



# HOUSE of REPRESENTATIVES

## STATE OF MICHIGAN

### Appropriations Requests for Legislatively Directed Spending Items

---

1. The sponsoring representative's first name:  
Jasper
2. The sponsoring representative's last name:  
Martus
3. The cosponsoring representatives' names. All cosponsors must be listed. If none, please type 'n/a.' A signed letter from the sponsor approving the co-sponsorship and a signed letter from the member wishing to co-sponsor are required. Attach letters at question #9 below.  
n/a
4. Name of the entity that the spending item is intended for:  
Capital Area Housing Partnership (CAHP)
5. Physical address of the entity that the spending item is intended for:  
600 W. Maple St., Suite D, Lansing, MI 48906
6. If there is not a specific recipient, the intended location of the project or activity:  
The subject property is located north of West Centre Avenue and west of Shaver Road in the city of Portage, MI. The property consists of two (2) legal parcels which span approximately 10.97 acres with two condominium areas/access drives containing 1.95 acres.
7. Name of the representative and the district number where the legislatively directed spending item is located:  
Rep. Matt Longjohn-District 40
8. Purpose of the legislatively directed spending item. Please include how it provides a public benefit and why it is an appropriate use of taxpayer funding. Please also demonstrate that the item does not violate Article IV, S 30 of the Michigan Constitution. Capital Area Housing Partnership is a 501(c)(3) nonprofit organization, a Community Housing Development Organization (CHDO), and a HUD-approved local Housing Counseling Agency. CHDO, headquartered in Lansing, MI, has over 30 years of experience leading neighborhood revitalization efforts while creating and preserving

affordable housing options with supportive services for residents throughout mid-Michigan. Through its comprehensive approach, CAHP serves as a one-stop hub to:

- Administer funding from federal, state and local sources to construct new housing and rehabilitate existing housing in Michigan.
- Act as a liaison between funding partners, contractors, homebuyers and owners.
- Fill missing gaps in core neighborhoods by building attainable homeownership opportunities paired with down payment assistance for first-time homebuyers.
- Develop and sustain critical affordable rental homes for vulnerable populations experiencing housing instability.
- Deliver housing and financial counseling services as the region's HUD-approved housing counseling agency.
- Provide emergency assistance to prevent homelessness and unsafe living conditions.

CAHP has partnered with River Caddis Communities on a 2-phase, mixed-use development totaling 178 residential units in the City of Portage. The subject property is located north of West Centre Avenue and west of Shaver Road. The property consists of two (2) legal parcels which span approximately 10.97 acres with two condominium areas/access drives containing 1.95 acres. The property is currently occupied by two single-story buildings, containing 2,700 square feet and 2,400 square feet, respectively. The buildings are comprised of cement block and corrugated metal construction materials, each with debris remaining on the interior and deteriorating exterior conditions. Both buildings are vacant with no current business operations and there are known contaminated environmental conditions onsite. The existing structures will be demolished and environmental conditions remediated before construction begins on Phase I.

Thus far, the City of Portage has been awarded a \$5M housing grant from the State of Michigan. In addition, the developer has secured a \$1.2M soft loan from the Kalamazoo County Millage Fund, \$475,000 from the City's budget to address relocation of a city drain onsite, and an up to \$1M grant from EGLE to address site remediation of environmental contamination. These and other public sources of funding will be instrumental in helping to secure financing for the overall project. The remainder of the funding for the project consists of LIHTC Equity, Deferred Developer Fee, and Bond-Passthrough Financing under MSHDA's 4% LIHTC program. The city also awarded the project a 1% Payment in Lieu of Taxes for both phases of the project. The project's preliminary site plan is approved, and a detailed site plan submission is expected within the next month.

The strategy and site plan of the project has been developed through careful consideration and intentional discussions with the City. Once complete, the successful development will enhance the Portage City Center Area, eliminating blighted and contaminated property, and creating new, pedestrian focused businesses and housing. The development will adjoin the City's Central Park, and provide walkable and bikeable access to City services, and businesses. The increase in residents will result in additional spending at and the success of nearby businesses. Furthermore, upon completion of both phases it is

estimated that the development will house approximately 250-300 residents, thus increasing density while simultaneously supporting underserved populations.

9. Attach documents here if needed:

Attachments added to the end of this file.

10. The amount of state funding requested for the legislatively directed spending item.

7650000

11. Has the legislatively directed spending item previously received any of the following types of funding? Check all that apply.

["Private", "State", "Federal"]

12. Please select one of the following groups that describes the entity requesting the legislatively directed spending item:

Non-profit organization

13. For a non-profit organization, has the organization been operating within Michigan for the preceding 36 months?

Yes

14. For a non-profit organization, has the entity had a physical office within Michigan for the preceding 12 months?

Yes

15. For a non-profit organization, does the organization have a board of directors?

Yes

16. For a non-profit organization, list all the active members on the organization's board of directors and any other officers. If this question is not applicable, please type 'n/a.'

Peter J. Kulick (Chair), Nate Kirk Jr. (Vice Chair), Jim DeLine (Treasurer), Elvin Caldwell Jr. (Secretary), Andrea Bailey, Rick Ballard, Laura Blanding, Daniel Bollman, Irene Cahill, Patricia Franklin-Lindsey, Liz Harrow, Thomas L. Lapka, Mark Meadows, Kassie Rhodes, Larry Rosen

17. "I certify that neither the sponsoring representative nor the sponsoring representative's staff or immediate family has a direct or indirect pecuniary interest in the legislatively directed spending item."

Yes, this is correct

18. Anticipated start and end dates for the legislatively directed spending item:

October 2025 - September 2027

19. "I hereby certify that all information provided in this request is true and accurate."

Yes

## STAKEHOLDER BUDGET REQUEST FY2025-26

<b>PROJECT TITLE:</b>	Portage Affordable & Workforce Housing Development					
<b>FIRM:</b>	Obsidian Advocacy Group, LLC					
<b>FIRM CONTACT:</b>	Tyrone Sanders Jr., Managing Director, <a href="mailto:tyrone@obsidianadvocacy.com">tyrone@obsidianadvocacy.com</a> , (248) 790-5620 Caryn Shannon, Associate Lobbyist, <a href="mailto:caryn@obsidianadvocacy.com">caryn@obsidianadvocacy.com</a> , (313) 643-3300					
<b>RECIPIENT ORGANIZATION AND ADDRESS</b>	Capital Area Housing Partnership (CAHP), 600 W. Maple St., Suite D, Lansing, MI 48906 River Caddis Communities, LLC, 4215 Legacy Parkway, Lansing, MI 48911					
<b>ORGANIZATION CONTACT INFO</b>	Tom Edmiston, Director of Real Estate Development, (517) 285-3503					
<b>AMOUNT REQUESTED:</b>	\$7,650,000 Phase II grant to CAHP					
<b>PREVIOUS APPROPRIATION:</b>	\$5,000,000 Phase I grant to City of Portage					
<b>CURRENT BUDGET:</b>	LEO (Housing Programs)					
<b>INTENDED BUDGET:</b>	LEO (Housing Programs)					
	<b>ONE-TIME</b>		<b>X</b>		<b>ONGOING</b>	
<b>SPONSORSHIP:</b>						
<b>INTEREST:</b> <b>(INTERNAL USE ONLY)</b>	<b>YES</b>		<b>NO</b>		<b>UNSURE</b>	
<b>NOTES/INFORMATION:</b>						
<b>PROJECT PURPOSE/DESCRIPTION OF PROJECT</b>						
<p>Capital Area Housing Partnership is a 501(c)(3) nonprofit organization, a Community Housing Development Organization (CHDO), and a HUD-approved local Housing Counseling Agency. CHDO, headquartered in Lansing, MI, has over 30 years of experience leading neighborhood revitalization efforts while creating and preserving affordable housing options with supportive services for residents throughout mid-Michigan. Through its comprehensive approach, CAHP serves as a one-stop hub to:</p> <ul style="list-style-type: none"> <li>Administer funding from federal, state and local sources to construct new housing and rehabilitate existing housing in Michigan.</li> <li>Act as a liaison between funding partners, contractors, homebuyers and owners.</li> <li>Fill missing gaps in core neighborhoods by building attainable homeownership opportunities paired with down payment assistance for first-time homebuyers.</li> <li>Develop and sustain critical affordable rental homes for vulnerable populations experiencing housing instability.</li> <li>Deliver housing and financial counseling services as the region's HUD-approved housing counseling agency.</li> <li>Provide emergency assistance to prevent homelessness and unsafe living conditions.</li> </ul> <p>The Capital Area Housing Partnership (CAHP), has partnered with River Caddis Communities on a 2-phase, mixed-use development totaling 178 residential units in the City of Portage. The subject property is located north of West Centre Avenue and west of Shaver Road. The property consists of two (2) legal parcels which span approximately 10.97 acres with two condominium areas/access drives containing 1.95 acres. The property is currently occupied by two single-story buildings, containing 2,700 square feet and 2,400 square feet, respectively. The buildings are comprised of cement block and corrugated metal construction materials, each with debris remaining on the interior and deteriorating exterior conditions. Both buildings are vacant with no current business operations and there are known contaminated environmental conditions onsite. The existing structures will be demolished and environmental conditions remediated before construction begins on Phase I.</p> <p>As proposed, Phase II of the project will consist of an additional 108 units across four 4-story buildings and is scheduled to break ground in the fall of 2026. Phase I of the project which will break ground in fall 2025 will consist of 70 units across two</p>						

buildings with a 15-month construction schedule. Building 1, situated on the eastern portion of the property facing Shaver Road, will contain 3 stories totaling 22 units. The building will contain 6 live/work units on the ground floor along with a community room, fitness center, remote working space, and restrooms available to all residents. Live Work units are anticipated to be utilized by artists, or local small business owners. Building 2 will consist of three stories totaling 48 units.

Thus far, the City of Portage has been awarded a \$5M housing grant from the State of Michigan. In addition, the developer has secured a \$1.2M soft loan from the Kalamazoo County Millage Fund, \$475,000 from the City's budget to address relocation of a city drain onsite, and an up to \$1M grant from EGLE to address site remediation of environmental contamination. These and other public sources of funding will be instrumental in helping to secure financing for the overall project. The remainder of the funding for the project consists of LIHTC Equity, Deferred Developer Fee, and Bond-Passthrough Financing under MSHDA's 4% LIHTC program. The city also awarded the project a 1% Payment in Lieu of Taxes for both phases of the project. The project's preliminary site plan is approved, and a detailed site plan submission is expected within the next month.

#### DESCRIPTION OF PROJECT'S PUBLIC BENEFIT

The City of Portage's 2014 Comprehensive Plan designated planning directly towards the project area, known as the City Centre Area (CCA). Multiple public input opportunities were provided including the involvement of city officials and the public through a series of meetings with the Planning Commission and through public input sessions, including open houses, and focus groups. The CCA is identified as the heart of the City of Portage and as such has had long-term planning associated with it, making it a primary focus for investment. Furthermore, the Comprehensive Plan outlines efforts to make the CCA more user-friendly for nonmotorized forms of transportation and to preserve/protect the adjacent Portage Creek and surrounding environmentally sensitive areas. The Paisley is located within walking/biking distance to a number of City amenities, including recreational facilities such as the Portage Creek Bicentennial Park Trail, Shaver Road Bikeway Trail, Millennium Trail, Central Park, Veterans Memorial Park, and Liberty Park. By encouraging the utilization of these nearby greenspaces and municipal resources, residents will gain community through their new living arrangements.

This project is rooted in the spirit of a true public-private partnership, which reflects a comprehensive strategy to address affordable housing needs in Portage. By leveraging a package of financial incentives such as LIHTC and PILOT agreements, we are not just building homes but fostering inclusive, vibrant communities where economic diversity is valued and supported. The project is designed as a direct response to the pressing need for affordable housing in Kalamazoo County. Catering to households earning between 40% and 120% of the area median income (AMI), with 79% of units specifically earmarked for 80% AMI or less households, the project directly addresses the needs of a substantial portion of the Kalamazoo County market.

Currently, most of the property is vacant, and all of it is underutilized. The project's environmental remediation and mitigation will eliminate potential exposures, thus improving public health and contributing to long-term social and health resiliency.

The strategy and site plan of the project has been developed through careful consideration and intentional discussions with the City. Once complete, the successful development will enhance the Portage City Center Area, eliminating blighted and contaminated property, and creating new, pedestrian focused businesses and housing. The development will adjoin the City's Central Park, and provide walkable and bikeable access to City services, and businesses. The increase in residents will result in additional spending at and the success of nearby businesses. Furthermore, upon completion of both phases it is estimated that the development will house approximately 250-300 residents, thus increasing density while simultaneously supporting underserved populations.

EXPENSE CATEGORY	AMOUNT
Hard Construction Costs	\$19,220,000
Soft Construction Costs	\$14,780,000
<b>TOTAL</b>	<b>\$39,000,000</b>

Capital Area Housing Partnership is a 501(c)(3) nonprofit organization, a Community Housing Development Organization (CHDO), and a HUD-approved local Housing Counseling Agency. CHDO, headquartered in Lansing, MI, has over 30 years of experience leading neighborhood revitalization efforts while creating and preserving affordable housing options with supportive services for residents throughout mid-Michigan. Through its comprehensive approach, CAHP serves as a one-stop hub to:

- Administer funding from federal, state and local sources to construct new housing and rehabilitate existing housing in Michigan.
- Act as a liaison between funding partners, contractors, homebuyers and owners.
- Fill missing gaps in core neighborhoods by building attainable homeownership opportunities paired with down payment assistance for first-time homebuyers.
- Develop and sustain critical affordable rental homes for vulnerable populations experiencing housing instability.
- Deliver housing and financial counseling services as the region's HUD-approved housing counseling agency.
- Provide emergency assistance to prevent homelessness and unsafe living conditions.

CAHP has partnered with River Caddis Communities on a 2-phase, mixed-use development totaling 178 residential units in the City of Portage. The subject property is located north of West Centre Avenue and west of Shaver Road. The property consists of two (2) legal parcels which span approximately 10.97 acres with two condominium areas/access drives containing 1.95 acres. The property is currently occupied by two single-story buildings, containing 2,700 square feet and 2,400 square feet, respectively. The buildings are comprised of cement block and corrugated metal construction materials, each with debris remaining on the interior and deteriorating exterior conditions. Both buildings are vacant with no current business operations and there are known contaminated environmental conditions onsite. The existing structures will be demolished and environmental conditions remediated before construction begins on Phase I.

As proposed, Phase II of the project will consist of an additional 108 units across four 4-story buildings and is scheduled to break ground in the fall of 2026. Phase I of the project which will break ground in fall 2025 will consist of 70 units across two buildings with a 15-month construction schedule. Building 1, situated on the eastern portion of the property facing Shaver Road, will contain 3 stories totaling 22 units. The building will contain 6 live/work units on the ground floor along with a community room, fitness center, remote working space, and restrooms available to all residents. Live Work units are anticipated to be utilized by artists, or local small business owners. Building 2 will consist of three stories totaling 48 units.

Thus far, the City of Portage has been awarded a \$5M housing grant from the State of Michigan. In addition, the developer has secured a \$1.2M soft loan from the Kalamazoo County Millage Fund, \$475,000 from the City's budget to address relocation of a city drain onsite, and an up to \$1M grant from EGLE to address site remediation of environmental contamination. These and other public sources of funding will be instrumental in helping to secure financing for the overall project. The remainder of the funding for the project consists of LIHTC Equity, Deferred Developer Fee, and Bond-Passthrough Financing under MSHDA's 4% LIHTC program. The city also awarded the project a 1% Payment in Lieu of Taxes for both phases of the project. The project's preliminary site plan is approved, and a detailed site plan submission is expected within the next month.

The City of Portage's 2014 Comprehensive Plan designated planning directly towards the project area, known as the City Centre Area (CCA). Multiple public input opportunities were provided including the involvement of city officials and the public through a series of meetings with the Planning Commission and through public input sessions, including open houses, and focus groups. The CCA is identified as the heart of the City of Portage and as such has had long-term planning associated with it, making it a primary focus for investment. Furthermore, the Comprehensive Plan outlines efforts to make the CCA more user-friendly for nonmotorized forms of transportation and to preserve/protect the adjacent Portage Creek and surrounding environmentally sensitive areas. The Paisley is located within walking/biking distance to a number of City amenities, including recreational facilities such as the Portage Creek Bicentennial Park Trail, Shaver Road Bikeway Trail, Millennium Trail, Central Park, Veterans Memorial Park, and Liberty Park. By encouraging the utilization of these nearby greenspaces and municipal resources, residents will gain community through their new living arrangements.

This project is rooted in the spirit of a true public-private partnership, which reflects a comprehensive strategy to address affordable housing needs in Portage. By leveraging a package of financial incentives such as LIHTC and PILOT agreements, we are not just building homes but fostering inclusive, vibrant communities where economic diversity is valued and supported. The project is designed as a direct response to the pressing need for affordable housing in Kalamazoo County. Catering to households earning between 40% and 120% of the area median income (AMI), with 79% of units specifically earmarked for 80% AMI or less households, the project directly addresses the needs of a substantial portion of the Kalamazoo County market.

Currently, most of the property is vacant, and all of it is underutilized. The project's environmental remediation and mitigation will eliminate potential exposures, thus improving public health and contributing to long-term social and health resiliency.



The strategy and site plan of the project has been developed through careful consideration and intentional discussions with the City. Once complete, the successful development will enhance the Portage City Center Area, eliminating blighted and contaminated property, and creating new, pedestrian focused businesses and housing. The development will adjoin the City's Central Park, and provide walkable and bikeable access to City services, and businesses. The increase in residents will result in additional spending at and the success of nearby businesses. Furthermore, upon completion of both phases it is estimated that the development will house approximately 250-300 residents, thus increasing density while simultaneously supporting underserved populations.