

**Building the Engine of
Community Development
in Detroit**

4750 Woodward Ave #216
Detroit, MI 48201
(located inside Hannan House)

May 13, 2020

BECCD Steering Committee

Mr. Gary Heidel, Acting Executive Director
Michigan State Housing Development Authority

Mr. Donald Rencher, Group Executive
Office of Mayor Mike Duggan

Ms. Katy Trudeau, Acting Director
Detroit Planning and Development Department

Dear Colleagues:

We are writing as members of the **System Capitalization Task Force, of Building the Engine of Community Development in Detroit (BECCD)**. The Task Force is broad-based, comprised of 25 members including community development organizations; intermediaries including CDAD, CEDAM, CHN Housing Partners and Wayne Metro Community Action Agency; banks and CDFIs including Invest Detroit, IFF and PNC; philanthropy including Ford, Kresge and Hudson Webber Foundations; and city and state government officials. Our goal is to develop strategies together, to fully resource a robust community development system that benefits all Detroit neighborhoods, and their residents.

As such, we have put together our thoughts regarding the American Rescue Plan and how those resources might be used to advance equitable development – both physical and human development – in Detroit’s neighborhoods. Below are our thoughts, which we believe fall within the guidance recently provided:

We Support:

- The second round of funding for Emergency Rental Assistance, mortgage payments, and LIHEAP
- The recommendations from CDAD, which are complementary to the priorities listed below

Process to Decide on Allocations from City and State ARP:

- Create a task force with on-the-ground organizations and city and state officials, to co-create strategies that braid together both housing and human service resources
- Don’t let the urgency of spending deadlines derail focusing on “equity” and “alignment” as guiding principles

Deployment of State and City ARP Funds:

- Maximize flexibility in how funds are deployed, as a guiding principle
- Sub-allocate funds to NPO service providers to administer programs/deploy dollars rather than using government systems that are stretched and restrictive

Community Development Organizations

Christine Bell, Urban Neighborhood Initiative

Phyllis Edwards, Bridging Communities

Donna Givens, Eastside Community Network

Lisa Johanon, Central Detroit Christian ODO

Kenyetta Campbell, Oody Rouge Community Action Alliance

Maria Salinas, Congress of Communities

Intermediaries/Support Organizations

Shamyle Dobbs, Michigan Community Resources

Donna Murray-Brown, Michigan Nonprofit Association

Erica Raleigh, Data Driven Detroit

Madhavi Reddy, CDAD

Philanthropy

Jodee Raines, Erb Family Foundation

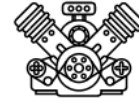
Kevin Ryan, Ford Foundation

Academia

Mark Bruoki, LTU

City Government

Katy Trudeau, Detroit Planning & Development Department



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Priorities for Use of Funds:

Michigan ARP Funds

- Significant investment in the Michigan Housing and Community Development Fund, to focus on:
 - Capacity building for neighborhood-based groups and community development groups to support their work in affordable housing
 - Home Repair funds for both renter-occupied and owner-occupied homes
 - Deeper subsidies for housing rehab to make homeownership more affordable
 - Special investment for lead abatement, prioritizing homes w/ young children and seniors
 - Enablement of community land trusts and other alternative/equitable real estate models
 - Enhancement of LIHTC and HOME funding for projects previously unfunded or strained because of rising construction costs
 - Grants for pre-development costs for BIPOC developers/nonprofit developers
 - Programming to turn renters into home-owners/condo owners of expiring LIHTC properties
 - 0% emergency loan program for to assist renters with their payments
 - Investment in the small-contractor infrastructure to bolster the home rehab system, IE:
 - TA and grants to ensure that requirements for small contractors are up-to-date: IE: licensing, e/o, bonds
 - A referral network for contractors
 - Investment in the housing services infrastructure: counselors/navigators, data systems, referral networks
 - Assistance with property tax payments
- Supplement the MI Housing Trust Fund to support housing for very low-income residents

Detroit ARP Funds

Support for Affordable Housing Development:

- Home Repair funds to neighborhood-based non-profits for renter- and owner-occupied home repair
- Deeper subsidies for housing rehab to make homeownership more affordable
 - Special investment in lead abatement, prioritizing homes with young children and seniors
- Capacity building for community development groups and other neighborhood-based groups to support their work in affordable housing
- Support for the development of community land trusts
- Deeper investment in public housing
- Low interest loans to landlords for rental rehabs, tied to condition of homes
- Investment in the small-contractor infrastructure, including apprenticeship programs
- Investment in the housing services infrastructure: counselors/navigators, data systems, referral networks

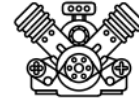
Support for Green Space and Parks:

- Strategies to assure the long-term maintenance of Detroit's green spaces and parks

Support to Low Income/Working Poor Residents:

- Legal support for residents
- 0% emergency loan program to assist renters with rent payments
- Assistance for property tax payments

Support for Small Businesses:



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- A partnership with DEGC or NEI to enhance neighborhood-based nonprofits' support of locally-owned small businesses and business districts, through the SBA Community Navigator program, IE:
 - Referral and data systems for service providers
 - A pipeline of credit-ready businesses, w/ strategies to build business credit IE: 0% loans
 - Strategies to help COVID-defunct businesses get re-established
 - A peer-mentoring pilot program to help businesses launch and build
 - Training in social media marketing/training/branding/public speaking
 - Enhance pipelines to entrepreneurship for residents and the unemployed

We stand ready to talk in more detail more with you, and we hope you find these recommendations useful. Please feel free to contact Maggie DeSantis, BECDD Initiative Manager, at mdesantis.becdd@gmail.com

Very sincerely yours,

Building the Engine of Community Development of Detroit
System Capitalization Task Force, including:

Bridging Communities, Inc.
Central Detroit Christian Community Development Corporation
CHN Housing Partners/Detroit Office
Community Development Advocates of Detroit (CDAD)
Community Economic Development Association of Michigan (CEDAM)
Community-Up
Eastside Community Network
Ford Foundation
Grandmont Rosedale Development Corporation
Hudson Webber Foundation
IFF
Invest Detroit
Urban Neighborhood Initiatives
Wayne County CRA Association
Wayne Metro Community Action Agency

AN INITIATIVE CREATED IN 2016 BY:

Community Development Advocates of Detroit
Michigan Nonprofit Association
Lawrence Technological University