

Lauren Hood, MCD  
Chairperson  
Donovan Smith  
Vice Chair/Secretary

Marcell R. Todd, Jr.  
Director

**City of Detroit**  
**CITY PLANNING COMMISSION**  
208 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Phone: (313) 224-6225 Fax: (313) 224-4336  
e-mail: [cpc@detroitmi.gov](mailto:cpc@detroitmi.gov)

Brenda Goss Andrews  
Kenneth R. Daniels  
David Esparza, AIA, LEED  
Ritchie Harrison  
Gwen Lewis  
Melanie Markowicz  
Frederick E. Russell, Jr.

March 28, 2023

**HONORABLE CITY COUNCIL**

**RE: Neighborhood Enterprise Zone Certificate Application for the construction of a new 57-unit multi-family building at 3740 Second in the Second/Brainard Neighborhood Enterprise Zone area (RECOMMEND APPROVAL)**

The office of the City Clerk forwarded to the City Planning Commission (CPC) staff an application requesting a Neighborhood Enterprise Zone (NEZ) certificate for the construction of a new 4-story multi-family building at 3740 Second with 57 rental apartments.

The property is generally located at the northeast corner of Second and Brainard streets. The site is presently vacant. The petitioner for the request is 8484 Brainard LLC - the developer is Greatwater Opportunity Capital which is a Detroit-based company formed in 2014 to acquire, rehab and lease multifamily, commercial and vacant land in several Detroit neighborhoods.

The subject request is for a 15-year NEZ certificate for a new facility to include 57 rental units: 33 studio units each containing 370 square feet and 24 one-bedroom units each containing 550 square feet. Greatwater also owns the adjacent apartment building to the east which has no studios and 19 two-bedrooms; as a result, the subject building is focusing on providing studios and one-bedrooms. Of the 57 units, 12 units will be at rents affordable to those with income not greater than 80% Area Median Income (AMI). The developer plans to spend about \$181,011 per unit. Below is a summary of the units provided:

Unit Type	Units	Square Foot	Rent
Studio Market Rate	26	370	\$1,290
Studio Affordable	7	370	\$1,254
One-Bedroom Market Rate	19	550	\$1,450-1,690
One-Bedroom Affordable	5	550	\$1,343

The building will have an elevator. The developer indicates units 203 and 303 will be handicap accessible units. The site plan shows 37 parking spaces on site; the developer indicates the parking fee will be reduced by 50% for tenants in affordable units.

The subject property has been confirmed as being within the boundaries of the Second/Brainard NEZ which was established by City Council on November 22, 2022, and should be eligible for NEZ certificate under the State NEZ Act (Act 147 of 1992). 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 applications must be filed before a building permit is issued. The petitioner submitted the NEZ certificate application dated February 7, 2023, to the City Clerk's office.

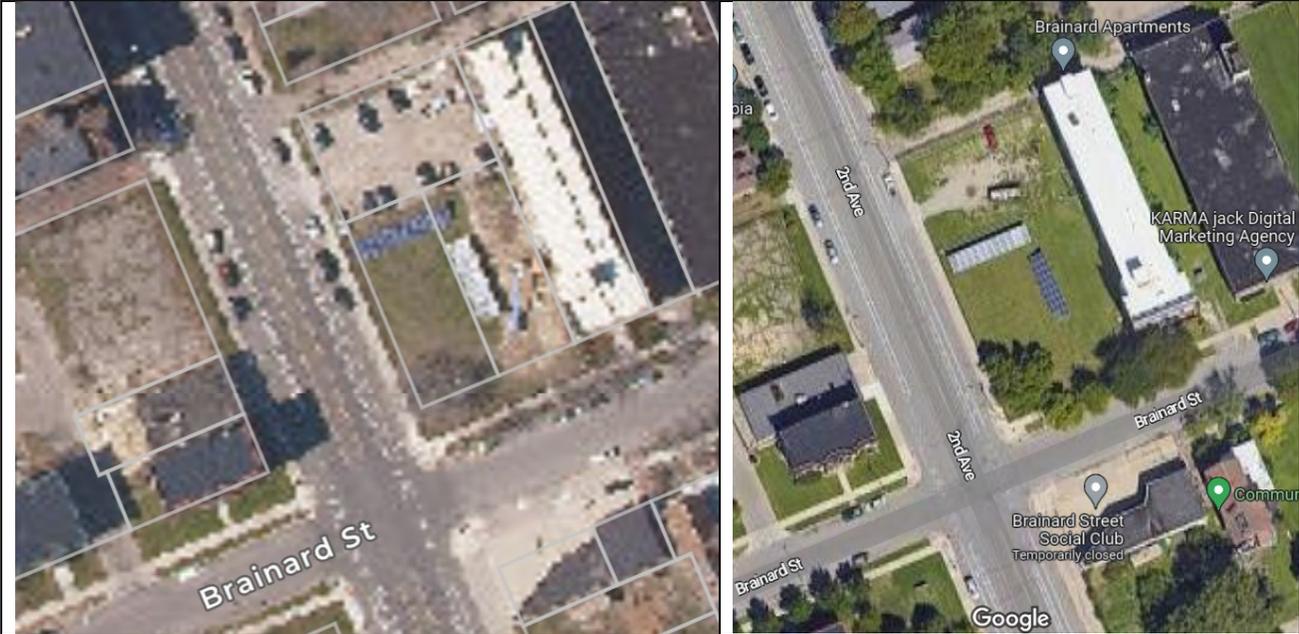
CPC staff has reviewed the application and recommends approval. Attached is a resolution for Your consideration. Please contact our office should you have any questions.

Respectfully submitted,



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

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







MPA 3740 2ND  
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LOOKING NORTHEAST AT SECOND & BRAINARD **6**  
11.02.2022

# 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>
Second/Brainard NEZ	3740 Second (residential rental units 1-57)	07-0900