

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

DEPARTMENT PETITION REFERENCE COMMUNICATION

To: The Department or Commission Listed Below

From: Janice M Winfrey, Detroit City Clerk

The following petition is herewith referred to you for report and recommendation to the City Council.

In accordance with that body's directive, kindly return the same with your report in duplicate within four (4) weeks.

Petition No.	2024-321 NEZ
Name of Petitioner	Stafford House
Description of Petition	Petition request for the Establishment of a Neighborhood Enterprise Zone at 9301 Oakland Ave, Detroit, MI 48211
Type of Petition	Tax Abatement for the Establishment of a Neighborhood Enterprise Zone
Submission Date	09/12/2024
Concerned Departments	Finance Department, Planning and Development Department, Housing and Revitalization Department, Legislative Policy Division, City Planning Commission
Petitioner Contact	Stafford House Lendon Crosby P: (313)-443-5485 lcrosby@staffordhouseinc.org



9/3/2024

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 48226

RE: Request for the Establishment of a Neighborhood Enterprise Zone at 9301 Oakland Ave, Detroit, MI 48211

Honorable City Council:

Please accept this letter as a request to establish Neighborhood Enterprise Zone District for the property located at **9301 Oakland Ave. Detroit, MI 48211** and described on Attachment A. The project does not entail a sale or transfer of property.

Stafford House Inc. is a tax-exempt 501(c)(3) organization operating in the North End neighborhood of Detroit since 2007. Stafford House has been a valued community partner with local stakeholders and residents in the community for the past 17 years. Stafford House has a great reputation for uplifting youth and their families in North End. The organization's mission is to enrich the lives of underserved members of the community through safe-affordable housing, education, and job training.

The Oakland Ave project will be a mixed-use development, with 10 units of affordable rental housing on the second level of the building. The rents will range between 60-80% AMI. Each apartment will be approximately 500 sq. ft. There will also be four commercial spaces at about 1,000 sq. ft. per space. The commercial spaces will be leased as a coffee shop, a training center, a retail space, and an office space for an engineering firm. The NEZ request is for the 10 residential rental units on the second floor.

The project is eligible for the PA 147 NEZ tax incentive given the residential component for the development.

The rehabilitation of the facility at 9301 Oakland Ave., Detroit, MI will not be undertaken without Stafford House's receipt of the tax exemption. The tax relief will allow for more debt to be serviced by the project, increasing its construction loan size. There are currently zero full-time employees (FTE) however the development will

provide four new full time positions at the company. The project includes the site remediation and full gut rehab of the facility, creating 10 new rental apartment units on the second floor and 4 new ground floor commercial spaces. Please see the attached commitment letters from the lending institutions.

The PA 147 NEZ tax exemption is requested for 12 years.

The Oakland Ave project needs this tax abatement to fill the funding gap needed to finance the rehab of the building. The project cannot be completed without the tax abatement because the project is unable to service the debt without an abatement. The NEZ abatement is essential for this project to proceed. The Oakland Ave project is also receiving public assistance from the MSHDA Missing Middle Program, Wayne County for an environmental grant, Motor City Match, and the City of Detroit HRD Accessibility Grant.

Thank you for your consideration of the creation of this Neighborhood Enterprise Zone. If you have any questions regarding this request, please contact **Lendon Crosby, at 313-443-5485 or email lcrosby@staffordhouseinc.org**.

Respectfully submitted,

Lendon Crosby

Stafford House/President
313-443-5485/lcrosby@staffordhouseinc.org

Attachment A: Site Map that includes the parcel(s) of property / Legal Description
Attachment B: Paid Receipt of Current Taxes

cc: K. Bridges, DEGC
N. Marsh, DEGC
V. Farley, HRD

Attachment A:

- (a) General description of the facility (year built, original use, most recent use, number of stories, square footage);
The facility was built in 1925 as a two-story building. It was formerly used as a commercial building that housed four commercial businesses one of which was a restaurant. The second level of the building was used as housing units. The square footage is 10,300 square feet.
- (b) General description of the proposed use of the new/rehabilitated facility;
This facility will be the rehabilitation of a mixed-use building into 10 second floor rental units and four ground floor commercial spaces for lease.
- (c) Description of the general nature and extent of the new construction/rehabilitation to be undertaken;
This project is a full rehab including new HVAC systems, new electrical and plumbing systems, additional structural support on levels of the building, façade restoration, and rear demolition to support the additional 750 sq. ft. of residential space.
- (d) A descriptive list of the fixed building equipment that will be a part of the new/rehabilitated facility;
All units will have heating, ventilation, and air conditioning units. There will be all new plumbing throughout the building. Each apartment will feature full kitchens equipped with appliances and full bathrooms, as well as in-unit washer/dryer.
- (e) A time schedule for undertaking and completing the new construction/rehabilitation of the facility

<u>Item:</u>	<u>Date:</u>
Preliminary underwriting completed (appraisal, Phase I ESA, market study)	Q2-3 2024
Zoning Approval and Site Plan Approval	6/6/2024
Permit drawings submitted	8/12/2024
Submit Tax Abatement*	9/3/2024
MEDC BMC Grant Submission*	9/4/2024
Stamped permit drawings received	9/12/2024
Final construction costs	9/27/2024
Execute GMP Construction Contract	10/1/2024
Financial Underwriting Complete	10/15/2024
Close on financing sources	11/18/2024
Commence Construction	11/19/2024
Construction Period	11 months

(f) The parcel ID(s) and Legal Description(s) of the property

Site Map that includes the parcel(s) of property / Legal Description



W OAKLAND 40-41 BLK 3-- THOMAS & WAGNERS L11 P80 PLATS, W C R 3/113
117X 75.84A

ERIC R. SABREE

WAYNE COUNTY TREASURER
400 Monroe - 5th Floor
Detroit MI 48226-2942
(313) 224-5990



Patricia Dockery
9301 Oakland
Detroit, MI 48202

Web:treasurer.waynecounty.com
Email:taxinfo@waynecounty.com

D U P L I C A T E

Tax Receipt

Receipt Number: 010-2024-118165  **Date:** 04/23/24
Bundle: 18458207  **Interest Effective Date:** 04/22/24

Receipt Details:

<u>Municipality - Parcel ID</u>	<u>Tax Year</u>	<u>Paid Tax</u>	<u>Paid Int & Fees</u>	<u>Paid Total</u>	<u>Due Tax</u>	<u>Due Int & Fees</u>	<u>Due Total</u>
1 - 03002993. 301 OAKLAND	2023	\$1,456.53	\$87.39	\$1,543.92	\$0.00	\$0.00	\$0.00
Total:				\$1,543.92	Through 04/30/24		\$0.00
Receipt Total:				\$1,543.92			

Remarks:
THE MOST RECENT YEAR TAXES SHOWN ON THIS RECEIPT ARE SUBJECT TO CHANGE

Summary Information:	
Date Created: 04/23/24 06:58:41 AM	Issued By: 1
Date Printed: 04/28/24 09:00:30 PM	Type: Web

Dear Fellow Taxpayer:
Thank you for your payment of property taxes. This payment supports Wayne County, your local community, and other government agencies in providing essential government services. Your payment is greatly appreciated.
Sincerely,

ERIC R. SABREE
Wayne County Treasurer

Subject: City of Detroit - KIOSK Payment Receipt
Date: Friday, August 23, 2024 at 12:11:50 PM Eastern Daylight Time
From: City of Detroit - Payment Services
To: lcrosby@staffordhouseinc.org



City of Detroit
PO Box 33193, Detroit MI 48232
(313) 224-3560
www.detroitmi.gov

Date::	08/23/2024 12:11 PM
Payment Method::	MasterCard 1166
Payment Confirm ID::	17350060
Payment Auth No::	151712
Service Fee Confirm ID::	17350061
Service Fee Auth No::	171319
Location::	WEB

Parcel ID:	03002993.
Summer 2024:	\$265.08
Service Fee:	\$6.34
Total Payment:	\$271.42

The information below applies to customers that made a payment with a Credit Card or a Electronic Check (ACH Payment). This is a conditional payment based on The City Of Detroit being able to retrieve the funds from an authorized account. Payments typically process within 3-5 days. Please check with your financial institution to confirm the payment is successful. Rejected payments will result in interest and penalties being applied.

This communication, including any attachments, may contain information that is confidential and may be privileged and exempt from disclosure under applicable law. It is intended solely for the use of the individual or entity to which it is addressed. If you are not the intended recipient, you are hereby notified that any use, disclosure, dissemination, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender and return to us all delivered data.



**PLANNING AND
DEVELOPMENT DEPARTMENT**

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 808
Detroit, Michigan 48226

Phone 313•224•1339
www.detroitmi.gov

TO: Justus Cook, Housing and Revitalization
FROM: Gregory Moots, Planning and Development
RE: Master Plan Interpretation for **Neighborhood Enterprise Zone** (PA 147) at 9301 Oakland St.
(Petition #2024-321NEZ)
DATE: September 27, 2024

In order to ensure consistency with the City's Master Plan of Policies, pursuant to State of Michigan, Public Act 147 of 1992 (section 207.773), the Planning and Development Department's Planning Division submits the following interpretation for the proposed establishment of Neighborhood Enterprise Zone (NEZ).

Petitioner: Stafford House.

Location and Project Proposal: 9301 Oakland St.. The proposal is to rehabilitate the existing building to create 10 units of affordable rental housing on the second floor of the building. The rents will be between 60-80% AMI.

Current Master Plan (MP) & Zoning:

MP Classification – Low – Medium Density Residential (RLM)

Zoning – General Commercial (B4)

Master Plan Interpretation

The subject site area is designated Medium Density Residential (RLM). These areas "... should have an overall density of 8 to 16 dwelling units per net residential acre. The areas are often characterized by two or four family homes with small yards, on- street parking, or garages with alley access."

The following policy of the Jeffries neighborhood describe the following recommendations:

- GOAL 6: Increase the vitality of neighborhood commercial areas
- Policy 6.1: In conjunction with residential redevelopment, develop neighborhood commercial nodes along Oakland, with a compatible mix of locally serving, small-scale businesses and medium density residential.

The proposed development conforms to the Future General Land Use characteristics of the area.



September 23, 2024

Mr. Antoine Bryant, Director
Planning & Development Department
Coleman A. Young Municipal Center
2 Woodward Ave, Suite 808
Detroit, MI 48226

RE: **Neighborhood Enterprise Zone – Stafford House**

Property Address: 9301 Oakland
Parcel Number: 03002993.

Dear Mr. Bryant:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed **Neighborhood Enterprise Zone**, located at 9301 Oakland, submitted by **Stafford House** for the neighborhood located in the **North End** area of the City of Detroit.

The rationale for creating NEZ projects under PA 147 of 1992, as amended, must be based on the anticipation of market value added to the neighborhood upon completion of new construction and/or significant rehabilitation of existing housing stock.

The proposed project by Stafford House consists of a mixed use two story commercial property built in 1925 with approximately 9,978 square feet on 0.204 acres of land. The owner proposes to convert the property into a mixed use development, with 10 units of affordable rental housing on the second level of the building. Each unit would be approximately 500 square feet. There will also be four 1,000 sqft commercial spaces that would be available for leasing. The restoration requires extensive reconfiguration and upgrades, including replacement of substantial portions of carpentry, roofing, windows, glass, drywall, flooring, plumbing, and HVAC. **This NEZ request is solely for the residential portion of the property.**

Per MCL 207.772 Sec 2 (g) "New facility" means 1 or both of the following:

(i) A new structure or a portion of a new structure that has as its primary purpose residential housing consisting of 1 or 2 units, 1 of which is or will be occupied by an owner as his or her principal residence. New facility includes a model home or a model condominium unit. New facility includes a new individual condominium unit, in a structure with 1 or more condominium units, that has as its primary purpose residential housing and that is or will be occupied by an owner as his or her principal residence. Except as provided in subparagraph (ii), new facility does not include apartments.

(ii) A new structure or a portion of a new structure that meets all of the following: (A) Is rented or leased or is available for rent or lease. (B) Is a mixed-use building or located in a mixed-use building that contains retail business space on the street level floor. (C) Is located in a qualified downtown revitalization district.

Per MCL 207.773 Sec. 3. (1) The governing body of a local governmental unit by resolution may designate 1 or more neighborhood enterprise zones within that local governmental unit. Except as otherwise provided in this subsection, a neighborhood enterprise zone shall contain not less than 10 platted parcels of land.

A Neighborhood Enterprise Zone located in a qualified downtown revitalization district may contain less than 10 platted parcels if the platted parcels together contain 10 or more facilities. All the land within a neighborhood enterprise zone shall also be compact and contiguous. Contiguity is not broken by a road, right-of-way, or property purchased or taken under condemnation if the purchased or condemned property was a single parcel prior to the sale or condemnation.



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 824
DETROIT, MI 48226
PHONE: 313•224•3011
FAX: 313•224•9400

Neighborhood Enterprise Zone
Stafford House
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Upon review, it has been determined that this proposed district located at **9301 Oakland**, is eligible for designation as a Neighborhood Enterprise Zone per PA 147 of 1992, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 824
DETROIT, MI 48226
PHONE: 313•224•3011
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Address: 9301 Oakland
Parcel: 03002993

Legal Description: W OAKLAND 40-41 BLK 3-- THOMAS & WAGNERS L11 P80 PLATS, W C R 3/113 117X 75.84A

