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# LIHTC, HUD Financing Drive Supportive Housing for Families Impacted by Addiction Across the Finish Line

CHANNING HAMILTON, STAFF WRITER, NOVOGRADAC

The development of Andy's Place I and II in Jackson, Michigan, has been deeply personal for much of the team behind it. Andy's Place is a permanent supportive recovery housing (PSRH) community for individuals and families recovering from opioid addiction—the first of its kind in Michigan, and the first of several PSRH properties planned throughout the state.

Andy's Place is the result of a PSRH initiative from a partnership that includes Andy's Angels, a nonprofit foundation with the goal to educate the Michigan community on opiate abuse and provide support for families and individuals experiencing addiction. Phase

II of Andy's Place, named The McDaniel Apartments, was recently completed and opened Sept. 19.

*Image: Courtesy of Cinnaire*

Phase II of Andy's Place, The McDaniel Apartments, opened Sept. 30. The new development offers 26 units of permanent housing for those overcoming opioid addiction.



Andy's Angels was founded by Mike Hirst, a recovery advocate who lost his son to heroin addiction. Andy's Place is named in honor of Hirst's son.

"Our son Andy died from a heroin overdose in May of 2010. I immediately saw the need for long-term sober housing," Hirst said. "A 90-day stay at a rehab facility only scratches the surface of recovery. It takes 18 months to two years for the brain to heal."

The unique partnership behind Andy's Place includes Andy's Angels, Michigan's Drug Treatment Courts, the Michigan State Housing Development Authority, the Governor's Office and Cinnaire, a certified Community Development Financial Institution (CDFI) that invests in affordable housing and community support facilities.

*Image: Courtesy of Cinnaire*

The original Andy's Place, which opened in 2020, features 39 apartments for individuals and 11 residences for families. Rent is income-based and residents have access to a variety of supportive services.

### Developing a Place to Heal

The McDaniel Apartments phase of the development was created to support pregnant women and families in addiction recovery with infants and young children.

The McDaniel Apartments comprises 26 affordable housing apartments designed to support expectant mothers and their children, while also expanding the recovery and supportive services available on site. The development consists of 15 one-bedroom and 11 two-bedroom apartments, providing safe, stable and family-oriented housing options.

All residences are affordable to households earning at or below 30% and 50% of the area median income,

with project-based Housing Choice Vouchers ensuring that residents pay no more than 30% of their income toward rent.

The McDaniel Apartments also includes 24-hour security and amenities such as a resource center, community room, outdoor gathering spaces, picnic areas and a playground.

“One of our goals is to reach the next generation. We want children whose parents are struggling with substance use disorder to grow up in a clean, stable environment—alongside their recovering parent or parents,” Hirst said. “We have to break the cycle of generational substance use, poverty and homelessness. The McDaniel Apartments are a major step toward that goal.”

The new phase is named in honor of Mark McDaniel, president and CEO of Cinnaire, for his contributions to the development of Andy’s Place and to recovery support. McDaniel shared that his passion for supportive housing was inspired by his own family’s experiences with addiction, particularly his son’s struggles with drugs and alcohol.

“When my son graduated from the treatment court program, we weren’t sure what his next step would be,” McDaniel said. “Then we found a permanent supportive housing community in Lansing, Michigan, that happened to have an apartment opening soon. He did very well there—the stability and comprehensive support services helped him get clean and back on his feet. I’ve seen first hand how powerful and life-changing permanent supportive housing can be.”

Funding sources for The McDaniel Apartments included \$8.1 million in federal low-income housing tax credit (LIHTC) equity from Cinnaire in partnership with Huntington Bank, Southern Michigan Bank, Comerica Bank and Fifth Third Bank; a \$1.5 million

grant through the state of Michigan Community Projects Fund; and a \$300,000 U.S. Department of Housing and Urban Development Federal Community Project Funding Grant.

Referrals to The McDaniel Apartments are coordinated through licensed addiction recovery providers. Unlike Andy’s Place I, The McDaniel Apartments is available to all families engaged in treatment, regardless of court involvement.

### **A Strong Base for Stable Housing**

Andy’s Place I includes two buildings. One building features 39 one-bedroom apartments for individuals, as well as the offices for on-site case workers and service providers. Another building features 11 two-bedroom apartments for families.

Residents are referred by Michigan’s Drug Treatment Courts and individuals must be part of the Michigan Drug Court System to apply for residency. Rent is income-based and residents without income are not required to pay.

The facility has been quite successful since it opened in 2020.

“The Jackson County Circuit Court Treatment Court has referred 139 people to Andy’s Place. Over that time, none of those 139 residents suffered a drug-related death,” said Judge Harvey Hoffman, a Driving While Intoxicated Court Judge who has presented both nationally and internationally on various subjects relating to substance use disorders.

“Even more impressive, over that period of time, none of these 139 residents were involved in a first responder ambulance emergency call,” Hoffman said. “Given the target population of persons in treatment court suffering from substance use disorders with a focus on persons with opioid substance use disorders, this is an amazing outcome.”

McDaniel was initially brought onto the PSRH initiative by Hoffman, who reached out to Cinnaire regarding the need for sober housing for opiate addicts in the treatment court system. This, combined with the positive experience that McDaniel's son had in supportive housing, motivated McDaniel to pursue a larger-scale supportive housing initiative.

McDaniel and Hoffman went on to write a proposal for supportive housing tied to treatment courts, which was endorsed by the governor at the time, Gov. Rick Snyder. Andy's Place was the first major development to be established as a result of these efforts.

Hoffman and Hirst spearheaded the supportive services efforts for Andy's Place. Meanwhile, Cinnaire led efforts to garner support for the development, working with federal and state legislators, retaining a developer and creating a financial model to attract other investors.

Milner and Caringella Inc. developed Andy's Place in partnership with Community Action Agency of Jackson (CAA), the development partner on the project. Additionally, CAA provides supportive services to residents and has formed partnerships with local business owners and manufacturers to provide training and job opportunities.

"Persons suffering from opioid addictions tend to live in a tight subculture of fellow opioid users. This subculture supports the use of opioids and other controlled substances, providing a community of persons openly opposed to recovery," said Hoffman. "The opioid community support system becomes a major barrier to recovery."

Leases include strict rules regarding drug use and related activities, with the Drug Treatment Courts retaining authority to remove residents for repeated violations. However, leases also allow for relapses

as part of the recovery process. Additionally, unlike short-term recovery programs, tenants can stay as long as needed with Section 8 support.

"This isn't a halfway house," said McDaniel. "A person could live the rest of their life here, if they felt they needed to. It gives people the time they need to heal and lets them get back on their feet at their own pace. That can make a huge difference for someone."

Andy's Place has achieved less than 1% recidivism over the past three years, compared to a national failure rate of 90% for opiate addiction.

"Andy's Place and The McDaniel Apartments turn the issues presented by the opioid community on their head," said Hoffman. "They create a community of persons dedicated to recovery. They surround the person with individuals who are in recovery and with services designed to assist in the recovery process. They provide a safe, sober living environment."

### **Building on Success**

Residents at The McDaniel Apartments have access to the full suite of wraparound services at Andy's Place, including peer recovery coaching, behavioral health services, case management, recovery support meetings, employment and financial literacy programming and Head Start services for children.

These features are designed to minimize relapses, prevent family separation and develop the skills needed for long-term recovery and independence.

"We are able to provide a drug and alcohol-free environment for everyone to recover in regardless of their income level," said Hirst. "Without it, people are back on the streets, using again, and in many cases homeless."

Judge Hoffman said that in 2020, the year before Andy’s Place opened, the Jackson County Health Department recorded 60 opioid-related deaths. In 2024, however, that number had dropped 64% to just 23 opioid-related deaths.

“It is impossible, of course, to determine the extent to which Andy’s Place contributed to this major reduction in opioid deaths,” Hoffman said. “However, with a population of just over 158,000, Jackson is a fairly small town. What is the impact of pulling 139 active users off the street in a community that small? It is hard to say. Shrinking the size of the opioid user community and reducing drug demand has likely played some significant role in reducing Jackson’s overdose deaths.”

The PSRH model designed for Andy’s Place has received awards such as the Charles Edson Tax Credit Excellence Award and the Affordable Housing Finance Award for Best Supportive Housing Project for 2021. Cinnaire is involved in several planned PSRH developments that will replicate the model throughout Michigan, such as Wellspring Apartments in Southfield.

McDaniel and Hoffman also hope to expand the model to other states. The pair have begun consulting with treatment courts in Pennsylvania and Virginia, and a similar development based on the model is currently underway in Virginia.

“At minimum it must be said that Andy’s Place and The McDaniel Apartments are valuable resources for the Jackson County Courts and the Jackson community generally,” Hoffman said. “They provide safe, sober housing for some of Jackson’s most troubled and troubling residents. With initial outcomes so promising, we look forward to more data in the future.” ❖

## THE MCDANIEL APARTMENTS

### FINANCING

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- ◆ \$300,000 from a U.S. Department of Housing and Urban Development Federal Community Project Funding Grant

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