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October 12, 2023

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Application for the rehabilitation of a building into a 28-unit apartment building located at 1567 Church in the Corktown 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 an existing building into a residential apartment with 28 units located at 1567 Church.

The property is located at the southeast corner of Church and 10th Streets in the Corktown neighborhood which is generally south of Michigan Avenue and west of Trumbull. Below are maps of the location and an image of the building. The site is presently a vacant 2-story 32,000 square foot former building built in 1984. The building is located within the Corktown historic district.

The developer for the project is Oxford Perennial Corktown PropCo II, LLC. The developer consists of Oxford Capital, Hunter Pasteur, and the Forbes Company, which is developing several projects in the area, including the Godfrey Hotel, the new Perennial Corktown apartment building, and new parking deck just east of the subject building.

During the Community Benefits Ordinance review for the above projects, several members of the community strongly requested that 1567 Church not be demolished as was initially proposed, and the developer agreed to redevelop the building.

The rehab will involve interior and exterior improvements, including wall reconfigurations and improvements to roofing, electrical, mechanical and plumbing. The developer indicates it expects to spend about \$427,856 per unit. The developer is proposing the following:

- 13 units on the first floor which includes 12 one-bedroom units and 1 studio
- 15 units on the second floor which includes 10 one-bedroom and 5 two-bedroom units
- 10% of the apartments (3 of the one-bedroom units) would be designated at 60% AMI
- The remainder of the space (10,360 square feet) would be for tenant storage, maintenance room, and amenity space
- Rents are expected as follows:
 - for the 3 affordable 1-bedroom units about \$1,023/month
 - for the 1 studio about \$2,176/month,
 - for the 19 one-bedroom units about \$2,502/month, and
 - for the 5 two-bedroom units about \$3,536/month.

Regarding parking, the developer indicates the project will utilize its adjacent 213-space parking garage. Market rate units will have to apply to park at the parking garage. Parking for AMI designated units will be discounted at the same percentage as the AMI rental units.

For handicap accessibility, the developer indicates the following:

- The building will be fully compliant with ADA.
- The building will provide wide, open spans in the common areas for easy moveability through the building and the majority of programming for the residents on the first floor.
- The development will improve the infrastructure around the building, including removing and replacing the sidewalks adjacent to the building, including new ADA ramps at the corner of Church and 10th Street.
- There is one Type A accessible unit (open cabinets, roll in shower, adjusted height of light and switches)
- Lastly, the developer's adjacent apartment building, Perennial Corktown has 10 additional ADA units.

It appears the NEZ certificate application has been submitted prior to the issuance of applicable building permits – the NEZ Act (Act 147 of 1992) states the application must be filed before a building permit is issued. The petitioner submitted the NEZ certificate application dated September 13, 2023, to the City Clerk's office.

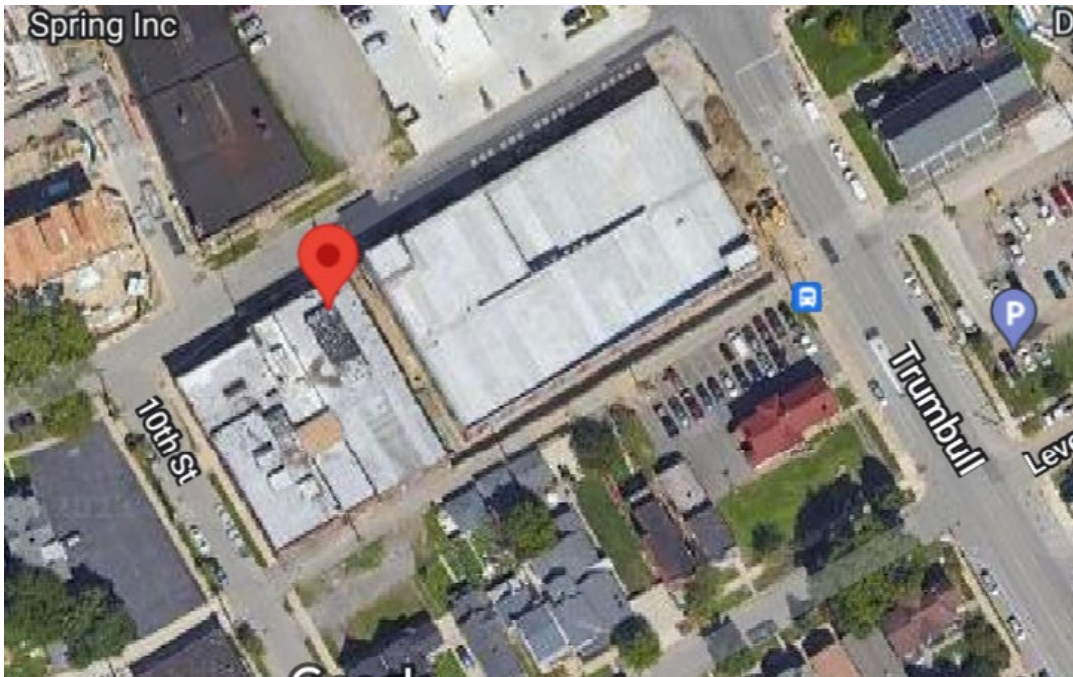
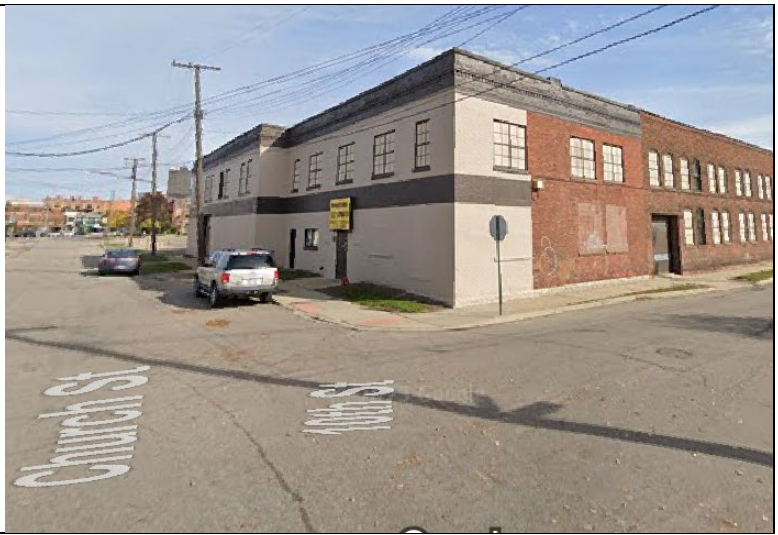
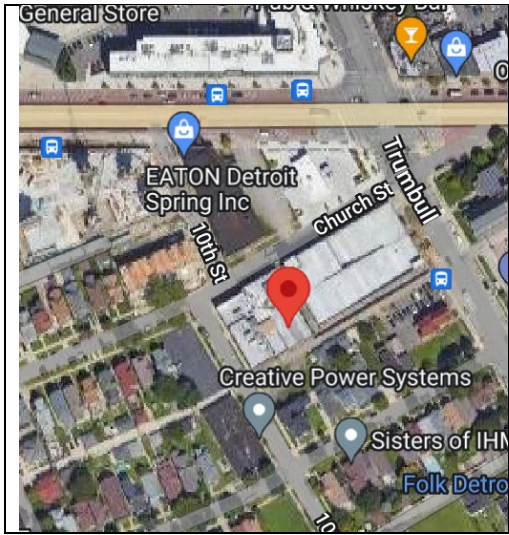
The subject property has been confirmed as being within the boundaries of the Corktown NEZ which was established by a vote of City Council in October 1994. CPC staff has reviewed the application and recommends approval. The City Clerk's office is submitting a resolution for Your consideration. Please contact our office should you have any questions.

Respectfully submitted,



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

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



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 a Neighborhood Enterprise Zone Certificate for a fifteen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
Corktown	1567 Church Units 1-28	07-0932