

SCATTERED SITE SUPPORTIVE HOUSING IN RURAL MICHIGAN



ALLEGAN COUNTY
SCATTERED SITE PROGRAM
ALLEGAN COUNTY, MI

The Allegan 47-unit scattered site project is part of the Corporation for Supportive Housing's Michigan Demonstration Project. This project involves new construction of barrier-free, one-story units across five sites in rural Allegan County, Michigan. The target population for the housing includes individuals with special needs, people who are homeless and those at-risk of homelessness. The development consists of a mix of one, two, and three bedroom units. Support services are provided – both on and off-site – by a consortium of local service agencies.

CSH AND THE PROJECT

CSH:

- ✓ Provided technical assistance and information on “best practices” to the local consortium;
- ✓ Loaned a total of \$268,000 in predevelopment financing in three different funding actions;
- ✓ Provided consultants to Heritage H.O.M.E.s and the Allegan Consortium to assist with project concept, financial feasibility and service planning; and
- ✓ Played a major role in helping the sponsor build community support, complete funding applications and develop a support service plan.

CSH AND THE DEMONSTRATION PROGRAM

In 1996, the Department of Community Health (DCH), Michigan State Housing Development Authority (MSHDA) and CSH partnered to create a Supportive Housing Demonstration with the intent of creating 300 units of supportive housing. Four counties, including Allegan, were selected to participate in the initiative. The demonstration was designed to let *local consortia*, comprised of city and county officials, nonprofit organizations, advocacy groups, consumers and local philanthropy, complete a needs assessment and strategic plan that identified the priority housing needs of the community. The local consortium's task was to determine the target market for the housing, rent levels, and to select the local nonprofit developers and service providers to implement the plan.

FINANCING

CAPITAL

Michigan State Housing Development Authority (HOME)	\$2,800,000
Affordable Housing Program	\$25,000
Allegan County general funds	\$15,000
Low Income Housing Tax Credit equity	\$2,700,000
Total Development Cost	\$5,600,000

OPERATING: A capitalized revenue deficit reserve was established to maintain reduced rents for the units over the 15-year tax credit period. This reserve will act as a source of subsidy to the project and will offset the low rents.

SERVICES

Community Mental Health (mental health & substance addiction)	\$775,000
Family Independence Agency	\$200,000
Federal Supportive Housing Program Grant	\$276,000
Center for Independent Living	\$10,000
Allegan Behavioral Health	\$15,000
ACRDC (Transportation Grant)	\$84,000
Total services cost	\$1,360,000

THE SPONSOR

Heritage H.O.M.E.s Inc.

Heritage H.O.M.E.s Inc. was formed through the 1997 merger of two well-established Western Michigan nonprofits. Heritage Homes had been exclusively a residential service provider since 1978, while H.O.M.E. (Housing Opportunities Made Equitable) had helped low-income families find safe and affordable housing since 1989. The new organization combines the missions of the original groups, providing supportive services and housing to low-income individuals and families in Allegan, Barry, Kent, Muskegon and Ottawa Counties.

Heritage H.O.M.E.s was selected by the Allegan County consortium as the nonprofit sponsor, developer, and property manager for supportive housing developed by the consortium in Allegan County. The Supportive Housing Initiative is a continuation of Heritage H.O.M.E.s' commitment to finding innovative ways to provide housing and support for people in need.

CSH AND THE SPONSOR

CSH has provided over \$400,000 in loans and grants to Heritage H.O.M.E.s in connection to their work in the Michigan Supportive Housing Demonstration Program. This funding was used for development and predevelopment expenses associated with building supportive housing in Allegan County.

CSH is currently working with Heritage H.O.M.E.s on Phase II of the Allegan County Demonstration, in which an additional 25 units of supportive housing will be developed.

CSH AND THE CONSORTIUM

CSH and the Allegan County consortium worked to overcome local barriers that included the lack of properly zoned, available sites and the high cost of property. The consortium collaborated on a plan that put in place financing with funders. CSH increased local nonprofit capacity through targeted technical assistance, access to consultants, and trainings. Requests for supportive services are delivered to tenants by a partnership of several human service agencies. The consortium was also instrumental in building community support for the project, as well as gaining needed tax abatements.



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