

building blocks



March 2005

The online newsletter of the Michigan State Housing Development Authority
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Michael DeVos Named New MSHDA Director

Members of the Michigan State Housing Development Authority board of directors unanimously approved Michael R. DeVos as the Authority's new executive director, replacing Acting Executive Director Rick L. Laber. DeVos came to Michigan from the Maine State Housing Authority where he served as Director of Development.

"We are confident that he will bring to Michigan a wealth of knowledge based on his extensive experience in the affordable housing industry," said Board Chairperson Gilbert B. Silverman. "We are looking forward to working with him in moving ahead with the goals and mission of the Authority."

DeVos's background covers a great deal of ground as he began his career in 1982 as a real estate salesperson. In 1984, he became a developer and was a principal in 11

projects totaling over \$4 million that included renovations, subdivisions, condominium conversions and income property. He joined Resources for Community Development, a nonprofit affordable housing development agency, in 1991 as executive director where he managed projects totaling more than \$30 million. In 1995, DeVos became the director of development at the Maine State Housing Authority where he oversaw annual program budgets adding up to \$60 million. He also carried chief underwriting responsibilities for multifamily and supportive housing developments.

DeVos is working with Authority staff in a variety of affordable housing areas. He is particularly focusing on increasing the Authority's single family and multifamily production, tackling neighborhood and community



MSHDA executive director Michael DeVos

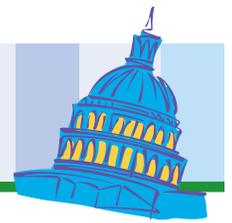
revitalization projects, addressing homelessness issues, raising public awareness, and building partnerships. He also hopes to develop interagency collaborations, including the exploration of supportive housing opportunities in collaboration with state service agencies.

DeVos graduated Magna cum Laude in 1981 from Harvard College and obtained an MBA in 1991 from the University of California, Berkeley. He is married with two children, one in high school and one attending college at the University of Michigan.

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Cuts in Federal Funding Impact Affordable Housing Efforts in Michigan



The affordable housing industry nationwide is abuzz with speculation surrounding the FY 2006 Budget proposed by the Administration in early February. The reason is that if any or all of the proposed changes and fiscal cuts to federal programs are enacted, affordable housing programs for people with low to moderate incomes will experience significant consequences. At this time, there is no way of knowing exactly what impact the changes and cuts will have on the Authority's ability to provide affordable housing programs in the same manner as in the past.

The following are some of the highlights of the Administration's proposed budget.

The Administration proposes an 11.5 percent reduction in the United States Department of Housing and Urban Development (HUD) budget authority. Much of the funding cuts are the result of the Administration's proposal to consolidate the Community Development Block Grant (CDBG) program, the Rural Housing and Economic Development (RHED) program, several other HUD programs, and several programs currently administered by other federal departments into a new community and economic development block grant program administered by the Department of Commerce.

The Administration proposes to reduce funding for most HUD programs. However, noteworthy exceptions include the Housing Choice Voucher program, which appears to cover vouchers presently in use; HOME, which receives a slight increase; homeless assistance grants, which are increased; and the HOPE VI program, which is eliminated.

Community Development Block Grant Program

CDBG is the largest of the programs that would be consolidated in the new block grant. The Budget proposes \$3.7 billion for the block grant program and Administration officials say that current funding for the program in FY 2005 is \$5.3 billion. In Michigan, the block grant program pays for about \$155 million a year in projects, many of them related to housing, but also including community revitalization, emergency housing for the homeless, sidewalk and street improvements, and loans for new businesses. The Budget suggests targeting funding to "economically distressed communities and regions," but provides very few details on the grant. It does not indicate if funding would go to states, localities, or both, or what activities would be eligible.

Section 8 Project-Based Rental Assistance

A \$271 million reduction is being proposed in the new budget. This line item is used to renew expiring Section 8 project-based contracts. The Budget also proposes a \$46 million increase in the amount allocated for performance-based contract administrators' fees.

Housing Counseling

The Budget proposes to eliminate the housing counseling set-aside with HOME and create a separate \$39.7 million Housing Counseling Assistance program. That is in comparison to the \$42 million set-aside in the FY 2005 Budget.

HOPEVI

For the third consecutive year, the Budget proposes no new fund-

ing for the HOPE VI program for revival of severely distressed public housing, also proposes to revoke the \$143 million Congress appropriated in FY 2005.

Rural Housing and Economic Development

The Budget proposes no new funding for RHED and recommends that it be consolidated into the new community and economic development block grant. RHED provides capacity-building and program grants to nonprofits and public agencies supporting housing and community development in rural areas.

Community Reinvestment Act (CRA)

Proposed budget cuts are not the only issues haunting affordable housing efforts. The Federal Deposit Insurance Corporation (FDIC) along with four other responsible agencies, is working to soften enforcement of the Community Reinvestment Act passed by Congress in 1977.

The Act was established to work against the practice of redlining by banking institutions. Lenders are expected to help meet the credit needs of their communities by serving those families with low to moderate incomes that are in need of low-interest loans for housing. This act has not only changed the way that lenders do business within their communities, but the act has been successful. If enforcement or the CRA is relaxed, the low-income families will not have the same opportunities they once had to be a part of the mainstream economy.

If you need additional or more detailed information, contact MSHDA's Office of Program Policy & Marketing Research at (517) 335-2004.

MSHDA Proudly Sponsors Governor's Faith-Based and Community Resource Symposium



MSHDA was a proud sponsor of the Governor's Faith-Based and Community Resource Symposium, which took place Monday, March 14 in Lansing.

The symposium brought together 1,100 representatives from faith-based organizations and community groups from around the state to network with state of Michigan department officials so that they could get a better understanding of the state's grants and contracts process, to identify funding sources and to learn about other available resources.

"The Faith-Based and Community Resource Symposium is part of

our continuing effort to close the gap between the front line and the bottom line," Governor Jennifer Granholm said. "It is with the continued support, commitment and dedication of these organizations that we are serving the most vulnerable of our citizens."

Tiffany King, a Technical Assistance Program Specialist for MSHDA, served as the Co-Chair of the Marketing and Faith-Based and Community Outreach Committee. Her responsibilities included identifying faith organizations and key community groups to invite from throughout the state, as well as coordinating marketing materials for the symposium.

"MSHDA has partnered with faith-based organizations on housing-related activities for many years," King said. "We were pleased to be able to help provide tools and support to these groups so that they are better equipped to continue their efforts."



Tiffany King, MSHDA Program Specialist

Partners Building Communities

**Affordable Housing Conference
Scheduled for May 16-18**

The Seventh Annual Michigan Conference on Affordable Housing is scheduled to take place at the Lansing Center on May 16-18, with an expected attendance of over 1,500 people representing developers, nonprofit groups, affordable housing advocates and homeless service providers.

The conference, the largest of its kind in the nation, has four educational tracks including Homeownership, Homeless to Housed, Creating and Preserving Multifamily Housing, and Community Economic Development.

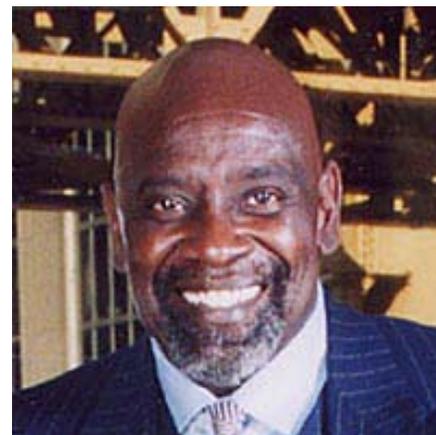
With a theme of "Partners Building Communities," the conference is intended to examine the growing need for affordable housing in Michigan.

In addition, two keynote speakers will be featured: Henry Cisneros,

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Henry Cisneros



Christopher Gardner

Many MSHDA Employees and Others Deserve Recognition for Efforts on Faith-Based Symposium

Workshop Panelists:

Rick Ballard, Community Development
Marjorie Green, Multifamily Development
Janet Irrer, Homeless Programs
Lisa Lehman, Existing Housing
Trevor Winterowd, Single Family
Chuck Kieffer, Homeless Programs

Coordination of printed materials:

Mary Lou Keenon, Program Policy & Market Research
Katie Donovan, Donovan & Smith

Graphic design and production of printed materials and signage:

Kathy Fagan, Donovan & Smith

Onsite exhibit representative:

Kris Smith, Program Policy & Market Research

Grants Awarded Across State

Communities and Nonprofit Groups Win Grants for Housing- Related Activities



MSHDA has been busy awarding grants to communities and neighborhood groups throughout Michigan to use for housing-related activities. Here is a partial list of just some of the recent recipients. For further information, contact the Office of Community Development at (517) 373-1974.

Community Development Block Grants

GROUP/COMMUNITY	AMOUNT	CONTACT
Arenac County	\$150,000	(989) 846-6651
Baraga County	\$125,000	(906) 524-6183
Branch County	\$225,000	(517) 279-9501
Chippewa County	\$200,000	(906) 632-3363
Delta County	\$200,000	(906) 786-7086
Houghton County	\$200,000	(906) 482-8307
Ionia County	\$275,000	(616) 527-5300
Keweenaw County	\$100,000	(906) 482-7205
Lapeer County	\$300,000	(810) 245-4994
Mackinac County	\$150,000	(906) 643-8595
Marquette County	\$275,000	(906) 225-8180
Midland County	\$225,000	(989) 832-6790
Ontonagon County	\$125,000	(906) 482-7205
Oscoda County	\$125,000	(989) 826-1167
Otsego County	\$175,000	(989) 731-7570
Roscommon County	\$175,000	(989) 275-8306
Shiawassee County	\$300,000	(989) 743-2270

HOME Community Development

GROUP/COMMUNITY	AMOUNT	CONTACT
Affordable Housing Alliance of Midland Co.	\$300,000	(989) 633-9910
Flint Neighborhood Improvement and Preservation Project Inc.	\$150,000	(810) 766-7212
Greater Lansing Housing Coalition	\$480,000	(517) 372-5980
Northeast Michigan Affordable Housing	\$250,000	(989) 356-9090

Housing Conference Scheduled for May 16-18

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former Secretary of the U.S. Department of Housing and Urban Development and co-author of *Opportunity and Progress—A Bipartisan Platform for National Housing Policy*; and Christopher Gardner, President and CEO of Gardner Rich & Company.

Twenty-seven statewide and federal organizations on the conference planning committee have contributed time, money, resources, and expertise over the past year to build a conference agenda designed to address affordable housing and homeless issues.

"Our planning partners are committed to solving Michigan's affordable housing dilemma," MSHDA executive director Michael DeVos said. "This conference provides a rich environment for the exchange of ideas and innovative solutions."

Individuals or organizations interested in attending or receiving further information regarding affordable housing issues may visit the conference Web site at www.housingconference.org.



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