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## **LEED certification planned for 3 Southeast Michigan communities** By Carol Marshall

The first single-family, low-income, certified Green Built Michigan communities will break ground in the next 30 days.

Community 1st, a partnership between Farmington Hills-based Lewis/Klein Development and R&H Development Co., is developing the three communities - two in Detroit and one in Inkster. The homes, priced between \$135,000 and \$185,000, will be marketed to low- to moderate-income buyers who qualify for down-payment assistance programs.

The developer also plans to register the homes with the U.S. Green Building Council for Leadership in Energy and Environmental Design, or LEED, certification.

### DEVELOPMENT FACTS

3 low-income housing developments in Southeast Michigan are being built to Green Built Michigan standards.

- Locations: 2 in Detroit, 1 in Inkster.
- Developer: Community 1st, a partnership between Farmington Hills-based Lewis/Klein Development and R&H Development Co.
- Price: \$135,000 to \$185,000.
- Features: Low-flow plumbing, energy-saving windows and more.

At a time when some developers choose to leave the state in search of work, Mark Lewis of Lewis/Klein, known in this area for its commercial properties, said he decided to try to find new opportunities here in Michigan. He thinks he's found them in the Green Built communities.

"The old adage in real estate is that when there's blood in the streets, that's when opportunities really arise," Lewis said. "We've been through a few economic cycles, but never one this dramatic. We see the opportunities; we've always been in affordable housing, but that's never been at the top of our list."

Now is the time, as affordable, sensible mortgages are in high demand.

"The areas we're working with are distressed. The only way you'd ever get someone to live there is if they have the opportunity to live there with a substantial down payment assistance and a new house," Lewis said. So that's what he's offering. "We'll go block by block and rebuild and rejuvenate these areas."

Community 1st bought the land through land banks and tax foreclosure sales. The purchases are two-block areas where Community 1st will build 30 homes at a time. When those phases are done, the developer will buy another small area, and subsequent blocks.

"We're taking off small- to medium-sized bites for this," Lewis said.

The Green Built homes will feature high-efficiency heating and cooling, 6-inch exterior walls to allow for extra insulation, low-flow plumbing and energy-efficient windows.

The energy efficient elements do not add cost to the project, and Lewis says if they added much, building the homes would be impossible.

"Our margins are already really slim. We're hitting single percent margins on every one of these," he said. At the same time, the houses must remain under \$185,000 in order to qualify as low-income housing.

Price points are low in part because of the low cost of the land, but also because the homes are constructed in an efficient manner.

Lewis/Klein, which has worked on modular and manufactured housing before, chose to do modular homes - houses constructed to building code in a factory, then shipped in pieces to building sites. Lewis/Klein is working with Indiana-based Fairmont Homes to build the houses.

Fairmont had achieved Green Built standards for each of the five models for Community 1st, a long and expensive process.

Each model had to be assembled and tested at the factory, then taken apart and shipped to permanent sites, and re-tested after re-assembly. In the future, each home will need only to be tested post-construction, Lewis said.

To find buyers, Community 1st had to find subsidies and assistance for them, Lewis said. Buyers can qualify for Home Funds subsidies, administered in Detroit by the city and in Inkster by Wayne County. The subsidy is up to \$60,000 for the down payment on the house, and does not have to be paid back until the house is sold. If the house loses value before then, the gap is forgiven.

The down payment assistance comes from HUD, but the buyer must be able to qualify for a mortgage. To help customers meet that requirement, Community 1st contracted Jewish Vocational Services to provide financial literacy and home ownership programs. These help buyers clean up their credit, if needed, and assist with mortgage applications.



Mark Lewis, of Lewis/Klein Development.