March 1, 2021

Develop Detroit taps Detroit Housing for the Future Fund to preserve affordable housing

- 27-unit West Boston Apartments, near Boston-Edison neighborhood, to be renovated and have their affordable status extended.
- Renovation is the second project to use DHFF since its announcement last September.
- Developer also receiving DHFF’s Developers of Color Matching Grant Award.

DETROIT – Develop Detroit has purchased the West Boston Apartments and will renovate and preserve them as affordable housing thanks to the Detroit Housing for the Future Fund.

The West Boston Apartments, located at 3220 W. Boston, just west of Detroit’s Boston-Edison neighborhood, have 27 apartments divided among 18 one-bedroom and nine two-bedroom units with Section 8 HAP contracts, which will be renewed in 2021. The building was listed on the market and at risk of being bought by another developer and turned market-rate housing. Thanks to Develop Detroit and the DHFF, the building will remain affordable housing for at least the next 25 years.

The redevelopment is the second project to tap the DHFF since its launch in late 2020.

After the renovation, the units will be offered at rents at 50 percent area median income or below. Though contract rents range from $823 to $946, residents who qualify will pay an average of just $150 to $200 a month.

Develop Detroit purchased the building at the end of November 2020. Its purchase and redevelopment were made possible by a $1.83 million DHFF loan and an additional $350,000 in funding from the National Housing Trust Community Development Fund. The $560,000 in renovation work includes common areas, hallways, HVAC, landscaping, parking lot, a new roof and lighting. Five units require immediate and complete renovations, but those residents will not be displaced during the work. Construction is expected to be completed by September.

“This is an important project for Develop Detroit because it preserves long-term affordability in the neighborhoods,” said Sonya Mays, president and CEO of Develop Detroit. “The West Boston Apartments build off our work in the nearby North End neighborhood and bring us deeper into the neighborhoods, where we are intending to do a lot more projects just like this, preserving affordability for Detroiters and bringing them the quality housing they deserve.”
The apartments, built in 1960, are family-oriented, located near Keidan Park, Central High School and Durfee Innovation Society, as well as the Sacred Heart Seminary.

The Detroit Housing for the Future Fund, a private investment fund aimed at directing $75 million in capital to affordable housing in Detroit, launched with an initial capitalization of $48 million, anchored by a $15 million commitment from JPMorgan Chase and a $10 million guarantee from The Kresge Foundation. DHFF is managed by LISC Detroit and part of the larger Affordable Housing Leverage Fund, which is a partnership with the City of Detroit’s Housing & Revitalization Department.

Develop Detroit also received $81,389 in funds through the DHFF’s Developers of Color Predevelopment Matching Grant Award. The award covers a portion of an affordable housing project’s predevelopment expenses and soft costs. To qualify for this award, the applicant must be a nonprofit developer whose leader is a person of color or whose board is represented by a majority of people of color, or a for-profit developer of color. The projects must be located within the city of Detroit and either be intended to substantially serve as affordable housing that is either restricted or naturally occurring affordable housing. The projects also must be set to close on permanent financing within two years of the DOC grant award.

“Preserving long-term housing affordability in Detroit is foundational to ensuring safe, healthy places for families to thrive and grow,” said Tahirih Ziegler, LISC Midwest Program Vice President. “Through a partnership with JPMorgan Chase, LISC also provides grant funds to support Black-owned and led developers like Develop Detroit, which helps build on their development momentum with the West Boston Apartments.”

For more information about the DHFF and the Developers of Color programs, go to www.detroithousingforthefuturefund.org.

To watch a video featuring interviews with LISC’s Tahirih Ziegler, Develop Detroit’s Sonya Mays and West Boston Apartments residents, click here.