



PRESS RELEASE

MAYOR'S OFFICE • Mike Duggan, Mayor

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Mayor, MSHDA announce \$38M in LIHTC funding to create 183 new units of deeply affordable housing for Detroit residents

- All affordable units are below 60% of area median income with more than half at 30%-60%.
- Conversion of former St. Matthew's School project marks first time City has offered new rental subsidy program to create even deeper affordability for Detroit residents.
- Projects located in Old Redford, Midtown, Woodbridge and MorningSide neighborhoods.

DETROIT – Mayor Mike Duggan was joined today by Council President Sheffield, Councilmember Latisha Johnson and Michigan State Housing Development Authority (MSHDA) officials to celebrate 183 units of new deeply affordable housing for Detroit residents that will be built thanks to \$38 million in Low-Income Housing Tax Credits (LIHTC). Detroit received the most LIHTC awards of any city in Michigan.

The projects represent a total investment of \$60.9 million across four city neighborhoods and will bring high-quality affordable housing for lower-income Detroiters and those most at risk of homelessness, as well as 20 market rate apartments.

All 183 affordable units will have rents considered affordable to households earning no more than 60 percent of the area median income (AMI). That means a single individual must earn less than \$37,620, or a family of two must earn no more than \$42,960, a year to qualify. Rent for these units will be about \$940 a month for a one-bedroom and \$1,074 for a two-bedroom. However, more than half of the 183 units will be set aside for residents earning 30 to 50 percent AMI, with rents as low as \$470 a month for a one-bedroom. Most will pay no more than 30 percent of their income, no matter their income level.

“I want to thank MSHDA and Governor Whitmer for their ongoing commitment to creating more affordable housing in Detroit neighborhoods,” Mayor Duggan said. “As our city comes back, the most important thing we can do is to make sure the Detroiters who stayed can still afford to live in the neighborhood of their choice, and today’s announcement gives that commitment a big boost.”

The announcement was made at the historic St. Matthew’s School in the MorningSide community, one of the four LIHTC awardees this year. Following a \$17.4 million conversion by the Catholic Charities of Southeast Michigan, the vacant school will become the Residences at St. Matthew, home to 46 units of affordable housing. The project received \$9.8 million in LIHTC funding from MSHDA, as well as 25 MSHDA project-based vouchers for permanent supportive housing units, ensuring those residents will not pay more than 30 percent of their income for rent and utilities.



Historic St. Matthews School, built in 1930, will be turned into 46 units of deeply affordable housing.

The project also represents the first time that the City of Detroit's Housing & Revitalization Department has offered a rental subsidy reserve, ensuring that residents in designated units will not pay more than 30 percent of their income. The City also invested \$3 million in federal HOME funds into the project.

"This new tool is the latest way that the Duggan administration is helping to achieve deeper affordability for residents," said Kelly Vickers, chief development and investment officer for HRD. "We hope this project is the first of many to tap these subsidies as we work toward improving access to quality affordable housing in Detroit."

With the award of the Section 8 vouchers and the rental subsidies of the city, half of the residents of St. Matthew will pay no more than 30 percent of their income. The remainder of the units will serve residents earning 60 percent AMI or less.

"Today is a great day in District 4, as we are announcing not only announcing affordable housing but also a home for those who need it most, as well as new life for a building that has been a MorningSide landmark for almost 100 years," said Councilmember Latisha Johnson, who represents District 4. "I applaud the development team and the City for making this project as affordable as possible for as many people as possible."

The project team is led by Catholic Charities of Southeast Michigan (CCSEM), a nonprofit that assists more than 20,000 people of diverse faiths and cultures across southeast Michigan. On-site health care will be provided to residents and the community through a partnership with Ascension Michigan. The lead on-site service agency will be Southwest Counseling Solutions, which has extensive experience serving residents of permanent supportive housing and is a Community Mental Health provider.

Cinnaire Solutions, a nonprofit housing development organization with significant LIHTC experience, is co-developer. Ethos Development Partners is the development consultant and has extensive experience

in not only affordable housing but also in converting former Catholic schools into housing, such as the former Transfiguration School that opened earlier this year in Campau/Banglatown. In addition to the affordable housing and health services, the school gym will be turned into a community space.

“Catholic Charities of Southeast Michigan is committed to providing affordable housing with supportive services that ensure every person has what they need to thrive,” said Paul Propson, CEO of Catholic Charities of Southeast Michigan. “Adapting this school into affordable housing, on this beautiful and historic campus at St. Matthew, allows us to be a part of the vibrant MorningSide, East English Village and Cornerstone communities. Partnering with Ascension to improve access to health and wellness in the neighborhood will also benefit the residents on the campus and in the area nearby. The alignment of the St. Matthew parish, the Ascension health system and our housing partners at Cinnaire will strengthen this community and the people who call it home.”

State support critical

Gov. Gretchen Whitmer’s announcement represents 529 affordable units statewide to help increase the amount of affordable housing options across the state amidst a housing shortage, which will help lower costs for Michiganders. The investment from these projects is expected to add approximately \$151 million to the state’s economy and create 1,000 jobs.

"We know that creating affordable housing benefits everyone in the state by stimulating local economic growth, but it also creates opportunities for Michiganders to have equitable access to safe, quality, affordable housing for their families, making for stable and secure living and upward mobility," said Chad Benson, rental development director for MSHDA.

Other projects are ground-up construction

The other three Detroit LIHTC awardees are ground-up new construction projects replacing empty lots, with 157 units – 137 of which are reserved as affordable housing below 60 percent AMI.

“I have been an advocate for affordable housing since the beginning of my political career,” said Council President Mary Sheffield. “We, as a nation, are currently facing the realities of a housing crisis and a growing issue of homelessness. Today’s announcement begins to bridge the gap between repurposing existing buildings and vacant land to allow for quality affordable housing and providing space for those that are displaced.”

Here’s a look at the other three Detroit LIHTC recipients this year:

4401 Rosa Parks

This development at Rosa Parks Boulevard and Calumet will replace a vacant lot that was once part of the Wilbur Wright School campus. The project’s deep affordability will help ease the demand and high rents in the popular Woodbridge neighborhood. Construction is to start in the first quarter of next year and wrap up in the third quarter of 2024.

Developer: Cinnaire Solutions Corp. & Woodbridge Neighborhood Development Corp.

LIHTC award: \$8.9 million

AMI breakdown (60 units total):

- 11 units @ 30% AMI
- 15 units @ 40% AMI
- 14 units @ 60% AMI
- 20 units market rate

Total development cost: \$16.7 million

Other funding: Developer plans to submit City Payment in Lieu of Taxes (PILOT) request.

Greystone Senior Living

This new construction is on a vacant site on Martin Luther King Jr. Boulevard, just west of Cass Avenue. The building will consist of 49 one- and two-bedroom units across four floors. Located in the heart of Midtown, the Greystone will offer seniors quick and easy access to public transit like the QLINE as well as shopping destinations such as Whole Foods. Construction is expected to begin in early 2023 and wrap up by the end of the year.

Developer: Cass Corridor Neighborhood Development Corp.

Address: 440 Martin Luther King Jr. Blvd.

LIHTC award: \$8.26 million

AMI breakdown (49 units):

- 13 units at 30% AMI
- 3 units at 40% AMI
- 33 units at 60% AMI

Total development cost: \$12.6 million

Other funding: \$1,626,988 in City HOME funds and a 4% Payment in Lieu of Taxes (PILOT)

Orchard Village Apartments

CHN Housing Partners and Detroit Blight Busters are co-developing the 48-unit Orchard Village Apartments at Orchard and Santa Clara streets in the heart of Old Redford and near Blight Busters' many commercial corridor projects near Lahser and Grand River. The two-bedroom Orchard Village apartments will serve residents with incomes of 30% to 60% AMI. Construction is expected to begin in the spring of 2023 and complete in 2024. CHN will manage the property once construction is complete. "We're thrilled to bring this affordable housing development to the Old Redford neighborhood," Jason Headen, vice president of the Detroit market for CHN Housing Partners, and John George, founder and executive director of Detroit Blight Busters, said in a joint statement. "The Orchard Village Apartments will ensure that lower-income Detroiters are part of the next phase of growth in this neighborhood."

Developer: CHN Housing Partners & Detroit Blight Busters

Address: 21525-21652 Orchard St.

LIHTC award: \$10.8 million

AMI breakdown (48 units):

- 10 units at 30% AMI
- 10 units at 40% AMI
- 3 units at 50% AMI
- 25 units at 60% AMI

Total development cost: \$14.3 million

Other funding: \$2.1 million in City HOME funds and a 4% Payment in Lieu of Taxes (PILOT)