

To: MNicole Markovits

Cc: MBrenda Stumbo [bstumbo@ytown.org]; Daniel Vogt; Pete Murdock; Brian Robb; Paul Schreiber; loisrich@hotmail.com; Ricky Jefferson; Lois E. Allen Richardson [loiserich@hotmail.com]; susan.moeller@emich.edu; Ralph Lange; Jean Hall-Currie [jcurrie@ytown.org]; Eldridge, Stan [MIPANTHERS@aol.com]; Scott Martin [smartin@ytown.org]; Mike Martin [mmartin@ytown.org];

RE: Water Street Project – Affordable Housing

Hello Nicole,

I have weighed in with the City Manager, Ralph Lange but not the council members, hopefully he shared some of my ideas and opinions regarding this project with the Council. But I am going to share with you my thoughts on this issue which you can feel free to share and I am going to copy the City Council members on this email also so they can have the same information regarding my thoughts on the Affordable Housing project proposed for Water Street Property in the City of Ypsilanti. I am unable to attend the meeting tonight but appreciate you attending and expressing your thoughts and concerns.

I have full respect for the elected leadership of the City of Ypsilanti to make this decision for their community. At the same time the destiny of our two communities, the City & Township, are so very tied together that I hope the City Council members would seriously review the data and history of MSHDA funded projects in our two communities before making a decision regarding this historic project for Water Street. It is clear that just like the Washtenaw County Parks & Recreation Center being located on this property was a historic decision that will positively influence the future development in this area the Affordable Housing project has the potential of having the same impact only in a negative manner not a positive one.

2. MSHDA funded projects that provide great tax credits to investors make a lot of money for a few people at the expense of the communities where they are located and the future residents

of the projects that eventually are not maintained and must be demolished due to neglect and lack of maintenance. It is important to review the finances of the project and find out for yourself how much is set aside for maintenance long term, for items such as roofs, parking lots, replacements of furnaces, windows, etc. If the Council is going to support the location of this project then require bonds that will secure for perpetuity the long term maintenance of the project. Look around both the City and Township and you can see the impact of MSHDA/affordable housing projects on the City. How many more examples do you need to realize that these types of projects only help investors. The tax credits on this project will create over \$48 million in capital for the investors on this project over 40 years. This is a guaranteed 10% return on investment guaranteed by the Federal Government over 40 years. This works this way because of the 90 cent investment with a one dollar return on every dollar invested over 40 years on 12 million dollars through tax credits.

3. The most troubling and devastating impact of this type of project is the push to invest in multiple housing projects instead of homeowner options. This is because of the investors and the credits and how HUD has developed over the years. There is absolutely no way that the desire to help with affordable housing in our state and nation had a goal of large multiple housing projects that segregate our populations yet that is exactly what has occurred. The City and Township should join together and request this \$12 million dollars that our tax dollars are being paid by HUD/MHDA to fund this project be utilized to renovate and rehab the many, many vacant/foreclosed single family homes in our communities and provide homeownership to the 90 families that this project is designed to assist. \$12 million divided by 90 = \$133,000 per family. If we were able to work with Habitat and have MSHDA fund single family homeownership in our communities for \$12 million dollars we could have not 90 new homes but with leveraging the funds with private, sweat equity and other community support we could have 200 new homes, for 200 families not 90. This type of funding would renovate homes through out our communities in every neighborhood. We could have desegregated housing through home

ownership vs. segregated housing through the water street projects.

4. The project is institutionalizing those who are less fortunate in our community. It is not the answer to the issue of affordable housing. It is a short sighted proposition that will make long term investors very rich, segregate our residents further and still only provide housing that is for rent and not for ownership.

5. The Habitat model works. It makes good use of our tax dollars. It stabilizes neighborhoods. It takes blighted, neglected, vacant homes and restores them to be the best housing in the neighborhood. It provides a long term solution to housing through home ownership. The City and Township should join together and work with MSHDA to find funding for this model. We can make a difference in lifting up our community together and our residents through the homeownership model.

6. The design of the Water Street project is an institutional one. It looks like the old Ridgewood Hospital and also Eloise Hospital. It is not forward looking or progressive and is the exact opposite of the New Parks & Rec. center design. The housing should be on the top floors with commercial office space development on the first floor. It would be great to have the development with a walkway to the new recreation center.

7. Young people love to live in downtown Ypsilanti and I think with the right developments and attractions you will see seniors move into the city also as they retire. There are many who like the convenience of downtowns and especially when driving is no longer convenient or an option.

8. The taxes this development will bring will NOT solve the financial problems of the city.

9. I apologize for the lateness of this email to my fellow City Council colleagues but Nicole reminded me that this was something I wanted and needed to do. Wishing you all the very best!

Thank you Nicole for your email and hopefully this helps you and others see my position on this very important issue for our entire community and county! Best regards to all, Karen

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Karen Lovejoy Roe

Clerk

Charter Township of Ypsilanti

7200 S. Huron River Dr.

Ypsilanti, MI 48197

734.484.4700

klovejoyroe@ytown.org

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