
Verne Barry Place

60 S. Division Ave.
Grand Rapids, Michigan • 85713

Census Tract: 0021.00
MSA: 3000

Project Basics

Verne Barry Place is a 116-unit supportive housing project with seven commercial spaces, including two artist live/work spaces. It targets low-income and homeless single adults—particularly veterans—in downtown Grand Rapids and involves the historic rehabilitation of a project NEF syndicated back in 1988. It also adds a new construction piece that expands the original project's scope.

That prior project, known as Dwelling Place Inn, was the moderate rehabilitation of three historic hotels in Grand Rapids to create 88 units of supportive housing. In this latest rehabilitation—with the project being renamed Verne Barry Place—those studios are converted into 44 larger units. Rehab work includes a new roof, plumbing, electrical, boiler, kitchen and bath fixtures and windows. There are also two market-rate units (live/work space) and five commercial spaces.

In addition, a new five-story brick mid-rise is being built adjacent to the original site, adding 72 new studios to the project. Altogether, the units range in size from 340-450 square feet. Eighty-six studios have McKinney Project-based Section 8 subsidies, and the sponsor provides additional subsidies through the operating budget so that the remaining rents are also affordable to those at 30 percent of AMI. All units are earmarked for special needs individuals. The project has two resident social service coordinators providing a variety of counseling, employment and health services.

The project includes common laundry facilities and a communal meal room in addition to the on-site social services offices. It also includes 24-hour front desk coverage along with a security system equipped with cameras, lighting and an intercom.

Neighborhood

Downtown Grand Rapids is mostly commercial in nature, with store fronts, offices and parking lots. Once considered the city's skid row, this area is now sought after by area artists, young urban professionals looking for lofts and others interested in large spaces near downtown amenities.

Project Impact

Verne Barry Place is a creative example of building preservation and adaptation designed to meet the needs of some of the area's lowest-income residents. There are an estimated 1,000 homeless individuals in Grand Rapids, many of whom could benefit from this project's services and its affordable rents, which are as much as 33 percent below market.

Sponsor

Since 1980, Dwelling Place, Inc. has been developing quality affordable housing, providing supportive services and leading innovative collaborations to revitalize troubled neighborhoods for homeless and low-income residents in West Michigan. The organization serves more than 1,000 people annually. It owns and/or manages 21 different housing communities in the greater Grand Rapids area, including 900 LIHTC units. This is the group's fourth deal with NEF.



Community Development Objectives

Qualified investment amount: \$12,687,488*

- *Innovativeness or complexity of investment:* The project employs complex layered financing to preserve and expand affordable housing. This project has no must-pay debt.
- *Responsiveness of qualified investment to community development needs:* This population is not well-served by traditional development efforts. Verne Barry improves and preserves the existing stock, while adding supportive housing units to meet the area's significant need. It also contributes to the overall revitalization of the downtown area.
- *Degree to which qualified investment is not routinely provided by private investors:* Most private investors have no interest in projects targeting homeless and other special needs groups.

*Gross equity includes syndicator fees and bridge interest.

Financing¹

Total Development Costs	\$16,746,743	
Sources		
Michigan State Housing Development Agency	\$2,000,000	@ 5.29% interest rate; 20-year amortization, 20-year term
City of Grand Rapids (HOME)	\$400,000	@ 5.29% interest rate; 20-year amortization, 20-year term
Sponsor Loan (SHP)	\$400,000	@ 5.29% interest rate; 30-year amortization, 30-year term
Sponsor Loan	\$623,334	@ 5.29% interest rate; 30-year amortization; 30-year term
Sponsor Loan (AHP)	\$500,000	@ 5.29% interest rate; 30-year amortization; 30-year term
State Historic Credits	\$145,607	
Brownfield Credits	\$260,000	
Grant (Reserve Funds from MSHDA)	\$264,536	
GP Capital	\$424,206	
Deferred Developer Fee	\$39,096	
NEF Net Equity	\$11,689,964	
Total Sources	\$16,746,743	
Construction Financing		
Charter One	\$8,236,833	@5.0% interest rate; 24-month term