

NCSCHA 2010 Awards

Entry Name: Piquette Square and Silver Star Veterans Housing

Category Name: Special Needs Housing – Combating Homelessness

HFA: Michigan State Housing Development Authority (MSHDA)

OVERVIEW

A partnership among the Michigan State Housing Development Authority (MSHDA), local developers, nonprofit groups and the Veterans Administration began two housing projects for homeless veterans. Together, the Silver Star and Piquette Square developments have created 225 apartments in Michigan for homeless veterans.

Silver Star is the first Low Income Housing Tax Credit (LIHTC) development to provide permanent supportive housing for veterans. The development is located on the east side of the campus of the Veterans Affairs Hospital in Battle Creek, Mich., and has 74 one-bedroom units.

Piquette Square, constructed by the Southwest Housing Solutions Corp. (SWHSC), is located in Detroit. As a mixed-use development, Piquette Square consists of 150 one-bedroom apartments, 4,000 square feet of commercial space and 11,000 square feet of nonresidential common area.

It is estimated there are nearly 38,000 homeless veterans in Michigan, with nearly 15,000 more at risk for becoming homeless. Both developments combine on-site and off-site supportive services with existing Veterans Administration and nonprofit services for the homeless. With the help of various partnerships, MSHDA hopes to create local development and supportive service models of permanent supportive housing for homeless veterans. Both Silver Star and Piquette Square can serve as models for other regions and states to address the problem of homeless veterans.

PROGRAM INNOVATION

The goal of these developments is to provide decent affordable housing for homeless veterans who have served our country.

The Silver Star one-bedroom units are approximately 699 square feet. All apartments include private balconies or patios, individual heating and cooling systems, cable, refrigerator, dishwasher, range, energy-efficient windows and doors, mini-blinds and common laundry facilities.

Piquette Square's one-bedroom apartments are approximately 438 square feet. There is also a large common area that includes a multipurpose room, kitchen for special events, storage, reading and TV lounge, computer room and a job training area.

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All apartments are furnished with a twin bed, dresser, nightstand, kitchen table, couch, coffee table and care package including bed linens, bathroom accessories, dishes, pots and pans, and utensils.

RESPONDING TO STATE HOUSING NEED

The creation of Silver Star and Piquette Square responded to a serious social problem both in Michigan and the nation. Addressing homelessness is an important part of economic recovery efforts throughout the state. The frequent incidence of homelessness among the men and women who have fought for our freedom is particularly troubling. Despite the administrative burden that typically comes with processing applications for subsidized housing, both projects were fully leased just weeks after certificates of occupancy were issued. This demonstrates cohesiveness among the partnerships that were created and the strong need for this resource within the state.

MEASUREABLE BENEFITS TO HFA TARGET CUSTOMERS

Both Silver Star and Piquette Square have been successful in providing permanent supportive housing to homeless veterans. As a result, developers are exploring additional sites to expand the model. As a result of this innovative work, the length of time homeless veterans who enter the emergency shelter system and remain there will be reduced.

PROVEN TRACK RECORD OF SUCCESS

The developments are just the first step in a long-term plan to end homelessness in Michigan within 10 years. They have allowed MSHDA to address the problem of homelessness among veterans. Success in leasing and in reducing homelessness has made these developments models that are being examined by other for-profit developers statewide who are recognizing the social and economic benefits that can come from partnerships with MSHDA.

Among the programs' biggest fans are the residents themselves. When asked about living at Silver Star, veteran Deborah Helbig says, "Since I have moved in, my life has started to become somewhat normal. I feel very thankful to those who started this program and to everyone it took to make Silver Star a reality."

BENEFITS OUTWEIGH COSTS

There is no question that the benefits of this project far outweigh the costs. A study conducted by the University of Pennsylvania Center for Mental Health Policy and Services concluded that supportive housing resulted in an annual savings of \$16,282 per homeless person by reducing the use of public services. Combined with the

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reduced need for shelter beds, avoidance of confinement for mental illness and decreased demand for social services, the systemic savings are remarkable. In addition to reducing demands on resources, these projects combined provided nearly \$30 million into the state's economy in the form of construction trades, building supplies and materials, engineering and the like.

The jobs created through these two developments, coupled with the savings that results from the Housing First model, are clear evidence that these projects are examples of economic savings and efficiency.

DEMONSTRATE EFFECTIVE USE OF RESOURCES

By using its resources, Silver Star Apartments combined \$4 million in HOME and \$4.7 million in equity support from the sale of 9 percent tax credits. The property also benefits from the placement of 75 Project-Based Housing Choice Vouchers. All units have an associated voucher to keep them affordable.

Piquette Square combined a variety of resources, including a \$6.6 million full-amortizing MSHDA mortgage, a \$5.5 million HOME loan, \$6.4 million in tax credit equity, \$1.7 million in Brownfield Credits and \$500,000 from the Federal Home Loan Bank. The project also benefits from the placement of 125 Project-Based Housing Choice Vouchers and 25 Project-Based VASH vouchers.

EFFECTIVELY EMPLOY PARTNERSHIPS

Both developments were created with effective and innovative partnerships among for-profit, nonprofit and governmental entities. The partnerships in place were instrumental in the quick leasing that was achieved. They also assisted in coordinating case management efforts that continue to help residents thrive.

ACHIEVE STRATEGIC OBJECTIVES

Homelessness is recognized in Michigan as a serious social problem that must be addressed to advance the recovery of the state's economy. Michigan is the only state that is meeting this challenge on a statewide basis. MSHDA has taken the lead, together with other state agencies, nonprofits and statewide organizations, to adopt a 10-year plan to end homelessness in Michigan. All 83 counties in Michigan are represented by 60 local plans that work in conjunction with the overarching state plan. More than 40 initiatives are included in the 10-year plan, including a Homeless Veterans Initiative. Silver Star and Piquette Square apartments fall under that initiative. They stand as an inspiration to those dedicated to serving our homeless veterans.