GENESIS

affordable permanent supportive housing

Genesis Non-Profit Housing Corporation
528 Bridge St. NW, Suite 6
Grand Rapids, MI 49504
Phone: (616) 988-2897
Fax: (616) 988-3577

Genesis East Apartments
4366 Walnut Hills Dr. SE
Kentwood, MI 49512
Phone: (616) 281-0417
Fax: (616) 281-0803

Oroiquis Apartments
528 Bridge St. NW, Suite 6
Grand Rapids, MI 49504
Phone: (616) 988-3575
Fax: (616) 988-3577

Heron Courtyard Apartments
1138 Heron Ct. NE
Grand Rapids, MI 49505
Phone: (616) 855-0017
Fax: (616) 855-0019

Kingsbury Place Apartments
730 N. Center Ct. NW
Walker, MI 49544
Phone: (616) 988-4737
Fax: (616) 647-1270

Web Site:
www.genesisnphc.org

November 26, 2007

Ms. Mary Levine
Acting Director/Legal Affairs Department
Michigan State Housing Development Authority
735 East Michigan Avenue
P.O. Box 30044
Lansing, MI 48909

RE: PROPOSED MSHDA LIHTC QUALIFIED ALLOCATION PLAN 2008 – 2009 GREEN BUILD REQUIREMENTS

Dear Ms. Levine:

I am writing this letter on behalf of Genesis Non-Profit Housing Corporation to comment on MSHDA's recent draft of the Green Build requirements part of the LIHTC Qualified Allocation Plan for 2008-2009. I was unable to make any of the three scheduled public hearing dates and wish to respond via letter.

First, let me express appreciation for the democratic process the staff and Board are proceeding with in developing a new Qualified Allocation Plan (QAP). I was present at the October 24 Board meeting and felt the staff responded well to the several hours of comments made by developers and advocates for affordable housing in Michigan.

Second, I want you to know that Genesis Non-Profit Housing Corporation has become a firm believer in developing all of our future affordable housing projects according to the Michigan Green Build Initiative requirements and LEED-H requirements. In fact, the Genesis sponsored Kingsbury Place Apartment affordable housing development was the first recipient of an award from the Michigan Green Build Initiative sponsored by the Enterprise Foundation/MSHDA/Great Lakes Capital Fund. Our Kingsbury Place Apartments were able to attain a Silver LEED-H Certification. We have documentation showing the Kingsbury Place residents are saving approximately 35% in the cost of their gas and electric utilities versus our 4-year old Genesis Heron Courtyard development. We have recently received notice of another Michigan Green Build award for our current Heron Manor Affordable Assisted Living project. This project was approved during the October 24 MSHDA Board meeting.

With this commitment in mind, we wish to offer three comments about the recently published Green Amenities requirements for the 2008-2009 QAP.

1. The threshold requirement that all projects need to be sited within ¼ mile of at least four neighborhood shops, services, and facilities is extremely onerous. While we agree most developments should be within walking distance or an

easy public transportation distance to amenities, making it a threshold mandatory requirement that all projects need to be within 1,300 feet of at least four neighborhood amenities doesn't seem to make sense:

a. There are numerous reasons why project developments should be incorporated within "normal" residential environments. Most residential developments are not within 1,300 feet of one neighborhood amenity – let alone four amenities.
b. Numerous city zoning ordinances – such as the recently enacted Grand Rapids zoning ordinance – do not allow residential developments within 1,300 feet of neighborhood shops and services. In fact, most ordinances prefer to have street fronts occupied by commercial buildings and then residential buildings behind the commercial zones.
c. Recent national Green Build recommendations talk in terms of developments being within 15 minute walk of amenities—approximately ½ to ¾ mile versus the less than 8 minute walk for a ¼ mile distance. The Michigan QAP shouldn't be more onerous than national expectations.

Although it may be beneficial to encourage developments to be within 1,300 feet of neighborhood amenities, I don't believe this should be mandatory since it will completely negate the requirement for residential placement and incorporation within normal neighborhoods. Perhaps it could be made part of a point system but not a threshold requirement.

2. We object to the requirement that the front façade of at least 80% of all buildings must be "no more than 20 feet from the front property line". This is also extremely onerous and in contradiction to some residential planning concepts. Genesis would not have gotten any of its recent projects approved with this "mandatory" stipulation. In fact, most Planning and City Commissions are willing to consider developments to be placed within residential zones but want them to look residential and fit in with the neighborhood. Most residential neighborhoods do not have buildings that are 20 feet from the front property line or internal private roads, but are set back somewhat from residential streets so there can be a more open and green feel to developments. We need to offer this opportunity for developers as well. Perhaps this requirement could be placed as an optional item with points awarded for closeness to the front property line, but not be kept as a mandatory threshold requirement.

3. The stipulation that "projects that include twenty or more residential units must have a minimum of three different housing types and sizes" is confusing. When we discussed this among our Board Development Committee, it was obvious there were several interpretations of what this meant.

   Some clarification of this statement needs to be included. Does this statement mean there is a need to have different apartments with different square foot sizes, different sizes in terms of bedrooms and bathrooms, or does it mean mixed income or mixed use (commercial and residential)?

   Also, we don't think requirement should be made a mandatory threshold requirement. Perhaps it makes more sense to include as an optional item with points awarded for diversity of design and neighborhood inclusion.

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4. I again continue my objection to Paragraph 20 of the threshold requirements that indicates MSHDA would require an extended use commitment of 90 years:

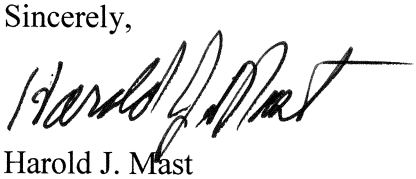
   I'm not sure what the rationale is for this dramatic increase in extended use commitments from its present 30-50 years. I think this requirement will cause developers to spend less time—rather than more—in planning the long-term future of their projects. Pushing the commitment period an additional 40 to 50 years further than currently required will simply cause developers to spend even less time about the future then they currently do now, and will actually result in less—rather than more—attention to long term commitments.

   Over a 90 year span whole communities, cultures, and geographical boundaries change. By making it that long, no one is going to pay any attention anyway, and it is highly unlikely that what transpires in today's development will physically last 90 years. Or if expected to last 90 years, will require such extremely good construction materials that it will drive project costs up to provide extremely high quality materials and construction techniques. While this is laudable, it will drive up the cost of developments and will reduce the number of developments that could be built with the available dollars.

Thank you for MSHDA's efforts to provide affordable housing opportunities for disadvantaged residents in our state. I am sure you can be assured Genesis will continue to work with you in a partnership role. I hope the above comments will be considered in that context

Thank you!

Sincerely,



Harold J. Mast
Executive Director

HJM/pjp

Cc: Genesis Development Committee

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