

# CRAIN'S DETROIT BUSINESS

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## \$19.5 million mixed-use development in Flint gets \$7 million from state

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YWCA site cleanup nearly complete, with construction set to start

92 housing units planned; half to be "affordable"

Project to be financed with LIHTC equity investment and public loans



Studio Intrigue Architects

A 97,910-square-foot mixed-use development is planned for downtown Flint on the site of the YMCA, which was demolished.

Developers are moving forward on a 97,910-square-foot housing and retail complex to take over the former site of the YWCA building near the Flint Farmers' Market.

A \$19.5 million housing and retail development planned for downtown Flint got a \$7 million boost from the state Tuesday.

The 97,910-square-foot mixed-use complex will take the place of a demolished YWCA building at 310 East Third St., around the block from the popular Flint Farmers' Market. The Marketplace project is composed of 92 housing units — half of which will be affordable —

and four retail units, said Jacob Horner, vice president of development for Okemos-based PK Housing & Management Co., which is developing the site.

The aim of the project is to build density, creating a walkable district and spurring more investment in the city.

Crews are carting away the last of the rubble from the blighted YWCA building, following demolition last week. Construction is set to begin in the next few weeks with project completion projected in the fall of 2019.

The redevelopment falls within the four-block "Health and Wellness District," an initiative launched five years ago to revitalize the core of the long-struggling city. The farmers' market, Michigan State University's College of Human Medicine and a new apartment complex were among the first new members of the district.

PK Housing and Management is leading the project with Flint-based Uptown Reinvestment Corp. in a 50-50 joint venture under the entity 310 East Third Street Limited Dividend Housing Association LP. The general contractor is Flint-based DW Lurvey Construction, and the architect is Studio Intrigue Architects, based in Lansing.

Owners of the YWCA building handled demolition, and the land is being sold to a Flint-based philanthropic group, which is providing a long-term land lease to developers, Horner said. He declined to provide further details. A Genesee County land records search does not show a sale on the property in the past 10 years.

The planned mixed-use development will include a four-story building with ground-floor retail on the north end of the block and townhomes to the south, with a parking lot of around 100 spaces separating the two. Parking is also available via adjacent streets and nearby public lots. In addition, a community lounge, playground, fitness room, plaza, pavilion and barbecue area are being planned.

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The project could prove to be pivotal for a city with low rental rates and dearth of development. Horner said his company is approaching the project as a value play; average rental rates are \$1.25 to \$1.50 a square foot in downtown Flint; they are twice that in downtown Detroit.

"Flint, you know, we kind of view it a lot like Midtown Detroit used to be 10-15 years ago," Horner said. "They have a lot of institutional anchors — the hospital systems, University of Michigan. They just don't have a lot of density downtown, and one of the reasons is there just hasn't been anything built."

The project is being assisted by the city and state with various incentives. The Michigan Strategic Fund, part of the Michigan Economic Development Corp., approved on Tuesday a \$7 million performance-based loan to the developers for the project, expected to create 20 full-time jobs with an hourly wage of \$20, according to an MEDC news release. The MSF is entering an agreement with Huntington Bank to facilitate the loan.

"Due to the relatively low residential and commercial rental rates that are being achieved in the market the project can only support a minimal amount of traditional financing," the MEDC said in the release.

The redevelopment is also being supported by a Low-Income Housing Tax Credit equity investment of \$9.5 million by Lansing-based nonprofit Cinnaire. Half of the residences will be reserved for households earning 60 percent of the area media income, and the rest will be market-rate.

The city of Flint is providing a \$250,000 loan and 6 percent PILOT (payment in lieu of taxes) for the LIHTC portion of the project. In addition, developers are providing general partnership loans of \$2.1 million and deferring about half — \$721,000 — in developer fees.

"Traditionally, a majority of the upside for a developer of a LIHTC project is generated through developer fees; the significant deferment of the fees exemplifies the commitment of the development team to the project," the MEDC said.

PK Housing and Management has closed 13 developments totaling \$166 million since 2015 and has received six housing tax credit awards in Michigan. Uptown Reinvestment Corp. led a \$37 million renovation of [Flint's historic Capitol Theatre](#), which opened last year after being closed for 20 years . It is also the developer on Mott Community College Culinary Institute's relocation to downtown Flint.

Horner said his team is continuing to explore Flint for development opportunities. "We've got some things cooking," he said.

Inline Play

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