

How will MCC ensure the long-term affordability of the developments?

The developments are proposing to serve middle-income households at 60-100% of the Area Median Income (AMI). MCC will ensure this long-term in a variety of ways. First, MCC Board of Directors requires that 51% of all of our apartments are affordable to 80% AMI. Second, MCC will sign a 30 year development agreement with the city of Boyne and submit rent rolls to the city annually. Lastly, MCC will agree to a deed restriction on the Ray and Park property, so that any future owner will have to maintain the same prices.

What incentives/abatements is MCC seeking for the project?

MCC is seeking approval of a tool called Tax Increment Financing. In July 18, 2023, legislation was signed to amend 1996 Public Act 381 to allow for municipalities to approve a brownfield plan with housing as an eligible activity. This is to encourage developers to creating housing to serve the needs of the community. If approved, the new developments would pay taxes on their property and then receive a reimbursement for a portion of their taxes each year. This does not affect other tax payers, or take current taxes away from the city. More information can be found here:
<https://www.michigan.gov/mshda/developers/tax-increment-financing-tif>

What is the overall outcome to Lofts on Lake project from 2019 if the second location (at Ray and Park) is not supported by the community or the fourth floor not supported?

MCC will evaluate the project viability if aspects of the project are not supported by the community. MCC hopes to find a solution that serves the community and will be financially viable.

How do you or investors look at potential locations in Boyne City to develop housing?

MCC started developing plans for a project in Boyne City after the community became a [Certified Redevelopment Ready Community](#). MCC can work in any community across the state of Michigan and we are attracted to communities that have a shared vision with zoning to match. We work in communities that are willing to create public-private partnerships to attract the kind of development they want. MCC was attracted to the sites in Boyne because the city identified them as priority redevelopment sites.

Will the apartments be furnished?

No.

Will there be green/environmentally friendly components of the building?

Yes! The building will utilize materials that will have a much higher insulation than is required by code. This will help to reduce heating and cooling costs for residents and reduce noise between units. In addition, the apartments will utilize all energy star appliances and LED lighting to reduce tenant energy bills. Low-VOC products will be selected to ensure high air quality. MCC also plans to install electric car charging stations.

Do residents have to show proof of income?

Yes. As part of the application process, future tenants will provide proof of income. We also run a background check and credit check on all of our tenants.

Will MCC manage the property?

Yes. MCC will be the property manager of both properties. We will hire a full-time property manager as well as a full-time maintenance manager that will be onsite daily.

Can you restrict the fact that renters can only come from certain parts of the state?

Fair Housing Laws prevent us from discriminating against tenants based on previous address. MCC will require these units be leased to year-round residents by having a 12 month lease and also explicitly prohibit use of the apartment for short-term rentals. MCC will offer Boyne Area Businesses the ability to pre-lease units that they can sub-lease to their employees.

Will pets be allowed?

Yes. Pets will be allowed. Tenants will sign a “pet agreement” that outlines parameters and responsibilities of having a pet in the building.

Will local contractors be used?

MCC will put the project out for General Contracting companies to bid in early 2025. We will prioritize companies that use local labor that have experience with similar projects.

Will MCC actually own the two properties in Boyne?

MCC currently owns the properties at Lake and State through Lofts on Lake, LLC. MCC will create a new LCC that would own Ray and Park. LLCs protect investors' personal assets from lawsuits and liabilities related to their real estate investments. By forming an LLC, the owner's assets of the owner, such as bank accounts and personal property, are generally safeguarded from claims against the business. MCC is the 100% owner of the LLC.

What units will be dedicated to median income renters?

55% of the units will be restricted to 60-80% of the Area Median Income

35% of the units will be restricted to 81-100% of the Area Median Income

These units will be equally spread across both buildings and offer a selection of apartment types in each income range.

What happens if you can't get the grants approved?

MCC feels the new proposal will be significantly more competitive than Lofts on Lake project alone. If our new grant application is not supported, MCC will have to evaluate what the options are at that time. If MCC is unable to get funding for the Ray and Park site, the properties will remain in the ownership of the city and the library.

What is the average income in Boyne City?

In 2021, the median household income of the 1.83k households in Boyne City, MI grew to \$60,199 from the previous year's value of \$55,357. MCC uses [annually published rates](#) from the department of Housing and Urban Development to set rent and income limits of our properties.

Whose pockets is this project filling?

MCC is a 501 C 3 non-profit. We are managed by a volunteer board and do not have shareholders. Each building is structured to support a loan from a senior lender. The rest of the project cost is covered by grants, donations and funds from MCC. Rents paid by the building tenants pay for operating costs that include taxes, insurance, maintenance, cleaning, property management and loan payments. After these expenses are paid, any leftover funding goes to MCC to use as equity in other mission-driven real estate investments. MCC projects have an average annual return on investment of less than 3%, which is far below market-rate return expectations.

How large are the apartments?

Studios will be approximately 440 square feet. 1 Bedrooms will be approximately 540 square feet. 2 bedrooms will be approximately 800 square feet. 3 bedrooms will be approximately 1000 square feet.

Are the apartments for families?

MCC does not discriminate against potential tenants for any reason including Race, Color, National Origin, Religion, Sex (including gender identity and sexual orientation), Familial Status and Disability.

How do you control tenants do not rent out their unit?

Each lease will have an explicit prohibition against subleasing apartments including for the use of short-term rentals. The on-site Community Manager will be tasked with searching short-term rental sites for any apartments in our buildings. Tenants that violate this provision in their lease will be fined and/or their lease will be terminated.

What will the commercial tenants be?

MCC does not have commercial tenants identified yet. MCC is working to partner with a childcare provider serving 0-3 year olds in part of the commercial space. If you are interested in renting commercial space, you can contact info@housingforboyne.com

How much will it cost for childcare?

MCC will not operate the childcare center, but act as a landlord to a childcare center tenant. MCC will work to identify a childcare tenant that accepts all current state vouchers for childcare subsidies. Ultimately the childcare tenant will set the rates based on their own business plan.

What is considered workforce housing?

According to the Urban Land Institute (ULI), Workforce Housing is defined as housing affordable to households earning between 60 and 120 percent of area median income (AMI). Workforce housing targets middle-income workers which include professions such as police officers, firefighters, teachers, health care workers, retail clerks, and the like (Parlow, 2015). Households who need workforce housing may not always qualify for housing subsidized by the Low-Income Housing Tax Credit (LIHTC) program or the Housing Choice Vouchers program (formerly known as Section 8), which are two major programs in place for addressing affordable housing needs.

Fixed or raised rates?

MCC will reference the rent limits published annually by the Department of Housing and Urban Development. MCC has a policy we do not increase rent for renewal leases by more than 5% annually.

What criteria is used to determine rental applicant?

Future tenants will submit an application online. MCC will review proof of income for each tenant to make sure each tenant meets income criteria. MCC also requires a background and credit check for each tenant.

Why are there commercial spaces if the project is creating housing?

Boyne City zoning requires commercial on the first floor in the DDA.

What is the size of other communities you have done projects in?

MCC works across the state to develop mission-driven projects. We work in communities both large and small.

Grand Rapids (pop. 197,416)

Cadillac (pop. 10,367)

Lansing (pop. 112,684)

Ludington (pop. 7,721)

Grand Haven (pop. 10,991)

Flint (pop. 80,628)

Grayling (pop. 1,832)

How much money are you leaving on the table by doing 60-100% AMI and Not Market Rate?

MCC would be able to finance approximately \$9Million in additional loan capital if we did not rent restrict the apartments.

Can it be a second home?

No. Residents will have to sign year-long leases and occupy the unit as their primary residence.

Did the MCC or city study what parking needs are?

A parking study was conducted in 2018. It can be found [here](#). The study identified that there is currently surplus parking. Even with new developments occurring, there would still be a surplus of parking.

What happens when tenant/family income goes up? Do you verify income after initial lease?

MCC will verify a tenant's income annually. Tenants will not be required to leave if their income goes up.

Do you plan to charge market rates for childcare space?

MCC plans to charge approximately 40% less rent to a childcare tenant.

What are the next steps?

Here is the anticipated timeline.

March-June 2024: Local approvals

June-October 2024: Secure Funding, Finalize Designs, Bid Project

November 2024: Start Construction

December 2026: Complete Construction

What will this project cost the city?

The project will not require the city to provide any funding.

Is there a reason all buildings are on the street side?

To promote a walkable downtown, it is a best practice that buildings face the sidewalk with large storefronts and abundant streetscape. By having parking at the rear of the building, the design emphasizes pedestrian interaction with the building, not vehicular movement. It's the way downtowns used to be built!

Will there be an impact on the schools?

No.

What utilities are included in the rent?

Water, Sewer, Trash and Parking

Will Boyne have any recourse if MCC decides to sell the properties to other people, corporations, LLCs, etc.?

Yes! We are proposing to put into a development agreement that if MCC sells the properties, then a portion of the tax incentive would need to be repaid.

Lofts on Lake

Why have you not gotten funding for Lofts on Lake?

MCC has applied for funding several times for the Lofts on Lake project with the Michigan Economic Development Corporation. In comparison to other projects in the state and region, the project was less competitive. MCC hopes to increase the project competitiveness by increasing the number of housing units, identifying an impact tenant (like a childcare center), and reducing the grant request per unit.

Ray and Park

What if the library/city does not want to sell their properties?

The plan for Ray and Park is contingent on both the city and library being willing to sell their property to Michigan community capital

Do any funding sources require live/work units?

MCC had proposed live/work units on the Ray and Park site. After further community feedback, we have decided to build traditional commercial space instead of live/work units. No funding is tied to the creation of live/work units.

Will the parking lot for Ray and Park be shared?

Yes. The parking lot will be open for public parking during the day and reserved for residents only at night.

What is the total net gain/net loss of parking?

MCC is in the process of revising the site plan based on community feedback. Parking information will be presented at the planning commission meeting when seeking site plan approval.

Will the red barn be torn down and turned into a parking lot?

The “red barn” (214 Ray Street) will be torn down as part of the proposed project. The land will be incorporated into the site plan as additional parking

Can you restrict the number of cars renters have?

MCC will provide permits to the apartment renters to be able to park overnight in the Ray and Park Lot. This will limit the number of cars per apartment.

Will MCC be getting the property below market value?

MCC proposes to buy the library’s property for \$1 in exchange for providing a lease to the library for \$1 a year. MCC proposes to buy the city parking lot for \$1 in exchange for putting a deed restriction on the property that will require the units to be rent restricted and also allow for public parking during the day.