

COMMUNITY ECONOMIC DEVELOPMENT ASSOCIATION  
(CEDAM)

September 26, 2006

The Community Economic Development Association of Michigan (CEDAM) is a nonprofit tax- exempt organization established in 1998. It is a voluntary association of over 300 members, including community development corporations (CDC5), individuals, and other organizations interested in promoting and expanding community-based housing and economic development across the state of Michigan. It promotes rebuilding neighborhoods and revitalizing communities throughout Michigan. Enclosed you will find our 2006 Gubernatorial Questionnaire. It is designed to give candidates an opportunity to share and discuss their views on community economic development and affordable housing. CEDAM will use the information conducted from this survey to inform its membership of your positions and beliefs on these issues. You may attach any additional information or supporting materials necessary to clarify any answer.

Please email your responses to the questionnaire to: keefe@cedam.info by **Friday, October 13, 2006**. CEDAM thanks you for taking the time to complete and return this questionnaire.

As part of our 2006 Public Policy Agenda, CEDAM has crafted this questionnaire in order to provide candidates an opportunity to share and to discuss views on community economic development and affordable housing. CEDAM will use the information collected in this survey to inform our members of your positions and beliefs on these issues — and any others you may wish to share with us. You may attach any additional information or supporting materials necessary to clarify any answer.

*Thank you for taking the time to complete and return this document.*

1. Michigan's economy is in transition. Our cities need to be competitive with cities in other states, other regions, and nationally. Urban communities such as the *Cities of Promise* are facing tremendous challenges with declining neighborhoods and schools, as the more affluent exit to the suburbs and erode the tax base upon which schools and local governments

rely. We need to ensure educational attainment for our current and future workforce so that they are ready and responsive to the needs of business.

*Do you support this position?* YES NO OTHER (*attach comments*)

2. CEDAM would also like to ensure that there is a permanent and renewable state revenue source, secured with a general fund commitment, for the ***Michigan Housing & Community Development Fund***. The fund would provide affordable home ownership opportunities and enable families to build financial security through home ownership. Given that the need for affordable housing is ever growing...

*Do you support this position?* YES NO OTHER (*attach comments*)

Expanding affordable housing in Michigan will remain a top priority and I committed to providing a permanent source of revenue for the Michigan Housing and Community Development Fund. While I'm hopeful that this revenue will one day come from our state's general fund, I will continue to explore revenue streams for this Fund.

3. CEDAM is promoting an ***Asset Building Policy Project*** that will help working families build financial assets to invest in themselves and in their communities, CEDAM supports Individual Development Accounts (IDAs) which are savings accounts set up by lower income families and individuals, provided with a match, and used for schooling, a first home or a business. CEDAM would like the administration to redirect resources from the Department of Human Services to support IDAs. Given the need of lower income working families to begin to set and meet their financial goals...

*Do you support this position?* YES NO OTHER

I support IDAs as an important asset building tool for Michigan's lower income families and individuals. Currently, there is a bi-partisan package of bills navigating through the legislature that will provide a more permanent and stable source of funding for a stronger IDA program. MSHDA will administer the program with guidance from the current IDA program

operated through the Department of Human Services.

4. CEDAM supports investment in, and capacity building of, microenterprises — businesses with five or fewer employees, which require less than \$35,000 in start-up capital. Typically, microenterprises do not have access to the traditional commercial banking sector, even though nationally the return on every dollar invested in them has been between \$2.06 and \$2.72, making it one of the most profitable sectors of the economy. According to census figures, Michigan has nearly 700,000 microenterprises, providing employment for 886,137 people. In addition, microenterprises provide moderate and low income individuals a viable alternative to minimum wage labor. CEDAM supports developing, increasing, and fostering microenterprises in Michigan. Given the continuing loss of high-paying, manufacturing jobs with no alternatives currently available, but an increasing pool of lower-paying service-sector jobs...

*Do you support this position?* YES NO OTHER (*attach comments*)

5. Rural communities face a unique set of challenges that can be as daunting as the challenges faced in blighted urban neighborhoods. Yet, these rural organizations often encounter public policy that caters to the urban landscape. CEDAM supports a plan for creating separate “rural sensitive” programs and guidelines within state agencies that will respect the distinctive needs of Michigan’s rural communities.

*Do you support this position?* YES NO OTHER (*attach comments*)

6. Community-based development organizations throughout Michigan are actively engaged in public- private partnerships that create jobs and provide affordable housing in some of our state’s most distressed areas. Strong economic development policies and programs could enhance the role of community-based development organizations in Michigan. How would you replace revenue from the single business tax and make housing development and financing available? What other economic development models might be used, other than just the Michigan Economic Development Corporation?

In 2005, I proposed the Michigan Jobs and Investment Act, which would replace the Single Business Tax with a tax that is lower, simpler and fairer. By closing special interest loopholes, it would generate the same amount of revenue currently generated by the SBT.

We are being very creative and innovative in our approach to community and economic development in Michigan. Some of our programs, like Cool Cities and Cities of Promise involve multiple state agencies partnering with community groups and local units of government to create jobs, improve communities, and provide affordable housing in Michigan's distressed areas.

7. Michigan has created a statewide **Main Street Program** that helps local economies by reviving neighborhood commercial centers and historic downtowns. This program is supported by the Michigan Economic Development Corporation, Michigan State Housing Development Authority, and the State Historic Preservation Office. What is your evaluation of the Main Street Program? Do you support Historic Preservation as a redevelopment tool?

Both the Main Street Program and Historic Preservation resources are important tools in revitalizing and growing Michigan's struggling downtowns.

8. During the next four years, how would you address the topic of Land Use?

In February of 2003, I established the Michigan land Use Leadership Council. The Council was charged with identifying trends, causes and consequences of unmanaged growth and development, and recommending policies to minimize the negative impact of current land use trends, promote urban revitalization, foster public-private partnerships, and better manage infrastructure costs. If re-elected, I will continue to implement these policies.

9. What is your view of the role of the Michigan State Housing Development Authority?

MSHDA's primary role is to assist in creating and retaining decent, affordable housing in Michigan for low- and moderate-income residents. MSHDA has become an important collaborative state partner in programs such as Cities of Promise or Cool Cities, given our strategy for overall improvement of our urban cities and communities, declining neighborhoods, and downtowns.

10. What agency of state government would be the principal site of contact for community based development in Michigan?

My overall strategy for improving housing and economic development across Michigan involves more than one state agency or department. As Governor, I've urged agencies to work collaboratively as we tackle these issues. While MSHDA is certainly the lead on many of these community based development efforts, they also work in an interagency fashion so that the resources of every state agency is available.

Please attach any additional information concerning your platform on these issues or other matters concerning the redevelopment of our neighborhoods and communities.

**FOR MORE INFORMATION, PLEASE CONTACT OUR OFFICE**

CEDAM, 1000 South Washington Avenue, Suite 101, Lansing, Michigan  
48910-1647  
517-485-3588