WORKFORCE HOUSING SESSION

TONYA JOY FROM MSHDA AND LORI MULLINS FROM MEDC

MICHIGAN'S WORKFORCE HOUSING NEED

Statewide Housing Target

75,000+ units in next five years

Includes workforce housing production

Statewide Need – Both Urban and Rural

MSHDA Mod – Increase Housing Supply

NEP –housing stock quality and proximity to amenities

SHRP (Pilot)

MI-HOPE Quality SF Homes

energy efficient

Missing Middle

MSHDA MOD

- MSHDA MOD's objective is to enhance opportunities for economic development
- Promotes construction of modular or modified construction in primarily residential areas in both rural communities and urban neighborhoods
- Who is eligible? Local units of government, nonprofits and for-profits are eligible
- What communities are eligible? At least 51% of the households living in the surrounding or adjacent community or neighborhood must qualify according to HUD's 51% low/mod community chart
- MSHDA MOD began as a pilot program in 2019, is now a permanent program has transitioned to not only include modular homes but will consider funding products that have modified technology construction within their design components

- Funding is structured as a repayable grant up to a maximum grant award of $210,000
- The repayable grant will pay for costs associated with the home build including site prep, deposits, delivery fees, and on-site installation
- No land cost or developer fee are included in the grant award
- Leverage funds from the applicant is not required for the modular homes. There is currently a leverage requirement for the modified technology construction
- Who long is the grant term? 36 months
- The sale price of a completed home may not exceed $224,500
- MSHDA MOD is designed to encourage building partnerships and increase housing capacity at the local level.

Let's take a look at how the building process works and some completed homes.

On-site finishing of a modular home set in Muskegon, Michigan.

MSHDA MOD

PRIMUS

1245

MSHDA

MOD

BEAVERTON

CITY OF BEAVERTON

DOWAGIAC

CITY OF DOWAGIAC

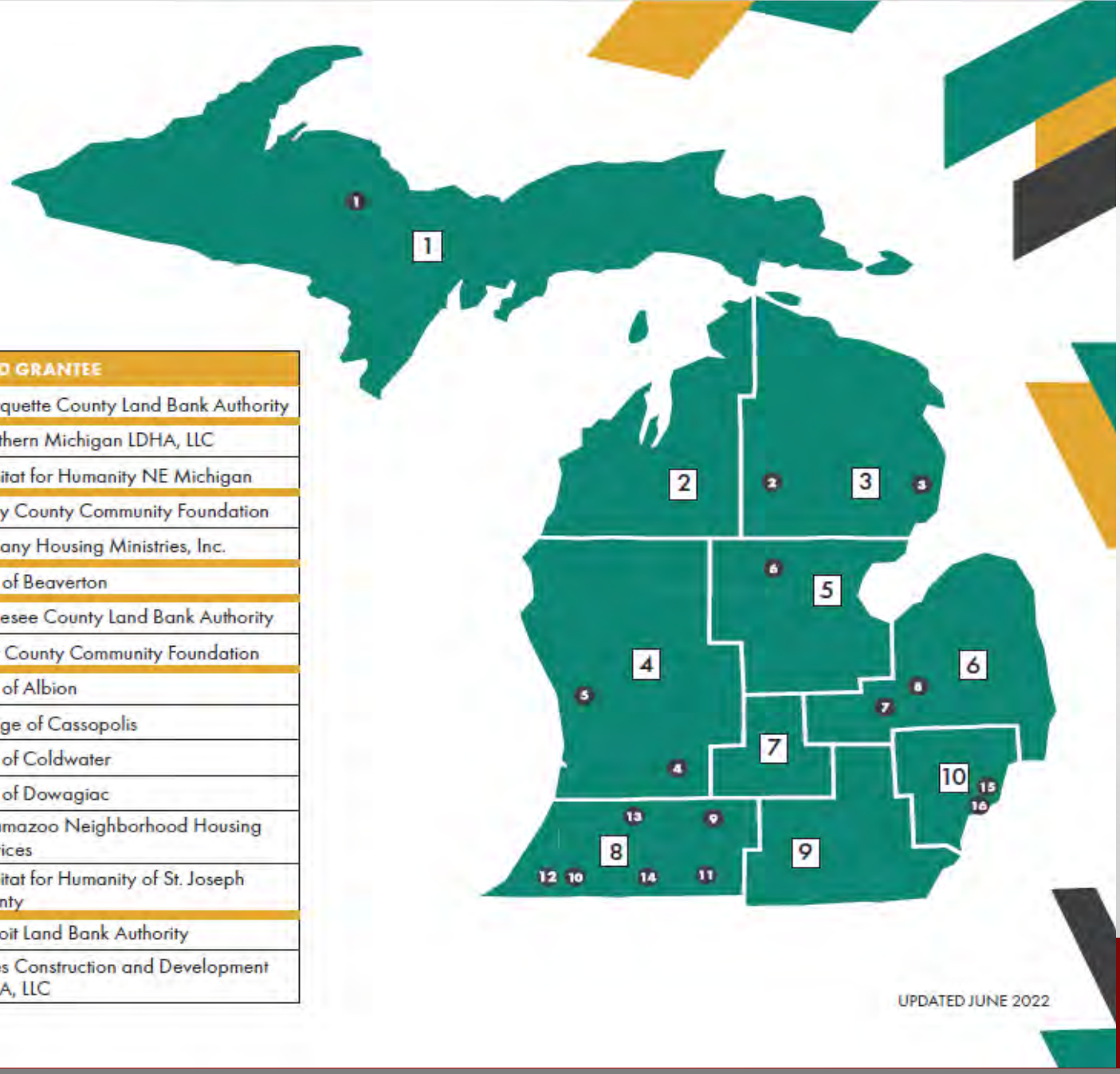
KALAMAZOO

KALAMAZOO NEIGHBORHOOD HOUSING SERVICES, INC.

MSHDA

MOD

REGION		COMMUNITY	MOD GRANTEE
1	❶	Ishpeming	Marquette County Land Bank Authority
3	❷	Grayling	Northern Michigan LDHA, LLC
	❸	Harrisville	Habitat for Humanity NE Michigan
4	❹	Hastings	Barry County Community Foundation
	❺	Muskegon	Bethany Housing Ministries, Inc.
5	❻	Beaverton	City of Beaverton
6	❼	Flint	Genesee County Land Bank Authority
	❽	Imlay City	Four County Community Foundation
8	❾	Albion	City of Albion
	❿	Cassopolis	Village of Cassopolis
	⓫	Coldwater	City of Coldwater
	⓬	Dowagiac	City of Dowagiac
	⓭	Kalamazoo	Kalamazoo Neighborhood Housing Services
	⓮	Three Rivers	Habitat for Humanity of St. Joseph County
10	⓯	Detroit	Detroit Land Bank Authority
	⓰	Detroit	Jones Construction and Development LDHA, LLC



UPDATED JUNE 2022

Examples of 3D printed homes across the world!

DUBAI
6890 sq ft

APIS COR claims that this is the largest 3D printed building constructed so far. It is a two story office building, nearly 7,000 sq ft.

CHENNAI, INDIA
700 sq ft

L&T Construction 3D Printed India's first two story building using a COBOD printer. This is the second building L&T has made with a COBOD 3D printer.

MALAWI, AFRICA

14 Trees, a joint venture between Lafarge Holcim and CDC group, is using COBOD's BOD2 printer to print low-carbon housing and schools in Malawi.

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

NHID
MI 3D HOMES

- Robot was made by Twenty AM
- Model name is Tillikuum

MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

NHID
MI 3D HOMES

Outline

MEDC Overview

Community Development Incentives

Q&A

MEDC IS COMMITTED TO ENABLING LONG-TERM UPWARD ECONOMIC MOBILITY FOR ALL MICHIGANDERS

MISSION

Achieve long-term economic prosperity for Michiganders by investing in communities, enabling the growth of good jobs and promoting Michigan's strong image worldwide

VISION

Make Michigan's economy the nation's fastest growing, most equitable and most resilient by:

Achieving 'Top 10' status for:

- Job growth in targeted sectors
- Equitable job growth
- Real median household income growth

Attaining the largest net gain of talent in the Midwest

Becoming top ranked EDO

GUIDING PRINCIPLES

Sustained, long-term growth

Accelerate long-term job growth to address impacts of automation and protect Michigan's economy against downturns.

Regional impact

Support every region – from rural areas to urban centers – to improve economic outcomes for all.

Equitable, high-wage growth

Provide equitable pathways toward high-wage growth that supports opportunities for all.

Customer focus

Bring a customer-first, partner-driven mentality to all we do.

STRATEGIC FOCUS AREAS

Attract, retain, and grow business
Attract, keep and grow businesses in industries that support maximum growth in jobs, wages and investments

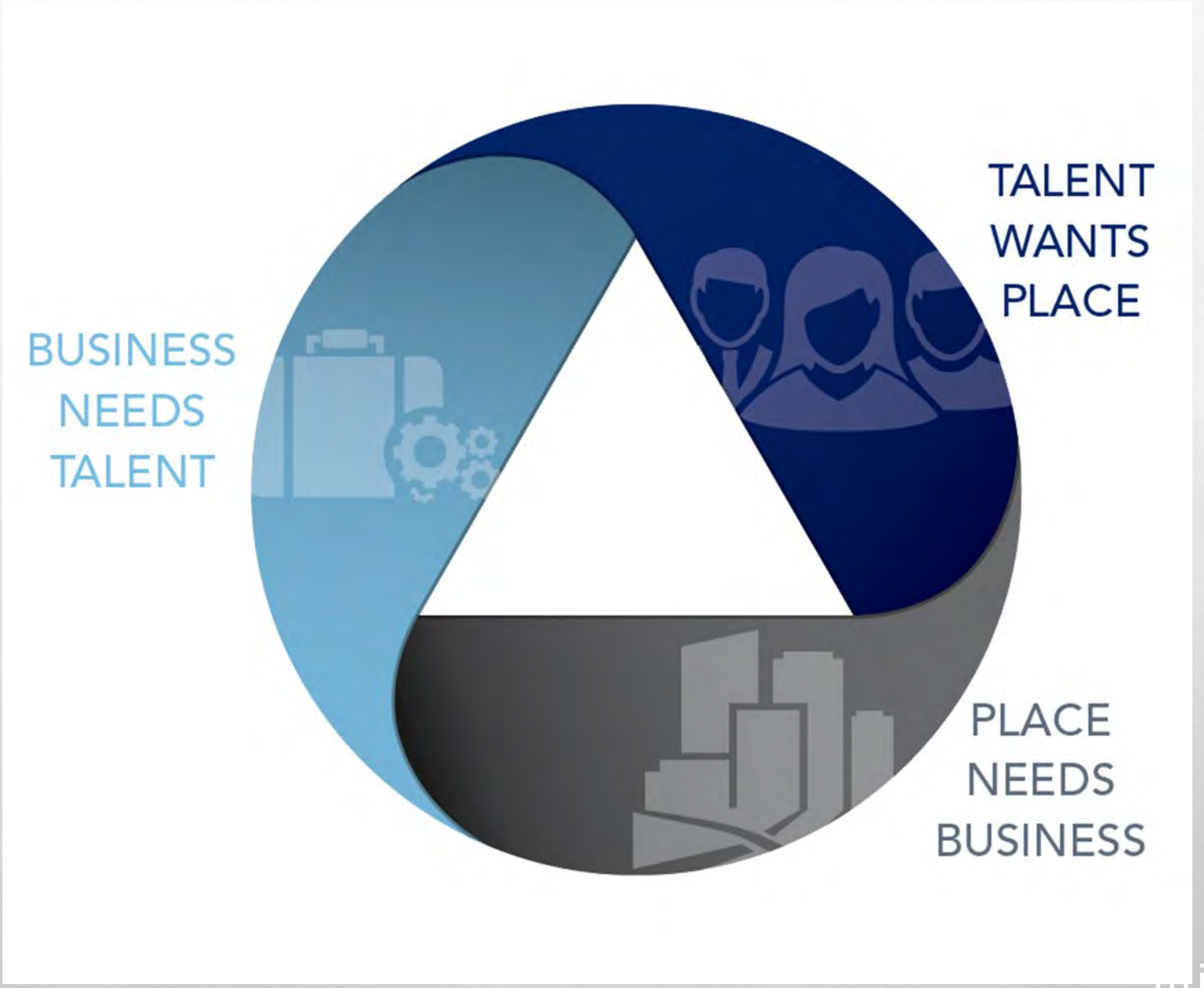
Support and grow our talent
Cultivate the skills and talent needed for in-demand and high-growth occupations statewide

Develop attractive places
Collaborate with local communities and partners to create places in which people and talent want to live, work, visit and play

Accelerate high-tech innovation
Support entrepreneurial growth to enable commercialization and new high-tech business creation

Market the state
Promote Michigan's image as a world-class business location and travel destination

Support small business
Help existing small and microbusinesses grow and thrive and improve economic prosperity for all through small business ownership


TALENT
WANTS
PLACE
BUSINESS
NEEDS
TALENT
PLACE
NEEDS
BUSINESS

CD INCENTIVES FOR HOUSING

- Community Revitalization Program (CRP)
- Brownfield Tax Increment Financing (TIF) Transformational Brownfield Plans (TBP)
- Build MI Communities Program (BMC)
- State Housing Tax Credits

CRP

GOAL:

Attract talent through impactful placemaking and fostering redevelopment in areas of historical disinvestment, reducing blight, and supporting the rehabilitation of historic resources.

PROGRAM:

Grant/loan program providing need-based gap financing of 20%-50% of a project's hard costs determined by an underwriting evaluation.

INCENTIVE SIZE:

- **Grants no more than $1.5 million**
- **Combination of grants and loans cannot exceed $10 million**

BROWNFIELD TIF

GOAL:

promotes capital investment and redevelopment of brownfield and historic properties in order to transform underutilized properties into vibrant areas that are attractive to residents and businesses.

ELIGIBLE ACTIVITIES:

Demolition, lead/asbestos abatement, site preparation and infrastructure.

FUNDING:

Tax increment revenues generated by redevelopment over a 30yr capture period.

TRANSFORMATIONAL BROWNFIELD PLANS

Senate Bill 0671 was approved in December 2021 and amends the Brownfield Redevelopment Financing Act to modify eligibility criteria for Transformational Brownfield Plans (TBP), removes certain third-party analysis requirements, increases income tax capture for residential projects that incorporate affordable/workforce housing, removes the restriction on combining the TBP with other community revitalization incentives, simplifies resident and employee tracking and reporting requirements by offering an income tax and withholding tax safe harbor option, authorizes the Michigan Strategic Fund (MSF) to make consistent and conforming changes to TBPs that were approved prior to any subsequent amendments to the act, and extends the program sunset to December 31, 2027.

BUILD MI COMMUNITIES PROGRAM

PROGRAM OUTLINE:

- $5 million allocated for the Initiative
- 30% of funding will be set aside for communities with a population of 15,000 or less for a period
- Maximum award equal to the lesser of 50% of eligible project costs or $250,000
- Additional amount up 10% of the award available for technical assistance

BUILD MI COMMUNITIES PROGRAM

PROGRAM ELIGIBILITY

- Maximum project size of $2.5 million
- Emerging Developer - Project led by an individual or entity with limited real development experience (maximum of 2-3 commercial projects)
- Generally, project will be located within 5-minute walking distance of downtown or commercial center
- Intended for the activation or reactivation of space, not intended for façade-only or single-family projects.

STATE HISTORIC PRESERVATION TAX CREDIT

- The Michigan tax credit provides a 25% credit for qualified rehabilitation expenses for commercial and residential properties
- There is a $5M cap on the Michigan credit: $2m for large scale commercial projects, $2m for smaller commercial projects under $2m and $1m for residential rehab.
- Properties must be listed in the National Register of Historic Places or in an NR listed or local historic district to qualify for the program
- The credit is reserved on a first-come, first-served basis and applications are received until we hit the expected cap.
- SHPO has received enough applications that we expect to reserve the full credit in all three areas for 2022.

Discussion Questions:

- Have any of your agencies formally quantified the need for workforce housing in your area? If so, what metrics did you utilize?
- Are you dedicating any of your County ARP and/or other funding specifically to address workforce housing needs in your area?
- Are you utilizing organized market studies as a strategy for addressing workforce housing in your county?
- Have you reviewed the Statewide Housing Plan and identified a method to address workforce housing in your area tied to the plan?
- Do you have any successful employer assisted housing programs that you can tell us about? Or have collaborated with an employer to create workforce housing?