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Merged Lighthouse MI launches with flurry of activity

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- SOS president and CEO Ryan Hertz to lead merged nonprofit: Lighthouse MI
- Nonprofit will break ground on \$15 M affordable housing development in Oak Park this month
- Will relaunch center to assist low- and moderate-income residents

Lighthouse of Oakland County and South Oakland Shelter will officially begin operating as one nonprofit today, seven months after they announced [plans to merge](#).

Completion of the deal comes amid a flurry of activity for the combined nonprofit, which will do business as Lighthouse MI.

[Lighthouse MI](#) is making plans to launch center-based services to connect low-to-moderate income families in Oakland County to financial and labor assistance as part of a program operated by Detroit Local Initiatives Support Corp. and United Way for Southeastern Michigan.

And later this month, it plans to break ground on the \$15 million affordable housing development in Oak Park that SOS has been co-developing with Detroit-based Southwest Solutions for the past two years.

"Our community is not doing enough to respond to poverty and homelessness in Oakland County and the surrounding areas," said Ryan

Hertz, who's led SOS since 2009 and will lead Lighthouse MI as president and CEO.

"Bringing our two organizations together and consolidating our resources ... is a step in the right direction, both in regards to services we're able to deliver and our capacity to engage our community in a stronger collective response," Hertz said.

With the Michigan attorney general's approval of the merger, the combined nonprofit will operate under the federal 501(c)3 nonprofit status secured by SOS, to avoid confusion with current government contracts, he said.

Made up of equal representation from each nonprofit, the Lighthouse MI board decided against keeping the Lighthouse of Oakland County name to avoid putting geographic limitations on its work, Hertz said.

"Our mission is related to ending poverty, which we view as an issue that doesn't recognize county boundaries," he said. "Both through our activities and through partnerships, we are open to operating outside of Oakland County."

SOS brings to the merged nonprofit a rotating homeless shelter program coordinated with 67 local congregations and supportive housing services, along with the new affordable housing development in the works for Oak Park.

Lighthouse provides more than 10,000 families annually with emergency food, utility assistance, transitional and supportive housing, foreclosure prevention and other services. It also provides programs to assist families to become economically self-sufficient so they will not cycle back into crisis.

Lighthouse MI will focus on four areas: basic needs, stability services, systems change and community engagement, Hertz said, with the rotating shelter at SOS continuing to operate under that name.

Three staff positions were eliminated with internal restructuring, Hertz said. Those cuts were balanced out by the addition of five new employees: a chief administrative officer and positions in fund development, volunteer/

community engagement and the new Centers for Working Families program, which will provide job training and assistance, financial coaching and assistance in signing up for income supports such as public benefits.

The merged nonprofit is operating with 45 employees and a combined budget of about \$7.5 million, with two offices in Pontiac and one each in Lathrup Village and Clarkston.

Hertz said both SOS and Lighthouse of Oakland County — which struggled financially in recent years — are expected to finish the current fiscal year ended June 30 well into the black.

Lighthouse MI will begin the new fiscal year on Monday with total combined assets of \$10 million and about \$1.5 million in liabilities, he said.

While the merger was in process, the two nonprofits launched a \$500,000 campaign to fund exploration and planning of the merger, integration of the two agencies and operational support.

So far, the effort has raised about \$200,000 with gifts from individual donors, Flagstar Bank, Borg Warner, the Community Foundation for Southeast Michigan and the McGregor Fund, Hertz said. Lighthouse hosted a private event for 300 invited guests on Sunday before the Cars under the Stars fireworks display at M-1 Concourse to mark the merger and raise additional funds.

Lighthouse MI heads into its new fiscal year with a strong, balanced budget, Hertz said, and two new projects set to move forward this month. Groundbreaking for an affordable housing project in Oak Park that's been in the works for two years is tentatively planned for July 31, Hertz said. SOS [created a subsidiary, Spero Housing Group](#), in July 2017, and teamed up with veteran housing developer Southwest Solutions to develop the project.

Coolidge Place will include 64 affordable townhome and ranch-style apartments, a quarter of them set aside for those with special needs. Rents will range from \$389-\$824 per month for the one- to three-bedroom units, as part of a plan that also calls for green space and a community center where Lighthouse MI will provide onsite services.

Lighthouse MI secured \$12.6 million in tax credits for the project, purchased by TCF Bank, Hertz said. It's funding the balance of the project's costs through a blend of debt, deferral of developer fees, grants and donations.

Fusco, Shaffer & Pappas Inc. Architects and Planners in Ferndale is serving as architect and O'Brien Construction Co. Inc. in Southfield as the general contractor on the development, which Hertz said should be completed by summer 2020.

"We have no intention of being one and done on housing development," he said.

"This is our first effort ... it sets the stage for our ability both to continue developing housing ourselves (and) to help the community understand the value of affordable housing more broadly."

Lighthouse MI has also secured a \$50,000 grant from United Way for Southeastern Michigan to open a new Pontiac-based location as part of the Greater Detroit Centers for Working Families.

A partnership between LISC and United Way of Southeast Michigan, the program provides employment and career services, financial education and coaching, and low-cost financial products that encourage investment and savings.

Lighthouse of Oakland County had previously operated one of the centers but closed it in 2016, Hertz said.

The new center will be based out of Lighthouse's location in Pontiac but provide signature programs, including one-on-one financial, workforce development and income support coaching, to Oakland County residents in their homes, he said.

It will cost \$110,000 annually to operate the center, which is expected to serve 90 people during its pilot year after it opens late this summer, Hertz said.

Lighthouse MI plans to incorporate the center's programs into its follow-up care programs for previously homeless people who have obtained housing to help them maintain stability, he said.

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