

2011 NCSHA Awards

HFA: Michigan State Housing Development Authority (MSHDA)

Category: Special Achievement

Entry Name: Positioning Michigan's Neighborhoods and Cities to Succeed

Background

Michigan's cities have borne the brunt of the state's economic woes over the past several decades, and many of its signature cities are confronting overwhelming numbers of abandoned homes and growing pockets of blighted corridors where once vibrant neighborhoods thrived. Researchers and economists agree that for Michigan's cities to emerge from the post-automotive industrial past, those neighborhoods must be stabilized and re-imagined. The neighborhood is the key, and the ingredients are basic: attractive housing, a remarkable sense of place, stable populations. Together, these are powerful drivers of economic growth.

A neighborhood rescue effort is underway in Michigan, fueled by the American Recovery and Rehabilitation Act. In early 2010, a MSHDA-led consortium of 12 of the state's largest municipalities (Detroit, Highland Park, Hamtramck, Wyandotte, Flint, Saginaw, Pontiac, Lansing, Battle Creek, Kalamazoo, Grand Rapids and Benton Harbor) and eight county land banks received \$224 million from the U.S. Department of Housing and Urban Development for competitive Neighborhood Stabilization Program 2 (NSP2) funds – the largest amount awarded to any single governmental entity in the nation. The funds are being used to acquire and develop more than 6,000 foreclosed, abandoned and vacant properties, demolish 2,500 structures, rehabilitate 1,500 homes, and create more than 1,100 Michigan jobs.

This unprecedented collaborative Michigan effort promises to demonstrate what can be accomplished when cities, counties, and other government agencies join together in a strategic way and get down to work, together. That work includes removing blighted properties, rehabilitating existing homes, and addressing issues from recreation and education to the services that make neighborhoods attractive to people and investors. From a larger view it involves place-based economic development – creating livable, walkable vibrant areas where commitment, ideas and enterprise can thrive. It's the formula for building a foundation for a new Michigan.

Problem

After receiving their NSP2 funds, the 12 communities began to designate properties within promising neighborhoods for demolition, rehabilitation and new homes. While their vision for this work was clear, and the coalition building was taking shape, it's not surprising that these cities failed to fully consider how they would tackle the task of promoting their properties. In short, they did not fully appreciate the difficulties of being marketers. This was not a case of "if you build it they will come," because none of the neighborhoods are "first-choice" neighborhoods so the houses for sale in them had a built-in disadvantage relative to those in stronger neighborhoods, no matter what the quality. In addition, realtors were not as eager to sell these lower-income homes as had

been anticipated, because many of them were not prepared for dealing with unfamiliar rules and processes as well as lower commissions. Lenders, too, were not always clear about new practices under NSP2. Ultimately, it was time to go back to school – marketing school.

Providing Innovative Assistance

To address issues of moving inventory, MSHDA recognized the need to educate their grantees and community partners on typical communications and marketing practices. This involved first reaching out to the communities to find out where they were by conducting intake sessions, interviews and research in order to better understand each community. What type of assistance they sought, where they stood in the process and what type of marketing had been done to date. From these conversations and research, a grantee communications and technical assistance plan was proposed. The plan outlined replicable and innovative marketing solutions available to all grantees and included training and services in areas such as marketing analysis, development of marketing collateral and sales materials, paid media planning, public relations strategies and customizable web templates.

Cost-Effective Communication Tools

Perhaps the most highly sought after of all training and assistance available to the grantees was a customizable Web site template. This started with a statewide umbrella Web site that branded NSP2 with a more appealing, clarifying name: “Michigan Homeownership Opportunities.” This site, michiganhomeownership.org, positioned NSP2 in a new light to potential buyers in giving the program a marketing-oriented focus and directly addressing one of the core objectives, which was to demonstrate that the dream of homeownership could be a reality. In addition, it provided the program’s background, qualification checklists, and tools to key audiences involved in qualifying buyers, including Michigan lenders, REALTORS®, and nonprofits in each community aiding the city in screening potential buyers. MSHDA and its marketing consultant developed and launched this site thanks to collaboration with community partners and input from lenders, REALTORS®, city and land bank officials around the state.

Michiganhomeownership.org launched at the peak of home-buying season in late-May of 2011. In addition to this “umbrella” site, a sub domain was created for each specific community/city to customize, utilize and update. These sites, rich in visuals and modules showcase housing inventory through photo galleries and video footage, generate custom sales materials, provide direct access for interested buyers to inquire and apply for eligibility, and address frequently asked questions, all on a limited budget. Through this sub domain site, cities can not only market their available homes, but promote their community as a desirable place to live. The sites also could provide some public education about the quality home rehabilitation and neighborhood revitalization effort, convey the affordability of such housing, and apprise potential buyers that considerable financial assistance would help to keep mortgage payments affordable. The website offered the opportunity to explain the program to local key audiences – the general public, lenders, REALTORS®, and potential buyers.

As of July, Battle Creek, Kalamazoo and Lansing have successfully launched their sites, and MSHDA anticipates that the remaining nine cities will have implemented their sites as part of a portfolio of marketing tactics by the end of 2011.

Creating the Buzz: The Dream of Homeownership is a Reality In Michigan

Another tool MSHDA suggested for grantees was a customizable press event that each community could apply to generate additional earned media coverage which would supplement any tactical and paid media efforts they were employing. The model for this event helps create useful coalitions and entice extensive media coverage, while being easily replicated and uniquely innovative for each of Michigan's grantee communities. The model suggests including individuals from the local state representative and senator and city mayor to the local REALTORS® Association president, Bankers Association president, Neighborhood Council director, MSHDA representative, and others. The model also recommends holding the event at one of the homes for sale in the community, publicly proclaiming a measurable goal, such as selling 30 homes in 6 months, and giving the local coalition of civic leaders and organizations teaming up to sell the homes a memorable name (for example, the Homeownership And Neighborhood Development – HAND coalition). Promotion of the event is made easy through editable templates that include an invitation to participate in the coalition, a local media advisory, a “roll of show” outline, and a customizable press release.

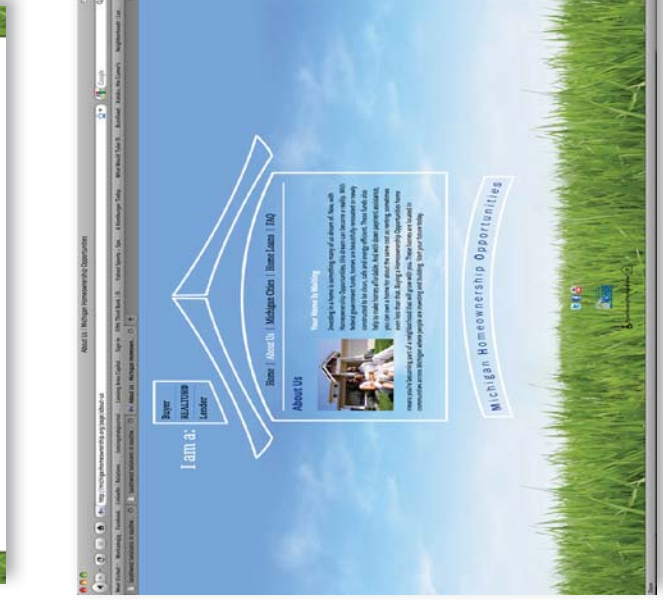
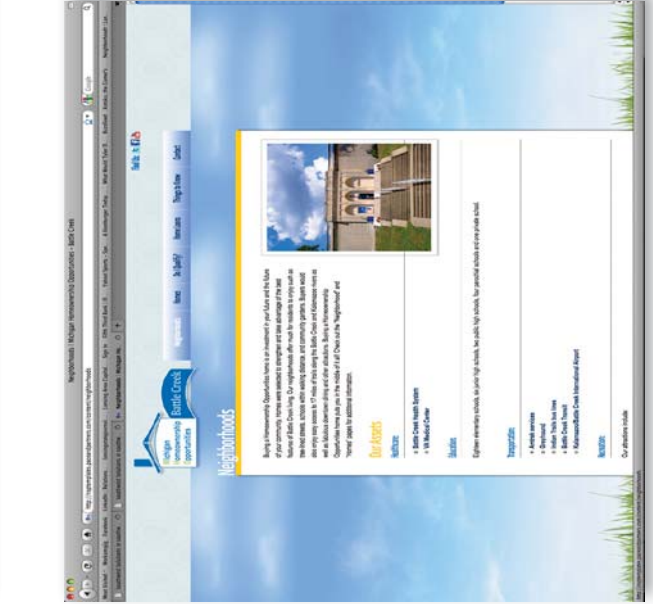
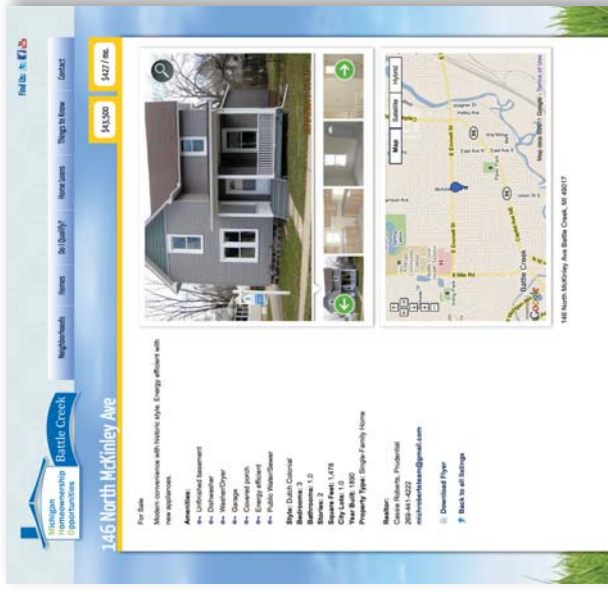
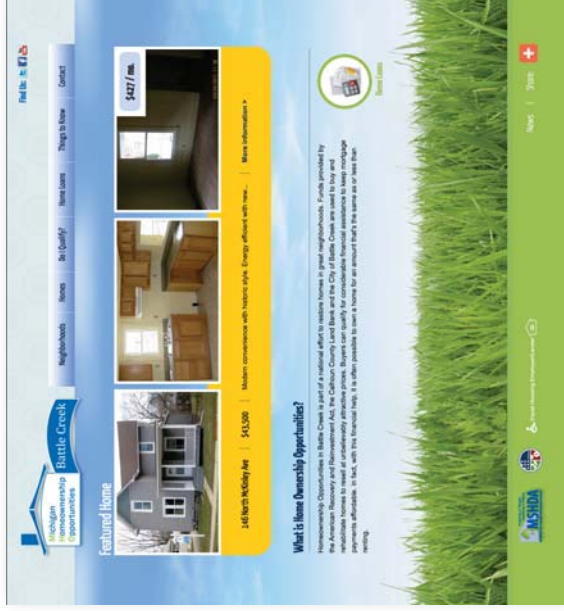
The city of Lansing and the Ingham County Landbank were the first to use this press event model. They employed all available templates, invited all suggested individuals to participate (all of which agreed), publicly announced a goal to sell 25 homes in 2011 and collaborated with MSHDA's marketing consultant on public relations training and strategies. All major media outlets turned out for the event, providing extensive coverage across television, radio and print publications. One local television station featured the story across every newscast on the day of the event – noon, 5pm, 6pm, 7pm, 11pm. Similarly a local radio station featuring a popular radio personality broadcast the story throughout the day at available intervals for news announcements. Two interested homebuyers even showed up to tour the home where the event was being hosted. MSHDA has already received praise from statewide partners on this innovative marketing model, and keen interest from other grantee communities looking to employ the same strategies.

Throughout the process, growing pains became teachable moments, and “Michigan Homeownership Opportunities” is well on its way to changing the face of a great many neighborhoods in Michigan cities.

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