

Housing Development Resources: Cass City, MI

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Helpful Information

A note to readers:

Projects are often funded by a mix of sources that can include loans, grants, tax financing, and private investment. The resources in this guide provide a portion of what is available for housing development, with new opportunities becoming available throughout the year and with new legislation. MEDC also maintains a list of resources for developers at <https://www.miplace.org/developers/> You can also view the Michigan Statewide Housing Plan at <https://www.michigan.gov/mshda/developers/statewide-housing-plan>.

Acronym List

AMI: Average Median Income

BRA: Brownfield Redevelopment Association

CDBG: Community Development Block Grant

CDFI: Community Development Financial Institution

CRA: Commercial Rehabilitation Act

EGLE: Department of Environmental, Great Lakes, and Energy

HPF: Housing Partnership Fund

LMI: Low and Moderate Income

MEDC: Michigan Economic Development Corporation

MSHDA: Michigan State Housing Development Authority

TIF: Tax Increment Financing

Cass City Assigned Regions

Region H: MSHDA

Region 6: MEDC

Village Point of Contact

Debbie Powell, Village of Cass City Manager | (989) 872-2911 | ccmanager@casscity.org

MSHDA MI Neighborhood (MIN) Community Development Block Grant (CDBG)

MSHDA's MI Neighborhood program is a blend of state and federal funding in response to regional action plans and is in strategic alignment with the [Statewide Housing Plan](#). Program funding is used for housing activity components.

The CDBG program funds a variety projects that benefit persons of Low and Moderate Income (LMI). LMI households include those below 50% AMI and those between 50% and 80% AMI. Projects can include Homeowner Rehabilitation, Unoccupied Rental Rehabilitation, Reconstruction, Infrastructure, and Manufactured Housing.

The minimum grant request is \$100,000. The maximum grant request is \$1.5 million. No leverage is required for the first \$400,000, however, projects that provide a one-for-one leverage for every dollar requested above \$400,000 are preferred.

This program is administered by the Village of Cass City and a third-party contractor. All project ideas and interests should be included in the Letter of Intent submitted by the Village of Cass City before **April 17, 2025**. Interested parties should contact Debbie Powell as soon as possible to craft a scope of work for this funding.

CONTACT:

Debbie Powell, Village Manager of Cass City | ccmanager@casscity.org | (989) 872-2911

Charles Donaldson, MEDC Rural Prosperity Region Managing Director, Region 3, 5 and 6 | donaldsonc2@michigan.org | (810) 241-6658

Jeff Campbell, Vice President of Consulting Services, Great Lakes Housing Services | campbellj@greatlakeshousing.org

Tonya Joy, Director of Neighborhood Development, MSHDA | MSHDA-MINeighborhoodMailbox@michigan.gov

LINKS:

[Program Website](#)

[LOI Submission Guidance](#)

[Funding Availability](#) (Region H has \$7,186,400)

MEDC Build MI Community Grant Initiative

The Build MI Community Grant is an initiative designed to promote private investment in Michigan communities. Administered by the Michigan Economic Development Corporation (MEDC) on behalf of the Michigan Strategic Fund (MSF), this tool provides access to real estate development gap financing and technical assistance for small scale, incremental redevelopment projects.

The Build MI Community Initiative has been established to re-activate underutilized or vacant space into vibrant areas by promoting capital investment into redevelopment projects being taken on by developers and property owners with limited real estate development experience and familiarizing them with the development process in order to position them to potentially undertake more complex projects in the future.

MEDC Build MI Community support will be in the form of a grant and will range between \$50,000 and \$250,000 but not greater than 50% of project costs for any project. Applicants may be eligible for additional grant funding for project costs not to exceed \$100,000 (\$350,000 total) and up to an additional \$35,000, for project-specific technical assistance, if the applicant has completed real estate development training. For communities with populations of 15,000 or less, 30% of the annual funding will be set aside for a period of up to six months of that fiscal year. Disbursement of grant funds will follow development milestones.

The following is a high-level summary of the process:

- Applicant provides completed application with additional supporting documents.
- MEDC reviews project based on the criteria and if project aligns with Place goals and program guidelines, an LOI will be issued.
- MEDC staff completes a full statutory and financial review.
- MEDC prepares a recommendation to MEDC leadership and authorizes project approval.
- MEDC drafts appropriate legal agreement.
- Applicant completes milestones outlined in the agreement and necessary for disbursement of funds.
- Applicant completes required reporting following project completion.
- MEDC completes compliance verification and project closeout.

Project Considerations

The most competitive project submissions will also address local and regional impact, place, and economic and financial considerations. These considerations are listed below by category and are in no particular order. A project will be considered more competitive for funding the more criteria that are met.

Local and Regional Impact Considerations

- Project aligns with local vision and goals stated in a master plan, downtown plan, capital improvements plan and/or economic development strategy.

- Readiness of infrastructure – utilities, housing, transportation, public transit and other community services.
- Located in a community engaged in Redevelopment Ready Communities (RRC). Located in a designated Michigan Main Street community. **Cass City is a Certified Redevelopment Ready Community.**
- Located in a Geographically Disadvantaged Area (GDA). Click [here](#) to see a map.
- Project uses (including residential) align with local market needs.

Place Considerations

- Project incorporates strong human-centric design principles and will contribute to the investment’s long-term value through holistic rehabilitation of the site.
- Reuse of vacant or underutilized properties located in and contributing to a vibrant walkable mixed-use district.
- Project positively contributes to the pedestrian experience and considers availability of adjacent multi-modal transportation options.
- Rehabilitation, infill, and/or historic revitalization projects.

Economic and Financial Considerations

The following financial conditions will be considered by staff when determining a project’s competitiveness for Build MI Community grant support:

- Availability of financing for the project.
- Long-term financial viability of the project as demonstrated through project proforma.
- Financial need for the project is exhibited.

Text sourced from <https://www.miplace.org/developers/build-mi-community/>

CONTACT:

Debbie Powell, Village Manager of Cass City | ccmanager@casscity.org | (989) 872-2911

Charles Donaldson, MEDC Rural Prosperity Region Managing Director, Region 3, 5 and 6 | donaldsonc2@michigan.org | (810) 241-6658

LINKS:

[Build MI Community](#)

[Guidelines](#)

Federal Home Loan Bank of Indianapolis (FHLBank)

The Federal Home Loan Bank of Indianapolis is one of 11 regional banks that make up the Federal Home Loan Bank System. They focus on being a reliable capital source for banks, credit unions, CDFIs, and insurance companies to support housing finance and community lending.

Affordable Housing Program (AHP)

FHLBank hosts multiple housing development programs, but AHP specifically provides gap funding in the form of grants for affordable housing including owner-occupied and rental housing. At least 20% of AHP assisted rental project units must be occupied by households with incomes at or below 50% AMI. This means that for a ten-unit rental project, at least two must reflect monthly rent rates not to exceed 30% of monthly AMI based upon unit size and have a household income certification of below 50% AMI. **Not all units must qualify as affordable housing.** In Tuscola County, at 50% AMI, max rent for these units are indicated below:

	1 person	2 people	3 people	4 people	5 people	6 people
AMI Limit:	\$ 27,900	\$ 31,850	\$ 35,850	\$ 39,800	\$ 43,000	\$ 46,200

Unit Size	Assumed Family Size	Income Used To Determine Max Rent	Max Rent
Single Bed/SRO/Efficiency	1	\$ 27,900.00	\$ 697.50
1 Bedroom	1.5	\$ 29,875.00	\$ 746.88
2 Bedroom	3	\$ 35,850.00	\$ 896.25
3 Bedroom	4.5	\$ 41,400.00	\$ 1,035.00
4 Bedroom	6	\$ 46,200.00	\$ 1,155.00

This program will accept Notices of Intent to Apply until **June 5, 2025**. Those invited to apply must do so by **June 26, 2025**. Awards will be announced **November 21, 2025**.

Interested parties **must** use a participating FHL financial institution. In the Cass City area, these banks include: Independent Bank, Frankenmuth Credit Union, Thumb Bank and Trust, Northstar Bank, Bay Port State Bank, and Tri-County Bank.

Other Programs: (includes loans and grants)

- Launch Down Payment Assistance: provides first-time homebuyers with downpayment, closing, and counseling assistance. Must be qualified.
- Revive Home Repair Grant: assists qualified homeowners with deferred maintenance repairs and necessary accessibility upgrades.
- View related programs at: <https://www.fhlbi.com/services/community-programs/>

Text sourced from <https://www.fhlbi.com/services/community-programs/>

CONTACT: Anna Shires, VP, Associate Director of Community Investment Outreach, FHL Bank | ashires@fhlbi.com

LINKS:

[FHLBI AHP](#)

EGLE & Brownfield Redevelopment Association

Brownfield Redevelopment Loans and Grants are provided by the Michigan Department of Environmental, Great Lakes, and Energy (EGLE). Projects promote economic development and reuse blighted and contaminated properties. Grants and loans can be used for environmental assessments and cleanups at properties with known or suspected contamination. EGLE grants and loans can help communities:

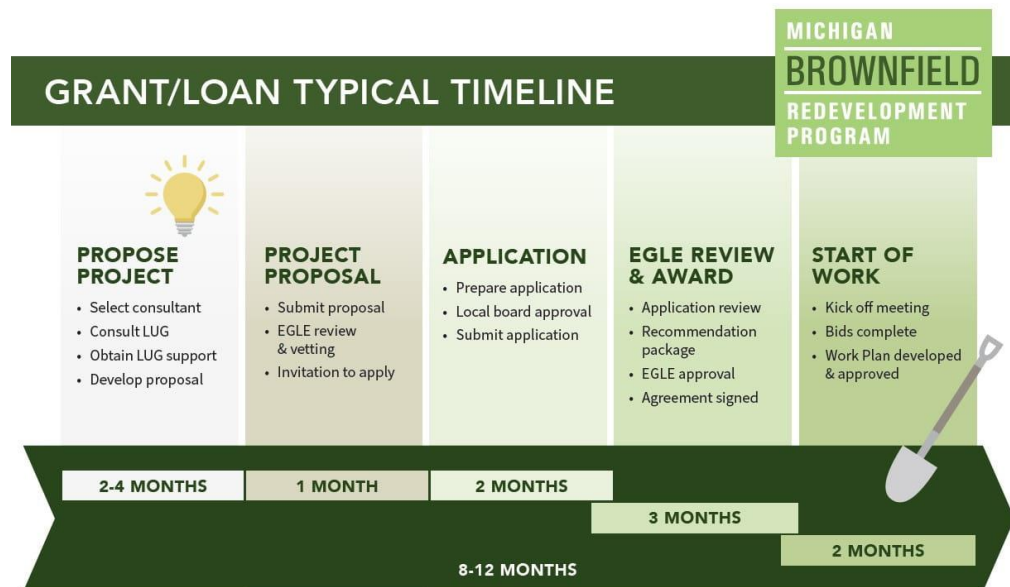
- Revitalize abandoned properties and return them to tax rolls
- Attract developers to brownfields, creating jobs and investment, and increasing nearby property values
- Limit sprawl by reusing properties with existing infrastructure

Developers must partner with their local Brownfield Redevelopment Association or unit of government to apply for funding. Eligible expenses include:

- Environmental evaluations/assessments
- Baseline Environmental Assessments
- Due care planning and implementation
- Response Activities
- Demolition, lead, mold, and asbestos abatement

Grants and loans are traditionally capped at \$1 million per project, or more for projects that pose significant environmental or economic benefits.

The project timeline includes:



Process and timeframes vary by project and community

The Tuscola County Brownfield Redevelopment Association is managed by the Tuscola County Economic Development Association.

Text and images sourced from <https://www.michigan.gov/egle/about/organization/remediation-and-redevelopment/brownfields/grants-and-loans>

CONTACTS

Debbie Powell, Tuscola County EDC BRA | (989) 872-2911 | ccmanager@casscity.org

Heath Bobick, Brownfield Redevelopment Coordinator, EGLE | BobickH@Michigan.gov | 517-281-6457

LINKS

[Program Website](#)

MSHDA Housing Tax Increment Financing (TIF)

The Housing TIF is a program that reimburses developers for rehabilitation expenses for housing development through **property tax recapture**.

The maximum Housing TIF recapture for rental properties includes a calculation that totals potential rent loss from providing affordable housing at a certain Average Median Income (AMI) % for a certain number of years under a TIF agreement. The result of this calculation is the Total Housing Subsidy. The Total Housing Subsidy is then deducted from the Housing TIF Request submitted by the BRA and this amount is reviewed for reasonableness. After review, MSHDA finally approves a total Housing TIF tax capture amount with terms about years of collection. Under the Housing TIF program, property owners pay their full property taxes and then are reimbursed through the program.

Housing properties being considered for TIF must have one or more units of residential housing that are proposed to be constructed, rehabilitated, or otherwise designed to be used as a dwelling OR have one or more units of residential housing proposed to be constructed or rehabilitated and located in a mixed-use project. Eligible costs under Brownfield guidelines are expanded for Housing which include qualified rehabilitation, infrastructure demolition and renovation, household relocation, financing gaps, and acquisition costs.

There is no maximum or minimum number of units required but rent control limits must be followed to ensure that a certain number of units qualify as affordable housing. **Not all units must qualify as affordable housing.** Control rent is equal to $(\text{Fair Market Rent} / 40) \times 100$. [2024 Rent Control](#) limits from MSHDA Housing TIF for Tuscola County include:

Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
\$1,600	\$1,885	\$2,333	\$3,150	\$3,523

A similar calculation for For-Sale developments is also an option, but instead of rent-loss, development loss is calculated based on affordable mortgage rates. Information on these calculations can be found here: [Calculation Memo](#)

Workplan submissions for the Housing TIF must be submitted by the Tuscola County Brownfield Redevelopment Association (BRA). Interested parties should work closely with the Tuscola Country BRA, which is managed by the Tuscola County Economic Development Corporation.

CONTACT:

Debbie Powell, Village Manager of Cass City | cmanager@casscity.org | (989) 872-2911

LINKS:

[MSHDA Housing TIF](#)

MEDC Historic Preservation Tax Credits

[Public Act 343 of 2020](#) was signed into law by Governor Whitmer on December 30, 2020, and established the new State Historic Tax Credit program. The [State Historic Preservation Tax Credit](#) (“State Credit”) will help support place-based projects while promoting the preservation of Michigan’s historic resources.

The following general requirements apply for State Historic Tax Credit consideration:

1. A property must be listed in the National Register of Historic Places, the State Register of Historic Sites, or be in a local historic district, and either be individually listed or contribute to a listed district in order to be eligible for the State Credit.
2. Credit reservations will be awarded on a **first-come, first-served basis**.
3. A three-part application process is used to apply for the State Credit. It is similar to the parts used for the Federal Historic Rehabilitation Tax Credit but is a completely independent and separate application.

There are tax credit programs for both commercial and residential properties. A project is eligible for up to 25% of the amount of Qualified Rehabilitation Expenses for the project.

Text sourced from <https://www.miplace.org/historic-preservation/programs-and-services/historic-preservation-tax-credits/>

CONTACT

Mara Lancaster, Tax Credit Programs | lancasterm1@michigan.gov | 517-643-6618

Kevin Lee, Tax Credit Programs | lees24@michigan.gov | 517-898-2549

LINKS:

[Program Website](#)

[State Residential Credit](#)

[Qualified Rehabilitation Expenditures](#)

Commercial Rehabilitation Act (CRA)

The CRA Act of 2005 provides for a tax incentive for the rehabilitation of commercial property for the primary purposes of and uses of commercial business or a multi-family residential facility. Qualifying properties must be located within Cass City's Commercial Rehabilitation District established by the Village Council.

In essence, the program freezes the taxable value of a rehabilitated property for a period of time at the property's taxable value *before* rehabilitation. There is a cost savings from the taxes that would have been charged at the higher reassessed value after rehabilitation. Tax abatements can be approved for 1 to 10 years.

Applications are filed, reviewed and approved by the Village of Cass City, but are also subject to review at the State level by the Community Services Division. The State Tax Commission (STC) is responsible for final approval and the issuance of certificates. Exemptions are not effective until approved by the STC.

Not all property taxes are subject to abatement including the State Education tax and school operating tax, among others.

CONTACT

Debbie Powell, Village Manager of Cass City | ccmanager@casscity.org | (989) 872-2911

Nan Walsh, Village Clerk, Village of Cass City | cctreasurer@casscity.org | (989) 872-2911

LINKS

[Program Website](#)

USDA Rural Development Single Family Housing Repair Loans and Grants

Also known as the Section 504 Home Repair program, this provides loans to very-low-income homeowners to repair, improve or modernize their homes or grants to elderly very-low-income homeowners to remove health and safety hazards.

To qualify, you must:

- Be the homeowner and occupy the house
- Be unable to obtain affordable credit elsewhere
- Have a household income that does not exceed the very low limit by county
- For grants, be age 62 or older

Under the USDA, [very low income limits](#) for households in Tuscola County in 2024 include:

1 person	2 person	3 person	4 person	5+ person
\$39,800	\$39,800	\$39,800	\$39,800	\$52,550

Funds may be used accordingly:

- **Loan funds:** repair, improve, or modernize homes or remove health and safety hazards
 - Maximum amount: \$40,000
 - Term: 20 years at a fixed interest rate of 1%
- **Grants:** remove health and safety hazards
 - Maximum amount: \$10,000
 - Grants must be repaid if the property is sold within 3 years of receipt

Applications are accepted through the Michigan Rural Development Office year-round.

CONTACTS:

Valarie Handy, Acting State Director, Michigan Rural Development State Office |
3001 Coolidge Road, Suite 200
East Lansing, MI 48823
Voice: (517) 324-5100 Ext. 4
Fax: (855) 813-7741

Caro USDA Office |
1075 Cleaver Rd.
Caro, MI 48723
989-673-8173 Ext. 4

LINKS:

[Program Website](#)

MSHDA Multi Family Direct Lending Program

MSHDA offers direct lending to eligible developers in the form of loans from both tax-exempt and taxable bonds, as well as MSHDA gap funding loans, and 4% Low-Income Housing Tax Credits for affordable housing projects. MSHDA direct lending is available to both new construction and acquisition and rehabilitation of affordable or conventionally financed rental housing, mixed use buildings, or the adaptive re-use of other structures. There are four types of funding sources through this program:

1. Tax Exempt Bond Loans and Taxable Bond Loans
2. Gap Funding Loans
 - a. Round 19 Notice of Fund Availability is currently under way and applications will be subject to criteria including ratio of gap funding to hard debt from MSHDA, Level of per-unit gap financing needed to complete the project, and tax-exempt bond financing supported by the project.
 - b. Notice of Intent to Apply is due **April 7, 2025**.
3. MSHDA Equity Bridge Loans
4. Project Based Vouchers

Each of these funding sources is very specific in application guidelines, and developers may seek technical assistance in the application process.

Text sourced from <https://www.michigan.gov/mshda/developers>

CONTACTS:

John Hundt, Direct Lending, MSHDA | 517-241-7207 | hundtj1@michigan.gov

Chad Benson, Pass-Through Bond Program, MSHDA | 517-335-9874 | bensonc@michigan.gov

LINKS:

[Program Website](#)

[Direct Family Lending Parameters](#)

[NOFA](#)

MSHDA Reduced Rate Fast-Track Loan Pilot Program

Multifamily developments seeking to utilize long-term Tax-Exempt Bond financing coupled with 4% Low-Income Housing Tax Credits (LIHTC) will be eligible to apply under the Reduced-Rate Fast-Track Loan Pilot Program (RRFT Program). Under the RRFT Pilot Program:

1. Developments must be feasible without utilizing MSHDA gap funding.
2. Projects will be eligible for an interest rate reduction on the Tax-Exempt Bond Loan (construction and permanent) equal to 25 basis points. The 25-basis point reduction will be applied to the MSHDA interest rate that the project is eligible to receive. For example, if the MSHDA Tax-Exempt Bond interest rate is 6.25%, applicants will be eligible for a 6.00% interest rate. Other standard MSHDA loan terms will apply (40-year amortization, etc.).
3. Applications can be submitted at any time during the term of the RRFT Pilot Program. Applications will be processed in the order they are received and will move through the process without being subject to the processing steps or timeline associated with the Gap Funding Notice of Funding (NOFA) since they will not be eligible for gap funding.
4. The RRFT Pilot Program has been extended until 12/31/2025 at which time MSHDA staff will re-evaluate the program and determine whether to continue with the program.

Applications submitted under the RRFT Pilot Program will be subject to all underwriting requirements and standards as outlined in the Multifamily Direct Lending Program Parameters as well as the current Qualified Allocation Plan (QAP) in place at the time of application.

Notice of Intent to Apply is due **April 7, 2025**.

Text sourced from <https://www.michigan.gov/mshda/-/media/Project/Websites/mshda/developers/assets/mfdlp/RRFT-Pilot-Program---Extended-2025.pdf?rev=8039e50f99e94f71800f5d3290f4fa62&hash=FFD0322030FFDC6710A15DD93E3F9034>

CONTACTS:

Chad Benson, Director of Rental Development, MSHDA | [855-MI-MSHDA](tel:855-MI-MSHDA) | MSHDA-RD@michigan.gov

LINKS:

[Direct Lending Programs](#)

Pending

MSHDA MI Neighborhood Housing and Community Development Fund (HCDF)

MSHDA anticipates renewed funding for Region H on 10/1/2025.

[Funding Availability](#)

[2025-2026](#)

MSHDA Missing Middle Housing Program

Not accepting applications.

MSHDA Low Income Housing Tax Credit

Follow for next round announcement.

[2025 Memo](#)

Carol Thompson, Low Income Housing Tax Credit Program | Thompsonc7@michigan.gov

Housing Partnership Fund (HPF) Community Development Financial Institution (CDFI)

HDF supports enterprise and project-level financing to grow members' real estate business lines and supports the acquisition, development and preservation of single and multi-family affordable housing.

The status of the CDFI Fund is currently tentative under the current federal administration.

LINKS:

[Website](#)