

March 5, 2024

The Honorable Jason Hoskins
Committee on Economic Development and Small Business, Chair
Michigan House of Representatives
Lansing, MI 48909

Chair Hoskins and members of the House Standing Committee on Economic Development and Small Business,

On behalf of Cinnaire, thank you for holding today's hearing on SB 417 and considering new ways to support the development of affordable housing. We greatly appreciate your leadership on housing issues and value the committee's attention to this proposal. We offer our support for SB 417 and urge its passage by this Committee.

Cinnaire is a nonprofit, mission-driven Community Development Financial Institution (CDFI) and tax credit syndicator with a long history of raising investments and lending capital for affordable housing and community developments across the state of Michigan. Over thirty years, Cinnaire has invested more than \$5 billion in equity, loans, and other financial resources in the communities we serve. In addition to raising capital, we strive to be a flexible partner for our communities by leveraging our expertise, often providing co-development and technical assistance for our borrowers. At Cinnaire, we are driven by our purpose to invest in people and places to transform lives through equitable financial and development solutions.

During the Michigan Housing Council's 2022 fall conference, attendees heard a presentation on bond financing best practices from R. Wade Norris, Esq of Norris George & Ostrow PLLC, a law firm specializing in tax-exempt municipal bond finance. To his knowledge, Michigan is the only state to require credit enhancement for all tax-exempt multifamily private activity bonds. The presentation noted that multifamily housing bond private-placements emerged in the late 1990s and are considered one of the safest categories of nonrecourse commercial real estate loans. According to R. Wade Norris, private placements offer many benefits including lower financing costs, flexibility for terms, and faster loan underwriting among other benefits.

SB 417 is an important step to improving how multifamily housing is financed in Michigan and may increase the number of housing projects approved under MSHDA's bonding authority. This legislation is the type of solution we need as we collectively work to increase Michigan's housing stock and address housing affordability.

Thank you for your leadership on SB 417. We greatly value your attention to this issue and look forward to working with you on important policies to further invest in affordable housing and help redevelop and revitalize our neighborhoods. Please do not hesitate to reach me should you have any questions at jmackey@cinnaire.com.

Sincerely,



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