



**PLANNING AND
DEVELOPMENT DEPARTMENT**

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October 11, 2024

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Amendment to Development Agreement
Brush and Watson Development**

Honorable City Council:

Pursuant to the Resolution adopted by your Honorable Body on September 25, 2018, the City of Detroit (“City”) and Brush Wilkins 2016 L.L.C., a Michigan limited liability company (“Developer”), entered into a certain Development Agreement dated January 24, 2019 (the “Development Agreement”) for the sale of real property commonly known as 2994 Brush, 2968 Brush, 418 Watson, 432 Watson, 3035 Beaubien, 3027 Beaubien, 3019 Beaubien, 3099 Beaubien, and 3011 Beaubien, Detroit, Michigan 48201 (the “Property”). Developer is a subsidiary of American Community Developers Inc., who own and operate a number of affordable housing projects and other residential properties in the City of Detroit, the State of Michigan, and other states. The City and Original Developer closed on the sale of the Property pursuant to the terms of the Development Agreement on June 11, 2020.

The parcels comprising of the Property were subsequently combined by the Developer into the Brush Watson Condominium, where Developer and its affiliates, Brush Watson East 2018 Limited Dividend Housing Association, L.L.C., a Michigan limited liability company; Brush Watson West 2018 Limited Dividend Housing Association L.L.C., a Michigan limited liability company; Brush Watson Commercial 2020 L.L.C., a Michigan limited liability company; and Brush Watson Unit 1 2019 Limited Dividend Housing Association L.L.C., a Michigan limited liability company (collectively, “Developers”) have constructed the five-story Brush Building containing sixty-four (64) residential units (including fifty-one (51) affordable housing units for persons with incomes between 30% and 80% AMI) with commercial space on the first floor, and the four-story Beaubien Building containing sixty (60) residential units (including forty-eight (48) affordable housing units for persons with incomes between 30% and 80% AMI), along with underground parking. Both buildings were constructed using low-income housing tax credit financing structures and received affordable housing loans from the City of Detroit.

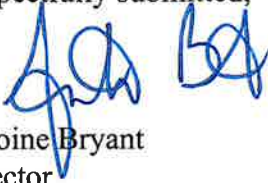
Developers plans to shortly begin construction on the “Midblock Building”, which will be a multi-family residential building containing approximately one hundred eighty-four (184) residential units, approximately one hundred seventy (170) of which will be affordable units.

The Planning and Development Department (“P&DD”) and Developers have negotiated an amendment to the Development Agreement to extend the deadline for constructing the Midblock Building to April 30, 2027, and to revise the Development Plan attached to the original

Development Agreement with a plan that reflects the greater density and level of affordable housing being provided at the Property. Your Honorable Body recently approved a resolution by the Housing and Revitalization Department to provide an affordable housing loan to Developer to complete the Midblock Building as contemplated by the proposed amendment to the Development Agreement.

We hereby request that your Honorable Body adopt the attached resolution authorizing an amendment to the Development Agreement to substitute the original Site Plan/Development Plan of the Development Agreement with the revised Site Plan/Development Plan Summary attached as Exhibit A hereto and to extend the construction deadline to April 30, 2027.

Respectfully submitted,



Antoine Bryant
Director
Planning and Development Department

cc: Malik Washington, Mayor's Office

RESOLUTION

BY COUNCIL MEMBER: _____

WHEREAS, the City of Detroit (“City”) and Brush Wilkins 2016 L.L.C., a Michigan limited liability company, Brush Watson East 2018 Limited Dividend Housing Association, L.L.C., a Michigan limited liability company, Brush Watson West 2018 Limited Dividend Housing Association L.L.C., a Michigan limited liability company, Brush Watson Commercial 2020 L.L.C., a Michigan limited liability company, and Limited Dividend Housing Association L.L.C., a Michigan limited liability company (collectively “Developers”), are parties to that certain Development Agreement dated January 24, 2019 (the “Development Agreement”) regarding the sale and subsequent development of real property commonly known as 2994 Brush, 2968 Brush, 418 Watson, 432 Watson, 3035 Beaubien, 3027 Beaubien, 3019 Beaubien, 3099 Beaubien, and 3011 Beaubien, Detroit, Michigan 48201 (the “Property”); and

WHEREAS, Developers have constructed two buildings on the Property providing affordable and market rate housing and commercial space to residents of the City of Detroit; and

WHEREAS, the City and Developer wish to extend certain deadlines in the Development Agreement, to accommodate the construction of the final phase of the project, consisting of an approximately one hundred eighty-four (184) unit multifamily building (the “Midblock Building”); and

WHEREAS, the City and Developer desire to amend the development plan contained in the Development Agreement to reflect the greater amount of affordable housing that will be constructed at the Property.

NOW, THEREFORE, BE IT RESOLVED, that the P&DD Director, or his authorized designee, is hereby authorized to execute an amendment to the Development Agreement that (1) extends the construction deadline for the Midblock Building to April 30, 2027, and (2) replaces the Site Plan/Development Plan Summary contained in the Development Agreement with the Site Plan/Development Plan Summary attached hereto as Exhibit A; and be it further

RESOLVED, that the P&DD Director, or his authorized designee, is authorized to execute any required instruments to make and incorporate amendments or changes to the Development Agreement consistent with the resolution; and be it finally

RESOLVED, any amendment to the Development Agreement will be considered confirmed when executed by the P&DD Director, or his authorized designee, and approved by the Corporation Counsel as to form.

EXHIBIT A

Site Plan / Development Plan Summary

The Developer shall provide a mixed use development on the Property, comprised of three (3) separate apartment or mixed-use buildings:

1. Housing Requirements

The residential portions of the development at the Property will contain at least three hundred (300) residential units (the "Residential Units")

At least two hundred sixty (260) of the Residential Units shall be leased to households whose annual incomes do not exceed eighty percent (80%) of the area median income of the Detroit Metropolitan Statistical Area ("AMI"), as determined by the U.S. Department of Housing and Urban Development provided that the average AMI of all such restricted units shall not exceed sixty percent (60%) of AMI. The foregoing covenant is referred to herein as the "**Affordable Housing Requirement**".

The Affordable Housing Requirement shall survive issuance of a Certificate of Completion for each phase of development of the Property and/or the termination of this Development Agreement, and will last, with respect to reach phase of the development, for a period of thirty (30) years from the date that the City issues a certificate of occupancy for the first Residential Unit at such phase of development.

2. Retail Development Plan

The three phases of development at the Property shall contain at least eight thousand two hundred (8,200) square feet of commercial/retail space.

3. Parking

The development at the Property shall contain approximately two hundred sixty-six (260) below-grade parking spaces.