

## **2012 NCSHA Awards**

**HFA: Michigan State Housing Development Authority (MSHDA)**

**Category: Special Needs Housing**

**Subcategory: Housing for Persons with Special needs**

**Entry Name: A MSHDA Success Story: The NSO Bell Building**

### **OVERVIEW**

A new model for permanent supportive housing, developed through a public-private partnership, is emerging in Detroit.

Detroit's Neighborhood Service Organization (NSO) is creating desperately needed housing for the chronically homeless by resurrecting the former Michigan Bell Building. At the same time, the project is spurring a renewed sense of community pride in an area that will serve as a key cog in southeast Michigan's redevelopment.

Located 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 Michigan State Housing Development Authority Housing Tax Credits, MSHDA HOME, 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.

NSO, a well-respected, 57-year-old private nonprofit organization, also is seeking contributions from the general public at all levels of giving, further enhancing community "ownership" and pride in the project.

### **FILLING A NEED**

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, which was expected to welcome its first residents in July, 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.

That holistic approach is consistent with the direction mapped out by the Human Services Program team of The Kresge Foundation, which provided a \$1.25 million grant for the project.

"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," says Kresge

Program Officer Andrew R. Gatewood. “The ultimate goal is enabling them to lead self-sufficient and self-determined lives.”

The NSO Bell Building will help to fill the urgent need that exists for homeless housing in Detroit. According to The Kresge Foundation, which is based in Troy, Michigan, an estimated 18,000 people in Detroit are homeless. Estimates are that the city has enough shelter beds for only one in four of them.

What’s more, at least 30 percent of Detroit’s homeless are mentally ill and untreated. Helping the mentally ill get off the street requires easier access to mental health services and disability benefits, which can take months or even years to acquire.

Affordable housing with mental health services is the best solution, and that’s exactly what NSO will provide at the Bell Building. The project is based on a model that can be replicated in other large cities.

State Section 8 rental assistance vouchers will cover rental expenses at the new facility, where residents can stay until they stabilize their lives.

“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.”

### **BUILDING A BETTER COMMUNITY**

Increasingly, Detroit’s suburbanites and growing population of young professionals are working in, frequenting, or living in the city. However, they are also sharing the sidewalks with the city’s burgeoning homeless population, creating a less than ideal environment for revitalization.

The NSO Bell Building will help move the city’s redevelopment forward.

Beyond providing much-needed care to a vulnerable population, the project will also have several spillover benefits for the greater community.

For example, it is projected to produce 232 construction jobs, 299 permanent jobs, \$878,400 in local taxes and nearly \$1.2 million in state taxes.

Also, the addition of new residents and NSO employees will increase customer traffic for local businesses and spur opportunities for the creation of new businesses in the community.

The facility will serve as a stabilizing neighborhood anchor. 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 farmers’ market.

In addition, the NSO Bell Building is expected to save taxpayers more than \$5 million annually, as some estimates show that a single chronically homeless individual can cost

taxpayers \$50,000 or more a year in police calls, ambulance calls, emergency room visits and time spent in the hospital – all paid with public dollars.

### **PRESERVING OUR PAST**

The former Michigan Bell Building’s restoration is a case study in architectural ingenuity and civic rejuvenation that exemplifies a trend called “retrofitting.”

The 250,000-square-foot building is a significant historic structure, and renovations are designed to maintain its architectural amenities. The Bell Building, built by Western Electric in 1929, holds a spot on the National Register of Historic Places.

“Urban renovation by itself can’t solve Michigan’s challenges of unemployment and poverty,” says Burney Johnson, MSHDA Deputy Director for Housing Development. “But it at least gives our society’s most vulnerable citizens the opportunity to live with more dignity.”

Instead of replacing an old structure with an entirely new building, developers, planners, builders, civic leaders and MSHDA experts on retrofitting explore what is valuable about existing architecture such as the Bell Building and strive to enhance it.

Preservationists in the United States have long debated the benefits of reusing obsolete structures. Estimates show that 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. Although this practice is not common when it comes to large public housing projects, a few successful attempts are scattered across the country.

The NSO Bell Building can be added to the list of success stories.

# The NSO Bell Building

