

MIRS Capitol Capsule, Tuesday, February 12, 2008

Boston Firm to Give MSHDA Proposal Second Look

A Boston-based firm will get \$75,000 and six months to evaluate the Michigan State Housing Development Authority's (MSHDA) latest plan to use federally allocated tax credits for more projects to address the inner-city and homelessness as opposed to traditional low-income housing initiatives.

Gov. Jennifer GRANHOLM will use the information supplied by Recap Advisors to determine if she will give final approval to MSHDA's controversial "Qualified Allocation Plan" (QAP), which lays out how it will allocate \$20 million in federal tax credits through the Low Income Tax Credit program.

In a Dec. 21 letter to the MSHDA board, Granholm indicated that after an independent expert reviewed the QAP, she would approve it by this past Sunday. However, the MSHDA board recently sent the Governor a letter that asked for the delay and also asked that it be in charge of finding a third party to make sure the QAP will be "attractive to the investment community," said Granholm Press Secretary Liz Boyd.

"There was so much information included in the QAP that we wanted to make certain that we had an independent assessment of the proposal," Boyd said. "We want to make certain that we have a document that supports our economic development goals and our special needs population. It was an effort to work with the board to have the strongest document possible before the Governor signed it."

The low-income housing community is split over the plan, with some within the Michigan Housing Council (MHC) concerned that the significant change in direction isn't a wise use of this important economic stimulus tool. Those associated with homelessness and urban centers, particularly Detroit, are excited about the new opportunities.

Members of the MHC sent a harsh critique of the QAP and MSHDA Executive Director Michael DeVOS to Granholm recently, a confidential memo obtained by MIRS (See "Housing Industry Raises Questions Over MSHDA," 2/6/08).

The rub on DeVos from members of the MHC is that his you're-with-me-or-against-me style is creating divisions within the low-income housing community and within MSHDA itself. However, one MHC board member, Kathy Makino told MIRS today she felt DeVos was doing an "excellent job" and that was surprised to learn of the adversarial tone of the MHC letter.

DeVos was not present at today's well-attended board meeting. Mary Levine, Acting Director of MSHDA's Administrative Services, said DeVos had taken a day of annual leave time.

When directly asked, the Granholm administration has not exactly given DeVos a glowing assessment.

Today, MIRS asked Boyd again how the Governor felt DeVos was doing heading MSHDA. Her response was, "We are pleased with the work MSHDA is doing and we agree with their policies."

Asked if DeVos was a "valued member" of the administration, the standard mark of death within the Granholm administration, Boyd declined to respond.