



CAPITAL ACCESS



Vision ■ Strategy ■ Implementation  
*for agencies that revitalize neighborhoods*

# From Abandonment to Strategic Investments: An Emerging Legacy of Michigan NSP2

**MICHIGAN NSP2 CONSORTIUM**

Presented by:  
**Jeremey Newberg**



**REMAKING AMERICA  
FOR THE 21<sup>ST</sup> CENTURY**

Reclaiming Vacant Properties

June 20 – 22, 2012 • New Orleans, LA

# MICHIGAN NSP2 CONSORTIUM



**Battle Creek & Calhoun Co. Land Bank**

**Benton Harbor & Berrien Co. Land Bank**

**Detroit, Michigan Land Bank, & Detroit Land Bank**

**Flint & Genesee Co. Land Bank**

**Grand Rapids & Michigan Land Bank**

**Hamtramck & Michigan Land Bank**

**Highland Park & Michigan Land Bank**

**Kalamazoo & Kalamazoo Co. Land Bank**

**Lansing & Ingham Co. Land Bank**

**Pontiac & Michigan Land Bank**

**Saginaw & Saginaw Co. Land Bank**

**Wyandotte & Michigan Land Bank**



# Michigan NSP2 Consortium Received \$223,875,399, the Largest Award in a \$2 Billion National Competition

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***“This is not only the largest single grant we are making, it was the best single application we received....A remarkable, remarkable application. “***

HUD Secretary Shaun Donovan, January 2010

# Vision for Michigan NSP2 Consortium

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Help communities define “**The New Michigan Urban Neighborhood**” on their own terms.

Establish a new approach to neighborhood economic development where Cities and Land Banks are vital partners in economic recovery.

***Clear the Way for Neighborhood Economic Development.***

# Program Objectives

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1. Help stabilize neighborhood markets ravaged by foreclosures and blight and re-position neighborhoods for redevelopment.
2. Invest in neighborhoods with **Anchors** or **Amenities** that employ, educate, and/or provide healthcare to residents - “**Sense of Place**”
3. **Rehab** where feasible, “**New-ify**” where prudent and **Demolish** where houses that have lost their value and functionality.
4. **Leverage Tools of Land Banks** to Acquire, manage prepare Buildable Lots within walking distance to Anchor or Amenity Asset for future redevelopments.

# Program Objectives

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5. Employ residents of Michigan. From neighborhood-based labor, to construction workers, suppliers and professional service providers.
6. Produce and comply with HUD & MSHDA regulations.
7. Operate in a Financially Safe and Sound manner, tolerate no fraud and position cities and land banks as good investments.
8. Not every income qualified family considers themselves “Low-Income.” ***Cast a wider net to make the Conceptual Sale of Value.***

# Neighborhood Stabilization & Redevelopment Interventions

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*Link the Intervention to the Target Area*

Intervention	Approach
<b>Blight Removal</b> <i>via</i> Demolition	Scattered-Sites
<b>Tipping Point Stabilization</b> <i>via</i> Purchase, Rehab or New Construction and Sale / Lease Purchase / Rental	Scattered-Site Concentrated on Strategically Selected Tipping Point Blocks
<b>Redevelopment</b> <i>via</i> High Impact Projects within Walking Distance of Anchor / Amenity / Transit Corridor	Concentrated Redevelopment Area with a Plan

# Current Production Numbers

Total Budgeted Units		Tracking / Status	
Demolitions	3160	In Demolition (received notice to proceed but not complete)	721
		Demolition Complete (received final grade, seed, inspection)	1,484
Acquisitions	687	Acquired	1,243
Land Banking	535	Land Banked	738
For Sale	402	In Construction	243
		Construction Complete	224
		Units for Sale	220
		Units Under Purchase Agreement	117
		Units Sold/ Settlement Complete	77
For Rent	287	In Construction	267
		Construction Complete	11
		Units for Rent	67
		Units Rented/ Leased	2
Total Budgeted Improved Housing Units: 689			

Grant Award:  
**\$223,875,399**

\$ Expended, June 1, 2012:  
**\$125,783,507**

With Program Income, an additional 200 units are likely through mid-2013.



# Blight Removal via Demolition of 3,200 Structures

1. Reduced load on city services
2. Lower maintenance costs and liabilities
3. No more utility issues
4. No more resident complaint calls
5. Fresh look on distressed streets



Demo in Flint



Demo on Woodward Ave, Hamtramck

# Houses are Selling

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1. Blight removal via Demolition helps people take a fresh look at neighborhoods once considered not desirable.
2. Build *“A Move Up Home At A Starter Home Price.”*
3. Affordability – \$1,000 down & PITI within \$150 of current rent.
4. Liberate neighborhoods from negative perceptions: remove blight, build value, preserve affordability and market to people who do not necessarily identify themselves as *“Low-Income.”*



98 Wall, Pontiac



517 Marketplace, Kalamazoo



# Homes in Unity Park - Pontiac

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295 Paddock



58 Wall



Homes along Judson



233 Judson

# Hamtramck NSP2: 2619 Whalen Infill New Construction. *SOLD!*

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**High Quality Finishes**



**Washer & Dryer Amenity  
located on 2<sup>nd</sup> Floor**



**Tank-less Water Heater**



# Keisha Jones, Pontiac Homebuyer

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1. “The house is already in move-in condition. I love the appliances, master bathroom, big basement, and the backyard for my kids to play.”
2. “The Unity Park neighborhood has gone from chaos to quiet and beautiful. My whole support system is in Pontiac.”
3. “I pay \$812 a month to rent. I will pay \$575 a month to own. As a single mother of two kids, I appreciate that very much.”





# Lafayette Lofts Mixed-Use, Pontiac

- Located in downtown Pontiac in the newly renovated 80,000 square-foot historic Sears Department Store
- 46 lofts, of which 25% are low-income rentals
- Lafayette Market Grocery Store
- Anytime Fitness Gym
- LEED Certified



# Bliss Park, Saginaw

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- Senior Citizen Living Facility that is located in the Covenant District in Saginaw
- 35 apartments of one and two bedroom rentals
- The building will be right across the street from the Covenant Hospital





# Consortium Partnership is Key Factor to Get To Scale for Production

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1. HUD
2. MSHDA
3. Cities
4. Land Banks
5. Developers and Professional Service Providers
6. Technical Assistance Providers



500 Collins, Kalamazoo



69 Wabash, Battle Creek

Who Benefits? ***Buyers and Neighbors***

# How NSP2 Helped Emerging Land Banks

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- Capital Infusions of between \$3 and \$13 million per Land Bank to invest in acquisition, demolition and land banking systems
- Management technical assistance provided by Center for Community Progress
- Regulatory De-Mystification to help Land Banks get comfortable with taking risks necessary to get to scale with production

# Saginaw NSP2 Legacy

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1. City and Land Bank used \$18.3 million NSP2 award to implement pre-existing Cathedral District Revitalization Plan to clear blight and improve housing within walking distance of St. Mary's Health Center and Covenant Hospital.
2. As a result of strategic investments supporting healthcare employers, City has launched campaign to secure funding to establish a medical school to serve Mid-Michigan.



828 N Harrison



616 Porter



816 Park

# What Does Michigan Get for \$223,875,399?

***“It’s the neighborhood and market, not the units.”***

1. Blight removal through massive targeted demolition.
2. Infusion of Improved houses and rentals that proves there is still demand for quality, energy-efficient, mixed-income housing.
3. Acquisition and land banking of strategic properties within eyesight of anchor and amenity assets that yields buildable lots for future transformational redevelopment;
4. City and Land Bank Capacity Building: new partnership and management systems between cities and land banks for NSP2 and beyond.

# Legacy of NSP2

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1. Cleared path for Neighborhood Economic Development.
2. Proved cities and land banks in Michigan are good investments.
3. Set precedent of multi-layered partnership that got to scale.



Homes in Marketplace, Kalamazoo



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**Jeremey Newberg**

[jn@capitalaccessinc.com](mailto:jn@capitalaccessinc.com)

215-551-2000

***Thank you!***

***Be Bold  
and  
Do Good.***