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LIHTCs Fund Permanent, Supportive Housing Development in Grandville, Mich.

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Genesis Non Profit Housing Corporation (GNPHC) started 15 years ago to develop permanent, supportive housing in Kent County, Mich. With this mission in mind, the property owner and developer once again added to its portfolio with the completion of Genesis Woods apartments in September 2014. Located in Grandville, Mich., the development is reserved for tenants with special needs, along with those who suffer from chronic homelessness.

“There are no other permanent, supportive housing developments in Grandville,” said John Wynbeek, executive director of GNPHC. With Genesis Woods apartments complete, the development owner manages 160 units of permanent, supportive housing in Kent County. “Because of the lack of comparable units, we were thinking it would be a challenge to develop in the city,” said Wynbeek. “But the city was very supportive.”

Genesis Woods apartments is a 33-unit development that spans eight residential buildings, including seven four-plexes and one five-plex. The eight residential buildings surround a community center and office space. In total, there are 22 one-bedroom units, nine two-bedroom units and two three-bedroom units. All 33 units are reserved for residents earning no more than 30 percent of the area median income (AMI) and all units receive project-based Section 8 vouchers. Of the 33 units, 17 are “barrier-free,” said Wynbeek, making it easier for people with physical disabilities to live comfortably. These units are all located

on the first floor and include features such as roll-in showers, wider hallways and kitchens to accommodate wheelchairs, levers on the doors and closets that are easier to open, and lower shelving. Furthermore, three units are designed to meet the needs of people who are visually and/or hearing impaired.

The community room includes 1,250 square feet of gathering space. This space is also used for an afterschool program for the children living at Genesis Woods. Attached to the community center are three offices: One for a property manager who works onsite three days per week, another for a social worker who is onsite five days per week and an open office that can be used by tenants for meetings and other purposes.

Wynbeek said that the demand for permanent, supportive housing in Kent County is extremely high. He said that all six of GNPHC's developments in the area have waiting lists. That includes Genesis Woods apartments, which has a 200-person waiting list.

LIHTCs, HUD HOME Funds Finance Development

The development of the Genesis Woods apartments was funded primarily through the Low-Income Housing Tax Credit (LIHTC) program. The investment was syndicated by Great Lakes Capital Fund (GLCF). GLCF put \$4.436 million in LIHTC equity into a multi-investor fund: GLCF Fund 28. “Homelessness, addiction, disability and other special-needs situations affect nearly all of us. Genesis

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Photo: Courtesy of Genesis Non Profit Housing Corporation
Genesis Woods apartments received LEED Gold Green Building certification from the U.S. Green Building Council.

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Woods and their partner organizations provide a critical hand-up to families and individuals who have found themselves in life’s toughest circumstances,” said Ben Stehouwer, underwriter at GLCF, which invested \$219 million in LIHTCs in 2014. “An entire community benefits when homeless individuals and families are taken off the streets and given proper housing and care. An entire community benefits when the mentally ill are treated and cared for.” GNPHC has previously developed five LIHTC permanent, supportive housing developments in the larger Grand Rapids area, all of which GLCF has served as syndicator. “We are blessed to have an organization like [GNPHC] in the area that is deeply committed to the people it serves,” said Stehouwer.

Michigan State Housing Development Authority (MSHDA) allocated more than \$523,300 in annual federal

LIHTCs and provided a \$950,000 U.S. Department of Housing and Urban Development (HUD) HOME loan and a \$216,000 permanent loan. Christopher LaGrand, chief housing investment officer of MSHDA, said that Genesis Woods apartments received its LIHTC allocation under MSHDA’s permanent supportive housing set-aside. Christine Miller, supportive housing specialist at MSHDA, added that the development qualified for this set-aside by reserving at least 25 percent of its units as permanent, supportive housing. In fact, all of Genesis Woods apartments’ units are reserved as permanent, supportive housing. Miller added that in each round, MSHDA’s permanent supportive housing set-aside accounts for 25 percent of its allocation, which is about \$5.5 million.

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Photo: Courtesy of Genesis Non Profit Housing Corporation

Located in Grandville, Mich., the development is reserved for tenants with special needs along with those who suffer from chronic homelessness.

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The remaining financial pieces include a \$323,976 deferred developer fee, \$369,460 in HUD HOME funds from Kent County and a \$3.5 million construction loan from Chemical Bank.

Development Timeline

The developer began construction in September 2013. GNPHC expected construction to be completed by April 2014, but because of an extremely cold and snowy winter, Wynbeek said that four of the eight buildings were not completed until the middle of June 2014, with lease-up for those four buildings happening immediately after completion. The remaining four buildings were completed in July 2014 and were fully leased shortly thereafter.

Building Communities

Genesis Woods apartments received LEED Gold Green Building certification from the U.S. Green Building Council.

To be certified, Wynbeek said that insulating the building was crucial. The development also includes a detention pond to ensure that the local draining system doesn't flood, low-flow water systems and environmentally friendly sealants used during construction. "We choose to build LEED developments both for the environmental benefits and to reduce utility costs for residents," said Wynbeek. "Plus, we are in it for the long haul." Kim DeStigter, owner of DeStigter Architecture and Planning, added that in order to receive LEED Gold Green Building certification, the development includes Energy Star-rated appliances and windows, foam insulation to minimize heat loss and low-VOC (volatile organic compound) paint.

DeStigter added that site selection is also part of the LEED criteria. Genesis Woods apartments did well in that category because it is located next to a regional mall and business center. Andy Martin, manager of the

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LIHTC program at MSHDA, said that this site, which had to be rezoned for multifamily use, is located between a residential neighborhood and a business center. The location helped Genesis Woods apartments to receive a 71 out of 100 on its walkability score on its LIHTC application, which classified the development as “very walkable,” said LaGrand.

Development partners said that the surrounding neighborhood has been very supportive of this property. DeStigter said that the development was built around a number of sycamore trees and meant to fit in with the fabric of the surrounding neighborhood. “What we do is create communities, instead of design buildings,” she said. ❖

GENESIS WOODS FINANCING

- \$4.436 million in LIHTC equity syndicated by Great Lakes Capital Fund
- \$3.5 million construction loan from Chemical Bank
- \$950,000 HUD HOME loan from Michigan State Housing Development Authority
- \$369,460 in HUD HOME Funds from Kent County
- \$323,976 deferred developer fee
- \$216,000 permanent loan from Michigan State Housing Development Authority

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