

Janice M. Winfrey
City Clerk

City of Detroit
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.	2024-365 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. This petition is an amendment of "Petition 2024-321 NEZ". The purpose of this amendment is to provide a new petition number for the Neighborhood Enterprise Zone for this project.
Type of Petition	Tax Abatement for a Neighborhood Enterprise Zone
Submission Date	10/30/2024
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



10/15/2024

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 (NEZ) 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 approximately 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 blighted and obsolete residential rental units on the second floor.

The project is eligible for the establishment of NEZ and PA 147 tax exemption given MCL 207-773 sec.3 & MCL 207-779 sec.9, which allow for NEZ tax abatements in designated zones with obsolete property. 9301 Oakland Ave. has been a vacant and obsolete property for over a decade. The restoration 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 NEZ PA 147 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. Stafford House prioritizes affordable housing and wants to maintain affordability by receiving the tax abatement and not raising rents. 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

Item:	Date:
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