

Terwilliger Center for Housing



Located in downtown Mount Pleasant, Michigan, Broadway Lofts is a four-story brick-and-stone building constructed on a vacant brownfield site along the Chippewa River. (Michigan Community Capital)

CASE STUDY: BROADWAY LOFTS



Each apartment enjoys ample natural light, with large windows facing Broadway Street, the park, and downtown Mount Pleasant. (Michigan Community Capital)

MOUNT PLEASANT, MICHIGAN

LOCATION:

410 West Broadway Street
Mount Pleasant, Michigan

PROJECT TYPE:

Workforce housing with mixed use

SIZE:

1.33 acres

OWNER:

Michigan Community Capital

OPERATOR:

Michigan Community Capital

PARTNERS:

Cinnaire; City of Mount Pleasant; Michigan Community Capital; Michigan Economic Development Corporation; Michigan Department of Environment, Great Lakes, and Energy; National Co-Op Bank; and PNC Bank

COST:

\$18,389,418

COMPLETION DATE:

February 2022

CONTACT:

Marilyn Chrumka,
Vice President of Development, Michigan Community Capital

54 retail (6) residential (48)
 d: 60 24 outdoor, 36 indoor*
 ning administrator, Mt Pleasant has no minimum
 vided on each residential floor (3 total) for the
 or bicycle parking

retail (sf)	residential/amenity (sf)	total (sf)
10350	2680	13030
0	12670	12670
0	12670	12670
0	12670	12670
10350	40690	51040

studio (400 sf)	1br (500 sf)	2br (750 sf)	total
0	0	0	0
2	8	6	16
2	8	6	16
2	8	6	16
6	24	18	48



Broadway Lofts overlooks City Hall and is surrounded by restaurants, bars, and shops. The parking lot behind Broadway Lofts is primarily reserved for shoppers. Apartment residents can purchase overnight parking permits to park in the lots behind City Hall or across from Broadway Lofts. (Michigan Community Capital)

Project Overview

Broadway Lofts is a mixed-use development on a former brownfield site in the heart of Mount Pleasant, Michigan, in the middle of the state’s lower peninsula. Mount Pleasant is a rural city with a population of 21,688 full-time residents, as well as home to 14,000 students at Central Michigan University. Broadway Lofts was awarded the 2023 Jack Kemp Excellence in Affordable and Workforce Housing Awards by the ULI Terwilliger Center for Housing.

The new construction created 48 apartments targeted to Michigan’s workforce housing population. All the apartments are affordable for households earning under 120 percent area median income (AMI), with slightly more than half of these units priced for households earning under 80 percent AMI. In addition, the ground floor includes 13,000 square feet of retail space, with local GreenTree Cooperative Grocery as the anchor tenant.

Broadway Lofts—the city’s largest development in 40 years—marks an important economic investment in the community with support from the state, private

fundors, and developer Michigan Community Capital (MCC). Citywide, 20 percent of the population are persons of color, and 35 percent are persons in poverty. The redevelopment is in a neighborhood where at least half of the household incomes are below 60 percent AMI.

PHYSICAL DESCRIPTION

Located in downtown Mount Pleasant, the L-shaped, four-story, brick-and-stone building was constructed on a vacant brownfield site along the Chippewa River. The building is 51,040 gross square feet, situated with zero setback on a 58,255-square-foot lot, equating to a density of 96 units per acre. The 48 units are a mix of studios and one- and two-bedroom apartments.

RESIDENTIAL UNIT TYPE	SIZE (sq ft)	NUMBER OF UNITS
Studio	448	6
One bedroom	567	24
Two bedroom	748	18

The parking lot behind Broadway Lofts is primarily reserved for shoppers at GreenTree Cooperative Grocery. Under a shared parking agreement, apartment residents who purchase an overnight



Michigan has a small development pool. Integrity is one of the key components of what I do as a developer.”

— MARILYN CHRUMKA, VICE PRESIDENT OF DEVELOPMENT, MICHIGAN COMMUNITY CAPITAL

parking permit can park in the lot behind City Hall or the lot across from Broadway Lofts. In addition, there are 60 bike parking spaces (24 outdoor, 36 indoor).

Inside, the building provides ample natural light in each unit, with large windows facing Broadway Street, the park, and downtown Mount Pleasant. Amenities include in-unit washer and dryer, air conditioning, quartz countertops, microwaves, and ice makers. Residents have access to shared residential lounges, providing space to socialize, meet, or work remotely.

All the apartments at Broadway Lofts are energy efficient, with Energy Star refrigerators, washers, dryers, dishwashers, and microwaves; energy-efficient HVAC systems; LED lightbulbs; and sensor lighting.

RESIDENTIAL LIVABILITY

Broadway Lofts provides a mix of downtown walkability and outdoor recreation. The property overlooks Mount Pleasant City Hall, and a variety of downtown restaurants, bars, and shops are nearby. The property’s anchor grocery tenant and proximity to the historic fabric of downtown provide residents with a “Very

Walkable” Walk Score of 78 out of 100, indicating that most errands can be accomplished on foot. From their spot adjacent to the Chippewa River, Broadway Lofts residents can cross a footbridge to enjoy Island Park’s hiking trails, athletic courts, and gardens.

Fifteen units at Broadway Lofts are income-certified to 80 percent AMI. Of the remaining 33 units, 10 units are priced to 80 percent AMI and 23 units are priced under 120 percent AMI, based on rents published annually by the Michigan State Housing Development Authority; yet, those 33 units do not require income certification. MCC is required by its Board of Directors to maintain pricing under 80 percent AMI for 51 percent of the units in the company’s portfolio.

COMMUNITY DEVELOPMENT

Development of the site had been a priority for the city of Mount Pleasant since at least 2006, when the adjacent historic Borden Creamery building was renovated to house City Hall. In a bid to attract a mixed-use development, the city had secured a bond to tear down the previous industrial development on the site. By 2019, the parcel had been city-owned for 10 years.



The project qualified for an NMTC because GreenTree Cooperative Grocery is an anchor tenant and Broadway Lofts is in a low-income census tract. (Michigan Community Capital)

Through the Michigan Economic Development Corporation's Redevelopment Ready program, Mount Pleasant selected the site as a priority redevelopment area. After hosting several community visioning charettes, the goal that emerged was a mixed-use project of at least two stories. Yet, four prior redevelopment efforts failed due to funding and environmental issues. MCC secured funding in 2019 and began construction in May 2020.

Developer

Michigan Community Capital (MCC) is a nonprofit community developer that focuses on building workforce housing across the state. As a mission-driven real estate organization, MCC acts as both developer and property manager. Originally called the Michigan Magnet Fund when it was founded in 2005, MCC provides products in four key pillars: real estate development, real estate lending as a community development financial institution, New Markets Tax Credits (NMTCs), and property insurance for affordable housing projects.

MCC supports the missions of the Michigan Economic Development Corporation (MEDC) and the Michigan State Housing Development Authority (MSHDA) by aggregating capital and facilitating the financing and development of low-income and attainable housing, and the redevelopment of complex brownfield sites within the state of Michigan.

MCC is a U.S. Treasury–certified community development financial institution and the only community development entity that deploys this resource solely throughout the entire state of Michigan. Over its 19-year history, MCC has supported over \$1 billion in project financing; successfully attracted \$445 million in federal NMTCs; financed over 1,500 housing units; facilitated the creation of more than 3.48 million square feet of residential, commercial, retail, and industrial space; and facilitated the creation and/or retention of over 5,400 permanent jobs.



It helps that we are a mission-driven nonprofit. We have a history of doing what we say we were going to do.”

— MARILYN CHRUMKA, VICE PRESIDENT OF DEVELOPMENT, MICHIGAN COMMUNITY CAPITAL

Costs and Financing

The Broadway Lofts project was a unique public/private partnership that combined state and local funding sources, as well as federal NMTCS and traditional bank debt. Locally, the city reduced the sale price of the land from \$385,000 to \$65,000. The city also approved two tax incentives that were important for the project feasibility: a Neighborhood Enterprise Zone Abatement and a Commercial Redevelopment Abatement.

State resources included a \$9.6 million low-interest workforce housing loan from the MEDC, and a \$277,883 grant for environmental cleanup and site remediation from the state Department of Environment, Great Lakes, and Energy.

The project’s location in a low-income census tract and support of healthy food access from GreenTree Cooperative Grocery as an anchor tenant qualified it for an NMTC B loan, with tax credits from Cinnaire and tax credit equity from PNC. The National Cooperative Bank was also a senior lender.

Lessons Learned

Invest the time to build community trust. The prospect of redeveloping the site had long been a source of hope, but past failed attempts had also earned a fair amount of skepticism in the community. To rebuild stakeholder trust, MCC dedicated ample time to an education process, giving presentations and holding meetings with multiple groups. Ultimately, these efforts paid off and delivered widespread support for the project.

Partnerships are vital—especially to develop a mixed-use, affordable housing project on a brownfield site in a floodplain. Broadway Lofts benefited from multiple partners throughout the project. For example, when surveyors discovered that the soil contained residual contaminants of heavy metals, these issues had to be resolved before construction could begin. A \$277,883 grant from the Michigan Department of Environment, Great Lakes, and Energy helped with environmental cleanup and site remediation.

Designing for mixed use requires creativity and patience. The grocery store on the ground level had many considerations, including two main entrances,



When in doubt, do the study. If there's any risk that there might be something hidden underground, the cost to study current conditions is definitely worth the cost impact of having that surprise you later."

— MARILYN CHRUMKA, VICE PRESIDENT OF DEVELOPMENT, MICHIGAN COMMUNITY CAPITAL

a space for large freezers and a kitchen that did not block residents' views, dedicated on-site surface parking, and room for semi trucks to maneuver. Ultimately, GreenTree brought their own consultant in to assist with the grocery design.

Be sure to bring all the players to the table, especially in a complex, mixed-use, environmentally sensitive project with numerous partners. MCC brought together a very sophisticated design team to meet regularly with structural, civil, and environmental engineers to sort out various issues. The developer's key role in this situation was to weigh the pros and cons of different paths and coordinate competing interests.

Investing in internal property management services offers more control and low vacancy rates. MCC added property management and maintenance to its services shortly before Broadway Lofts opened. Every MCC property has both a community property and maintenance manager.

Include dedicated space for property management. The building was not originally designed to have a community manager's office. However, when MCC

realized there would be a full-time community manager, they worked with the architect to carve an office space out of the common area.

New housing is about economic development in the larger community, especially in a soft market.

The affordably priced rents for the apartments at Broadway Lofts are not significantly different from market-rate rents for larger, older housing stock in the community. The particular value of this project is its economic revitalization in the community, including providing residential new construction with amenities, attracting more people to live downtown, adding a grocery store with healthy food options, and increasing the potential for further downtown reinvestment and nearby neighborhoods.

BROADWAY LOFTS: PROJECT PRO FORMA

NAME Broadway Lofts	BRIEF DESCRIPTION Workforce housing with mixed use
LOCATION 410 West Broadway Street, Mount Pleasant, Michigan	
DEVELOPER Michigan Community Capital	
NUMBER OF UNITS 48	
SIZE 1.33 acres	

DEVELOPMENT PRO FORMA	TOTAL (\$)	PER UNIT (\$)
USE OF FUNDS		
Acquisition	66,608	1,367
Soft costs	2,235,795	46,579
Hard costs	13,777,807	287,038
Other costs	2,310,208	48,129
Total uses	18,389,418	383,113
SOURCE OF FUNDS		
Equity	0	0
Hard debt: National Cooperative Bank senior lender bank loan	3,510,000	73,125
Soft debt: MEDC low-interest workforce housing loan	9,628,285	200,590
Soft debt: NMTC B loan, credits from Cinnaire, tax credit equity from PNC	4,973,250	103,609
Grant: Michigan Department of Environment, Great Lakes, and Energy	277,883	5,789
Total sources	18,389,418	383,113
OPERATING PRO FORMA		
TOTAL (\$)		
PER UNIT (\$)		
INCOME		
Residential income	615,090	12,814.38
Commercial income	147,716	N/A
Other income	201,562	N/A
Total income	964,368	N/A
ANNUAL EXPENSES		
Property operations	62,052	
Staffing, benefits, and payroll taxes	102,929	
Repairs and maintenance	63,643	
Utilities	96,315	
Taxes	111,453	
Insurance	18,716	
Capital expenditures	1,787	
Master tenant rent expense	168,000	
Governmental Accounting Standards Board (GASB) rent expense adjustment	(65,638)	
Marketing/IT/training	24,245	
Bank fees	2,870	
Total property operational expenses	586,372	
NET INCOME AND EXPENSES		
Net operating income	377,996	
Nonoperating income	188,365	
Nonoperating expenses		
Depreciation	7,594	
Mortgage interest expense	214,124	
Amortizing expense: Governmental Accounting Standards Board (GASB) right of use	448,572	
Total nonoperating expenses	670,290	
NET INCOME	(103,700)	

About the Urban Land Institute

The Urban Land Institute is a global, member-driven organization comprising more than 48,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific regions, with members in 84 countries.

The extraordinary impact that ULI makes on land use decision-making is based on its members sharing expertise on a variety of factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technology advancements, and environmental concerns.

Peer-to-peer learning is achieved through the knowledge shared by members at thousands of convenings each year that reinforce ULI's position as a global authority on land use and real estate. Each year, thousands of events, both virtual and in person, are held in cities around the world.

Drawing on the work of its members, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

More information is available at uli.org. Follow ULI on [X \(formerly known as Twitter\)](#), [Facebook](#), [LinkedIn](#), and [Instagram](#).

About the Terwilliger Center

The mission of the Terwilliger Center for Housing is to ensure that everyone has a home that meets their needs at a price they can afford. Established in 2007 with a gift from longtime member and former ULI chairman J. Ronald Terwilliger, the Center's activities include technical assistance engagements, forums and convenings, research and publications, and an awards program. The goal is to catalyze the production and preservation of a full spectrum of housing options. [Learn more.](#)

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Resources

Michigan Community Capital:
<https://michigancommunitycapital.org>

Broadway Lofts:
<https://broadwayloftsmi.com>

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