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To: Council Member Angela Whitfield-Calloway, District 2

From: Julie Schneider, Director, Housing & Revitalization Department

**Date:** March 13, 2025

Re: Responses to 2025-2026 Budget Analysis

Please find below responses to your questions sent on March 10, 2025, regarding the Fiscal Year 2026 Proposed Budget for the Housing and Revitalization Department (HRD).

1. Last year, City Council allocated \$2.5 Million for a lead-based paint encapsulation program to assist Mom-and-Pop landlords. What is the status of the program? Will this program need to have the allocation extended into the 2025-26 budget so the program can continue? What steps will the Council need to take to make this allocation extension?

Here is where HRD is today with getting contracts in place and bringing on one staff member:

RRP Training RFQ = \$500k	Bid extended to 3/14 (Contract to Council week of 3/24)
3 <sup>rd</sup> Party Fiduciary RFQ = \$1.8M (Issuing stipends for C of C attainment & RRP certificate)	Pre bid conference 3/5, bids due 3/19 (Contract to Council the week of 3/31)
TASS Staff (1) = \$100k	Requisition submitted week of 3/3/25 with an estimated hire date of 3/31/25

HRD aims to finalize both contracts by mid-April and commence Renovate, Repair, and Paint (RRP) training for landlords in May. Based on the contract awardee's class schedule, HRD projects to train and certify up to 200 landlords by December 30, 2025. In addition to the class, landlords will receive proper lead cleaning/testing kits along with paint kits. The stipend program for achieving a Certificate of Compliance (C of C) is expected to launch in May 2025 and continue through June 30, 2026. This timeframe allows landlords sufficient opportunity to obtain their RRP certification and achieve compliance on their unit(s). We anticipate the following outcomes:

- 200 Renovate Repair & Paint (RRP) certificates issued to landlords
- A minimum of 150 units achieves a Certificate of Compliance

 Affordability preserved for 5 years on units receiving stipends of \$10,000/unit (landlords can submit for up to 3 units that have achieved a C of C)

Funding for this program is in the FY24-25 budget. HRD does not currently project to spend the entirety of the funds in the current fiscal year though it will have the dollars encumbered. Should Council desire to extend funding into FY25-26, funding would need to be added as part of the budget process.

2. What is the status of the Higgenbotham projection in District 2 and how can HRD assist the developer extend his reach to repair and single family residential units in the area?

The adaptive reuse of the former Higginbotham School and new construction on the site bringing a total of 100 new housing units is underway as of November 2024, with an estimated completion in Q1 of 2026. The developer is actively fundraising for the neighborhood home repair program announced at the groundbreaking, including a potential \$250,000 through the state's MI Neighborhood program, and has selected Live6 as a fiduciary. HRD has offered support for the program's fundraising efforts.

3. The Detroit Housing Commission has a project on Tyler Street but the unit needs to be secured and maintained until DHC takes title and can start the rehabilitation. What is the status of the project and how can HRD better maintain the property until the DHC project can start?

The City and DHC released a request for proposals (RFP) to find a developer or general contractor to partner on the rehabilitation of 2900 Tyler. The RFP closed on February 21st and the City is currently reviewing the two responses that were submitted. Once the developer is selected and development terms negotiated, a purchase and development agreement will be presented to the City Council for consideration. The selected developer will be provided architectural drawings that were completed as part of the pre-development process.

HRD is working with the Detroit Building Authority (DBA) to stabilize, clean out and better secure the structure in preparation for renovations. The DBA has already installed "secureview" glass on many exterior openings and hopes to have three cost estimates for the remaining work within two weeks.

4. How does HRD partner with PDD and the DLBA to promote neighborhood stabilization? In District 2, can this partnership be focused on the Greenfield neighborhood near Coffey School? Can the partnership be focused on the Fenkell/Meyer area near the Bethune School site?

HRD and PDD partner with the DLBA in many ways but primarily promote full neighborhood stabilization through the neighborhood framework planning process. Working together, the departments identify opportunities for homes to be added to DLBA programs like the daily online auction, or "own it now," package land or structures for redevelopment through

marketing and requests for proposals, and work with the Department of Neighborhoods to identify areas that could benefit most from clean up, blight elimination and demolition.

There are no current plans for the area surrounding Coffee School; however, the area surrounding Bethune School is located near the area being focused on as part of the Fenkell Neighbor



3/20/2025