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February 7, 2024

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Application for the rehabilitation of a vacant apartment building at 667 W. Alexandrine Avenue in the Midtown Neighborhood Enterprise Zone area (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received an application requesting a Neighborhood Enterprise Zone (NEZ) certificate for the rehabilitation of a vacant apartment building at 667 West Alexandrine containing a total of 30 rental units.

The property is located on the south side of W. Alexandrine between 2nd and 3rd Streets. The 3-story building is in a historic district. Below is a map of the location and images of the building.

The petitioner is Torian Detroit LLC. The developer is composed of four investors - Angela Yee, Dr. Topeka K. Sam, Jasmine Brand and Jessica Sanchez. The group indicates it has extensive backgrounds in sustainable housing development, corporate finance, national broadcast networks, and empowering entry-level housing and entrepreneurship programs. The group's goal for this project is to protect and provide high-quality sustainable, healthy and affordable housing for the residents of Detroit.

The proposed project totals about \$4.5 million. The investment will cover a new roof, unit investments, new HVAC Chiller, and major upgrades to mechanical, plumbing, and electrical. The number of bedrooms is as follows:

- 4 studios
- 12 one-bedroom units
- 14 two-bedroom units

The table below provides additional information on the 30 units.

Floorplan	# Units	Avg. Square Footage	# Bedrooms	Unit cost to build/renovate (excluding acquisition price)	Estimated sale price or rental price
0B40	2	400	0 (studios)	\$57,000 p/unit	\$663
0B50	2	416	0 (studios)	\$57,000 p/unit	\$663
1B40	6	500	1	\$57,000 p/unit	\$710
1B50	6	500	1	\$57,000 p/unit	\$710
2B40	7	700	2	\$57,000 p/unit	\$1,066
2B50	7	700	2	\$57,000 p/unit	\$1,066

Regarding proposed rents, the developer indicates the following:

- The developer indicates this is a low-income housing tax (LIHTC) credit building – a MSHDA rental agreement was executed in 1996
- 15 units have to be at 50% Area Median Income (AMI)
- 15 units have to be offered at 40% AMI

When the LIHTC requirements expire, the developer plans to continue offering affordable units, estimated at 10% at 80% AMI and 10% at 60% AMI. The developer indicates 1) it is working to exit the LIHTC covenant (as early as after 2028) to allow the developer to rehab the building while restructuring the low AMI levels to a more balanced manner throughout the building, and 2) this would allow them to ensure financial stability while enabling them to maintain affordable units in a quality building. The developers indicate the NEZ certificate would assist them in keeping units more affordable.

Regarding parking, the building does not presently have a parking lot. However, the adjacent lot is vacant, and the developer has reached out to the adjacent property owner to explore leasing space for parking. If successful, the developer would charge \$100/month for parking.

Regarding accessibility, the developer indicates, because the building was built in 1910, it is not handicap accessible.

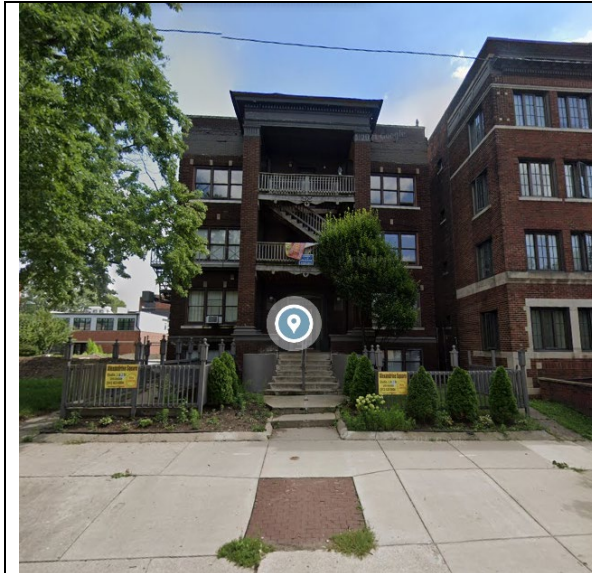
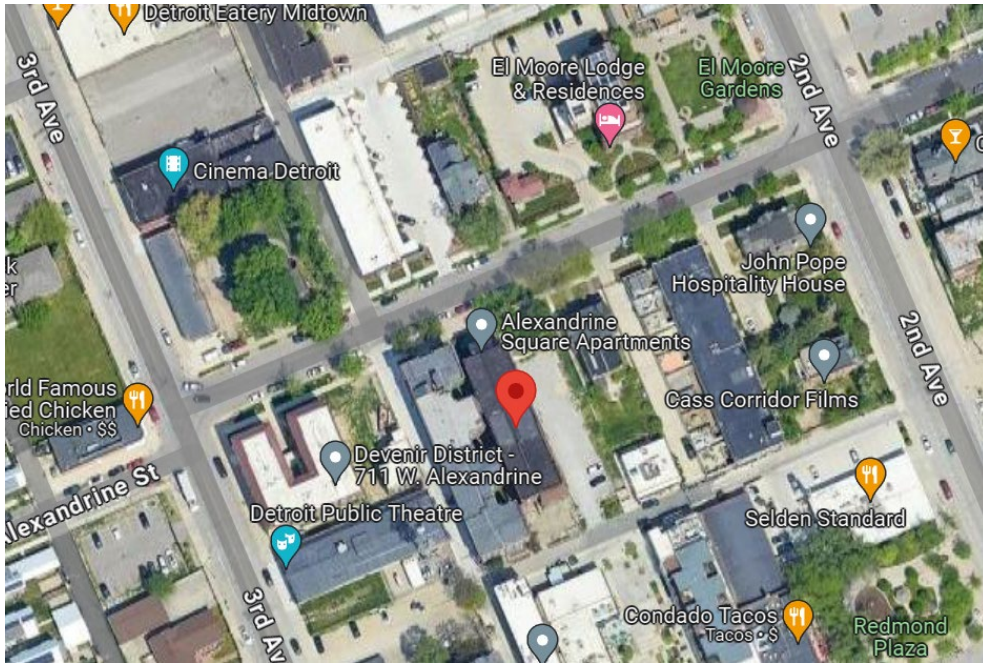
The subject property has been confirmed as being within the boundaries of the Midtown NEZ which was established by a vote of the City Council in March 1999. CPC staff has reviewed the application and recommends approval. Attached is a resolution for Your consideration. Please contact our office should you have any questions.

Respectfully submitted,

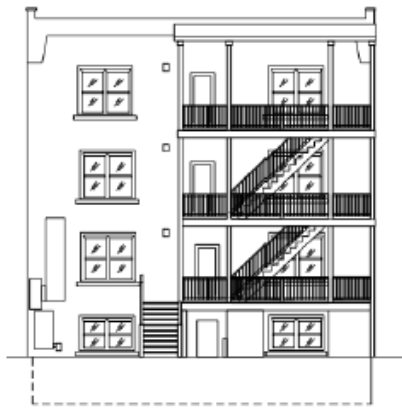


Marcell R. Todd, Jr., Director CPC
Christopher J. Gulock, AICP, Planner

cc: Janice Winfrey, City Clerk
Angela Jones, City Clerk



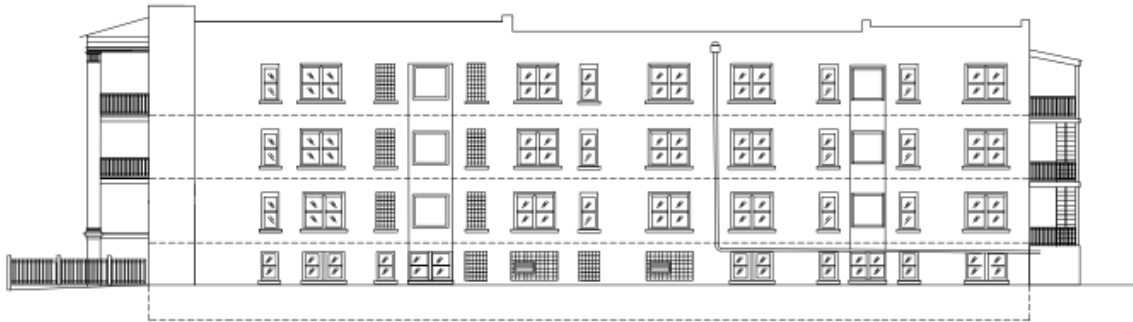
PROJECT 667 W ALEXANDRINE ST ELEVATIONS



REAR (South) ELEVATION



FRONT (North) ELEVATION



EAST ELEVATION

Resolution

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from ad valorem property taxes, and the imposition of specific tax in lieu of ad valorem taxes; and

WHEREAS, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992.

NOW, THEREFORE, BE IT RESOLVED, That the Detroit City Council approves the submission of the application to the State Tax Commission, and, if applicable, the City Council concurs with the issuance of the certificate if the application was filed not more than 6 months after the date of the issuance of a building permit for the facility.

BE IT FINALLY RESOLVED, That the Detroit City Council approve the following for receipt of Neighborhood Enterprise Zone Certificate for a fifteen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
Midtown	667 West Alexandrine (30 units)	07-1017