



**Helen Lehman, Executive Director,  
New Development Corporation  
Grand Rapids, MI**

Good morning. I am Helen Lehman, the Executive Director of New Development Corporation, a place-based nonprofit organization working exclusively on the north end of Grand Rapids. Our Board of Directors is comprised 100% of neighbors and we have been doing our single-family acquisition, development, and resale homeownership program for more than 20 years.

We leverage borrowed funds from our banking partners with HOME<sup>1</sup> funds, which are federal funds administered by the City of Grand Rapids or occasionally, the Michigan State Housing Development Authority (MSHDA). That funding for the City is presently at the same level of funding we had in 1992. It is not enough to even begin to touch the affordable housing crisis we are currently experiencing. Federal funding is largely earmarked for rental housing, not the wealth-building single family homes that make up the majority of Michigan housing.

As a place-based nonprofit organization, we know our neighborhoods well and enjoy the wisdom of our neighbors, many of whom have purchased New Development Corp houses. We now have three vacant lots - as shown in this handout - that could be utilized for affordable housing if the money was available. It simply is not... but this legislation could change that. New Development Corp. can utilize this pilot project to leverage new private dollars, closing the gap between resources we have and what we need to establish a family home on these lots. Please vote to support House Bills 5820-5821. Give us a chance to leverage other money and encourage new investments in our neighborhoods. It is an opportunity for a small place based nonprofit organization like ours to accelerate development in the neighborhoods we cherish.

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<sup>1</sup> The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.



Neighborhoods and Community Coalition Testimony  
House Commerce and Tourism Committee \* September 2, 2020





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Chairman Steve Marino  
House Commerce and Tourism Committee  
788 House Office Building  
Lansing MI 48933

Dear Representative Marino:

This letter is written with enthusiastic support for HB-5820 and 5821 as a means of new investment in our neighborhoods.

Our support of these bills for place-based nonprofits doing work like ours is based on solid evidence of the importance of neighbor-driven community development work. We have purchased and rehabilitated more than 50 homes for sale to low and moderate-income homebuyers. This work creates wealth for homebuyers, builds safe and affordable housing and offers stability to neighborhoods. The funding for projects like ours is limited. We don't build multi-family housing and we cannot therefore utilize Low Income Housing Tax Credits. While that funding is an important tool, it doesn't do anything for the 90% of Michigan housing that comes in the form of single-family detached housing. We need new and creative funding such as this. Existing funding, despite the willingness of our banking partners to invest, are simply not enough.

The funding traditionally used for single family homeownership work comes in the form of federal HOME funds administered by the City of Grand Rapids. This fiscal year matches the HOME funding that the city received in 1992-near two decades ago!

The neighborhoods we serve in the north end of Grand Rapids, will be able to fill our vacant lots with quality affordable housing. We will continue to abate housing of the lead-based paint that is poisoning our children. Please move these bills forward and help us provide our neighbors with quality and affordable housing.

On behalf of the Board of Directors,

Helen J. Lehman, Executive Director