would like to cosponsor this legislation or if you have any questions.



Patrick J. Tiberi
Member of Congress

Sincerely,



Richard E. Neal
Member of Congress

STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 1st Congressional District.



► COMMUNITY INVESTMENT

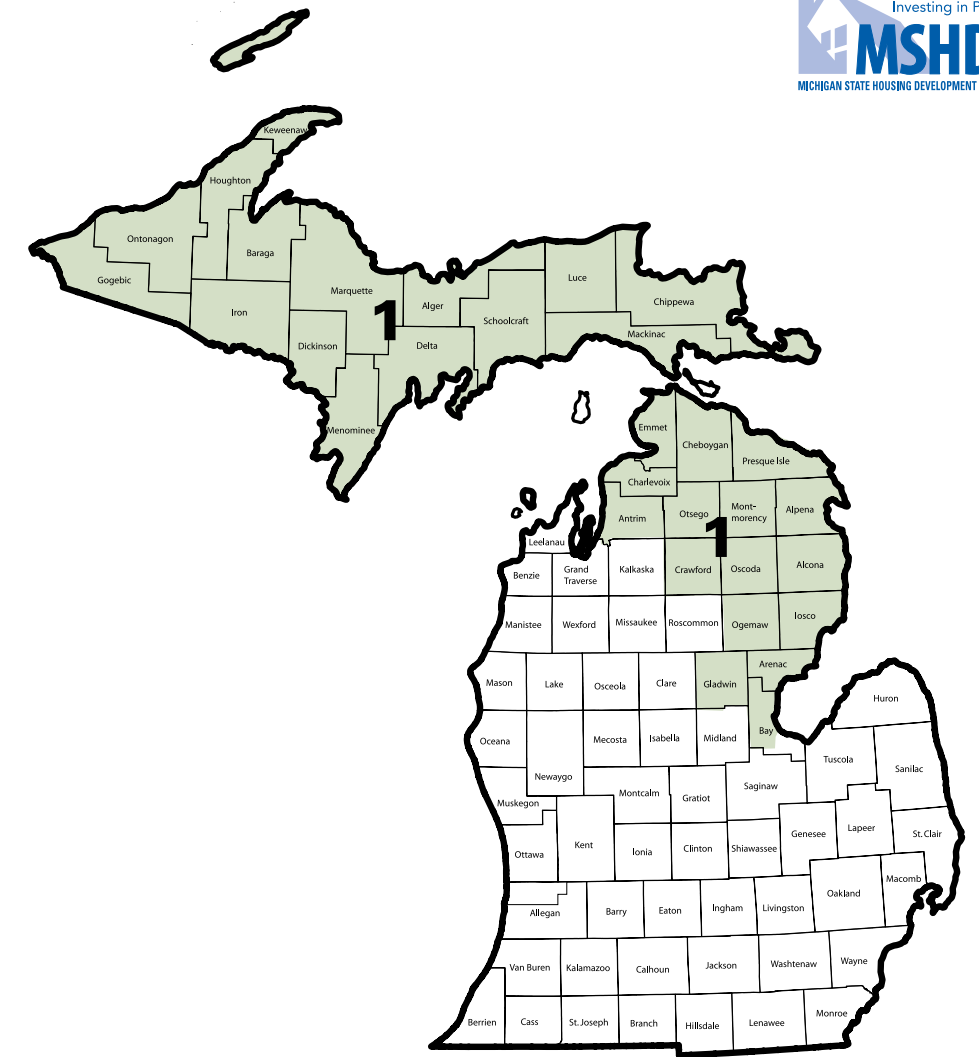
	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
1st District	\$155,256,920	\$35,360,113	\$22,108,932
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



► JOBS CREATED

Northern Michigan	1,168 jobs
Michigan	11,084 jobs

* CDBG numbers include only MSHDA-administered funds. Additional CDBG funds flow directly to larger municipalities and through other state departments.



REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 1ST CONGRESSIONAL DISTRICT

► The housing crisis and resulting economic downturn hit hard in every city, county and district in Michigan. Neighborhoods felt the sting of foreclosure. Businesses had to recalibrate and reinvent themselves. But Michigan communities are resilient and our resolve is strong. Guided by prudent financial management and accountable metrics, Michigan is rebuilding itself.

A key component of this effort has been federal assistance from programs including Community Development Block Grants (CDBG), Housing Tax Credits and HOME funds. These resources have been applied in responsible and innovative ways, in every corner of our state, to help communities, homeowners and local businesses help themselves. They will continue to be a crucial element in our future success.

► Community Development Block Grants (CDBG)

CDBG provides annual grants on a formula basis to cities and counties to strengthen communities, large and small, by expanding economic opportunities and by providing decent housing for low- and moderate-income residents. On the housing side, CDBG grants help revitalize neighborhoods and provide improved community facilities and services. Communities develop their own programs and funding priorities including:

- Property acquisition, relocation and demolition.
- Rehabilitation of residential and non-residential buildings.
- Construction of public facilities and improvements.
- Assistance to profit-motivated businesses for economic development and job creation/retention activities.

While other programs address similar needs, the impact of CDBG is remarkable. For example, since 1990 Habitat for Humanity has completed 100 homes in Ottawa County, while since 2000 CDBG resources have directly helped more than 10,000 Ottawa County families. In Michigan, CDBG funds have assisted in downtown revitalization, created environments where businesses can grow, and renovated unused second stories in smaller traditional downtowns, creating living spaces to stabilize commercial properties and build a prosperous business environment.

► Housing Tax Credits

The Housing Tax Credit Program is a public-private partnership harnessing the discipline of the marketplace to build quality, affordable housing for lower-income families in a more efficient way than any direct spending program. While the federal government provides the tax credits, they are administered by the state based on housing needs at the local level. Each year in Michigan, the Housing Tax Credit is responsible for the creation of thousands of construction jobs, most of which are with small business construction subcontractors. According to the National Association of Homebuilders, for every 100 units built with Housing Tax Credits, 122 jobs are created. Even with the program, the need for affordable housing outpaces production. Nearly a quarter of all renting households pay one-half or more of their annual income in rent. The Housing Tax Credit program is essential to provide affordable housing for families, seniors and special needs populations in both urban and rural areas.

► HOME Funds

HOME funds help communities to build, buy, or rehabilitate affordable housing for rent or homeownership, often in partnership with local nonprofit groups. Provisions of HOME make it a unique and powerful tool to help rebuild Michigan communities:

- Allows communities to tailor projects to their own needs.
- Emphasizes cooperative planning that expands partnerships with the private sector and among units of government.
- Provides practical technical assistance and support for qualified community-based nonprofit housing groups.
- Requires that participating jurisdictions match 25 cents of every dollar in program funds, mobilizing community resources in support of affordable housing.

FEDERAL PROGRAMS THAT SUPPORT MICHIGAN'S SUCCESS

MANAGING FEDERAL INVESTMENTS FOR ROI

Applying, monitoring and accounting for federal investments through CDBG, Housing Tax Credits and HOME funds is in large part work of the Michigan State Housing Development Authority (MSHDA). Historically, MSHDA focused on developing affordable housing. However, MSHDA's mission has evolved as a direct response to Michigan's economic problems and the understanding that strong neighborhoods, vibrant downtowns, and cooperative, prosperous regions will be the infrastructure on which we build a new Michigan economy.

► Sound Stewardship of Federal Resources

MSHDA manages federal funds to improve the state's housing stock, make housing more affordable, prevent foreclosure, boost business opportunities, rebuild our cities and help reduce homelessness. MSHDA is on solid financial footing and a strong partner to state and federal agencies, local governments, lenders, developers, builders, Realtors and nonprofits. MSHDA's AA bond rating is among the highest in the nation. Industry rating services consistently cite MSHDA as among the nation's most effective financial stewards compared to peer Housing Finance Agencies (HFAs).

► Cooperative Work in Every Michigan Community

MSHDA's work supports:

1. Strong urban neighborhoods
2. Economic Gardening to help businesses grow
3. Homeownership and neighborhood stabilization through property improvement
4. Revitalization of Michigan's downtowns
5. Affordable rental housing
6. Community and statewide work to end homelessness

This work often takes place in partnership with other state agencies including the Michigan Economic Development Corporation (MEDC), Department of Natural Resources (DNR), Department of Environmental Quality (DEQ), Department of Transportation (MDOT), and Department of Agriculture and Rural Development (DARD). It involves partnerships with investors, businesses, nonprofits and local governments. And it is grounded in a shared vision – that a new and thriving Michigan will be built on our downtowns, diverse neighborhoods, entrepreneurial centers, cultural amenities and unique places.

All of this can only happen if we work together.



SUCCESS STORIES FROM THE 1ST DISTRICT



Across the 1st District, federal investments have strengthened neighborhoods, built needed affordable housing for seniors and families, preserved and repurposed historic buildings, and created places where businesses can grow. MSHDA has helped manage these many projects to help ensure successful and accountable management and demonstrated return on investment for the communities served.

► Park Place City Center Apartments: Sault Ste. Marie

Two adjacent historic buildings that sat vacant or underutilized for years are finding new life – and injecting vitality into downtown Sault Ste. Marie.

Using financing that included Section 1602 and HOME loans, G.A. Haan Development acquired, rehabilitated and combined the Ashmun Street buildings into a mixed-use development with commercial space on the first floor and 24 housing units on the upper floors.

The first building, known as the Masonic Building, once housed a Woolworth's store and later served as the local Masonic Temple. The three-story structure housed only a few small retailers on the first floor. The second building, which stands six stories, was once the site of the Central Savings Bank but had sat vacant for more than 20 years.

All of the housing units are reserved for low- to moderate-income families. The units are of various shapes and sizes and feature modern conveniences and classic architectural features.

"It is truly exciting to see the lights back on in these buildings," said Sault Ste. Marie City Manager Spencer Nebel. "The Park Place City Center is a shining example of innovation and has been a welcome addition to downtown."

The project has drawn national accolades.

The center was named an honorable mention recipient of the Development of Distinction Award by the Novogradac Journal of Tax Credits. The award recognizes excellence and honors outstanding achievement in the development of projects using housing tax credits and/or Section 1602 funds. Nationwide, only two developments are chosen to receive the award annually.

Park Place City Center also is a case study in architectural ingenuity and civic rejuvenation that exemplifies a trend called "retrofitting."

Such developments pose a challenge to urban innovators. Instead of replacing an old structure with an entirely new building, the designers look for what is worthwhile about the existing architecture and add to it.

This practice is not common when it comes to large affordable housing projects. But scattered across the country, there have been a few successful attempts.

Park Place City Center is one of MSHDA's success stories.

"Urban renovation by itself can't solve Michigan's challenges of unemployment and poverty. But it at least gives our most vulnerable citizens the opportunity to live with more dignity," said Lee Brown, downtown development director for Sault Ste. Marie.

► Rebuilding a Traditional Downtown: Escanaba

Across the 1st District, MSHDA is working with traditional downtowns to help revitalize main street commercial districts to attract new residents and businesses, promote investment and jump-start economic growth. This work includes Community Development Block Grant (CDBG) funds to rehabilitate second-story residential apartments that help bring people back downtown and stabilize commercial building investments.

The effort also includes Historic Tax Credits to spur private investment in façade improvements. In these same communities work is coordinated with MDOT efforts to improve streetscapes and signage, DNR plans for access to trails and parks, and MEDC business development assistance programs. All of this work is built upon strong local planning, design and business improvement efforts supported by the Michigan Main Street Program through technical support in business attraction, community promotion and strengthening the existing tax base.

In Escanaba, the Lofts on Ludington provide a premier living experience, offering the newest amenities and features in a contemporary loft setting on Ludington Street in downtown Escanaba. The Lofts on Ludington features 15 luxurious loft apartments, each with a unique floor plan based on the building's rich architectural elements and complemented with modern design aesthetics. Built in 1900 for the Richter Brewing Co., the building at 1615 Ludington St. is known to many as the historic Delta Building and is one of only five historic brewery buildings remaining in the state. The project includes apartments for households with moderate incomes in an attractive mixed-use building.

MSHDA provided a \$200,000 façade grant and \$525,000 of Rental Rehab funds. These funds were incorporated in a complex funding package that included \$385,000 from the developer, bank construction financing, a façade improvement grant from the Escanaba Downtown Development Authority, Federal Tax Credits and Federal New Market Tax Credits.

► Alpine Haus Apartments: Gaylord

A sparkling new apartment complex with 50 units for low-income households has literally risen from the ashes with the aid of financing that included Low Income Housing Tax Credits and a HOME Investment Partnerships Program loan.

Alpine Haus Apartments were rebuilt in 2011 after a 2009 fire destroyed the complex, leaving its low-income, elderly and disabled residents homeless.



When the previous owners opted not to rebuild, Hollander Development Corp. bought the property and erected a two-story building containing 50 units featuring window treatments, frost-free refrigerators, microwave ovens and patios or balconies.

In addition, the complex offers a community kitchen, a beauty/barber shop and a library.

Former Alpine Haus residents, who were placed in a local manufactured housing park after the fire, were given first choice to rent the new units.

"It's an honor to work on MSHDA-backed projects," said Craig Moulton, owner of Oakwood Construction of Okemos, Alpine Haus' builder. "It's a source of pride when we can do good simply by doing our jobs."

Place matters. People choose to live, work, and play in vibrant cities and walkable, safe neighborhoods. MSHDA helps communities like Sault Ste. Marie, Gaylord, and Escanaba return to economic vitality.

MSHDA, together with local organizations, community groups and nonprofits, is working to meet these needs.

STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 2nd Congressional District.



► COMMUNITY INVESTMENT

	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
2nd District	\$176,320,540	\$34,711,743	\$6,468,576
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



► JOBS CREATED

West Michigan	2,828 jobs
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FEDERAL PROGRAMS THAT SUPPORT MICHIGAN'S SUCCESS

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CDBG provides annual grants on a formula basis to cities and counties to strengthen communities, large and small, by expanding economic opportunities and by providing decent housing for low- and moderate-income residents. On the housing side, CDBG grants help revitalize neighborhoods and provide improved community facilities and services. Communities develop their own programs and funding priorities including:

- Property acquisition, relocation and demolition.
- Rehabilitation of residential and non-residential buildings.
- Construction of public facilities and improvements.
- Assistance to profit-motivated businesses for economic development and job creation/retention activities.

While other programs address similar needs, the impact of CDBG is remarkable. For example, since 1990 Habitat for Humanity has completed 100 homes in Ottawa County, while since 2000 CDBG resources have directly helped more than 10,000 Ottawa County families. In Michigan, CDBG funds have assisted in downtown revitalization, created environments where businesses can grow, and renovated unused second stories in smaller traditional downtowns, creating living spaces to stabilize commercial properties and build a prosperous business environment.

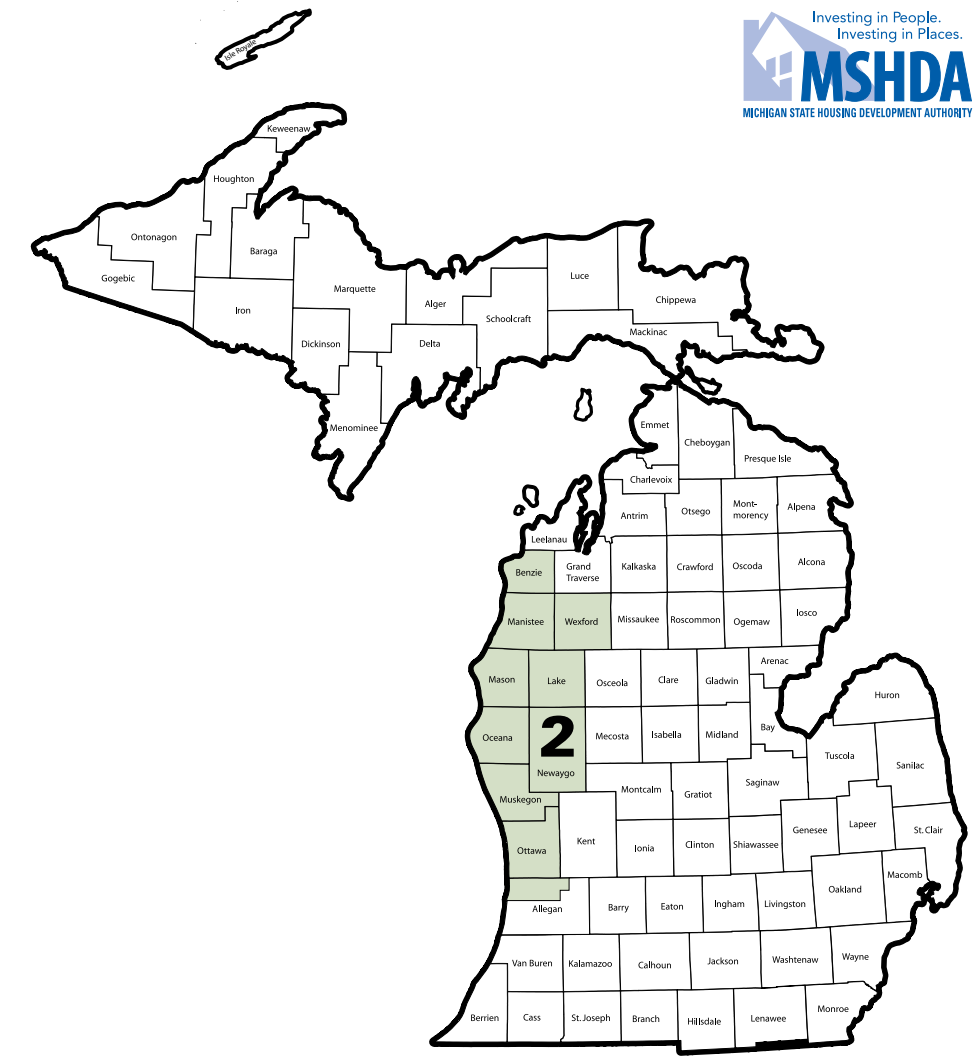
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REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 2ND CONGRESSIONAL DISTRICT

The housing crisis and resulting economic downturn hit hard in every city, county and district in Michigan. Neighborhoods felt the sting of foreclosure. Businesses had to recalibrate and reinvent themselves. But Michigan communities are resilient and our resolve is strong. Guided by prudent financial management and accountable metrics, Michigan is rebuilding itself.

A key component of this effort has been federal assistance from programs including Community Development Block Grants (CDBG), Housing Tax Credits and HOME funds. These resources have been applied in responsible and innovative ways, in every corner of our state, to help communities, homeowners and local businesses help themselves. They will continue to be a crucial element in our future success.

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SUCCESS STORIES FROM THE 2ND DISTRICT



Across the 2nd District, federal investments have strengthened neighborhoods, built needed affordable housing for families and seniors, preserved and repurposed historic buildings, and created places where businesses can grow. MSHDA has helped manage these many projects to assure successful and accountable management and demonstrated return on investment for the communities served.

► Midtown Village: City of Holland

One part neighborhood revitalization, one part historic preservation, one part economic development engine and one part needed housing to allow Ottawa County seniors to age in place in their community – Midtown Village is a joint community venture that rehabilitated the old Holland Junior and Senior High School and the E.E. Fell Building into affordable senior housing and mixed-use spaces that will benefit the entire region.



Dwelling Place, a West Michigan nonprofit that operates 1,200 low-income apartments in West Michigan, partnered with Holland-based Jubilee Ministries to redevelop the block bordered by 15th and 16th streets and River and Pine avenues. Rich Lievense, president and CEO of The Bank of Holland, led a group of local investors and philanthropists that worked to find investors to purchase MSHDA-supplied Housing Tax Credits that formed the foundation for project funding. "Without tax credits, this project would not have moved forward," said Denny Sturtevant, CEO of Dwelling Place.

"It is really community effort covering a desire and need that empty nesters have: to age with dignity. They want to be able to age in place. If someone needs a caregiver, there is flexibility to bring a family member in."

Sturtevant points out that senior apartments are only one part of the development: "This is not just the renovation of a single building but an entire block that will include commercial space together with the Midtown Green – a linear park through the center of the block." The site also houses businesses, nonprofits and facilities for Grand Rapids Community College. Design for the \$9 million project was handled by Hooker DeJong, and construction completed by GDK Associates. Hayworth supplied interior furnishings.

Rental rates for the 30 apartments are under \$700 a month, including utilities. Those qualifying for the apartments have incomes under \$35,000, which represents more than 75 percent of the community's senior population.



Patterson Crossing – Frankfort, MI

► Patterson Crossing: City of Frankfort

Patterson Crossing involved the renovation of three buildings of existing affordable family housing in the city of Frankfort. All told, 56 one-, two- and three-bedroom apartments were completed on the east and west sides of the city.

This project took run-down properties that had become a community eyesore and, through extensive exterior and interior renovations, transformed these buildings into community assets that will help maintain property values, spur additional development and deliver customers to local businesses. New Energy Star furnaces, water heaters and appliances in all units help low- and fixed-income renters make the best use of their resources.

The project addressed an urgent need for decent, affordable housing for lower-income families and seniors in Benzie County. Rents begin at \$485 for one-bedroom units and \$595 for three-bedroom units. Income restrictions are set at 60 percent of area median income. Located close to schools, banks, food markets and doctors' offices, Patterson Crossing helps both families and seniors by placing housing close to community services.

The project was financed through tax-exempt bonds with equity support from the sale of Housing Tax Credits. MSHDA also partnered with the U.S. Department of Agriculture Rural Development (USDARD) to provide funding that successfully completed the transaction.

► Manistee, Scottsville, Hart, Grand Haven: Rebuilding Traditional Downtowns



Across the 2nd District, MSHDA is working with traditional downtowns helping to revitalize main street commercial districts to attract new residents and businesses, promote investment, and jump-start economic growth. This work includes CDBG funds to rehabilitate second-story residential apartments that help bring people back downtown and stabilize commercial building investments. It includes Historic Tax Credits to spur private investment in façade improvements.

In these same communities work is coordinated with MDOT efforts to improve streetscapes and signage, DNR plans for access to trails and parks, and MEDC business development assistance programs. All of this work is built upon strong local planning, design and business improvement efforts supported by the Michigan Main Street Program through technical support in business attraction, community promotion and strengthening the existing tax base.

Place matters. People choose to live, work, and play in vibrant cities and walkable, safe neighborhoods. MSHDA helps communities like Holland, Frankfort, Manistee, Scottsville, Hart and Grand Haven return to economic vitality.

MSHDA, together with local organizations, community groups and nonprofits, is working to meet these needs.

“It's an honor to work on MSHDA-backed projects. It's a source of pride when we can do good simply by doing our jobs.”

– Chuck Geenen, Owner/GDK Construction Co. of Holland, Builder Midtown Village

STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 3rd Congressional District.



COMMUNITY INVESTMENT

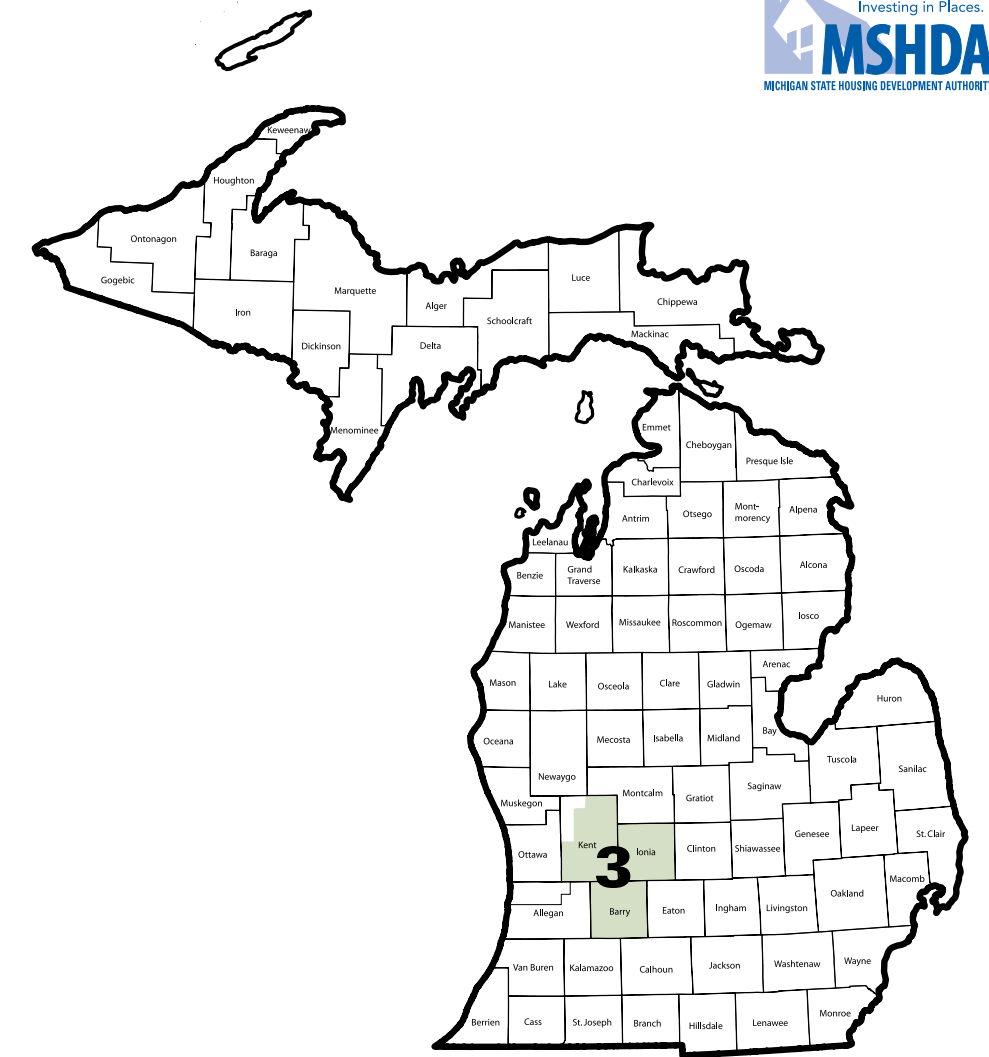
	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
3rd District	\$255,529,500	\$19,601,664	\$2,383,727
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



JOBS CREATED

West Michigan	2,828 jobs
Michigan	11,084 jobs

* CDBG numbers include only MSHDA-administered funds. Additional CDBG funds flow directly to larger municipalities and through other state departments.



REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 3RD CONGRESSIONAL DISTRICT

The housing crisis and resulting economic downturn hit hard in every city, county and district in Michigan. Neighborhoods felt the sting of foreclosure. Businesses had to recalibrate and reinvent themselves. But Michigan communities are resilient and our resolve is strong. Guided by prudent financial management and accountable metrics, Michigan is rebuilding itself.

A key component of this effort has been federal assistance from programs including Community Development Block Grants (CDBG), Housing Tax Credits and HOME funds. These resources have been applied in responsible and innovative ways, in every corner of our state, to help communities, homeowners and local businesses help themselves. They will continue to be a crucial element in our future success.

Community Development Block Grants (CDBG)

CDBG provides annual grants on a formula basis to cities and counties to strengthen communities, large and small, by expanding economic opportunities and by providing decent housing for low- and moderate-income residents. On the housing side, CDBG grants help revitalize neighborhoods and provide improved community facilities and services. Communities develop their own programs and funding priorities including:

- Property acquisition, relocation and demolition.
- Rehabilitation of residential and non-residential buildings.
- Construction of public facilities and improvements.
- Assistance to profit-motivated businesses for economic development and job creation/retention activities.

While other programs address similar needs, the impact of CDBG is remarkable. For example, since 1990 Habitat for Humanity has completed 100 homes in Ottawa County, while since 2000 CDBG resources have directly helped more than 10,000 Ottawa County families. In Michigan, CDBG funds have assisted in downtown revitalization, created environments where businesses can grow, and renovated unused second stories in smaller traditional downtowns, creating living spaces to stabilize commercial properties and build a prosperous business environment.

Housing Tax Credits

The Housing Tax Credit Program is a public-private partnership harnessing the discipline of the marketplace to build quality, affordable housing for lower-income families in a more efficient way than any direct spending program. While the federal government provides the tax credits, they are administered by the state based on housing needs at the local level. Each year in Michigan, the Housing Tax Credit is responsible for the creation of thousands of construction jobs, most of which are with small business construction subcontractors. According to the National Association of Homebuilders, for every 100 units built with Housing Tax Credits, 122 jobs are created. Even with the program, the need for affordable housing outpaces production. Nearly a quarter of all renting households pay one-half or more of their annual income in rent. The Housing Tax Credit program is essential to provide affordable housing for families, seniors and special needs populations in both urban and rural areas.

HOME Funds

HOME funds help communities to build, buy, or rehabilitate affordable housing for rent or homeownership, often in partnership with local nonprofit groups. Provisions of HOME make it a unique and powerful tool to help rebuild Michigan communities:

- Allows communities to tailor projects to their own needs.
- Emphasizes cooperative planning that expands partnerships with the private sector and among units of government.
- Provides practical technical assistance and support for qualified community-based nonprofit housing groups.
- Requires that participating jurisdictions match 25 cents of every dollar in program funds, mobilizing community resources in support of affordable housing.

FEDERAL PROGRAMS THAT SUPPORT MICHIGAN'S SUCCESS

MANAGING FEDERAL INVESTMENTS FOR ROI

Applying, monitoring and accounting for federal investments through CDBG, Housing Tax Credits and HOME funds is in large part the work of the Michigan State Housing Development Authority (MSHDA). Historically, MSHDA focused on developing affordable housing. However, MSHDA's mission has evolved as a direct response to Michigan's economic problems and the understanding that strong neighborhoods, vibrant downtowns, and cooperative, prosperous regions will be the infrastructure on which we build a new Michigan economy.

► Sound Stewardship of Federal Resources

MSHDA manages federal funds to improve the state's housing stock, make housing more affordable, prevent foreclosure, boost business opportunities, rebuild our cities and help reduce homelessness. MSHDA is on solid financial footing and a strong partner to state and federal agencies, local governments, lenders, developers, builders, Realtors and nonprofits. MSHDA's AA bond rating is among the highest in the nation. Industry rating services consistently cite MSHDA as among the nation's most effective financial stewards compared to peer Housing Finance Agencies (HFAs).

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2. Economic Gardening to help businesses grow
3. Homeownership and neighborhood stabilization through property improvement
4. Revitalization of Michigan's downtowns
5. Affordable rental housing
6. Community and statewide work to end homelessness

This work often takes place in partnership with other state agencies including the Michigan Economic Development Corporation (MEDC), Department of Natural Resources (DNR), Department of Environmental Quality (DEQ), Department of Transportation (MDOT), and Department of Agriculture and Rural Development (DARD). It involves partnerships with investors, businesses, nonprofits and local governments. And it is grounded in a shared vision – that a new and thriving Michigan will be built on our downtowns, diverse neighborhoods, entrepreneurial centers, cultural amenities and unique places.

All of this can only happen if we work together.



SUCCESS STORIES FROM THE 3RD DISTRICT



Across the 3rd District, federal investments have strengthened neighborhoods, built needed affordable housing for families and seniors, preserved and repurposed historic buildings, and created places where businesses can grow. MSHDA has helped manage these many projects to assure successful and accountable management and demonstrated return on investment for the communities served.

► Reflections Senior Apartments: Grand Rapids

The senior residents of Reflections Apartments on Grand Rapids' Southeast side endured years of poor housing in a challenging neighborhood. But through a partnership between MSHDA and a local nonprofit, 60 new affordable apartments will allow Grand Rapids seniors to age in place in their community.

The building at 500 Hall Street SE was constructed in 1984 but had fallen into disrepair. MSHDA assumed control of the property in 2010, selling it to a local group led by Dwelling Place, a West Michigan nonprofit that operates 1,200 low-income apartments in the region. The building was rehabilitated using Housing Tax Credits administered by MSHDA and underwritten with HOME funds.

"We've increased the sizes of the units, added a community space they've never had before, and a deck on the back side of the building," said Dennis Sturtevant, chief executive officer (CEO) of the nonprofit housing developer. 35 of the one-bedroom apartments run 540 square feet. Another 25 have been enlarged to 700 square feet to accommodate a small den that will allow a caregiver to temporarily stay with a resident if needed.

"These seniors just want to age with dignity. If someone needs help, there is flexibility to bring a family member in," said Sturtevant.

Dwelling Place has partnered with Senior Meals on Wheels, Senior Neighbors, Gerontology Network and the Area Agency on Aging in West Michigan to provide comprehensive programming to address the needs of residents.

DeStigter Architecture & Planning of Grand Rapids handled architecture and design work. Triangle Associates of Grand Rapids served as construction manager.

Thirty Reflections Apartments residents were temporarily relocated to 16 different properties in the area during construction. All were eager to move back home. "To move us out for at least 10 months, and gut this place out and build it back up for where you can come into this place and just feel so relaxed," said Joseph Wilkens, 82, "it makes you feel like people care about you."

MSHDA Inspires New Investments

The Reflections Senior Apartments project has inspired other groups to explore redevelopment of additional neighborhood properties. LINC Community Revitalization, Inc., plans to raze and rebuild affordable housing on nine Southeast-side parcels around Madison Avenue and Hall Street SE, while Inner City Christian Federation will soon begin building 30 low-income duplexes in the same area.

► Serrano Lofts and Division Park Avenue Apartments: Heartside Neighborhood, Grand Rapids



Breathing life into tired downtown buildings can mean creating new businesses, new jobs, new tax revenue and a more vibrant neighborhood. In the case of Serrano Lofts and Division Park Avenue Apartments, it means all of these things and a good deal more. The project worked with three historic buildings to preserve the character of an important downtown neighborhood while bringing more residents to live, work and shop in the heart of the city.

Serrano Lofts on 17 Williams Street SW began life in 1917 as warehouse for the A.F. Burch Company. Division Park includes 209 South Division, home of the long-abandoned Palantine Hotel, and 217 South Division, built in 1888, and occupied by a number of businesses until it became vacant during the 1990s.

The new developments will provide a total of 45 one-, two- and three-bedroom affordable housing apartments. The renovations were completed using Housing Tax Credits in combination with State and Federal Historic Tax Credits, Michigan Brownfield Tax Credits, and support from the City of Grand Rapids.



Mayor George Heartwell said of the development, "This is a great project. The buildings in their current state were virtually valueless. Rehabilitated, they provide lasting value." Concept Design Studio Inc. of Norton Shores handled architectural work while Wolverine Building Group of Grand Rapids managed construction.

"We were recently informed that the Division Park Avenue and Serrano Lofts buildings will be awarded LEED Gold, one of the highest ratings in the world for green buildings," said Karl Chew, principal with Brookstone Capital, the project's developer. "Both buildings had been vacant for many years, but with the recent historic rehabilitations, the 200 block of South Division has come to life, the storefront windows are no longer boarded up. These projects were amazing successes, and we look forward to working with MSHDA on similar infill developments that will assist in creating new workforce housing opportunities in an urban environment."

► Reinventing Rural Michigan: The Lessons of Lake Odessa

The Village of Lake Odessa is one 3rd District example of how state agencies have worked together to revitalize main street commercial districts, attract new residents and businesses, promote investment, and jump-start economic growth.

This work includes CDBG funds to rehabilitate second-story residential apartments along Main Street that have helped bring people back downtown and stabilize commercial building investments. It includes Historic Tax Credits to spur private investment in façade improvements as well as MDOT efforts to improve streetscapes and signage and MEDC business development assistance programs. All of this work is built upon strong local planning, design and business improvement efforts.

In Lake Odessa, the Jordan Lake Avenue Corridor has undergone a transformation through MSHDA's Neighborhood Preservation Program. Village Manager Mark Bender says that projects like these have "vastly improved the gateways into town through work on the exteriors of many of the homes on the corridor and also construction of a new home."

Most recently, an MEDC grant utilizing CDBG funds has allowed the village to build a four-season farmers' market to bring fresh produce and meats to village residents while providing a retail outlet for many area farmers.

Place matters. People choose to live, work, and play in vibrant towns and walkable, safe neighborhoods. MSHDA helps communities like Grand Rapids and Lake Odessa return to economic vitality.

STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 4th Congressional District.



► COMMUNITY INVESTMENT

	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
4th District	\$290,192,229	\$17,907,531	\$8,906,991
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



► JOBS CREATED

Mid Michigan	2,825 jobs
Michigan	11,084 jobs

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FEDERAL PROGRAMS THAT SUPPORT MICHIGAN'S SUCCESS

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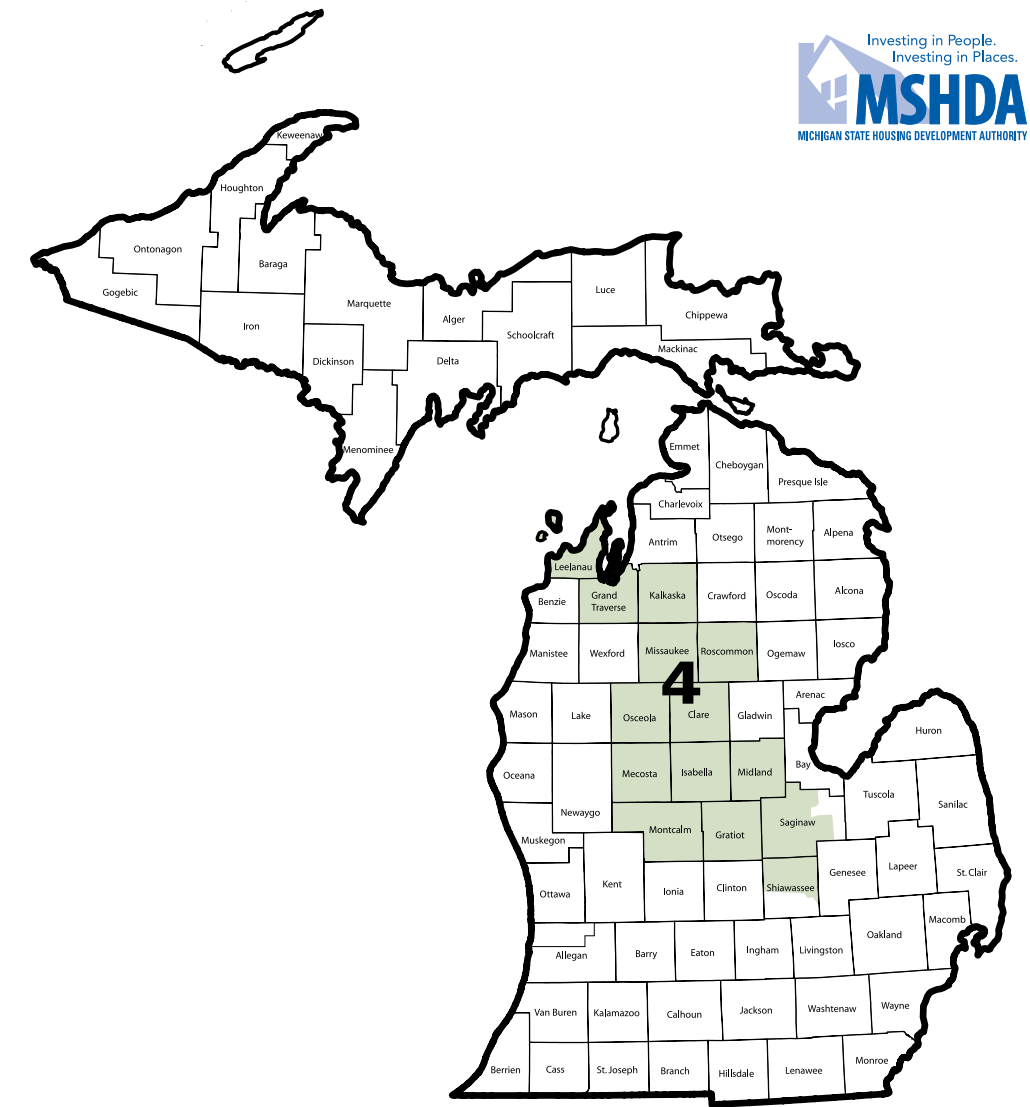
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REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 4TH CONGRESSIONAL DISTRICT

The housing crisis and resulting economic downturn hit hard in every city, county and district in Michigan. Neighborhoods felt the sting of foreclosure. Businesses had to recalibrate and reinvent themselves. But Michigan communities are resilient and our resolve is strong. Guided by prudent financial management and accountable metrics, Michigan is rebuilding itself.

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4. Revitalization of Michigan's downtowns
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This work often takes place in partnership with other state agencies including the Michigan Economic Development Corporation (MEDC), Department of Natural Resources (DNR), Department of Environmental Quality (DEQ), Department of Transportation (MDOT), and Department of Agriculture and Rural Development (DARD). It involves partnerships with investors, businesses, nonprofits and local governments. And it is grounded in a shared vision – that a new and thriving Michigan will be built on our downtowns, diverse neighborhoods, entrepreneurial centers, cultural amenities and unique places.

All of this can only happen if we work together.



SUCCESS STORIES FROM THE 4TH DISTRICT



Across the 4th District, federal investments have strengthened neighborhoods, built needed affordable housing for seniors and families, preserved and repurposed historic buildings, and created places where businesses can grow. MSHDA has helped oversee these many projects to help ensure successful and accountable management and demonstrated return on investment for the communities served.

► ClareCastle: Clare

July 2010 saw the culmination of the long-term vision by the MidMichigan Community Action Agency to provide quality senior housing in downtown Clare. The vision was manifested in the form of ClareCastle, a four-story apartment building with 24 units of senior housing on the upper floors and a senior center on the ground level.

The residential portion of the property at 144 W. Fourth St., the former site of an old ice cream factory, was financed by a combination of a conventional loan provided by Isabella Bank & Trust and federal Low Income Housing Tax Credits administered by MSHDA.

Apartments in the complex are for rent to limited-income adults 55 and older. Each unit features a private balcony, fully equipped kitchen, full-size washer and dryer, individual central AC and heat, Internet access, cable TV hookup, carport, 24-hour emergency maintenance, and personal emergency assistance. "Our residents are enjoying the conveniences of the community room and living in downtown Clare," said Jill Sutton, executive director of MidMichigan Community Action Agency, which formed a for-profit subsidiary that participates as one of the general partners in the project and also donated the land to the housing entity.

"The tax credits were a huge component of what so far has been a hugely successful project," Sutton said. "We would not be where we are today without the dedication and vision of all involved."

Clare officials said the project served two vitally important purposes. "It created new use for a vacant parcel, helping to stabilize the surrounding area, and it provided quality living space for a very important segment of our community – senior citizens," said Clare City Manager Ken Hibel.

Mark Rohde, owner of Rohde Construction in Kentwood, the builder of ClareCastle, said the project also aided the community by remediating groundwater pollution on the site. The company installed a barrier to prevent the contamination from spreading. On a bigger scale, ClareCastle has served as model for other communities planning similar projects, he said. "In a small urban environment, it's really become a highlight of the city," Rohde said.

Rohde has worked on several MSHDA-financed projects during the nearly 40 years he has been in business. The projects are a source of pride, because it is clear that tenants benefit. Beyond providing high-quality low-income housing, the project also generated construction jobs at a time when the industry in Michigan was struggling, Rohde said, "If it was not for MSHDA, there would have been literally no construction in Michigan," he said. "MSHDA has been the only agency that could get things going."

► Country Place Apartments: Big Rapids

Built in 1990, Country Place Apartments in Big Rapids was well maintained but was in dire need of updating to today's standards and expectations. The complex, located on the northeast side of Big Rapids a mile from the central business district, consisted of three colonial-style buildings containing a total of 48 units for families and an adjacent structure with 20 units for seniors.

In 2010, the complex underwent an ownership change. The new owner, Alpena-based JPS Country Place Limited Dividend Housing Association Limited Partnership, used a financing package that included MSHDA-administered Low Income Housing Tax Credits to acquire the property and fund an extensive renovation of the complex. Interior renovations included new flooring, appliances and high-efficiency water heaters. Exterior upgrades included new playground equipment near family units, new siding and new carports for all residents.

Stephen Werth, owner of Werth Development LLC of Alpena and the project's general contractor, said Country Place Apartments also put a lot of Big Rapids-area laborers to work. "We subcontracted a lot of stuff and hired a lot of local people," he said, noting that the paving, landscaping and roofing, for example, were performed by local companies.

Without MSHDA's financial involvement, completing the project in 2011 would not have been possible, Werth said. "At the time, there were very few investors in the market," he said. Country Place Apartments is a case study in architectural ingenuity and civic rejuvenation that exemplifies a trend called "retrofitting."

Such developments pose a challenge. Instead of replacing an old structure with an entirely new building, the designers look for what is worthwhile about the existing architecture and add to it. Estimates show about 80 percent of what's been constructed in America has been built during the past 50 years. Reuse represents the inevitable wave of the future.

Country Place Apartments is one of MSHDA's success stories.

► Owosso: Rebuilding a Traditional Downtown

Across the 4th District, MSHDA is working with traditional downtowns to help revitalize main street commercial districts to attract new residents and businesses, promote investment and jump-start economic growth. This work includes Community Development Block Grants (CDBG) funds to rehabilitate second-story residential apartments that help bring people back downtown and stabilize commercial building investments.



The efforts also include Historic Tax Credits to spur private investment in façade improvements. In these same communities work is coordinated with MDOT efforts to improve streetscapes and signage, DNR plans for access to trails and parks, and MEDC business development assistance programs. All of this work is built upon strong local planning, design and business improvement efforts supported by the Michigan Main Street Program through technical support in business attraction, community promotion and strengthening the existing tax base.

In Owosso, rehabilitation CDBG funding, coupled with property owners' investment and local tax incentives, is breathing new life into downtown by funding rehabilitation on the upper stories of four buildings – space that had not been used for more than 40 years. The efforts will create six new rental units, increasing the number of people living downtown and therefore spending money at downtown businesses.

Place matters. People choose to live, work, and play in vibrant towns and walkable, safe neighborhoods. MSHDA is helping communities like Owosso, Clare and Big Rapids return to economic vitality. Providing decent and affordable housing – for seniors, for low-income individuals and families, for the newly homeless, for people with special needs – is a basic requirement for a civilized society.

MSHDA, together with local organizations, community groups and nonprofits, is working to meet these needs.

STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 5th Congressional District.



► COMMUNITY INVESTMENT

	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
5th District	\$274,072,630	\$13,006,001	\$1,909,705
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



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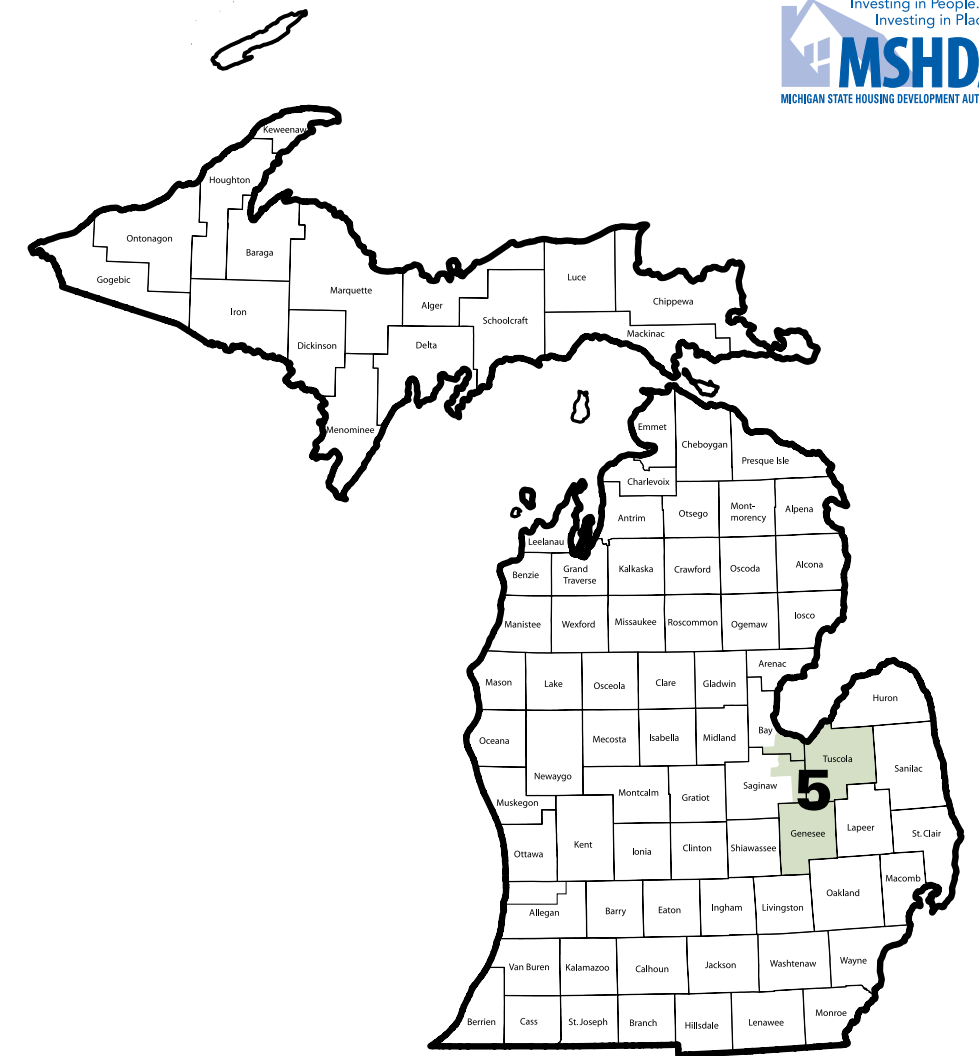
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REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 5TH CONGRESSIONAL DISTRICT

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SUCCESS STORIES FROM THE 5TH DISTRICT



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▶ Preserving Neighborhoods: Great Lakes Bay Region

From Flint to Saginaw to Bay City, MSHDA is working with 5th District communities to help stabilize and revitalize neighborhoods and thereby strengthen the existing tax base.

In Bay City, MSHDA invested \$514,400 of federal HOME Investment Partnership Program funds between 2002 and 2007 in Bay Area Housing's Neighborhood Preservation Program (NPP) to help create a healthy neighborhood. This investment continues to leverage significant funding and spark development by government, nonprofit and for-profit developers.

Since the program's inception, a new YMCA and Salvation Army headquarters was built, a historic city park was restored and trees were planted along streets. The city also has renovated City Hall within the NPP area. Also, Front Porch Renaissance Group, funded by philanthropist Steve Ingersol, has invested more than \$6 million in the area.

The Front Porch Renaissance Group has restored a historic school building and opened the new Bay City Academy in it; restored 30 blighted or deteriorating homes in the area to provide affordable housing to teachers; and formed an artisan guild that includes an eyeglass maker, beer crafter and aquaponic grower.

The Bay City Academy is a case study in architectural ingenuity and civic rejuvenation that exemplifies a trend called "retrofitting."

Such developments pose a challenge to urban innovators. Instead of replacing an old structure with an entirely new building, the designers look for what is worthwhile about the existing architecture and add to it.

Preservationists in the United States have long debated the benefits of reusing obsolete structures. Estimates show about 80% of what's been constructed in America has been built during the last 50 years. Reuse represents the inevitable wave of the future. This practice is not common when it comes to large public housing projects or antiquated school buildings. But scattered across the country there have been a few successful attempts.



Bay City Academy is one of MSHDA's success stories.

After decades of neglect and decay, the structure may have seemed like an obvious candidate for the wrecking ball.

Bay City civic leaders, local government officials, developers, community planners and MSHDA came together to embrace an alternative vision: Repair the crumbling infrastructure, upgrade its common spaces and its exterior, improve energy efficiency, and add more light and square footage to what had previously been dark, cramped spaces. An equally important goal was to spend less money to complete the project than the cost of razing the structure and building new.

Educators happily confirm the economical, handsome Bay City Academy building achieves all those objectives and more. The building now features improved light and space. The classrooms are clean and airy. Energy costs have been cut by as much as 60 percent.

"The project is important for this Bay City neighborhood and our entire city because it offers a vision of how public-private partnerships, smart planning and MSHDA leadership can help shape the future of our communities moving forward," Bay City Mayor Chris Shannon said.

Place matters. People choose to live, work, and play in vibrant towns and walkable, safe neighborhoods. MSHDA helps communities like Flint, Saginaw and Bay City return to economic vitality. Providing decent and affordable housing – for seniors, for low-income individuals and families, for the newly homeless, for people with special needs – is a basic requirement for a civilized society.

MSHDA, together with local organizations, community groups and nonprofits, is working to meet these needs in the Great Lakes Bay region and throughout Michigan.

“Urban renovation by itself can't solve Michigan's challenges of unemployment and poverty. But it at least gives our most vulnerable citizens the opportunity to live with more dignity.”

– Bay County Executive Tom Hickner

STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 6th Congressional District.



COMMUNITY INVESTMENT

	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
6th District	\$307,440,970	\$35,098,490	\$4,528,401
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



JOBS CREATED

West Michigan	2,828 jobs
Michigan	11,084 jobs

* CDBG numbers include only MSHDA-administered funds. Additional CDBG funds flow directly to larger municipalities and through other state departments.

FEDERAL PROGRAMS THAT SUPPORT MICHIGAN'S SUCCESS

Community Development Block Grants (CDBG)

CDBG provides annual grants on a formula basis to cities and counties to strengthen communities, large and small, by expanding economic opportunities and by providing decent housing for low- and moderate-income residents. On the housing side, CDBG grants help revitalize neighborhoods and provide improved community facilities and services. Communities develop their own programs and funding priorities including:

- Property acquisition, relocation and demolition.
- Rehabilitation of residential and non-residential buildings.
- Construction of public facilities and improvements.
- Assistance to profit-motivated businesses for economic development and job creation/retention activities.

While other programs address similar needs, the impact of CDBG is remarkable. For example, since 1990 Habitat for Humanity has completed 100 homes in Ottawa County, while since 2000 CDBG resources have directly helped more than 10,000 Ottawa County families. In Michigan, CDBG funds have assisted in downtown revitalization, created environments where businesses can grow, and renovated unused second stories in smaller traditional downtowns, creating living spaces to stabilize commercial properties and build a prosperous business environment.

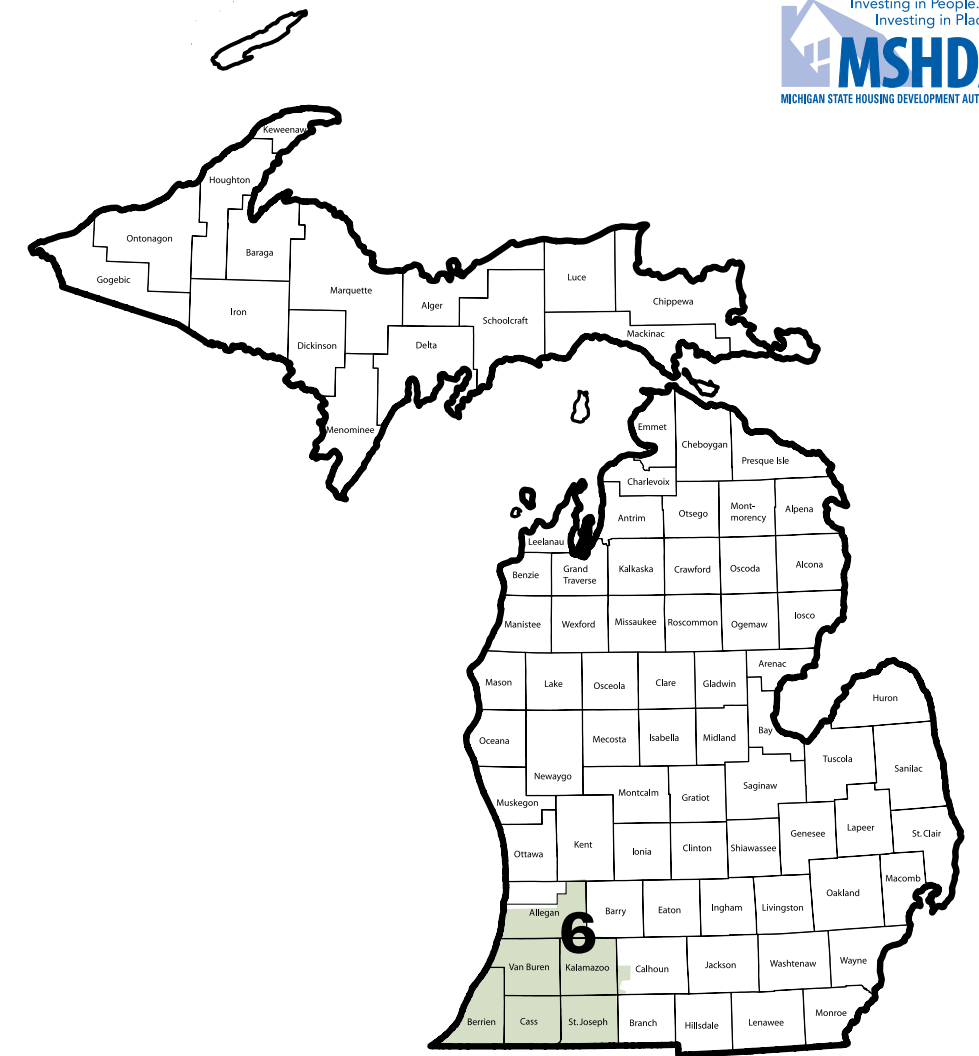
Housing Tax Credits

The Housing Tax Credit Program is a public-private partnership harnessing the discipline of the marketplace to build quality, affordable housing for lower-income families in a more efficient way than any direct spending program. While the federal government provides the tax credits, they are administered by the state based on housing needs at the local level. Each year in Michigan, the Housing Tax Credit is responsible for the creation of thousands of construction jobs, most of which are with small business construction subcontractors. According to the National Association of Homebuilders, for every 100 units built with Housing Tax Credits, 122 jobs are created. Even with the program, the need for affordable housing outpaces production. Nearly a quarter of all renting households pay one-half or more of their annual income in rent. The Housing Tax Credit program is essential to provide affordable housing for families, seniors and special needs populations in both urban and rural areas.

HOME Funds

HOME funds help communities to build, buy, or rehabilitate affordable housing for rent or homeownership, often in partnership with local nonprofit groups. Provisions of HOME make it a unique and powerful tool to help rebuild Michigan communities:

- Allows communities to tailor projects to their own needs.
- Emphasizes cooperative planning that expands partnerships with the private sector and among units of government.
- Provides practical technical assistance and support for qualified community-based nonprofit housing groups.
- Requires that participating jurisdictions match 25 cents of every dollar in program funds, mobilizing community resources in support of affordable housing.



REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 6TH CONGRESSIONAL DISTRICT

The housing crisis and resulting economic downturn hit hard in every city, county and district in Michigan. Neighborhoods felt the sting of foreclosure. Businesses had to recalibrate and reinvent themselves. But Michigan communities are resilient and our resolve is strong. Guided by prudent financial management and accountable metrics, Michigan is rebuilding itself.

A key component of this effort has been federal assistance from programs including Community Development Block Grants (CDBG), Housing Tax Credits and HOME funds. These resources have been applied in responsible and innovative ways, in every corner of our state, to help communities, homeowners and local businesses help themselves. They will continue to be a crucial element in our future success.

MANAGING FEDERAL INVESTMENTS FOR ROI

Applying, monitoring and accounting for federal investments through CDBG, Housing Tax Credits and HOME funds is in large part the work of the Michigan State Housing Development Authority (MSHDA). Historically, MSHDA focused on developing affordable housing. However, MSHDA's mission has evolved as a direct response to Michigan's economic problems and the understanding that strong neighborhoods, vibrant downtowns, and cooperative, prosperous regions will be the infrastructure on which we build a new Michigan economy.

► Sound Stewardship of Federal Resources

MSHDA manages federal funds to improve the state's housing stock, make housing more affordable, prevent foreclosure, boost business opportunities, rebuild our cities and help reduce homelessness. MSHDA is on solid financial footing and a strong partner to state and federal agencies, local governments, lenders, developers, builders, Realtors and nonprofits. MSHDA's AA bond rating is among the highest in the nation. Industry rating services consistently cite MSHDA as among the nation's most effective financial stewards compared to peer Housing Finance Agencies (HFAs).

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3. Homeownership and neighborhood stabilization through property improvement
4. Revitalization of Michigan's downtowns
5. Affordable rental housing
6. Community and statewide work to end homelessness

This work often takes place in partnership with other state agencies including the Michigan Economic Development Corporation (MEDC), Department of Natural Resources (DNR), Department of Environmental Quality (DEQ), Department of Transportation (MDOT), and Department of Agriculture and Rural Development (DARD). It involves partnerships with investors, businesses, nonprofits and local governments. And it is grounded in a shared vision – that a new and thriving Michigan will be built on our downtowns, diverse neighborhoods, entrepreneurial centers, cultural amenities and unique places.

All of this can only happen if we work together.



SUCCESS STORIES FROM THE 6TH DISTRICT



Across the 6th District, federal investments have strengthened neighborhoods, built needed affordable housing for seniors and families, preserved and repurposed historic buildings, and created places where businesses can grow. MSHDA has helped manage these many projects to help ensure successful and accountable management and demonstrated return on investment for the communities served.

► Rickman House: Kalamazoo

A prominent downtown Kalamazoo building is serving an important role in the community thanks largely to MSHDA-administered financing programs.

The eight-story Rickman House building on Burdick Street is undergoing a \$12.3 million upgrade that will allow it to better serve its tenant base of low-income, mentally disabled men. The project is slated for completion in August 2012.

The project's financing includes a HOME mortgage and Low Income Housing Tax Credits. The remodeling involves converting the 100-year-old, 84-room structure into 46 larger efficiency apartments.

"The most vulnerable in our community also deserve the dignity and opportunity to live in affordable, clean and safe housing," said Ellen Kisinger-Rothi, executive director of Housing Resources Inc. (HRI), which provides services to the building's tenants. HRI is a nonprofit organization with the mission of ensuring housing for socially or economically vulnerable residents of Kalamazoo County.

Jeff Chamberlain, Kalamazoo's community planning and development director, said the Rickman House renovation fits the local 10-Year Plan to End Homelessness by addressing the need for transitional and supportive housing.

The former Stratton Arms Hotel was converted to 84 single-room units in 1983. Rickman House will provide better living accommodations after the redesign. Before the rehab, tenants had separate bedrooms but shared a bathroom. Now, each unit will have its own bathroom. Units are also fully furnished with a bed, dresser, table and chair, along with such amenities as miniblinds, dishwashers, central air-conditioning, cable TV hookups, and kitchenettes with refrigerator, stove and microwave.

In addition, the building offers common laundry facilities, water softeners, community space, a computer room, a community kitchen, a common dining room and 24-hour security. The renovation also upgraded the facility to meet building codes. An elevator was replaced; a second, internal stairwell was added for fire compliance; and plumbing and electrical systems were upgraded.

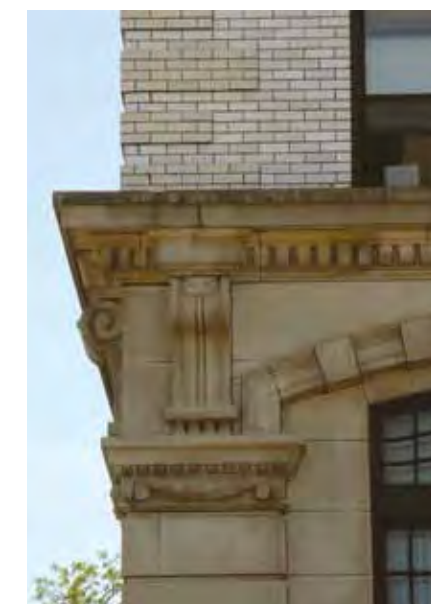
Mark Rohde, owner of Rohde Construction in Kentwood, the general contractor on the Rickman House rehabilitation, said he has worked on several MSHDA-financed renovation projects in recent years. He called the projects a source of satisfaction and pride, because it's clear that housing tenants are benefiting from them.

"MSHDA programs put money where the need is," said builder Mark Rohde. "There's a daily dose of help to people who are benefiting from this project. That's really what you hope to have happen."

Beyond providing high-quality low-income housing, the project also served as a source of construction jobs at a time when the industry in Michigan was struggling, Rohde said. "If it was not for MSHDA, there would have been literally no construction in Michigan," he said. "MSHDA has been the only agency that could get things going."

Tenants who were displaced by the building's reconfiguration received assistance in finding permanent housing within the community. They received federal housing vouchers to subsidize rents at private apartments, and access to services was maintained for those who required ongoing support. Most of the residents are males with mental disabilities, and more than half are over age 50.

Kisinger-Rothi said Rickman House is a much less expensive model than housing residents in more restrictive state psychiatric hospitals. Rickman House workers help tenants with medications, and other agencies offer mental health and substance abuse services and independent living training. These other providers include InterACT, Bridgeways, Douglas Community Center, Family and Children Services and Senior Services/ACT.



Rickman House also is a case study in architectural ingenuity and civic rejuvenation that exemplifies a trend called "retrofitting." Such developments pose a challenge to urban innovators. Instead of replacing an old structure with an entirely new building, the designers look for what is worthwhile about the existing architecture and add to it.

This practice is not common when it comes to large affordable housing projects. But scattered across the country there have been a few successful attempts.

Rickman House is one of MSHDA's success stories.

"Urban renovation by itself can't solve Michigan's challenges of unemployment and poverty. But it at least gives our most vulnerable citizens the opportunity to live with more dignity," said Kisinger-Rothi.

► Dowagiac: Aiding a Traditional Downtown

Across the 6th District, MSHDA is working with traditional downtowns to help main street commercial districts attract new residents and businesses, promote investment and jump-start economic growth. This work includes federal Community Development Block Grant (CDBG) funds to rehabilitate second-story residential apartments that help bring people back downtown and stabilize commercial building investments.

The rental rehabilitation project at 134 S. Front St. was one of several completed in the city of Dowagiac with CDBG funds obtained through MSHDA. The building's apartments are above a popular restaurant and bar. The restaurant is known for its artistic style and great food, and the jazz bar brings in musicians from throughout the region, including Chicago. The owner also displays the works of various artists, providing them with exposure and sales opportunities.

"The downtown rental program is one of the best programs offered through MSHDA's CDBG funding," said Marilyn Smith, third-party administrator for the Front Street project. "Though the primary beneficiary is the income-qualified tenant who has an affordable apartment to rent, (but) the downtown community and businesses have the opportunity for more foot traffic and purchasers when apartments exist above commercial spaces."

Place matters. People choose to live, work and play in vibrant cities and walkable, safe neighborhoods. MSHDA helps communities like Kalamazoo and Dowagiac return to economic vitality.

STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 7th Congressional District.



► COMMUNITY INVESTMENT

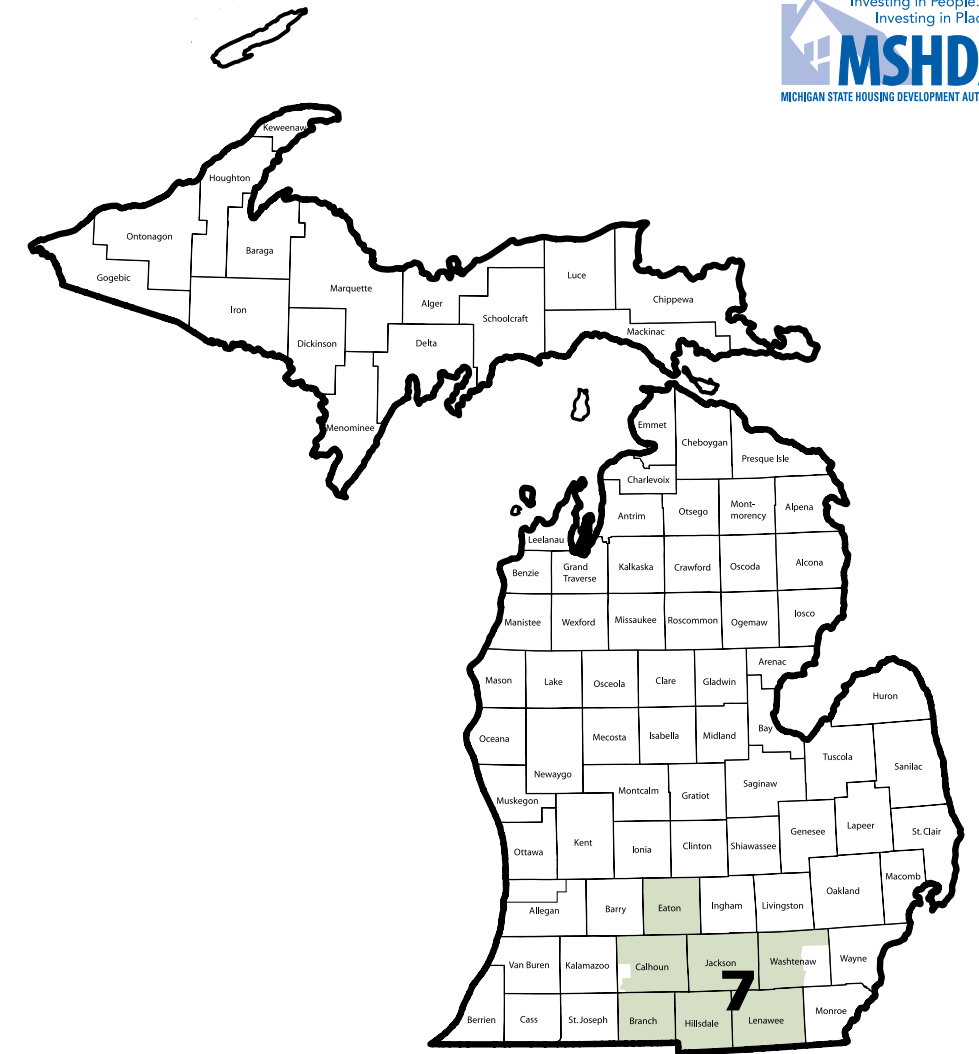
	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
7th District	\$291,401,927	\$14,754,944	\$6,358,036
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



► JOBS CREATED

Mid-Michigan	2,825 jobs
Michigan	11,084 jobs

* CDBG numbers include only MSHDA-administered funds. Additional CDBG funds flow directly to larger municipalities and through other state departments.



REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 7TH CONGRESSIONAL DISTRICT

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A key component of this effort has been federal assistance from programs including Community Development Block Grants (CDBG), Housing Tax Credits and HOME funds. These resources have been applied in responsible and innovative ways, in every corner of our state, to help communities, homeowners and local businesses help themselves. They will continue to be a crucial element in our future success.

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While other programs address similar needs, the impact of CDBG is remarkable. For example, since 1990 Habitat for Humanity has completed 100 homes in Ottawa County, while since 2000 CDBG resources have directly helped more than 10,000 Ottawa County families. In Michigan, CDBG funds have assisted in downtown revitalization, created environments where businesses can grow, and renovated unused second stories in smaller traditional downtowns, creating living spaces to stabilize commercial properties and build a prosperous business environment.

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FEDERAL PROGRAMS THAT SUPPORT MICHIGAN'S SUCCESS

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This work often takes place in partnership with other state agencies including the Michigan Economic Development Corporation (MEDC), Department of Natural Resources (DNR), Department of Environmental Quality (DEQ), Department of Transportation (MDOT), and Department of Agriculture and Rural Development (DARD). It involves partnerships with investors, businesses, nonprofits and local governments. And it is grounded in a shared vision – that a new and thriving Michigan will be built on our downtowns, diverse neighborhoods, entrepreneurial centers, cultural amenities and unique places.

All of this can only happen if we work together.



SUCCESS STORIES FROM THE 7TH DISTRICT



Across the 7th District, federal investments have strengthened neighborhoods, built needed affordable housing for seniors and families, preserved and repurposed historic buildings, and created places where businesses can grow. MSHDA has helped manage these many projects to help ensure successful and accountable management and demonstrated return on investment for the communities served.

► Friendship Place Apartments: Adrian

Friendship Place Apartments in downtown Adrian had seen better days. Built in 1979, Friendship Place was a senior housing complex that in recent years found itself in desperate need of rehabilitation. The 58-unit complex was home to many senior citizens who had come to enjoy its convenient downtown location. But much work was needed to ensure the seven-story building remained a viable housing option for area seniors.

A new owner was interested in purchasing Friendship Place. However, crucial to the project's financing were Housing Tax Credits administered by MSHDA.

"Without the credits, the project wouldn't have been financially viable," said Dane C. Nelson, Adrian's city administrator. "When the project was complete, the units looked great. The rehabilitation work made Friendship Place a high-quality, affordable housing option for seniors."

Friendship Place Apartments serves very low-income tenants. All of the units are rented to households below 60 percent of the area's median income. "I think it's very important that our older residents – especially those who don't have a lot of money – have a nice place to call home," said Ranndie Robinson, community manager at Friendship Place Apartments.

► Silver Star Apartments: Battle Creek

Located on the east side of the campus of the Battle Creek VA Medical Center, the Silver Star Apartments complex opened in 2009 and is nationally recognized as one of the most innovative and effective projects serving homeless veterans. It's a tragedy that on any given night, as many as 200,000 of our American veterans are estimated to be homeless.

Michigan Innovation Helps Veterans.

We are leading the way to do better for veterans in Michigan, even in these tough economic times. Silver Star Apartments is making a positive difference to help those who helped us through their military service. The facility houses 75 furnished, one-bedroom apartments. The apartment complex also includes a theater, separate rooms for job training, a music room, greenhouse, fitness center and computer training room. From Silver Star, it's just a short walk to a myriad of VA services including case management, nursing services, psychiatric care, continuing education and substance abuse treatment. Giving veterans a safe place to live and access to healthcare services also gives them a better chance of returning to full, active participation in our communities.

Silver Star was the first Housing Tax Credit (HTC) development in Michigan to provide permanent supportive housing to homeless veterans. It was developed by MSHDA in partnership with a for-profit developer, Medallion Management, the Veterans Administration, the VA Medical Center, and local service agencies. It was financed by combining \$4 million in

HOME funds and \$4.7 million in equity support from the sale of 9 percent MSHDA tax credits. "We are one of a kind. Silver Star is serving as a model for other regions and states to address the growing problem of homeless veterans," said David Phillips, its resident manager and a Vietnam veteran. The community is named for the Silver Star medal, one of the military's highest honors, and is considered a rousing success by veterans' groups. It now serves veterans in seven counties: Calhoun, Kalamazoo, Branch, Hillsdale, Jackson, Eaton and Barry.

Among Silver Star's biggest fans are the veterans who reside there.

Proponents say it was important for Michigan to do everything in its power to give these brave men and women a place to call home. "It's very important to all of us to do whatever we can to help our veterans," Phillips said. Projects like the construction of Silver Star Apartments also support local economies. "Developments such as Silver Star also created many jobs not only in building the development, but also for the residents who live there," said Nathan Rykse, development coordinator for Medallion Management.

► Restoring the Downtown's Upper Units: Eaton Rapids

Across the 7th District, MSHDA is working with traditional downtowns to help revitalize main street commercial districts to attract new residents and businesses, promote investment and jump-start economic growth.



This work includes CDBG funds to rehabilitate second-story residential apartments that help bring people back downtown and stabilize commercial building investments. It includes Historic Tax Credits to spur private investment in façade improvements. In these same communities work is coordinated with MDOT efforts to improve streetscapes and signage, DNR plans for access to trails and parks, and MEDC business development assistance programs.

All of this work is built upon strong private-public partnerships, local planning, design and business improvement efforts supported by the Michigan Main Street Program through technical support in business attraction, community promotion and strengthening the existing tax base.

In Eaton Rapids, a Rental Rehab grant provided two new apartments above Pettit Hardware Store. With these two apartments, there are now 13 MSHDA-funded new units located above downtown Eaton Rapids businesses. Project costs for these two new apartments totaled over \$161,000, comprised of \$70,000 of CDBG funds from MSHDA, along with over \$91,000 of the property owner's personal investment. The building was constructed in 1866.



Additionally, five more downtown units have been rehabbed. According to City Assessor Mike Baker, it's a "win-win-win" for building owners, the City of Eaton Rapids and tenants. "The second and third floors had remained largely unused for at least 75 or 80 years before this project," said building co-owner Mari Lin Pettit. "The downtown definitely feels more alive now thanks to all these new projects."

Place matters. People choose to live, work, and play in vibrant towns and walkable, safe neighborhoods. MSHDA helps communities like Battle Creek, Adrian and Eaton Rapids return to economic vitality.

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STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 8th Congressional District.



COMMUNITY INVESTMENT

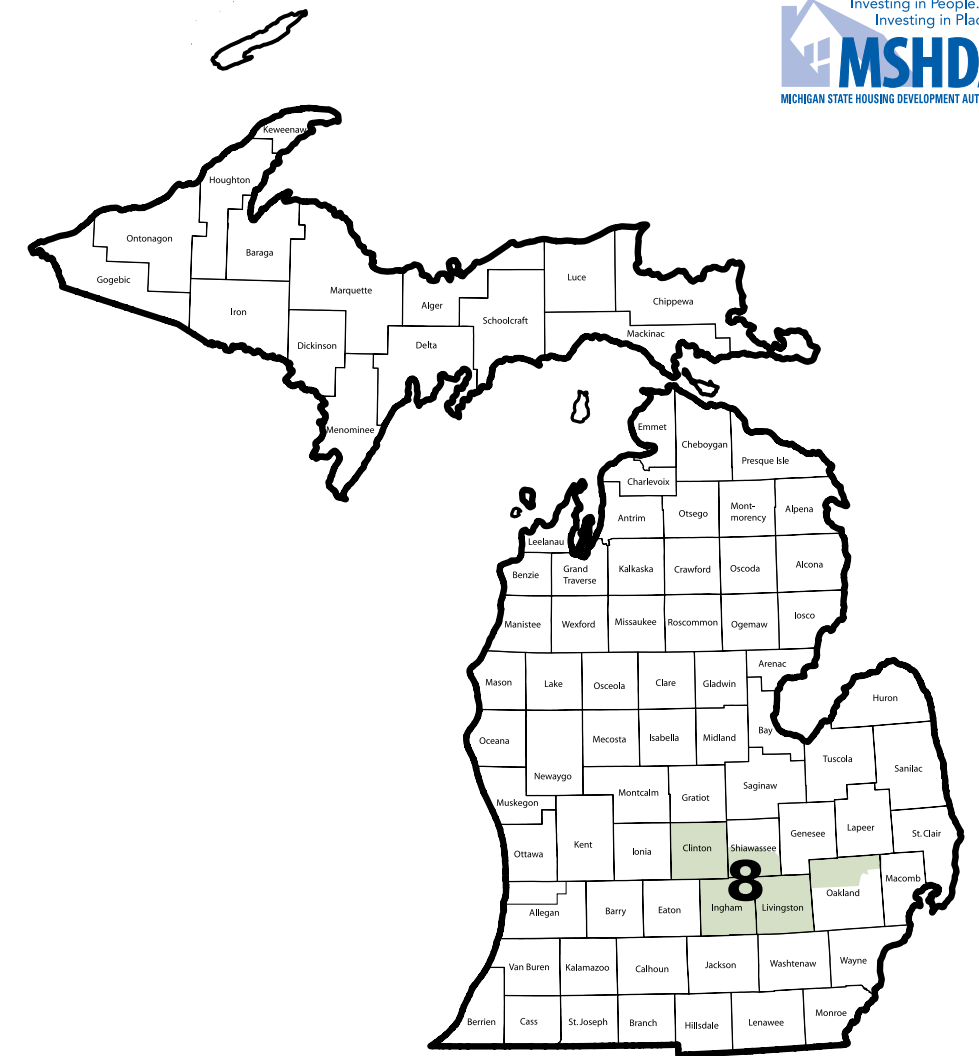
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8th District	\$144,583,648	\$8,834,109	\$4,829,521
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



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REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 8TH CONGRESSIONAL DISTRICT

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SUCCESS STORIES FROM THE 8TH DISTRICT



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► Livingston Greene: Fowlerville

Built in 1990 with the help of Housing Tax Credits and a Rural Development loan, Meadow Glen Apartments in Fowlerville was relatively well maintained but was in dire need of updating to today's standards and expectations. What's more, the 32-unit apartment building – categorized as a distressed property by Rural Development – was in need of rehabilitation to ensure it remained a viable housing option for area seniors and did not negatively affect property values in the surrounding area, which is about a quarter mile from downtown. An elementary school and several well-maintained single-family homes are nearby.

The Woda Group LLC, a national leader in affordable housing, aimed to acquire, rehabilitate and rename the property Livingston Greene. However, crucial to the project's financing were Housing Tax Credits administered by MSHDA. "Without the credits, the project would not have been financially viable," said Fowlerville Village President Wayne Copeland. "When the project was complete, the units appeared new. The rehabilitation work made the property a high-quality affordable housing option for seniors."



The project was meant to serve very low-income tenants, with more than 60 percent of the units set aside for households at or below 50 percent of the area's median income. With financing in hand, the Woda Group began rehabilitating the property in the fall of 2010. A relocation plan was prepared to ensure that all residents were provided housing during the rehabilitation process and were given the opportunity to return to the renovated property.

When tenants returned, they found extensively renovated units with such modern amenities as microwave range hoods, dishwashers, disposals and central air-conditioning, as well as "green" features such as additional insulation, new windows and Energy Star appliances. Livingston Greene is a case study in architectural ingenuity and civic rejuvenation that exemplifies a trend called "retrofitting."

Such developments can pose a challenge. Instead of replacing an old structure with an entirely new building, the designers look for what is worthwhile about the existing architecture and add to it.

Preservationists in the United States have long debated the benefits of reusing obsolete structures. Estimates show about 80 percent of what's been constructed in America has been built during the past 50 years. Reuse represents the inevitable wave of the future.

Livingston Greene is one of MSHDA's success stories.

► Rebuilding Traditional Downtowns and Commercial Areas: Leslie and Lansing

Across the 8th District, MSHDA is working with traditional downtowns to help revitalize main street commercial districts to attract new residents and businesses, promote investment and jump-start economic growth. This work includes Community Development Block Grant (CDBG) funds to rehabilitate second-story residential apartments that help bring people back downtown and stabilize commercial building investments. The effort also includes Historic Tax Credits to spur private investment in façade improvements.



In these same communities work is coordinated with MDOT efforts to improve streetscapes and signage, DNR plans for access to trails and parks, and MEDC business development assistance programs. All of this work is built upon strong local planning, design and business improvement efforts supported by the Michigan Main Street Program through technical support in business attraction, community promotion and strengthening the existing tax base.

"MSHDA's Rental Rehab grants have really breathed life into our downtown," said Brian Reed, city manager of Leslie.

"Although we are a small city, I think the impact is almost easier to measure. We have had many new businesses open in the downtown area in the past year.

"Most people down here are attributing it to the MSHDA grant we received because it gave our building owners money to invest in their building and a stream of income to where they could improve their commercial areas to attract business.

"Although I cannot quantitatively prove it, finishing the first five apartments we created under our grant changed the entire psychology of our downtown businesses and consequently our city," Reed continued. "It really has been the first effort that has really had a lasting economic impact. And this is amazing, considering it is during the time period in which we had a fire which destroyed one downtown building and severely damaged two others."

A few miles north of Leslie, in the Old Town area of Lansing, the formerly vacant Walker Building received a \$600,000 makeover in June 2011 funded in part by a MSHDA Rental Rehab grant.

The two-story, 8,000-square-foot structure, part of Lansing since 1909, had most recently housed a dollar store. It was slated to return to commercial use on the first floor and offer six second-floor lofts.

The project was a partnership among Vesta Building Industries, owner Dr. Sam Saboury, the Lansing Economic Development Corp., the City of Lansing and MSHDA.

"There are a lot of reasons to love this project," Tony Beyers of Vesta Building Industries told Capital Gains Media. "There is a great sense of satisfaction from restoring an obsolete and deteriorating property into an example of what we can do if we put forth the effort to restore our past."

Place matters. People choose to live, work, and play in vibrant cities and walkable, safe neighborhoods. MSHDA helps communities like Leslie and Lansing return to economic vitality.

STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 9th Congressional District.



COMMUNITY INVESTMENT

	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
9th District	\$177,457,998	\$2,832,942	
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



JOBS CREATED

Southeast Michigan	4,264 jobs
Michigan	11,084 jobs

* CDBG numbers include only MSHDA-administered funds. Additional CDBG funds flow directly to larger municipalities and through other state departments.

FEDERAL PROGRAMS THAT SUPPORT MICHIGAN'S SUCCESS

Community Development Block Grants (CDBG)

CDBG provides annual grants on a formula basis to cities and counties to strengthen communities, large and small, by expanding economic opportunities and by providing decent housing for low- and moderate-income residents. On the housing side, CDBG grants help revitalize neighborhoods and provide improved community facilities and services. Communities develop their own programs and funding priorities including:

- Property acquisition, relocation and demolition.
- Rehabilitation of residential and non-residential buildings.
- Construction of public facilities and improvements.
- Assistance to profit-motivated businesses for economic development and job creation/retention activities.

While other programs address similar needs, the impact of CDBG is remarkable. For example, since 1990 Habitat for Humanity has completed 100 homes in Ottawa County, while since 2000 CDBG resources have directly helped more than 10,000 Ottawa County families. In Michigan, CDBG funds have assisted in downtown revitalization, created environments where businesses can grow, and renovated unused second stories in smaller traditional downtowns, creating living spaces to stabilize commercial properties and build a prosperous business environment.

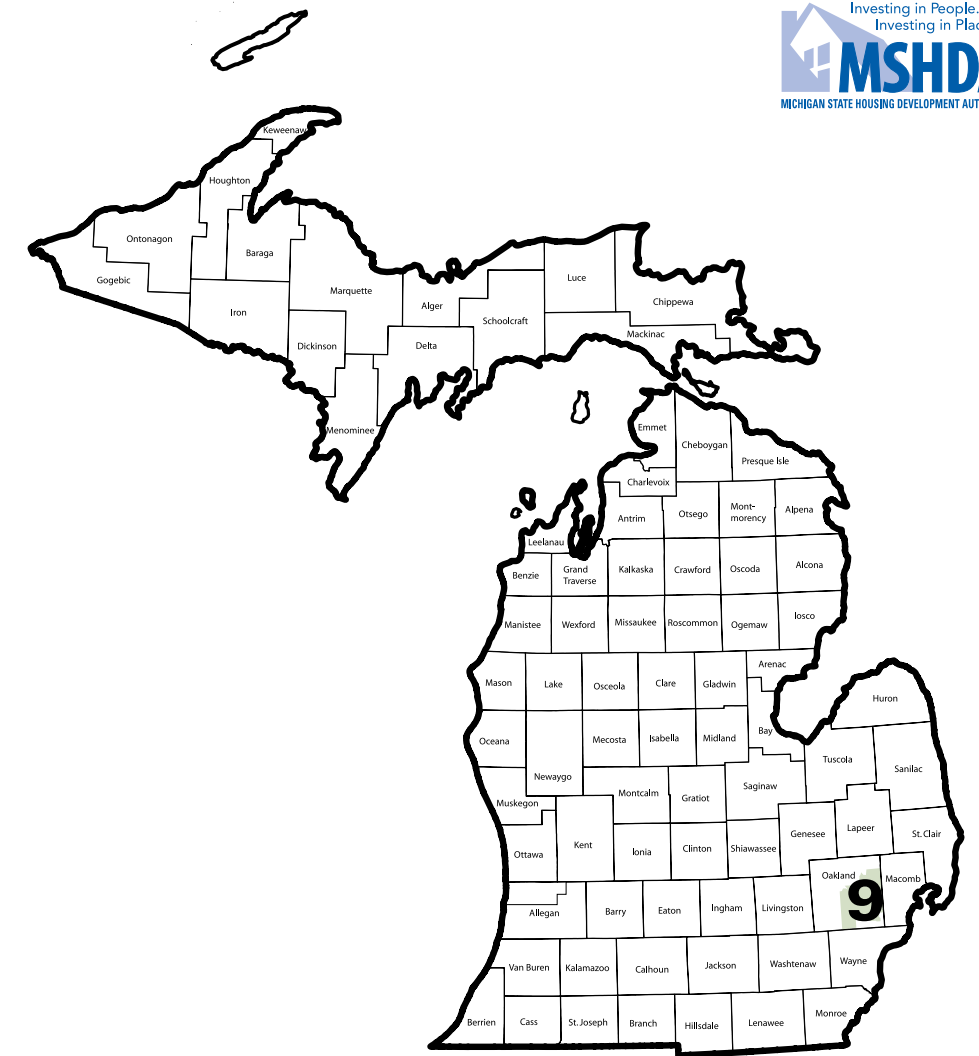
Housing Tax Credits

The Housing Tax Credit Program is a public-private partnership harnessing the discipline of the marketplace to build quality, affordable housing for lower-income families in a more efficient way than any direct spending program. While the federal government provides the tax credits, they are administered by the state based on housing needs at the local level. Each year in Michigan, the Housing Tax Credit is responsible for the creation of thousands of construction jobs, most of which are with small business construction subcontractors. According to the National Association of Homebuilders, for every 100 units built with Housing Tax Credits, 122 jobs are created. Even with the program, the need for affordable housing outpaces production. Nearly a quarter of all renting households pay one-half or more of their annual income in rent. The Housing Tax Credit program is essential to provide affordable housing for families, seniors and special needs populations in both urban and rural areas.

HOME Funds

HOME funds help communities to build, buy, or rehabilitate affordable housing for rent or homeownership, often in partnership with local nonprofit groups. Provisions of HOME make it a unique and powerful tool to help rebuild Michigan communities:

- Allows communities to tailor projects to their own needs.
- Emphasizes cooperative planning that expands partnerships with the private sector and among units of government.
- Provides practical technical assistance and support for qualified community-based nonprofit housing groups.
- Requires that participating jurisdictions match 25 cents of every dollar in program funds, mobilizing community resources in support of affordable housing.



REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 9TH CONGRESSIONAL DISTRICT

The housing crisis and resulting economic downturn hit hard in every city, county and district in Michigan. Neighborhoods felt the sting of foreclosure. Businesses had to recalibrate and reinvent themselves. But Michigan communities are resilient and our resolve is strong. Guided by prudent financial management and accountable metrics, Michigan is rebuilding itself.

A key component of this effort has been federal assistance from programs including Community Development Block Grants (CDBG), Housing Tax Credits and HOME funds. These resources have been applied in responsible and innovative ways, in every corner of our state, to help communities, homeowners and local businesses help themselves. They will continue to be a crucial element in our future success.

MANAGING FEDERAL INVESTMENTS FOR ROI

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► Sound Stewardship of Federal Resources

MSHDA manages federal funds to improve the state's housing stock, make housing more affordable, prevent foreclosure, boost business opportunities, rebuild our cities and help reduce homelessness. MSHDA is on solid financial footing and a strong partner to state and federal agencies, local governments, lenders, developers, builders, Realtors and nonprofits. MSHDA's AA bond rating is among the highest in the nation. Industry rating services consistently cite MSHDA as among the nation's most effective financial stewards compared to peer Housing Finance Agencies (HFAs).

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4. Revitalization of Michigan's downtowns
5. Affordable rental housing
6. Community and statewide work to end homelessness

This work often takes place in partnership with other state agencies including the Michigan Economic Development Corporation (MEDC), Department of Natural Resources (DNR), Department of Environmental Quality (DEQ), Department of Transportation (MDOT), and Department of Ag and Rural Development (DARD). It involves partnerships with investors, businesses, nonprofits and local governments. And it is grounded in a shared vision – that a new and thriving Michigan will be built on our downtowns, diverse neighborhoods, entrepreneurial centers, cultural amenities and unique places.

All of this can only happen if we work together.



SUCCESS STORIES FROM THE 9TH DISTRICT



Across the 9th District, federal investments have strengthened neighborhoods, built needed affordable housing for families and seniors, preserved and repurposed historic buildings, and created places where businesses can grow. MSHDA has helped manage these many projects to ensure successful and accountable management and demonstrated return on investment for the communities served.

► The Village of Royal Oak at Starr Corners: The Village of Royal Oak

Property that for years served the youngest members of the Royal Oak community has found new life housing another segment of the population, thanks to a financing package MSHDA assembled for a Southeast Michigan developer. The Damone Group, a Troy-based development and construction company, used MSHDA financial backing to build The Village of Royal Oak at Starr Corners, a 147-unit affordable senior housing development on the site of the former Starr Elementary School. Damone later sold the development to MHT Housing of Bingham Farms.

Ground on the 7.5-acre site at 3412 Devon Road was broken in May 2010, and units were ready for occupancy in 2011. The complex is now fully occupied. About 70 percent of the units at The Village are targeted toward residents age 55 and up who fall below 60 percent of the area median income. The rest are considered market-rate units.

The units have one or two bedrooms, one or two bathrooms, balconies or patios, emergency pull cords, full kitchen appliances, individually controlled air-conditioning and heating, laundry facilities on each floor of the three-story apartment building, and a washer and dryer in each one-level cottage. Other amenities include a library, fitness center, game and craft room, computers, a movie theater, hair salon/barber shop and activities director.

In addition, the site is in a highly desirable area with easy access to grocery stores, pharmacies, banking, hospitals and the Mahany/Meininger Senior Community Center. The project not only provided an economic boost at a time when construction projects were increasingly rare in Michigan, but it also provided needed housing to allow Royal Oak seniors to age in place in their community. "Royal Oak is known as an entertainment destination, but this project proves that we haven't lost sight of our seniors," Mayor Jim Ellison said. "This was an important development because it gave people on Social Security and pensions and lower incomes a very nice place to live."

Funding of the \$18 million complex included a construction loan and permanent financing funded by MSHDA through tax-exempt bonds. Also making the development possible were federal Housing Tax Credits administered by MSHDA. Robinson Zamorano, vice president at the Damone Group, recalled how the credit markets collapsed just as the company was developing plans for the property.

"There was really nothing happening after the crash. Without MSHDA, the project would not have taken place," Zamorano said. "The project has exceeded everyone's expectations."

Beyond providing high-quality low-income housing, the project also served as a source of construction jobs at a time when the industry in Michigan was struggling, he said. "We definitely created jobs at a time that it was very needed."

► American House Oakland: City of Pontiac

Although perhaps not as dramatic as new construction, renovation of existing structures is another important component of economic stability for a community. The MSHDA-financed American House Oakland elderly independent living facility, built in 1990, is undergoing a multimillion-dollar renovation using financing that includes Housing Tax Credits.

The renovation is helping stabilize the area on the west side of Baldwin Road, north of Walton Boulevard, in the city of Pontiac while ensuring that senior citizens have access to high-quality affordable housing.



"It's important that our seniors have opportunities to live with dignity and have access to amenities that the rest of the population does," said Tina Abbate Marzolf, chief executive officer of Area Agency on Aging 1-B, which serves Oakland County seniors.

Tucked quietly near the hub of Oakland County's thriving shopping and residential centers near I-75 and Baldwin Road, American House Oakland is ideally situated near family, friends, shopping, and familiar medical professionals in nearby communities.



The four-story structure contains 110,000 square feet of net rentable living area encompassing 162 living units, 40 percent of which are devoted to residents whose incomes are half of the area median. The building contains various lounge and activity rooms that are intended to promote resident socialization, as well as main and private dining rooms, a library, a TV room, a beauty salon, a sundry shop, a craft room, a movie room and community laundry facilities.

American House Oakland is a case study in architectural ingenuity and civic rejuvenation that exemplifies a trend called "retrofitting."

This practice is not common when it comes to large public housing projects. But scattered across the country there have been a few successful attempts.

American House Oakland is one of MSHDA's success stories.

Place matters. People choose to live, work, and play in vibrant towns and walkable, safe neighborhoods. MSHDA helps cities like Royal Oak, Pontiac and communities across Michigan return to economic vitality.

Providing decent and affordable housing – for seniors, for low-income individuals and families, for the newly homeless, for people with special needs – is a basic requirement for a civilized society.

MSHDA, together with local organizations, community groups and nonprofits, is working to meet these needs.

STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 10th Congressional District.



COMMUNITY INVESTMENT

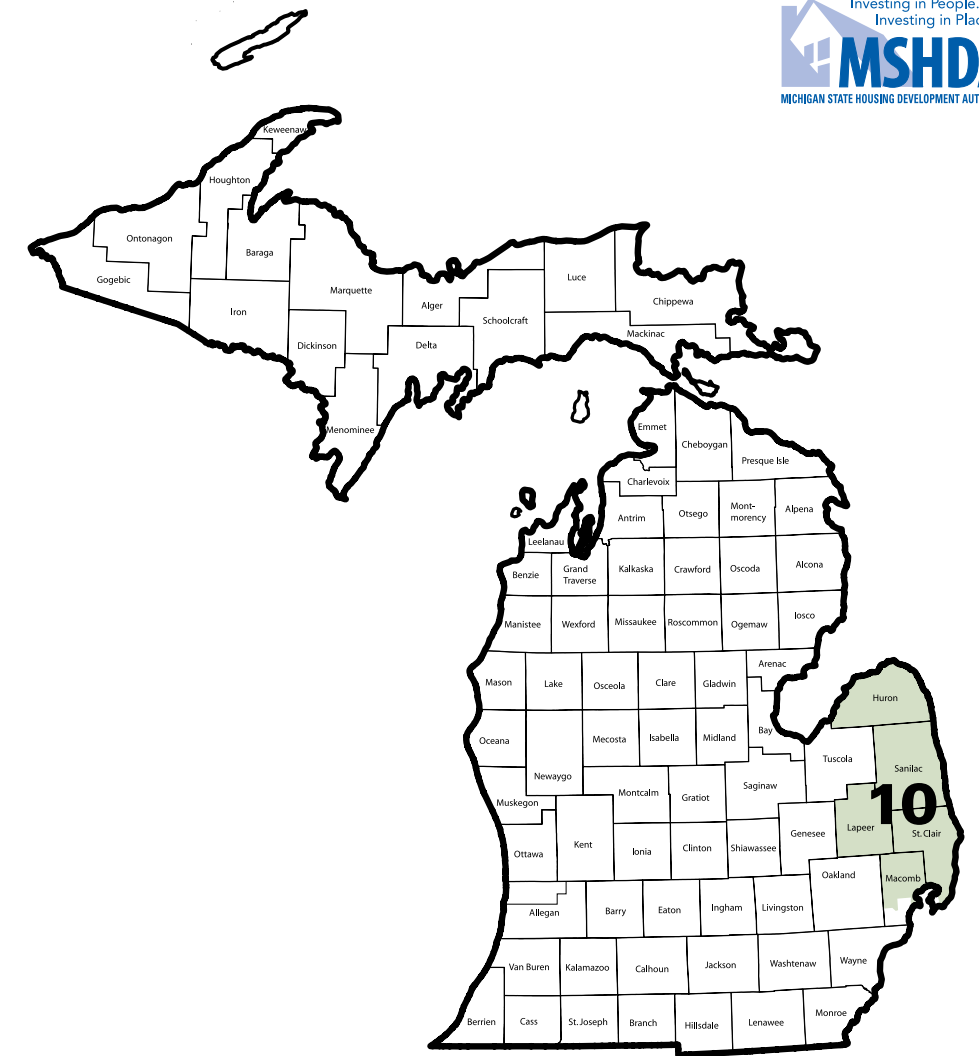
	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
10th District	\$129,072,740	\$9,185,978	\$4,055,314
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



JOBS CREATED

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Michigan	11,084 jobs

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REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 10TH CONGRESSIONAL DISTRICT

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A key component of this effort has been federal assistance from programs including Community Development Block Grants (CDBG), Housing Tax Credits and HOME funds. These resources have been applied in responsible and innovative ways, in every corner of our state, to help communities, homeowners and local businesses help themselves. They will continue to be a crucial element in our future success.

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This work often takes place in partnership with other state agencies including the Michigan Economic Development Corporation (MEDC), Department of Natural Resources (DNR), Department of Environmental Quality (DEQ), Department of Transportation (MDOT), and Department of Agriculture and Rural Development (DARD). It involves partnerships with investors, businesses, nonprofits and local governments. And it is grounded in a shared vision – that a new and thriving Michigan will be built on our downtowns, diverse neighborhoods, entrepreneurial centers, cultural amenities and unique places.

All of this can only happen if we work together.

SUCCESS STORIES FROM THE 10TH DISTRICT

Across the 10th District, federal investments have strengthened neighborhoods, built needed affordable housing for seniors and families, preserved and repurposed historic buildings, and created places where businesses can grow. MSHDA has helped oversee these many projects to help ensure successful and accountable management and demonstrated return on investment for the communities served.

► Lakeside Towers: Sterling Heights

The 114-unit Lakeside Towers apartment complex had dutifully provided housing for Sterling Heights senior citizens since 1981. Although the building was well maintained, major systems were nearing the end of their useful life and aspects of the building's original design were inadequate and functionally obsolete. In addition, an environmental review revealed possible asbestos-contaminated materials. Using a financing package that included Housing Tax Credits, general partner National Church Residences (NCR) in 2011 undertook a renovation project to modernize the building in a manner that represented NCR's holistic approach to merging housing and healthcare for seniors.

Plans called for replacing such major components as the roof, air-conditioning systems, boiler, backup generator, fire sprinkler system and windows. Also slated for replacement were floor coverings, cabinetry, lighting fixtures, wall coverings and appliances. The project also addressed the curb appeal of the building. Planned exterior improvements included improved signage and new fencing, picnic tables, benches and planters. On a broader scale, the redevelopment plan was designed with the goal of allowing residents to age in place – thereby reducing the need for institutionalization – by providing additional community space; by carefully planning new unit design, configuration and amenities; and by creating a platform for a wide array of services for seniors.

"Affordable housing options for low-income seniors are shrinking precisely at the time they should be increasing due to the aging of the baby boom generation," said Tina Abbate Marzolf, chief executive officer of the Area Agency on Aging 1-B. "Consequently, it is critical that we preserve affordable housing through efforts such as the renovation of Lakeside Towers." Lakeside Towers is a case study in architectural ingenuity and civic rejuvenation that exemplifies a trend called "retrofitting."

This practice is not common when it comes to large public housing projects. But scattered across the country there have been a few successful attempts.

Lakeside Towers is one of MSHDA's success stories.

Urban renovation by itself can't solve Michigan's challenge of unemployment and poverty. But it at least gives low-income senior citizens the opportunity to live with more dignity.

► Silver Maple Village: Lapeer

A change of ownership brought major upgrades to Silver Maple Village, a senior and family housing complex built in 1979 on Dewey Street in the city of Lapeer.

The new owner purchased the complex and funded \$3 million in interior and exterior renovations using a financing package that included tax credits and tax-exempt bonds.

Silver Maple Village consists of one three-story building containing 100 units for elderly residents and 12 buildings containing 75 garden-style and townhouse family apartments. The units are occupied by renters earning 60 percent or less of the area's median income.



The rehabilitation not only modernized the complex itself, ensuring its long-term viability, but the improvements also helped stabilize the surrounding area.

Beyond providing high-quality low-income housing, the Silver Maple Village project also served as a source of construction jobs at a time when the industry in Michigan was struggling.



► Proving Opportunities, Stabilizing Neighborhoods: Lapeer

Across the 10th District, MSHDA is working with traditional downtowns to help revitalize main street commercial districts to attract new residents and businesses, promote investment and jump-start economic growth. This work includes Community Development Block Grant (CDBG) funds to rehabilitate second-story residential apartments that help bring people back downtown and stabilize commercial building investments. The effort also includes Historic Tax Credits to spur private investment in façade improvements. In these same communities work is coordinated with MDOT efforts to improve streetscapes and signage, DNR plans for access to trails and parks, and MEDC business development assistance programs. All of this work is built upon strong local planning, design and business improvement efforts supported by the Michigan Main Street Program through technical support in business attraction, community promotion and strengthening the existing tax base.

In Lapeer, MSHDA invested \$28,897 of CDBG funds in a \$90,387 Homebuyer Purchase Rehab (HPR) project at 1232 N. Saginaw St. The project included major plumbing upgrades, a roof replacement, driveway repair, painting and some window replacement. Making the project even more of a success was the fact that the buyer had been a rental tenant with the Lapeer Housing Commission's Housing Choice Voucher (HCV) Program before applying to the City of Lapeer Housing Program. The buyer was very grateful for the help she received from the HCV Program, but her ultimate goal was to become a homeowner. She realized her dream of homeownership through the HPR program, which allowed her to purchase a home in need of some TLC. Her new home is within walking distance to both lovely downtown Lapeer and her job at McLaren Hospital Lapeer Region. "This was a hand up, not a handout," said Denise Soldenski of the City of Lapeer Housing Improvement Department. "This to me seems like a classic example of MSHDA fulfilling its mission of providing affordable housing opportunities to deserving Michigan citizens."

Place matters. People choose to live, work, and play in vibrant cities and walkable, safe neighborhoods. MSHDA helps communities like Sterling Heights and Lapeer return to economic vitality.

“It’s an honor to work on MSHDA-backed projects. It’s a source of pride when we can do good simply by doing our jobs.”
 – Thomas Krueger, president of St. Clair Construction Co. of Detroit

STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 11th Congressional District.



► COMMUNITY INVESTMENT

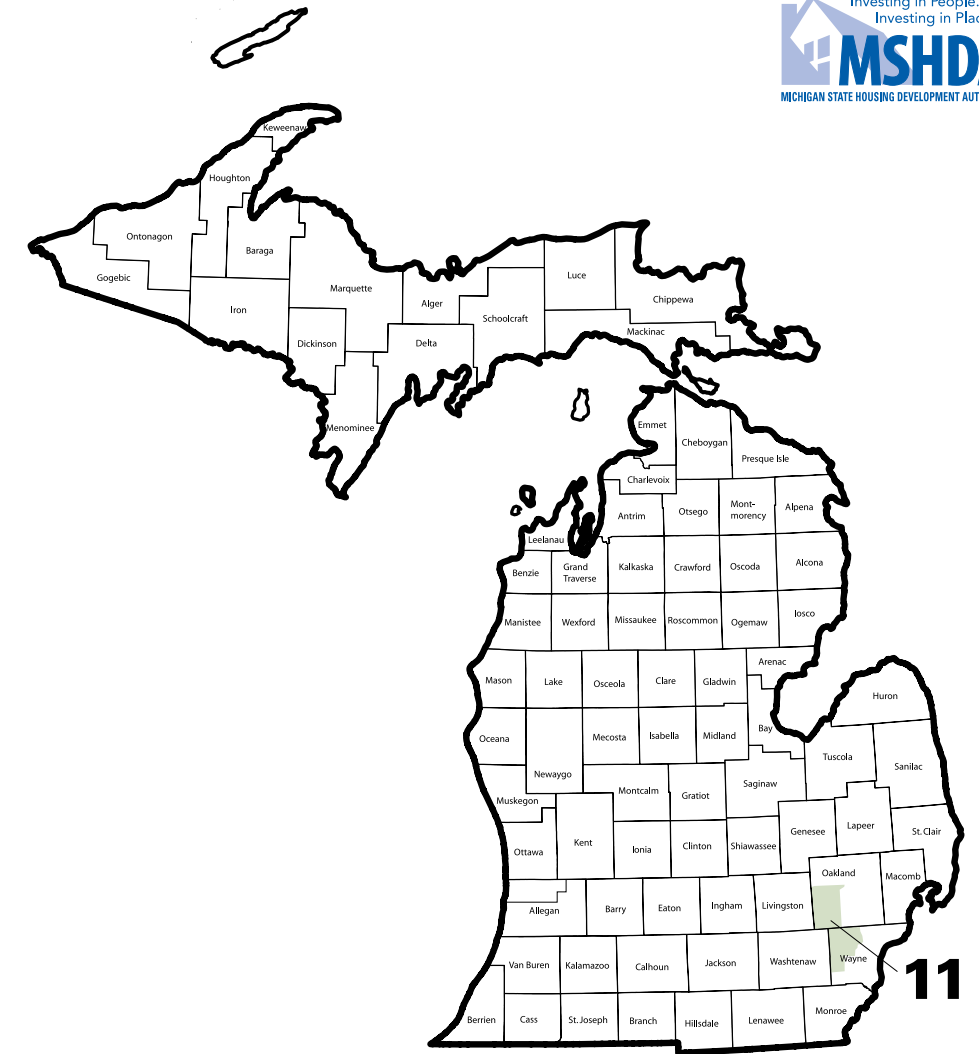
	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
11th District	\$96,418,720	\$3,090,885	
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REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 11TH CONGRESSIONAL DISTRICT

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SUCCESS STORIES FROM THE 11TH DISTRICT



Across the 11th District, federal investments have strengthened neighborhoods, built needed affordable housing for families and seniors, preserved and repurposed historic buildings, and created places where businesses can grow. MSHDA has helped manage these many projects to assure successful and accountable management and demonstrated return on investment for the communities served.

► Wayne Tower Senior Apartments: City of Wayne

Many of our seniors face a harsh dilemma – how to afford decent housing on a fixed income. Fallout from the financial crisis and ensuing recession has diminished many seniors' savings and pensions. Additionally, while there are an abundance of single-family homes in many markets, there are, at the same time, a lack of suitable rental housing for seniors that combines features of affordability and easy access to shopping, medical care, worship and other needed services.

Capital markets have not been kind to such developments. In Wayne, MSHDA worked closely with National Church Residences (NCR), a national not-for-profit 501c(3) founded on a Christian commitment to serve older adults' housing, social, and human needs. NCR currently manages more than 20,000 units of affordable senior housing in 28 states.

Wayne Tower is an 11-story, 154-unit building located at 35200 Sims Street in an established neighborhood. In recent years, the building had become run down, requiring extensive repair and renovation in both individual and common areas. MSHDA negotiated a purchase and sale agreement that transferred the building to NCR, which has agreed to preserve regulated and affordable rents for all tenants.

"Finding a comfortable, safe place to live in your old age doesn't have to mean financial hardship," said Michelle Norris, senior vice president of Acquisitions & Development of National Church Residences, the project's developer, owner and property manager.

The purchase was supported with Housing Credits based on income levels of current residents. Wayne Tower's senior residents have incomes at or below 80 percent of the area median income and are most often rent burdened, paying over 30 percent of their income for rent.

The purchase was supported with Housing Credits based on income levels of current residents. The proposed scope of rehabilitation includes heating, cooling and electrical repairs, common area improvements, exterior renovation, and apartment unit work including cabinets, flooring, countertops, appliances and bathroom fixtures.

"Urban renovation by itself can't solve Michigan's challenges of unemployment and poverty. But it at least gives our most senior citizens the opportunity to live with more dignity," Norris said.

Wayne Towers is a case study in architectural ingenuity and civic rejuvenation that exemplifies a trend called "retrofitting."



Such developments pose a challenge to urban innovators. Instead of replacing an old structure with an entirely new building, the designers look for what is worthwhile about the existing architecture and add to it. Preservationists in the United States have long debated the benefits of reusing obsolete structures. Estimates show about 80 percent of what's been constructed in America has been built during the last 50 years. Reuse represents the inevitable wave of the future.



This practice is not common when it comes to large public housing projects or antiquated school buildings. But scattered across the country there have been a few successful attempts.

Wayne Tower is one of MSHDA's success stories.

Prior to the renovation, the structure may have seemed like an obvious candidate for the wrecking ball.

Wayne civic leaders, local government officials, developers, community planners and MSHDA came together to embrace an alternative vision: Repair the crumbling infrastructure, upgrade its common spaces and its exterior, improve energy efficiency, and add more light and square footage to what had previously been dark, cramped spaces. An equally important goal was to spend less money to complete the project than the cost of razing the structure and building new.

Wayne Tower tenants happily confirm the economical, handsome building achieves all those objectives and more. The structure now features improved light and space. The rooms are bright and airy. Energy costs have been cut by as much as 60 percent.

"The project is important for the neighborhoods near Wayne Tower and our entire city because it offers a vision of how public-private partnerships, smart planning and MSHDA leadership can help shape the future of our communities moving forward," Norris said.

The redevelopment preserves a place where seniors can age in place with grace and dignity. Wayne Towers is within walking distance to the local bank, grocery store, salon, a movie theater, library, and churches. Meals on Wheels are served. Services include monthly residential socials, shopping trips three times a week, and in-building shopping for fresh vegetables and frozen food.

"Knowing our work would impact the lives of seniors in the city of Wayne made this one of our most gratifying projects. With support from MSHDA and our agency partners, we were able to provide beautiful renovations for this building and blend quality, service, and affordability with the conveniences of city living for Wayne seniors."

Place matters. People choose to live, work, and play in vibrant towns and walkable, safe neighborhoods. MSHDA helps cities like Wayne and communities across Michigan return to economic vitality.

Providing decent and affordable housing – for seniors, for low-income individuals and families, for the newly homeless, for people with special needs – is a basic requirement for a civilized society.

MSHDA, together with local organizations, community groups and nonprofits, is working to meet these needs.

STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 12th Congressional District.



► COMMUNITY INVESTMENT

	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
12th District	\$112,725,130	\$2,837,958	
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



► JOBS CREATED

Southeast Michigan	4,264 jobs
Michigan	11,084 jobs

* CDBG numbers include only MSHDA-administered funds. Additional CDBG funds flow directly to larger municipalities and through other state departments.

FEDERAL PROGRAMS THAT SUPPORT MICHIGAN'S SUCCESS

► Community Development Block Grants (CDBG)

CDBG provides annual grants on a formula basis to cities and counties to strengthen communities, large and small, by expanding economic opportunities and by providing decent housing for low- and moderate-income residents. On the housing side, CDBG grants help revitalize neighborhoods and provide improved community facilities and services. Communities develop their own programs and funding priorities including:

- Property acquisition, relocation and demolition.
- Rehabilitation of residential and non-residential buildings.
- Construction of public facilities and improvements.
- Assistance to profit-motivated businesses for economic development and job creation/retention activities.

While other programs address similar needs, the impact of CDBG is remarkable. For example, since 1990 Habitat for Humanity has completed 100 homes in Ottawa County, while since 2000 CDBG resources have directly helped more than 10,000 Ottawa County families. In Michigan, CDBG funds have assisted in downtown revitalization, created environments where businesses can grow, and renovated unused second stories in smaller traditional downtowns, creating living spaces to stabilize commercial properties and build a prosperous business environment.

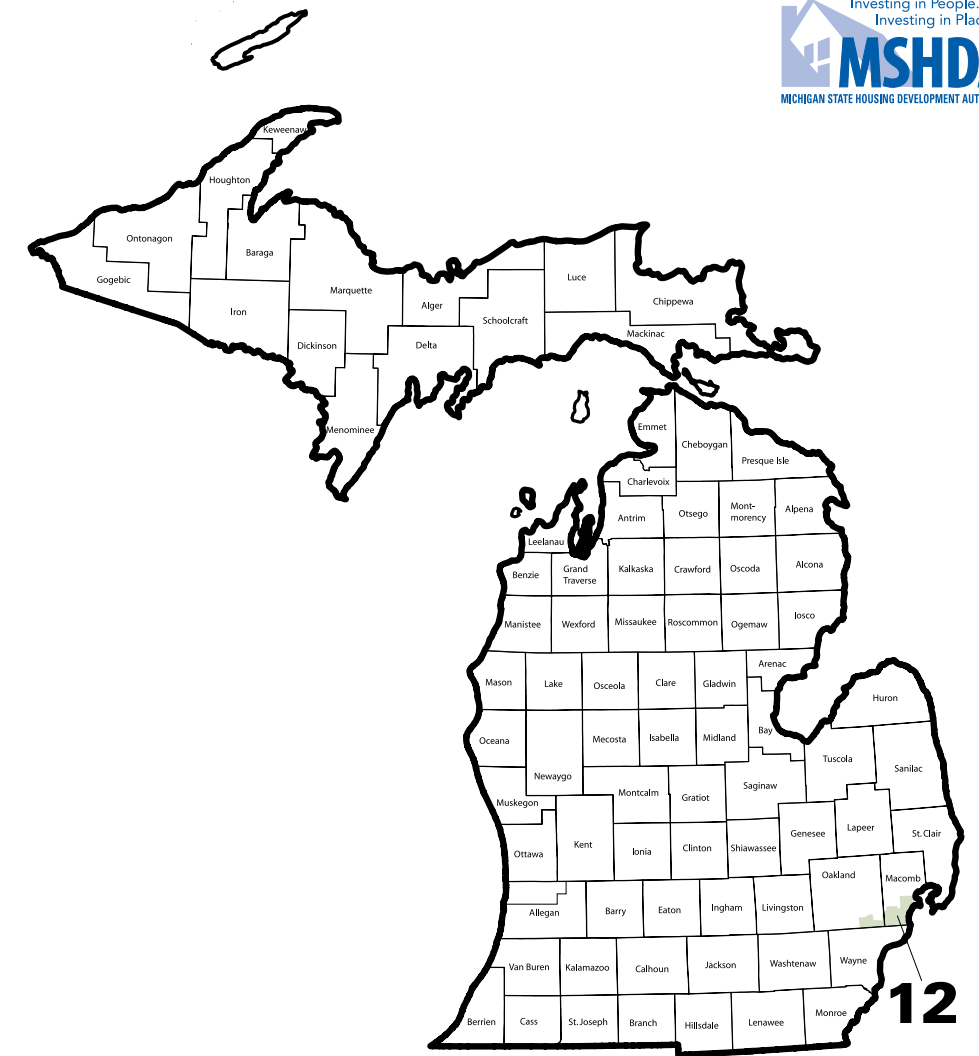
► Housing Tax Credits

The Housing Tax Credit Program is a public-private partnership harnessing the discipline of the marketplace to build quality, affordable housing for lower-income families in a more efficient way than any direct spending program. While the federal government provides the tax credits, they are administered by the state based on housing needs at the local level. Each year in Michigan, the Housing Tax Credit is responsible for the creation of thousands of construction jobs, most of which are with small business construction subcontractors. According to the National Association of Homebuilders, for every 100 units built with Housing Tax Credits, 122 jobs are created. Even with the program, the need for affordable housing outpaces production. Nearly a quarter of all renting households pay one-half or more of their annual income in rent. The Housing Tax Credit program is essential to provide affordable housing for families, seniors and special needs populations in both urban and rural areas.

► HOME Funds

HOME funds help communities to build, buy, or rehabilitate affordable housing for rent or homeownership, often in partnership with local nonprofit groups. Provisions of HOME make it a unique and powerful tool to help rebuild Michigan communities:

- Allows communities to tailor projects to their own needs.
- Emphasizes cooperative planning that expands partnerships with the private sector and among units of government.
- Provides practical technical assistance and support for qualified community-based nonprofit housing groups.
- Requires that participating jurisdictions match 25 cents of every dollar in program funds, mobilizing community resources in support of affordable housing.



REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 12TH CONGRESSIONAL DISTRICT

The housing crisis and resulting economic downturn hit hard in every city, county and district in Michigan. Neighborhoods felt the sting of foreclosure. Businesses had to recalibrate and reinvent themselves. But Michigan communities are resilient and our resolve is strong. Guided by prudent financial management and accountable metrics, Michigan is rebuilding itself.

A key component of this effort has been federal assistance from programs including Community Development Block Grants (CDBG), Housing Tax Credits and HOME funds. These resources have been applied in responsible and innovative ways, in every corner of our state, to help communities, homeowners and local businesses help themselves. They will continue to be a crucial element in our future success.

Applying, monitoring and accounting for federal investments through CDBG, Housing Tax Credits and HOME funds is in large part the work of the Michigan State Housing Development Authority (MSHDA). Historically, MSHDA focused on developing affordable housing. However, MSHDA's mission has evolved as a direct response to Michigan's economic problems and the understanding that strong neighborhoods, vibrant downtowns, and cooperative, prosperous regions will be the infrastructure on which we build a new Michigan economy.

► **Sound Stewardship of Federal Resources**

MSHDA manages federal funds to improve the state's housing stock, make housing more affordable, prevent foreclosure, boost business opportunities, rebuild our cities and help reduce homelessness. MSHDA is on solid financial footing and a strong partner to state and federal agencies, local governments, lenders, developers, builders, Realtors and nonprofits. MSHDA's AA bond rating is among the highest in the nation. Industry rating services consistently cite MSHDA as among the nation's most effective financial stewards compared to peer Housing Finance Agencies (HFAs).

► **Cooperative Work in Every Michigan Community**

MSHDA's work supports:

1. Strong urban neighborhoods
2. Economic Gardening to help businesses grow
3. Homeownership and neighborhood stabilization through property improvement
4. Revitalization of Michigan's downtowns
5. Affordable rental housing
6. Community and statewide work to end homelessness

This work often takes place in partnership with other state agencies including the Michigan Economic Development Corporation (MEDC), Department of Natural Resources (DNR), Department of Environmental Quality (DEQ), Department of Transportation (MDOT), and Department of Agriculture and Rural Development (DARD). It involves partnerships with investors, businesses, nonprofits and local governments. And it is grounded in a shared vision – that a new and thriving Michigan will be built on our downtowns, diverse neighborhoods, entrepreneurial centers, cultural amenities and unique places.

All of this can only happen if we work together.



SUCCESS STORIES FROM THE 12TH DISTRICT



Across the 12th District, federal investments have strengthened neighborhoods, built needed affordable housing for families and seniors, preserved and repurposed historic buildings, and created places where businesses can grow. MSHDA has helped manage these many projects to assure successful and accountable management and demonstrated return on investment for the communities served.

► **Providing Decent Affordable Housing for Seniors and Families: Lakeside Senior Living**

Many of our seniors face a harsh dilemma – how to afford decent housing on a fixed income. Fallout from the financial crisis and ensuing recession has diminished many seniors' savings and pensions. Additionally, while there is an abundance of single-family homes in many markets, there are, at the same time, a lack of suitable rental housing for seniors that combines features of affordability and easy access to shopping, medical care, worship and other needed services.

Capital markets have not been kind to such developments. In Clinton Township, MSHDA worked with Michigan-based American House Senior Living to underwrite a complete renovation of Lakeside Village – a senior independent-living facility located on 19 Mile Road near Hayes Road in Clinton Township. Work has begun to update activity rooms and other common areas including dining rooms, library, game room, TV room, movie room, craft room, laundry and other spaces that promote resident socialization. Additional work will address needed work in the 88 individual units in the 33-year-old building. 40 percent of the units will be restricted to seniors with incomes at or below 50 percent of the area median income.

► **Providing Decent Affordable Housing for Seniors and Families: Clinton Township, Devon Square Apartments, City of Ferndale**

In Ferndale, MSHDA has worked with Milford-based Ginosko Development to refinance and refurbish Devon Square, a development of 48 affordable senior and 12 affordable family apartments located on 1300 East Lewiston Avenue. All Devon Square residents have incomes that fall at or below 60 percent of the area median income level.



In addition to renovation of existing facilities, the project agreement includes a 10 percent Supportive Housing Set-Aside. The target

population for these services includes individuals or families who are homeless, have special needs or are survivors of domestic violence. Supportive services will be provided on site and will include classes, meetings and counseling. The Coalition on Temporary Shelter (COTS) will serve as the lead agency providing on-site supportive services.

Providing decent and affordable housing for seniors, for low-income individuals and families, for the newly homeless, for people with special needs, is a basic requirement for a civilized society. MSHDA, together with organizations, community groups and nonprofits, is working to meet these needs.

Place matters. People choose to live, work, and play in vibrant towns and walkable, safe neighborhoods. MSHDA helps communities like Clinton Township, the City of Ferndale and communities across Michigan return to economic vitality.

Providing decent and affordable housing – for seniors, for low-income individuals and families, for the newly homeless, for people with special needs – is a basic requirement for a civilized society.

MSHDA, together with local organizations, community groups and nonprofits, is working to meet these needs.

“The renovations we did at Devon Square were desperately needed. The building was in deplorable physical condition. Without the major renovations and without the financing from MSHDA and tax credits, the building would have gone into foreclosure.”

– John Hayes, CEO of Ginosko Development Company

MANAGING FEDERAL INVESTMENTS FOR ROI

STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 13th Congressional District.



► COMMUNITY INVESTMENT

	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
13th District	\$1,068,825,909	\$19,682,022	
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



► JOBS CREATED

Southeast Michigan	4,264 jobs
Michigan	11,084 jobs

* CDBG numbers include only MSHDA-administered funds. Additional CDBG funds flow directly to larger municipalities and through other state departments.

FEDERAL PROGRAMS THAT SUPPORT MICHIGAN'S SUCCESS

► Community Development Block Grants (CDBG)

CDBG provides annual grants on a formula basis to cities and counties to strengthen communities, large and small, by expanding economic opportunities and by providing decent housing for low- and moderate-income residents. On the housing side, CDBG grants help revitalize neighborhoods and provide improved community facilities and services. Communities develop their own programs and funding priorities including:

- Property acquisition, relocation and demolition.
- Rehabilitation of residential and non-residential buildings.
- Construction of public facilities and improvements.
- Assistance to profit-motivated businesses for economic development and job creation/retention activities.

While other programs address similar needs, the impact of CDBG is remarkable. For example, since 1990 Habitat for Humanity has completed 100 homes in Ottawa County, while since 2000 CDBG resources have directly helped more than 10,000 Ottawa County families. In Michigan, CDBG funds have assisted in downtown revitalization, created environments where businesses can grow, and renovated unused second stories in smaller traditional downtowns, creating living spaces to stabilize commercial properties and build a prosperous business environment.

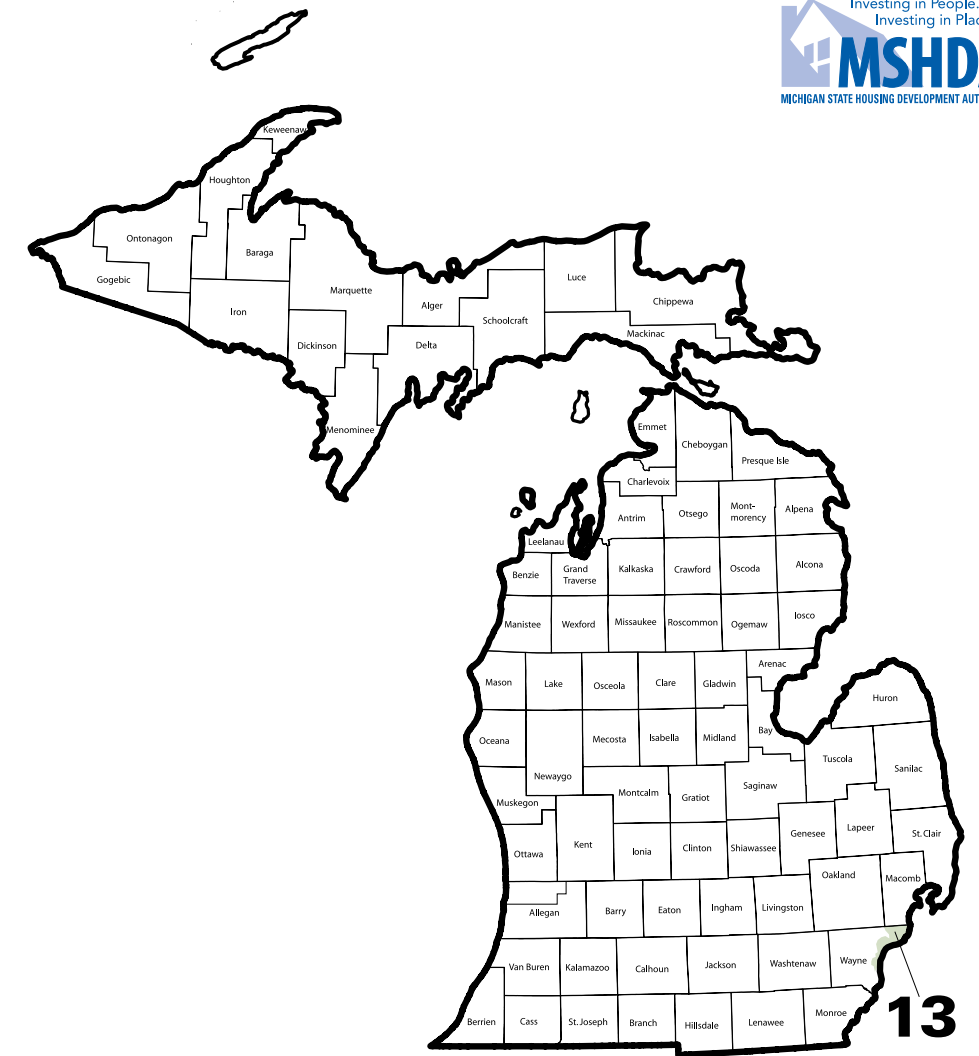
► Housing Tax Credits

The Housing Tax Credit Program is a public-private partnership harnessing the discipline of the marketplace to build quality, affordable housing for lower-income families in a more efficient way than any direct spending program. While the federal government provides the tax credits, they are administered by the state based on housing needs at the local level. Each year in Michigan, the Housing Tax Credit is responsible for the creation of thousands of construction jobs, most of which are with small business construction subcontractors. According to the National Association of Homebuilders, for every 100 units built with Housing Tax Credits, 122 jobs are created. Even with the program, the need for affordable housing outpaces production. Nearly a quarter of all renting households pay one-half or more of their annual income in rent. The Housing Tax Credit program is essential to provide affordable housing for families, seniors and special needs populations in both urban and rural areas.

► HOME Funds

HOME funds help communities to build, buy, or rehabilitate affordable housing for rent or homeownership, often in partnership with local nonprofit groups. Provisions of HOME make it a unique and powerful tool to help rebuild Michigan communities:

- Allows communities to tailor projects to their own needs.
- Emphasizes cooperative planning that expands partnerships with the private sector and among units of government.
- Provides practical technical assistance and support for qualified community-based nonprofit housing groups.
- Requires that participating jurisdictions match 25 cents of every dollar in program funds, mobilizing community resources in support of affordable housing.



REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 13TH CONGRESSIONAL DISTRICT

► The housing crisis and resulting economic downturn hit hard in every city, county and district in Michigan. Neighborhoods felt the sting of foreclosure. Businesses had to recalibrate and reinvent themselves. But Michigan communities are resilient and our resolve is strong. Guided by prudent financial management and accountable metrics, Michigan is rebuilding itself.

A key component of this effort has been federal assistance from programs including Community Development Block Grants (CDBG), Housing Tax Credits and HOME funds. These resources have been applied in responsible and innovative ways, in every corner of our state, to help communities, homeowners and local businesses help themselves. They will continue to be a crucial element in our future success.

MANAGING FEDERAL INVESTMENTS FOR ROI

Applying, monitoring and accounting for federal investments through CDBG, Housing Tax Credits and HOME funds is in large part the work of the Michigan State Housing Development Authority (MSHDA). Historically, MSHDA focused on developing affordable housing. However, MSHDA's mission has evolved as a direct response to Michigan's economic problems and the understanding that strong neighborhoods, vibrant downtowns, and cooperative, prosperous regions will be the infrastructure on which we build a new Michigan economy.

► Sound Stewardship of Federal Resources

MSHDA manages federal funds to improve the state's housing stock, make housing more affordable, prevent foreclosure, boost business opportunities, rebuild our cities and help reduce homelessness. MSHDA is on solid financial footing and a strong partner to state and federal agencies, local governments, lenders, developers, builders, Realtors and nonprofits. MSHDA's AA bond rating is among the highest in the nation. Industry rating services consistently cite MSHDA as among the nation's most effective financial stewards compared to peer Housing Finance Agencies (HFAs).

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MSHDA's work supports:

1. Strong urban neighborhoods
2. Economic Gardening to help businesses grow
3. Homeownership and neighborhood stabilization through property improvement
4. Revitalization of Michigan's downtowns
5. Affordable rental housing
6. Community and statewide work to end homelessness

This work often takes place in partnership with other state agencies including the Michigan Economic Development Corporation (MEDC), Department of Natural Resources (DNR), Department of Environmental Quality (DEQ), Department of Transportation (MDOT), and Department of Agriculture and Rural Development (DARD). It involves partnerships with investors, businesses, nonprofits and local governments. And it is grounded in a shared vision – that a new and thriving Michigan will be built on our downtowns, diverse neighborhoods, entrepreneurial centers, cultural amenities and unique places.

All of this can only happen if we work together.



SUCCESS STORIES FROM THE 13TH DISTRICT



Across the 13th District, federal investments have strengthened neighborhoods, built needed affordable housing for families and seniors, preserved and repurposed historic buildings, and created places where businesses can grow. MSHDA has helped manage these many projects to assure successful and accountable management and demonstrated return on investment for the communities served.

► Piquette Square: A Home for Detroit's Homeless Veterans

Piquette Square is an important piece of a major collaborative commitment to address the growing problem of homeless veterans in metropolitan Detroit. There are more than 4,000 homeless veterans in the Detroit area. One of every three homeless men in Detroit and nationally is a veteran. The Piquette Square project is situated on the same ground where the historic Studebaker factory near New Center was destroyed by fire in 2005. The new four-story brick building, at 6221 Brush, consists of 150 affordable one-bedroom units, as well as 11,000 square feet of common area and commercial space. The first tenants moved into Piquette Square in June 2010.

The total cost of about \$23 million was financed through a combination of tax credits, bond funding, and homelessness funds administered by MSHDA. The project was completed in collaboration with the Corporation for Supportive Housing, City of Detroit, Wayne County, NeighborWorks America, The Salvation Army, Focus Hope, Michigan Veterans Foundation Detroit Center, American Veterans (AMVETS Detroit), the Detroit Housing Commission and Jewish Vocational Services.

On-site services are provided by Southwest Solutions in collaboration with numerous human services providers, government agencies and veterans' groups. This work includes mental health counseling, substance abuse treatment, on-site job training, computer labs, educational programs and other support services to help the veterans develop healthy and independent living skills. Piquette Square places homeless veterans in permanent supportive housing, an evidence-based and proven recovery model.

Piquette Square more than doubles the number of long-term supportive housing beds available to homeless veterans in Michigan. The 3.28-acre facility is conveniently located about a mile and a half north of the VA Hospital and the Detroit Medical Center. Piquette Square contributes to the ongoing growth of the New Center area by adding additional housing units and 5,000 square feet of street-front commercial space along Piquette Avenue (the commercial space has been rented to the VA for its new Veterans Community Resource and Referral Center). The project also helps revitalize the historic Milwaukee Junction neighborhood, which was once known as the "Cradle of the Automotive Industry" but had fallen victim to blight and abandonment.

"It was an honor for O'Brien Construction and all of our employees to be involved with Southwest Housing and MSHDA on the construction of Piquette Square," said Timothy O'Brien, president of O'Brien Construction, the project's developer. "Knowing that our work would impact the lives of homeless veterans made this project one of the most gratifying projects we have constructed in our 50 years in business."

► Evergreen Estates/ Renaissance Village: City of Detroit



Evergreen Estates is a 305-unit family development comprising 15 buildings and a community center on Detroit's east side. Built in 1942, the property was in foreclosure and in disrepair with an occupancy rate below 40 percent. Ginosko Development worked with MSHDA to propose a gut-rehab and partial demolition to result in 185 2- to 3-bedroom units targeting low- and moderate-income families with school-age children.

This comprehensive \$28 million redevelopment will be financed by tax-exempt bonds, a Neighborhood Stabilization Program (NSP) mortgage loan, and a federal HOME loan. Work will be completed in 2012, with the facility opening under the new name of Renaissance Village. The project will provide a new "heart" to this struggling neighborhood with an activities complex, picnic area, new security features, easy access to a nearby park, "green" dwelling units and appliances, and rent decreases of up to 9 percent on all units.



► Helping Neighborhoods Help Themselves: Grandmont Neighborhood, Detroit

Sometimes projects can be small in scope but provide impact that resonates throughout a community. The Grandmont Rosedale Development Corporation (GRDC) is a nonprofit, community-based organization working to preserve and improve the Grandmont Rosedale Neighborhoods of northwest Detroit. GRDC's programs help renovate vacant homes, assist local homeowners and businesses, beautify the community and keep neighborhoods safe and vibrant.

Beginning in 2009, MSHDA has provided more than \$1 million in grants and loans administered through GRDC to complete minor home repairs for low- to moderate-income families. This work had remarkable impact – and not only for the families whose homes were fixed up. This work helped stabilize the blocks where these homes are located along with the neighborhood as a whole.

Alice Granger is a senior with very limited resources. She qualified for a MSHDA grant and loan to replace her roof, furnace, and windows as well as bringing her electrical service and plumbing up to code. Ms. Granger said: "I never could have done this work without GRDC's help. I will finally be able to run my furnace in the winter without killing my budget."

Place matters. People choose to live, work, and play in vibrant towns and walkable, safe neighborhoods. MSHDA is helping Detroit and communities across Michigan return to economic vitality. Providing decent and affordable housing – for seniors, for low-income individuals and families, for the newly homeless, for people with special needs – is a basic requirement for a civilized society.

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STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 14th Congressional District.



► COMMUNITY INVESTMENT

	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
14th District	\$295,310,833	\$6,116,179	
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



► JOBS CREATED

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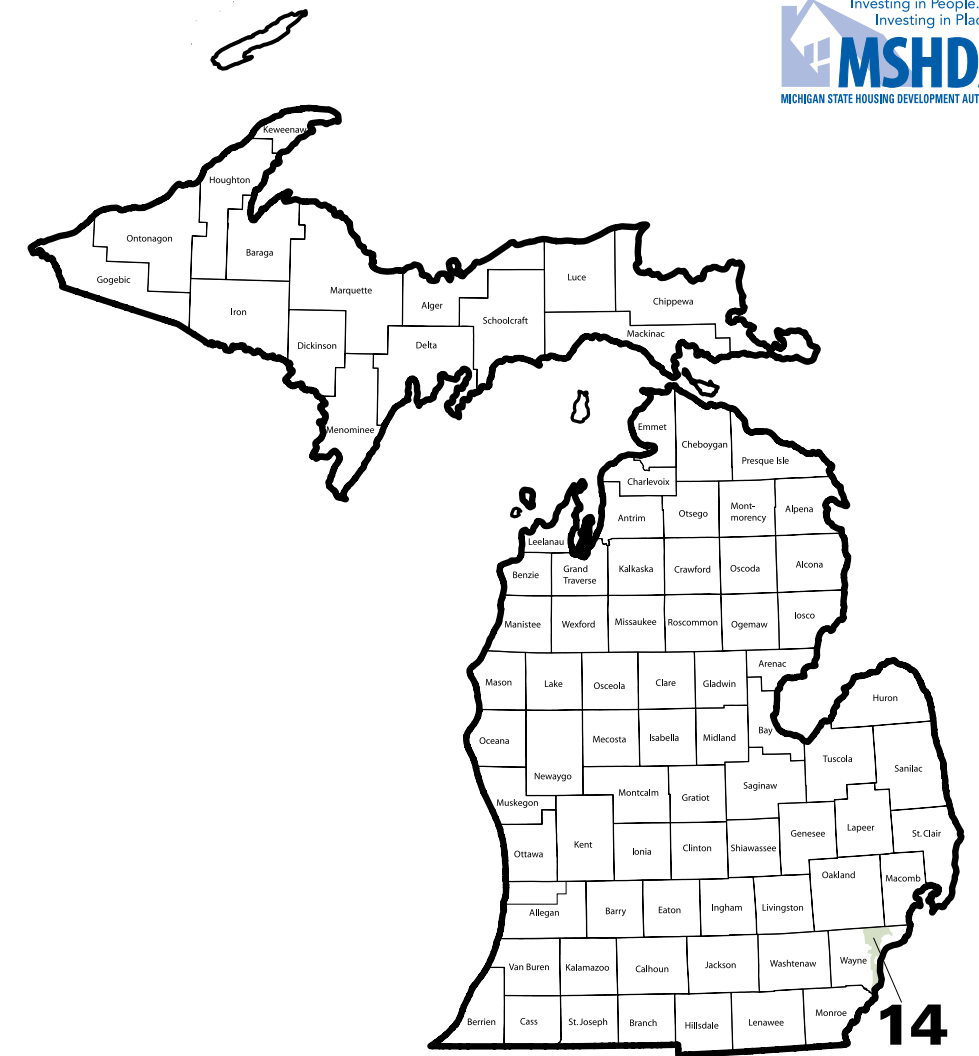
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REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 14TH CONGRESSIONAL DISTRICT

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SUCCESS STORIES FROM THE 14TH DISTRICT



Across the 14th District, federal investments have strengthened neighborhoods, built needed affordable housing for seniors and families, preserved and repurposed historic buildings, and created places where businesses can grow. MSHDA has helped manage these many projects to help ensure successful and accountable management and demonstrated return on investment for the communities served.

► NSO Bell Building: Detroit

Detroit's Neighborhood Service Organization (NSO) is creating homes for the chronically homeless, resurrecting the former Michigan Bell Building and spurring a renewed sense of community pride at the same time. Located at 882 Oakman Blvd., near Woodrow Wilson on the border between Detroit and Highland Park, the \$50 million investment in a long-vacant Detroit landmark is expected to help revitalize the surrounding neighborhood where other development is taking root.

Sources for project financing include MSHDA Housing Tax Credits, MSHDA Project Based Vouchers, Wayne County HOME, City of Detroit HOME, Michigan's Brownfield Tax Credit Program, Federal and State Historic Tax Credits, nonprofit foundations and funds, and conventional bank financing. The former Michigan Bell Building's restoration is a case study in architectural ingenuity and civic rejuvenation that exemplifies a trend called "retrofitting."

This practice is not common when it comes to large public housing projects. But scattered across the country there have been a few successful attempts.

The new NSO Bell Building is one of Michigan's success stories.

When it's completed in late 2012, the NSO Bell Building will provide permanent housing for homeless adults along with much-needed support services. It will also be the home of NSO's new headquarters. The project is under construction and will create 155 fully furnished, one-bedroom apartments to help stabilize formerly homeless adults. NSO will provide mental health counseling, addiction treatment, case management, financial literacy and other on-site support in one location to help residents turn their lives around. The facility will also include a chapel, library, computer room, roof garden, art and music rooms and a gym. The NSO Bell Building will help to fill the urgent need that exists for homeless housing in Detroit. According to The Kresge Foundation, an estimated 18,000 people in Detroit are homeless. "We will have no time limit on how long people can live here. This is permanent housing," says Sheilah Clay, NSO's president and CEO. "My hope is that after a number of years, people will improve their lives and skill levels so they may come to us and say they have reunited with their family, plan to get married or are ready and able to be self-sufficient." NSO has purchased land east of the building for parking and, eventually, an urban farm. Clay envisions apartment residents, seniors and families in the neighborhood growing and eating more fresh vegetables and perhaps selling produce at a future Oakman Boulevard farmers' market.

► Oakman Place Apartments: Detroit

When Oakman Place Apartments opened its doors in early 2012, it provided affordable housing for homeless youth and families in an effort to revitalize a neighborhood on the near west side of Detroit.

Of the 24 units, nine one-bedroom apartments are reserved for homeless youth and one two-bedroom apartment for a homeless youth with a child. The remaining 14 units are for families at or below 60 percent of the Area Median Income (AMI). Lutheran Child & Family Service of Michigan (LCFS) provides on-site services including case management, educational development and employment opportunities. These services are made available through a partnership with United Way Southeast Michigan and Focus: HOPE.



The \$3.4 million development was made possible through a coalition of public and nonprofit organizations including LCFS, Focus: HOPE and MSHDA. It was financed by a combination of federal, state and local resources including MSHDA 1602 Tax Credit Exchange funds, Wayne County HOME funds and City of Detroit HOME funds.

The housing was needed to help youth in foster care who "age out" of the child welfare system yet are often still in need of adequate housing and supportive services.

"We have become sensitized to the number of families who are challenged to find adequate, safe and affordable housing," said Dr. Robert G. Miles, president/CEO of LCFS. "We envision building a 'community within a community' with the residents of Oakman Place."



The Oakman Place community is a high-priority site for Wayne County and the City of Detroit, known for its historic neighborhoods, eclectic townhouses, single-family housing, and a wide choice of rental housing. The area is attracting investments in new housing, office and commercial development, and a new park on the border of Detroit and Highland Park.

"Through our Hope Village Initiative, we pledged to have a deep and lasting impact on the community surrounding our campus," said William F. Jones, Jr., CEO of Focus: HOPE. "Oakman Place is an important component in making the vision of a strong neighborhood a reality."



Place matters. People choose to live, work, and play in vibrant towns and walkable, safe neighborhoods. MSHDA helps cities like Detroit and communities across Michigan return to economic vitality. Providing decent and affordable housing – for seniors, for low-income individuals and families, for the newly homeless, for people with special needs – is a basic requirement for a civilized society.

MSHDA, together with local organizations, community groups and nonprofits, is working to meet these needs.

“ We want to build the capacity of effective organizations like the NSO in their efforts to help the most vulnerable people in our society move out of poverty. The ultimate goal is enabling them to lead self-sufficient and self-determined lives. ”

– Andrew R. Gatewood, Kresge Program Officer

STATEWIDE ECONOMIC IMPACT / RETURN ON INVESTMENT

MSHDA-administered federal investments in Michigan and the 15th Congressional District.



COMMUNITY INVESTMENT

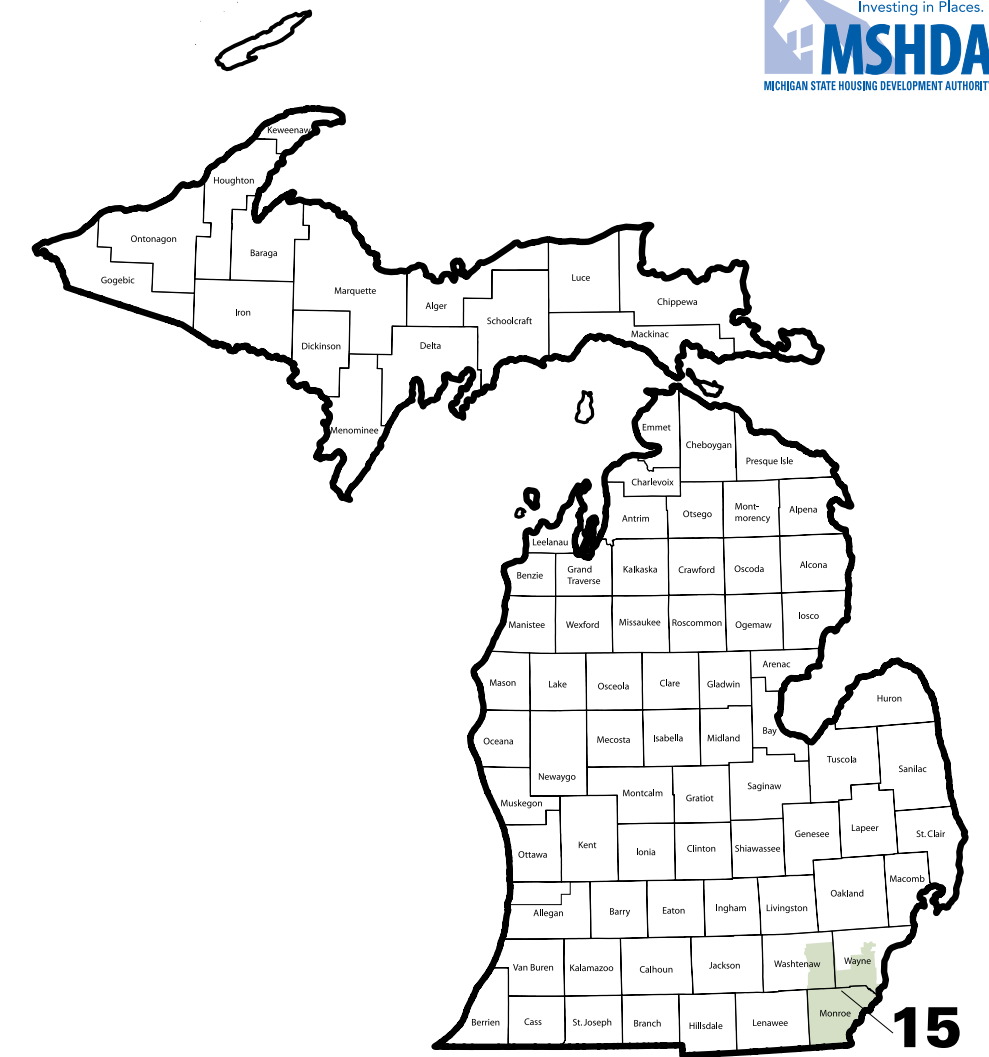
	Housing Credits (1986–2011)	HOME (2000–2011)	CDBG* (2000–2011)
15th District	\$234,267,450	\$6,374,866	\$900,812
Michigan	\$4,008,877,144	\$229,395,425	\$62,450,015



JOBS CREATED

Southeast Michigan	4,264 jobs
Michigan	11,084 jobs

* CDBG numbers include only MSHDA-administered funds. Additional CDBG funds flow directly to larger municipalities and through other state departments.



REBUILDING MICHIGAN

FEDERAL INVESTMENTS THROUGH CDBG, HOUSING TAX CREDITS AND HOME FUNDS IN THE 15TH CONGRESSIONAL DISTRICT

The housing crisis and resulting economic downturn hit hard in every city, county and district in Michigan. Neighborhoods felt the sting of foreclosure. Businesses had to recalibrate and reinvent themselves. But Michigan communities are resilient and our resolve is strong. Guided by prudent financial management and accountable metrics, Michigan is rebuilding itself.

A key component of this effort has been federal assistance from programs including Community Development Block Grants (CDBG), Housing Tax Credits and HOME funds. These resources have been applied in responsible and innovative ways, in every corner of our state, to help communities, homeowners and local businesses help themselves. They will continue to be a crucial element in our future success.

Community Development Block Grants (CDBG)

CDBG provides annual grants on a formula basis to cities and counties to strengthen communities, large and small, by expanding economic opportunities and by providing decent housing for low- and moderate-income residents. On the housing side, CDBG grants help revitalize neighborhoods and provide improved community facilities and services. Communities develop their own programs and funding priorities including:

- Property acquisition, relocation and demolition.
- Rehabilitation of residential and non-residential buildings.
- Construction of public facilities and improvements.
- Assistance to profit-motivated businesses for economic development and job creation/retention activities.

While other programs address similar needs, the impact of CDBG is remarkable. For example, since 1990 Habitat for Humanity has completed 100 homes in Ottawa County, while since 2000 CDBG resources have directly helped more than 10,000 Ottawa County families. In Michigan, CDBG funds have assisted in downtown revitalization, created environments where businesses can grow, and renovated unused second stories in smaller traditional downtowns, creating living spaces to stabilize commercial properties and build a prosperous business environment.

Housing Tax Credits

The Housing Tax Credit Program is a public-private partnership harnessing the discipline of the marketplace to build quality, affordable housing for lower-income families in a more efficient way than any direct spending program. While the federal government provides the tax credits, they are administered by the state based on housing needs at the local level. Each year in Michigan, the Housing Tax Credit is responsible for the creation of thousands of construction jobs, most of which are with small business construction subcontractors. According to the National Association of Homebuilders, for every 100 units built with Housing Tax Credits, 122 jobs are created. Even with the program, the need for affordable housing outpaces production. Nearly a quarter of all renting households pay one-half or more of their annual income in rent. The Housing Tax Credit program is essential to provide affordable housing for families, seniors and special needs populations in both urban and rural areas.

HOME Funds

HOME funds help communities to build, buy, or rehabilitate affordable housing for rent or homeownership, often in partnership with local nonprofit groups. Provisions of HOME make it a unique and powerful tool to help rebuild Michigan communities:

- Allows communities to tailor projects to their own needs.
- Emphasizes cooperative planning that expands partnerships with the private sector and among units of government.
- Provides practical technical assistance and support for qualified community-based nonprofit housing groups.
- Requires that participating jurisdictions match 25 cents of every dollar in program funds, mobilizing community resources in support of affordable housing.

FEDERAL PROGRAMS THAT SUPPORT MICHIGAN'S SUCCESS

MANAGING FEDERAL INVESTMENTS FOR ROI

Applying, monitoring and accounting for federal investments through CDBG, Housing Tax Credits and HOME funds is in large part the work of the Michigan State Housing Development Authority (MSHDA). Historically, MSHDA focused on developing affordable housing. However, MSHDA's mission has evolved as a direct response to Michigan's economic problems and the understanding that strong neighborhoods, vibrant downtowns, and cooperative, prosperous regions will be the infrastructure on which we build a new Michigan economy.

▶ Sound Stewardship of Federal Resources

MSHDA manages federal funds to improve the state's housing stock, make housing more affordable, prevent foreclosure, boost business opportunities, rebuild our cities and help reduce homelessness. MSHDA is on solid financial footing and a strong partner to state and federal agencies, local governments, lenders, developers, builders, Realtors and nonprofits. MSHDA's AA bond rating is among the highest in the nation. Industry rating services consistently cite MSHDA as among the nation's most effective financial stewards compared to peer Housing Finance Agencies (HFAs).

▶ Cooperative Work in Every Michigan Community

MSHDA's work supports:

1. Strong urban neighborhoods
2. Economic Gardening to help businesses grow
3. Homeownership and neighborhood stabilization through property improvement
4. Revitalization of Michigan's downtowns
5. Affordable rental housing
6. Community and statewide work to end homelessness

This work often takes place in partnership with other state agencies including the Michigan Economic Development Corporation (MEDC), Department of Natural Resources (DNR), Department of Environmental Quality (DEQ), Department of Transportation (MDOT), and Department of Agriculture and Rural Development (DARD). It involves partnerships with investors, businesses, nonprofits and local governments. And it is grounded in a shared vision – that a new and thriving Michigan will be built on our downtowns, diverse neighborhoods, entrepreneurial centers, cultural amenities and unique places.

All of this can only happen if we work together.



SUCCESS STORIES FROM THE 15TH DISTRICT



Across the 15th District, federal investments have strengthened neighborhoods, built needed affordable housing for seniors and families, preserved and repurposed historic buildings, and created places where businesses can grow. MSHDA has helped manage these many projects to help ensure successful and accountable management and demonstrated return on investment for the communities served.

▶ Village Park Apartments: Detroit

Comprised of two buildings on the National Register of Historic Places that serve as the gateway to the historic Indian Village neighborhood, Village Park Apartments in Detroit's West Village Historic District began as a hotel during the mid-1920s and was converted into an apartment building during the late 1970s.

In 2009, MSHDA took title to the property at 1085 and 1099 Van Dyke Street through foreclosure and was later able to sell the property to MHT Housing, Inc., one of Michigan's largest affordable housing developers. Today, Village Park Apartments is a case study in architectural ingenuity and civic rejuvenation that exemplifies a trend called "retrofitting."

"Urban renovation by itself can't solve Michigan's challenges of unemployment and poverty," said Van Fox, owner of MHT Housing. "But it at least gives our society's most vulnerable citizens the opportunity to live with more dignity."

MHT Housing is completing a 12-month \$6 million retrofit of Village Park Apartments that launched Feb. 1, 2012. The restoration of this 1925 building is made possible with a combination of several sources of funding, including Neighborhood Stabilization Program I (NSP I), NSP III, Detroit HOME funds, MSHDA preservation loan, and Brownfield and Historic tax credits. The development is also funded with a partial Section 8 HAP contract. The project has the full support of the Villages Community Development Corporation (CDC), the Detroit City Council, City Building Department, and City Historic Department. MSHDA's State Historic Preservation Office (SHPO) and the National Park Service also approved the retrofit plan.

Village Park Apartments is one of MSHDA's success stories.

The building will feature loft-style and two-story apartments with improved light and space, a new lobby, and new elevators, kitchens and bathrooms. The rooms will be elegant and airy. Energy costs will be reduced by as much as 60 percent. Health and safety concerns also will be addressed, including removal of underground storage tanks, lead-based paint and asbestos abatement, and improved security.

The 56-unit project will provide 28 rental units for families whose incomes are at or below 30 percent of the area median income (AMI). Another 19 apartments are dedicated to tenants with 50 percent AMI. Nine rental units will house tenants with 120 percent AMI.

Detroit's economy also benefits: 51 percent of the on-site workforce consists of Detroit residents earning prevailing-wage incomes, and one-third of the contractors are Detroit-based companies.

"The Village Park Apartments project is important for this neighborhood and our entire city because it offers a vision of how affordable housing and smart planning can help shape the future of Detroit communities moving forward," said Michael Allen, director of the Assisted Housing Division for the Detroit Housing Commission.

▶ Vacant Space into Rental Rehab: City of Monroe

Across the 15th District, MSHDA is working with traditional downtowns to help revitalize main street commercial districts to attract new residents and businesses, promote investment and jump-start economic growth.

This work includes CDBG funds to rehabilitate second-story residential apartments that help bring people back downtown and stabilize commercial building investments. It includes Historic Tax Credits to spur private investment in façade improvements. In these same communities work is coordinated with MDOT efforts to improve streetscapes and signage, DNR plans for access to trails and parks, and MEDC business development assistance programs. All of this work is built upon strong local planning, design and business improvement efforts supported by the Michigan Main Street Program.

In Monroe, the Martin Shoe House was established in 1846 and has been a family-owned shoe store since its inception. The upper two floors had been used for office space and storage in the past, but required complete renovation in order to be usable as residential space. With the help of the state and local programs, the Martins were able to renovate the upper floors into three beautiful apartments to be occupied by low-income tenants at an affordable rent for the next decade.



The total project cost was approximately \$750,000. In addition to \$75,000 of HOME funds received from the Rental Rehab Grant, the project also included a 15 percent Michigan Business Tax credit of \$112,500 and a 10 percent Historic Tax Credit of \$75,000 to help reduce the debt taken on for the rehabilitation.

The City of Monroe awarded the owner an Obsolete Property Rehabilitation tax exemption, which will freeze the property's tax roll at its current level for the next 12 years. The property owner was also able to use the Downtown Development Authority's façade improvement program, a grant that matches the owner's investment in a building's façade up to a maximum of \$10,000. This left the overall investment for the property owner at approximately \$475,000.

▶ Woodside Square Apartments: Romulus



A substantial rehabilitation of Woodside Square Apartments in Romulus was designed to help preserve low-income housing for its inhabitants. The project included over \$2.5 million in improvements to the 85-unit complex.

The Woodside Square Apartments project was financed with a new HUD-insured mortgage and TCAP loan. In addition, the development received equity support from the sale of the Housing Tax Credit. "These are the kinds of improvements in our community that will continue to make Romulus a place with small-town charm in a big-city location," said Mayor Alan R. Lambert.

Place matters. People choose to live, work, and play in vibrant towns and walkable, safe neighborhoods. MSHDA helps communities like Detroit, Monroe and Romulus return to economic vitality. Providing decent and affordable housing – for seniors, for low-income individuals and families, for the newly homeless, for people with special needs – is a basic requirement for a civilized society.

MSHDA, together with local organizations, community groups and nonprofits, is working to meet these needs.