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September 2, 2020

The Honorable Representative Steve Marino, Chair
Michigan House Commerce and Tourism Committee

RE: MI Community Investment Pilot Program and Tax Credit, HBs 5820-5821

Dear Representative Marino:

We urge you and the Michigan House Commerce & Tourism Committee, to support House Bills 5820-5821, legislation creating the Michigan Community Investment Pilot Program and the Michigan Community Investment Tax Credit.

As you know, large development projects have a number of tax incentives to attract investors (one example is the recent 2017 expansion of Michigan's Brownfield Redevelopment Financing Act, which made \$1 billion worth of incentives available for "transformational" projects). But small- to medium-sized neighborhood and rural community revitalization projects and necessary programs are often overlooked because they lack the same tools to attract investment.

House Bills 5820-5821 would create the Michigan Community Investment Pilot Program, a donation-based state tax incentive that would provide support for locally based revitalization work in neighborhoods and rural communities. Under the proposed legislation, a corporate or individual donor contributes directly to a place-based nonprofit for eligible projects or activities, including:

- Small business development, including agri-business
- Affordable housing
- Financial empowerment
- Workforce attraction & retention
- Neighborhood & community revitalization
- Commercial corridor revitalization

In exchange, the donor receives a 50% state tax credit on their donation. The proposed pilot program is based on similar successful programs in 14 other states so we have a great deal of information that we can use to assure a successful program.

These bills are extremely important to Community Development Organizations. We do the revitalization work that city government simply can't accomplish alone. Government funds and philanthropy are important to our work, but an influx of new, private dollars will make the difference in what we can accomplish, especially in our most distressed neighborhoods.

The Detroit 21 is a collaborative of Executive Directors from 21 CDOs, with an average of 21 years of professional experience working to improve Detroit neighborhoods. As mission-driven organizations, we offer, seek, advocate for and invest in creative solutions to address the prioritized and shared needs of residents and businesses across the communities of Detroit

We urge you to see that House Bills 5820-5821 are taken up in your committee for a hearing and an affirmative vote, as soon as possible.

Sincerely,

The Detroit 21