



BROWNFIELD REDEVELOPMENT AUTHORITIES EDUCATIONAL WEBINAR

PUBLIC ACT 381
May 8, 2024



**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**



MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY



MSHDATM
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AGENDA



**EGLE Brownfield
Program Updates**

**MEDC Brownfield
Program Updates**

**MSHDA
Housing TIF
Program Update**

Q&A



MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

EGLE Brownfield Program Updates

DAN GOUGH AND JANET MICHALUK

REMEDICATION AND REDEVELOPMENT DIVISION

BROWNFIELD ASSESSMENT AND REDEVELOPMENT SECTION

381 PORTAL VERIFICATION

Some Minor Inconsistencies

- Base taxable value is established in the Brownfield Plan
- Make sure you are using the taxable values for the year for which you are reporting
- Make sure to update the Site Record after any Brownfield Plan or Work Plan amendments



NEW EGLE BROWNFIELD ELIGIBLE ACTIVITY RESOURCE

- Applies to grant, loan, and Act 381 projects





MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

JANET MICHALUK, BROWNFIELD COORDINATOR | 517-643-0314

DAN GOUGH, BROWNFIELD COORDINATOR | 517-281-8253

800-662-9278 | www.Michigan.gov/EGLE

MEDC NON-ENVIRONMENTAL PROGRAM UPDATES

Brownfield Program Guidance Document Update

Eligible Property must be previously developed as basis for all qualifying categories.

Transformation Brownfield Plan Program

MiPlace.org reflects current program figures.

MEDC NON-ENVIRONMENTAL PROGRAM UPDATES

BRA Annual Reporting

- New Portal Fields
- Update Portal Users/Passwords
- YouTube Instructional Video will be available soon
- Reporting Due Date is August 31 and Data will be finalized for Annual Report Beginning October 1.

MEDC HOUSING TIF PROJECT PATHWAYS

- If the Project is housing-only and has an affordable component, it should seek approval from MSHDA, regardless of location in the state.
- If a project is mixed-use, but has an affordable component:
MEDC's Community Development Managers (CDM) and/or MSHDA staff will work with the BRA and Developer to determine if TIF Reimbursement has been maximized to support project performance. If TIF projections determine one agency's potential approval provides a greater tangible, financial benefit, the project should pursue approval through that agency.



HOUSING TAX INCREMENT FINANCING PROGRAM

Brownfield Updates

Presented by MSHDA Staff



HOUSING TAX INCREMENT FINANCING PROGRAM

Brownfield Information Webinar

May 8, 2024 – 1:00 PM

Presented by MSHDA

Updates

- **Public Act 90 of 2023** was approved in the legislature and signed by the Governor on July 19, 2023 with immediate effect
- **Section 13b(4)(b)** establishes that **Brownfield Work Plans** and **Combined Brownfield Plans** that involve the use of taxes levied for school operating purposes and that request reimbursement for **housing development activities** for affordable (under 120% AMI) and/or subsidized housing ***must be reviewed by MSHDA***
- MSHDA's **Missing Middle Team** has been tasked with the review of these Work Plans
 - **First Work Plan** ***“Conditionally Approved”*** this week!

Timeframe for MSHDA Review

MSHDA must provide one of the following written responses to the requesting BRA within sixty (60) days or, in the case of a transformational brownfield plan, within ninety (90) days:

- **Unconditional Approval** – Includes an enumeration of eligible activities and a maximum allowable capture amount
- **Conditional Approval** – Delineates specific necessary modifications to the combined brownfield plan, including, but not limited to, individual activities to be added to or deleted from the combined brownfield plan and revision of costs
- **Denial** – Will state with specificity the reason for the denial (may be subsequently resubmitted for review)

BRA Submittal Process

NOTICE OF PUBLIC HEARING:

No less than ten (10) days prior to a scheduled Public Hearing where a Work Plan or a Combined Work Plan that involves the use of taxes levied for school operating purposes and that request reimbursement for housing development activities for affordable (under 120% AMI) and/or subsidized housing, the governing body and/or the BRA, must provide “**Notice of Public Hearing**” to MSHDA under Section 14 of Public Act 90 of 2023.

This Notice should be e-mailed to MSHDA-TIF@michigan.gov

BRA Submittal Process

Work Plans under Section 13b(4) (Work Plans) or **Combined Brownfield Plans** pursuant to Section 15(20) (Combined Brownfield Plans) that are required to be submitted by the local BRA to MSHDA must include, at a minimum, the following:

- A written letter from the submitting BRA **requesting formal approval** and indicating that the required financial review, notices, and formal hearing have been completed per the Brownfield Act must accompany each submittal to MSHDA
- All submissions must follow the format outlined in the **MSHDA Housing TIF Program Statement's Addendum II**

The MSHDA Review Process

The “Need” for Housing:

Does the “Housing Work Plan” align with **Local & Statewide Housing Needs** as demonstrated through the following —

- Local **Housing Needs Assessment** (current within three years)
- Detailed Third-Party **Market Study** for the Area
- Alignment with the **Michigan Statewide Housing Plan**
- Alignment with an adopted **Regional Housing Plan**

The MSHDA Review Process

Worksheets that are submitted by the BRA will be reviewed for **Accuracy** and **Reasonableness**

- **FOR SALE** — Potential Development Loss (PDL) & Total Housing Subsidy (THS)
- **RENTAL** — Potential Rent Loss (PRL) & Total Housing Subsidy (THS)

The MSHDA Review Process

FOR-SALE DEVELOPMENT:

Any physical development activity that is “purchased” by an end user, such as:

- **Single-Family House(s)**
- **Condominiums (in all forms, whether stand alone or in a common physical structure)**
- **Duplexes, Triplexes, etc.**
- **Row Houses**

RENTAL DEVELOPMENT:

Any physical development activity that is “rented” by an end user, such as:

- **Single Multi-Family Building**
- **Multi-Family Apartment Communities (Several Buildings)**
- **Scattered-Site Single-Family Homes**

NOTE: The end use matters more than the physical structure itself

“Infrastructure” Definition

All fundamental physical development activities, that are not EGLE eligible activities, and that are **necessary** for the proposed affordable housing, **or** directly support the housing development activities, **or** are safety improvements necessary for the proposed affordable housing project and that may be available for public use.

Examples include, but are not limited to, water/sewer connectivity, sidewalks, driveways, development drives, and parking areas/structures.

Additionally, green-build features, like solar panels and electric vehicle charging stations, would be considered an eligible infrastructure activity if there is a direct benefit to the proposed eligible housing property.

Quickly

❑ **SECOND FAQ WILL BE RELEASED THIS SUMMER**

- Will have more “approved” plans to from which to learn
- Various approaches from BRAs will be shared

❑ **DEAL STRUCTURES**

- We are meeting with developers to learn how TIF is “in the deal”
- Hoping to learn how financial institutions are planning to invest in housing deals with TIF revenue stream

❑ **STILL REVIEWING POTENTIAL MSHDA “LOAN” IN TIF DEALS**

- \$20 Million approved by MSHDA Board

QUESTIONS?

Please send your **Comments & Questions** to:

mshda-tif@michigan.gov

For more **Information & Updates**, please visit:

[MSHDA Housing Tax Increment Financing \(TIF\) Program \(michigan.gov\)](https://michigan.gov/mshda-tif)

THANK YOU FOR YOUR TIME TODAY!



Q & A SESSION

THANK YOU

Additional questions? Contact us today.

MEDC: Rob Garza, garzar8@michigan.org

EGLE: Dan Gough, goughd1@michigan.gov

MSHDA: Chad Benson, bensonc@michigan.gov