

2017 COMMUNITY DEVELOPMENT GUIDANCE

The Michigan Economic Development Corporation (MEDC) Community Development (CD) team supports the growth of vibrant, diverse and resilient communities across Michigan. The MEDC CD team administers the Michigan Strategic Fund programs below in order to facilitate the reinvigoration of city centers and rural communities across Michigan.

- **Redevelopment Ready Communities® (RRC)**
- **Michigan Main Street Center (MMC)**
- **Michigan Community Revitalization Program (MCRP)**
- **Community Development Block Grant (CDBG) Program**
- **Brownfield Tax Increment Financing (TIF) – Act 381 Work Plan**
- **Public Spaces Community Places**
- **Michigan Business Tax (MBT) Brownfield Credit**

To empower communities to chart their own growth, beginning October 1, 2017, Redevelopment Ready Communities® engagement will be a criterion used to assess and prioritize investments for Community Development.

All MEDC community development projects will be evaluated on the following criteria to identify high priority projects:

Local and Regional Impact Considerations:

- Community financially supports the project to demonstrate the project's priority for the community;
- Project supports the vision and goals stated in the local master plan and economic development strategy;
- Significant taxable value increase;
- Located in a certified Redevelopment Ready Community®; and/or
- Located in a Main Street Community.

Place Considerations:

- Evaluated in concert with the basic tenets of urban design; has mass, density, building type(s), and scale appropriate to the neighborhood context and positively contributes to the walking pedestrian experience;
- Universal design;
- Promotes mixed-income neighborhoods;
- Contributes to a traditionally dense mixed-use area and contains multi-story elements;
- Rehabilitation and infill projects;
- Significant square footage being revitalized and activated;
- Level and extent of brownfield activities undertaken in direct support of the project;
- Redevelopment meets a third party certification for green building (Leadership in Energy and Environmental Design (LEED), Energy Star, Living Building Challenge, Net Zero Energy Building, Green Globes, etc). Incorporate integrated and sustainable approaches to manage the quantity and the quality of stormwater for infrastructure improvements.
- Involves the revitalization of a historic structure.

Economic and Financial Considerations:

- All other potential funding resources have been explored;
 - Financial need for the incentive(s);
 - Reasonableness of costs;
 - Developer and non-third party fees (including management, guarantee, and project coordination fees, etc.) will be deferred through available cash flow as a general rule;
 - Significant financial contribution into project by developer/owner (generally 10 - 20%); and/or
 - High ratio of private dollars compared to the total amount of public contribution (state and federal funding) to a project.
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Other Project Considerations:

- In non-Entitlement Communities, the CDBG program will be considered first for any financial package.
- The community, developer and applicant must be in compliance with existing state and federal programs to be considered for support.
- The Michigan Strategic Fund (MSF) will not consider “big box” retail operations or single-story strip malls.
- If a multi-unit residential project includes investment into a residential unit that will be occupied by the project’s owner/developer/sponsor, the investment into that unit will be considered for financial assistance on a case-by-case basis. If considered for assistance, such assistance will be equitable in relation to the investment into other units of the development.
- Projects that have a single tenant being a local community, the State of Michigan or the federal government and, which are part of a larger community development project, may be supported by Brownfield TIF if the project assists in eliminating the brownfield conditions on the property.
- Low-income housing tax credit projects will be considered on a case by case basis.
- Demolition of a structure that is a historic resource¹ or eligible to be a historic resource is discouraged.

Program Specific Criteria

Redevelopment Ready Communities®

The Redevelopment Ready Communities® (RRC) program is a technical assistance tool available to municipalities across the state promoting effective planning, zoning and development practices which lead to the creation of quality places. Through RRC, communities commit to improving their development readiness by agreeing to undergo a rigorous assessment, and then work to achieve a set of criteria laid out in the [RRC Best Practices](#). The program measures and then certifies communities that integrate transparency, predictability and efficiency into their daily community and economic development policies.

The RRC certification is a formal recognition that a community has a vision for the future and the fundamental practices in place to get there – making them more attractive for investments that create quality places where talent wants to live, work and play. If your community is interested in learning more, or you’re a developer interested in working with a certified Redevelopment Ready Community, click [here](#).

Michigan Main Street Center

[Michigan Main Street](#) (MMS) provides technical assistance services to communities who are targeting the revitalization and preservation of their traditional commercial district. MMS assists communities in developing their own local Main Street program by utilizing the **Main Street 4-Point Approach™** – a common-sense approach to tackling the complex issues of revitalization by capitalizing on downtown’s history and identifying the unique assets of the community itself.

Community Development Block Grant

The Community Development Block Grant (CDBG) program is a federal grant program utilizing funds received from the U.S. Department of Housing and Urban Development. Funds are used to provide grants to counties, cities, villages, and townships, usually with populations under 50,000, for economic development, community development, and housing projects. The MEDC, on behalf of the MSF, administers the CDBG program. The [CDBG Application Guide](#) approved by the MSF provides an overview of the program requirements, including eligibility requirements and a more in depth look at priorities and considerations.

Michigan Community Revitalization Program

The Michigan Community Revitalization Program (MCRP) is designed to promote the revitalization of brownfield and/or historic properties located in traditional downtowns. The program is designed to provide gap financing in the form of a performance based grant, loan and/or other economic assistance. The level and form of MSF support will be determined based on a financial needs analysis. The [MCRP Guidelines](#) approved by the Michigan Strategic Fund (MSF) provide an overview of the program requirements, including eligibility requirements and a more in depth look at priorities and considerations.

¹From Public Act 252 of 2011 per section 90(a)(e)(ii): Is a historic resource. As used in this subparagraph, “historic resource” means a publicly or privately owned historic building or structure located within a historic district designated by the national register of historic places, the state register of historic sites, or a local unit acting under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215

Brownfield Tax Increment Financing – Act 381 Work Plan

The Brownfield Tax Increment Financing (TIF) Program (*non-environmental eligible activities only*) is designed to address existing brownfield conditions on sites in order to make them competitive with comparable greenfield sites. In addition, the Program is designed to address weak market conditions, high risk and other negative business factors that prevent the redevelopment of brownfield property in order to spur private development activity and investment on brownfield sites. [Act 381 Guidance](#) provides program, documentation, eligibility and reporting requirements overviews.

Public Spaces Community Places Crowdfunding Initiative

The MEDC, in conjunction with the Detroit-based crowdfunding site known as Patronicity and the Michigan Municipal League, developed “[Public Spaces Community Places](#)” a creative funding mechanism to help stimulate funding and activity around special places in communities throughout the State of Michigan. Patronicity uses donation crowdfunding with the incentive of a funding match from the MEDC if the financial goal is reached. Potential projects must focus on the “activation of public spaces and community places.”

Michigan Business Tax Brownfield Credit

Although the Michigan Business Tax (MBT) Brownfield Credits are no longer available for new awards, existing credits will be honored. Qualified Taxpayers with awarded brownfield tax credits that have been partially collected, or not yet collected, should judiciously work to determine the best route for project completion. Time extensions may be considered, as well as adding Qualified Taxpayer(s), if justified. In some instances, scope revisions may be permitted. More information can be found [here](#).

For more information on projects and MEDC Community Development priorities, please contact your [Community Assistance Team \(CATeam\) Specialist](#).
