

Alton James
Chairperson
Lauren Hood, MCD
Vice Chair/Secretary

City of Detroit

CITY PLANNING COMMISSION
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Detroit, Michigan 48226
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Brenda Goss Andrews
Damion Ellis
David Esparza, AIA, LEED
Gregory Pawlowski
Frederick E. Russell, Jr.
Angy Webb
Henry Williams

TO: City Planning Commission

FROM: Christopher Gulock, AICP, Staff *CJG*

RE: Request from Morton Manor Limited Dividend Housing Corp., LLC to rezone 20000 Dequindre from an R2 (Two-Family Residential) to an R3 (Low Density Residential) zoning classification to bring the existing use into compliance with the Zoning Ordinance (RECOMMEND APPROVAL)

DATE: January 6, 2020

RECOMMENDATION

The City Planning Commission (CPC) staff recommends **APPROVAL** of the request of Morton Manor Limited Dividend Housing Corporation (LDHC), LLC to amend Article XVII, District Map No. 18 of the 2019 Detroit City Code, Chapter 50, Zoning, by showing a R3 zoning classification where a R2 zoning classification currently exists on property at 20000 Dequindre Avenue.

BACKGROUND AND PROPOSAL

The subject property is presently developed with Morton Manor Apartments, an eight-story 150-unit elderly apartment building built in 1983. The site includes parking on the north and south sides of the building with a total of 80 spaces. The building was originally constructed with a HUD 202 loan and currently supported by Section 8. The R2 zoning district allows multiple-family dwellings as a conditional use with not more than eight dwelling units. In 1981, the Board of Zoning Appeals (BZA) granted a use variance to allow the subject 150-unit building to be constructed on the R2 land.

Morton Manor LDHC, LLC is comprised of representatives of Communities of Hope, Inc., Christina Love, LLC and Metropolitan Baptist church Non-Profit Housing Corporation, the original entity involved in building the apartment building in 1983. The developer is keeping Premier Property Management, which assumed management of the site in 2017, to market, lease, and manage the building.

Morton Manor LDHC, LLC is proposing to purchase and renovate the building utilizing low income housing tax credits and Michigan State Housing Development Authority (MSHDA) gap

financing. In order to qualify for the financing, MSHDA is requiring that the current use comply with zoning.

The developer is proposing to keep the building with 150 affordable units for the elderly and planning \$8 million worth the renovations, including repair and replace damaged brick, new energy star windows, upgrades to the parking lot, landscaping, and lighting, new energy efficient HVAC, electrical and plumbing systems and fixtures, and renovations to existing units, including renovated kitchens and bath, new flooring, new cabinets, security systems, and energy star appliances

PUBLIC HEARING RESULTS

On December 5, 2019, the City Planning Commission held a public hearing on the rezoning request. At the hearing, no one from the public spoke. During the hearing, the City Planning Commissioner asked details for how the renovations would be conducted. The representative of Premier Property Management indicated the development team had extensive experience with renovating occupied buildings including senior buildings. Premier indicated the building was currently fully leased. As a result, tenants would be relocated for 2-3 weeks on-site if possible or off-site with relatives or nearby hotels. The Commission also asked for additional assurances from the developer that the building would remain affordable into the future.

STAFF ANALYSIS

Public Hearing Follow-up

In response to the public hearing, the developer submitted the attached email and three sample documents. The first sample document provides a resident transition and relocation plan. The second document is a sample notice to tenants that they will be temporarily relocated and not displaced. The third document is a sample restrictive covenant that the developer signed in 2011 when redeveloping Cornerstone Estates Phase III; when the subject property closes, a similar restrictive covenant will be signed requiring the property to remain affordable for a period of 40 years. The developer indicates there will be numerous resident meetings to communicate the process.

Surrounding Zoning and Land Use

The zoning classification and land uses surrounding the subject area are as follows:

North: R2; developed with residential housing
East: R1 (Single-Family Residential); developed with residential housing
South: B2 (Local Business and Residential); developed with a gas station
West: R2; developed with residential housing and a church

In 1983, the BZA granted a variance allowing the subject 8-story building to be constructed on the subject block. CPC staff thinks the building being located on Dequindre, which is a busier road, and adjacent to commercial activity on East Outer Drive, helps makes the higher density 8-story more compatible with the surrounding residential area.

Zoning Ordinance Criteria

Section 50-3-80 of the Detroit Zoning Ordinance lists eight approval criteria on which zoning map amendments must be based. CPC staff has found that the present request meets the criteria for the following reasons:

1. *Whether the proposed amendment corrects an error or meets the challenge of some changing condition, trend or fact;*

The proposed amendment does not correct an error. As noted earlier in this report, in 1981 the BZA granted a use variance to allow the subject 150-unit building to be constructed on the R2 land. The developer indicates in order to qualify for the financing, MSHDA is requiring that the current use comply with zoning, which does meet the challenge of a changing condition.

2. *Whether the proposed amendment is consistent with the Master Plan and the stated purposes of this Zoning Ordinance;*

The subject site is located within the Nolan area of Neighborhood Cluster 1 of the Detroit Master Plan of Policies. The Future Land Use map for this area shows Low Density Residential for the subject block. CPC staff submitted a letter to the Planning and Development Department (P&DD) requesting its comments regarding the consistency of this proposal with the City's Master Plan. P&DD responded that, "Such developments do not change the overall character of the area, and hence we find that the proposed rezoning does not change the Future General Land Use characteristics of the area and thus conforms to the policies of the City's Master Plan."

3. *Whether the proposed amendment will protect the health, safety, and general welfare of the public;*

The proposed amendment could help protect the health, safety, and general welfare of the public by allowing the 150-unit building to remain as affordable housing for seniors.

4. *Whether the City and other service providers will be able to provide adequate public facilities and services to the subject property, while maintaining adequate levels of service to existing development;*

Not applicable.

5. *Whether the proposed rezoning will have significant adverse impacts on the natural environment, including air, water, soil, wildlife, and vegetation and with respect to anticipated changes in noise and regarding stormwater management;*

It is not anticipated the proposed rezoning will have significant adverse impacts on the natural environment.

6. *Whether the proposed amendment will have significant adverse impacts on other property that is in the vicinity of the subject tract;*

It is not anticipated the proposed rezoning will have significant adverse impacts on other property that is in the vicinity. The site is expected to continue to be developed with the 8-story senior apartment building originally constructed in 1983.

7. *The suitability of the subject property for the existing zoning classification and proposed zoning classification; and*

The subject property is not suitable for the existing zoning classification, because multiple-family dwellings greater than 8-units are not allowed in R2.

8. *Whether the proposed rezoning will create an illegal "spot zone."*

The proposed rezoning will not create an illegal spot zone, because the proposed R3 zoning will be applied to the entire block and fits into the context with R2 zoning to the north and west and R1 zoning to the east.

CONCLUSION

In conclusion, based on the above analysis and consistent with the approval criteria of Sec. 50-3-80 of the Zoning Ordinance, CPC staff recommends **APPROVAL** of the rezoning request.

cc: Karen Gage, P&DD
Greg Moots, P&DD

Christopher Gulock

From: Jason Ostrander <jostrander@4premier.net>
Sent: Monday, January 06, 2020 3:58 PM
To: Christopher Gulock
Subject: RE: ? regarding 20000 Dequindre
Attachments: 9.09 Relocation Plan revised SAMPLE TEMPLATE.pdf; Resident Not Displaced - SAMPLE TEMPLATE.pdf; SAMPLE Declaration of Restrictive Covenants.pdf

Chris,

There are three sample docs attached that should address the remaining questions from the planning commission;

- 1) Addressing the concerns about resident displacement. Again, this is a HUD project which is highly regulated. HUD has strict guidelines adopted under their 1970 URA act. Each of the residents will receive the attached sample doc "Resident Not Displaced" which confirms that upon completion they will retain the right to reoccupy their unit.
- 2) Addressing concerns about the relocation plan. Again, the relocation process itself is also highly regulated by HUD. Attached is the basic communication guidelines according to HUD that will be communicated to each of the residents. There will be multiple resident meeting to verbally communicate the process. As stated during the original Planning Commission meeting, we will have dedicated personnel assigned to assist the residents with this process, packing, relocating, and reoccupying.
- 3) Finally, to address their concerns about this property remaining affordable. In addition, to the many economic reasons why retaining this property as an affordable project, there will exist a restrictive covenant upon closing that will require this to be the case. Attached is a sample restrictive covenant doc which on p.3 highlights restrictive covenant requiring this property to remain affordable for a period of 40 years.

Hopefully this will address all of their concerns. This project will be funded by both HUD and MSHDA therefore there will be no shortage of oversight by both entities. The URA regulation handbook alone is over hundred pages. We are very experienced at these relocations and we have our own compliance team that provides assistance on these transactions.

Thanks,
Jason



Jason A. Ostrander, CPA
Chief Financial Officer
Premier Property Management
120 N. Leroy St.
Fenton, MI 48430
810.629.9500 ext#0208 (office)
810.423.6571 (cell)

Morton Manor Apartments
Resident Transition and Relocation Plan
December 2019

- 1) Plan to notify and regularly communicate to residents during rehab.
 - a. Prior to Initial temporary relocation, resident communication will occur by:
 - i. Posting in common areas.
 - ii. Posting on occupied residence doors.
 - iii. The residents will be notified 30 days in advance of their unit being placed in the schedule. Follow-up reminders will be sent as the date approaches.
 - iv. We will conduct resident meetings to explain the process in detail and answer any questions residents may have. The residents will be informed of the preparations they need to undertake in order to successfully renovate their unit. These consist of not leaving valuables in their units, packing up their items in the cabinets if the unit is slated for cabinet replacement etc. We will provide boxes and packing material for the residents use. The resident will be visited the day before the unit is due to begin renovation to ensure that the unit is prepped for renovation and to assist in whatever way we can.
 - b. At least 7 days prior to the completion of the renovations to the resident unit, the resident will be notified of the scheduled return date to their original unit or to a more appropriate unit based on household composition and needs.
 - i. The resident will be visited the day before the unit is ready for re-occupancy to ensure that the resident is prepared to return and the resident will be reminded of the return process.
- 2) Identification of appropriate means of notification and directions for residents should emergency or fire systems be rendered inoperable.
 - a. Prior to any event of emergency or fire systems being rendered inoperable, residents will be notified by posting in common areas and each affected unit.
- 3) Process for reimbursement to the development for use of utilities (gas, electric, and water) water during rehab.
 - a. Construction utilities will be billed and paid directly through the construction funds.
 - b. Common area utility increases attributable to rehab activities (if any) will be reimbursed to the development as approved by the ownership.
- 4) Identification of appropriate Management Agent and Contractor contact persons in case of emergency.

Morton Manor Apartments
Resident Transition and Relocation Plan
December 2019

- a. Management Agent
Robert Beale
Premier Property Management, LLC.
120 N. Leroy
Fenton, MI. 48836
(810) 629-9500
 - b. Construction Company
Howard Katzman
Slavik Building and Development
32500 Telegraph Road
Suite #222
Bingham Farms, MI 48025
(248) 203-0011
- 5) Process of identifying and accounting for specific residents who may have special needs during rehab.
- a. Special needs residents will be identified by name and unit number. The list of Special needs residents will be kept by the onsite management and be made available to emergency personnel and site staff in case of an emergency.
 - b. If any resident requires some type of special accommodation, we will see to it that their needs are met.
- 6) Identify designated parking areas to be used by the Contractor during rehab. Such areas should include space for materials, office, trailers, construction equipment, and worker parking. Sufficient resident parking near building(s) must remain available and properly identified.
- a. Construction parking areas will be outlined using signage/cones where required to ensure adequate parking for residents.
 - b. The contractors will be parking in specially designated spaces – see site plan attached. We currently have an abundance of additional parking and do not foresee any reason for conflict with existing residents' parking spaces.
- 7) Plan noting specific times when construction workers will use elevators for transporting materials and waste during rehab. If an elevator is to be made inoperable due to repair or replacement, sufficient notification and accommodations must be made for all residents.
- a. One elevator will remain available for residents use at all times.

Morton Manor Apartments
Resident Transition and Relocation Plan
December 2019

- b. In the event the elevator is removed from service due to repair or replacement, Residents will be notified by posting in common areas and at each occupied residence door.
 - c. The entire second floor of each building will be vacated of all residents during the rehab of that floor's units. The first floor residents do not require the use of an elevator. There should not be any interference in the use of the elevators for residents during rehab.
- 8) Plan for temporary relocation of residents if they are displaced from their units during rehab. Related costs will be the responsibility of the contractor.
- a. It is anticipated that many of the residents will be temporarily relocated to vacant, made-ready apartments within the existing development. In addition, some residents will be offered temporary accommodations at local hotels or nearby apartments during the renovation of the resident's existing unit.
 - b. Residents will have their belongings transferred to the temporary unit during the renovations and then transferred back to their original apartment (or a more appropriate apartment) once renovations are complete.
 - c. Residents will be offered incentives to temporarily live with relatives or friends during the renovations should they choose not to be transferred to an apartment on site.
 - d. The renovation plan will require the complete vacancy of at least one floor in a building at a time (maximum 28 units and an average of 22 units). This will limit any interactions between residents and construction activity.
- 9) Plan for providing packing materials and appropriate staff (if necessary) to pack and relocate household goods for residents being relocated due to rehab.
- a. The rehab process is not expected to permanently displace residents. However, residents will be asked to pack up their household goods to facilitate the necessary rehab inside their unit. Packing materials and personnel will be made available to residents to facilitate the move from one unit to another suitable unit.
 - b. Resident belongings that are packed up can be transferred to their temporary relocation destination as described above, however, storage pods will be located on site for residents use in temporarily storing items they do not wish transferred.
 - c. The storage pods will be provided with locks and security tabs provided to ensure resident belongings are secure.
 - d. Professional movers will be utilized to move residents packed belongings and furniture as needed.

GUIDEFORM GENERAL INFORMATION NOTICE
RESIDENTIAL TENANT NOT DISPLACED

MORTON MANOR APARTMENTS

1/10/15

Dear Morton Manor Residents :

Premier Property Management is interested in rehabilitating the property you currently occupy at _____ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the LIHTC program.

The purpose of this notice is to inform you that you will not be displaced in connection with the proposed project.

If the project application is approved and federal financial assistance provided, you may be required to move temporarily so that the rehabilitation can be completed. If you must move temporarily, suitable housing will be made available to you and you will be reimbursed for all reasonable out of pocket expenses, including moving costs and any increase in housing costs. You will need to continue to pay your rent and comply with all other lease terms and conditions.

Upon completion of the rehabilitation, you will be able to lease and occupy your present apartment or another suitable, decent, safe and sanitary apartment in the same building/complex under reasonable terms and conditions. *

If federal financial assistance is provided for the proposed project, you will be protected by a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). One of the URA protections for persons temporarily relocated is that such relocations shall not extend beyond one year. If the temporary relocation lasts more than one year, you will be contacted and offered all permanent relocation assistance as a displaced person under the URA. This assistance would be in addition to any assistance you may receive in connection with temporary relocation and will not be reduced by the amount of any temporary relocation assistance previously provided. You will also have the right to appeal the agency's determination, if you feel that your application for assistance was not properly considered.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

We urge you not to move at this time. If you choose to move, you will not be provided relocation assistance.

Please remember:

- This is **not** a notice to vacate the premises.
- This is **not** a notice of relocation eligibility.

You will be contacted soon so that we can provide you with more information about the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions about our plans, please contact: Ryan Beale _____, Manager _____, Morton Manor Apartments _____, 269-684-2970 _____.

Sincerely,

Community Manager _____

Sample

Bernard J. Youngblood
Wayne County Register of Deeds
October 12, 2011 03:21 PM
Liber 49415 Page 454-466
#2011363521 RES FEE \$51.00



DECLARATION OF RESTRICTIVE COVENANTS

Cornerstone Estates Phase III

090/1004/B

(formerly known as Jeffries Homes East and also known as Woodbridge Estates Phase VIIC)

LAMONT TITLE CORPORATION

THIS DECLARATION OF RESTRICTIVE COVENANTS (the "Declaration") is made and entered into as of this 11th day of October, 2011 by and between the Detroit Housing Commission (the "Authority"), a public body corporate and politic, organized and existing under the laws of the State of Michigan, and Cornerstone Estates III Limited Dividend Housing Association, LLC (the "Owner"), a Michigan limited liability company, for the benefit of the United States of America, acting by and through the Secretary of Housing and Urban Development ("HUD").

WHEREAS, pursuant to the U.S. Housing Act of 1937, as amended, and any successor legislation (the "Act") the Authority and HUD have entered into a Consolidated Annual Contributions Contract ("ACC") number: C-3020 dated December 18, 2002, as the same may be amended from time to time, which provides for grants and annual contributions to be made by HUD to assist the Authority in developing, maintaining, and operating its public housing units in accordance with all applicable public housing requirements (as further defined below); and

WHEREAS, as of the date of execution of this Declaration, HUD and the Authority have entered into a certain Mixed Finance Amendment to the ACC ("Mixed Finance ACC Amendment"), which adds thirty-nine (39) public housing units and any associated appurtenances to the ACC under project number MI001000053 in the City of Detroit, County of Wayne in the State of Michigan (which, together with any fixtures, rents, revenues, other income, and personalty related to such units and appurtenances shall hereafter collectively be referred to as the "Project"). The Project is part of a larger development commonly known as Cornerstone Estates Phase III the "Development").

LTD

WHEREAS, the Authority and the Owner have entered into a Regulatory and Operating Agreement, and other agreements, whereby the Authority has agreed to provide the Owner with assistance obtained under the Mixed Finance ACC Amendment to pay a portion of the development costs of the Project, and to provide operating assistance to assist in operating and maintaining the low income character of the public housing units in the Project;

WHEREAS, in return for the receipt of such assistance, the Owner has agreed to develop, operate and maintain the Project in accordance with all requirements applicable to public housing, including, without limitation, the Act, HUD regulations thereunder (and, to the extent applicable, any HUD-approved waivers of regulatory requirements), the ACC, the Mixed Finance ACC Amendment, the HOPE VI Grant Agreement (if applicable), this Declaration, and all pertinent Federal statutory, executive order, and regulatory requirements, as those requirements may be amended from time to time (all such requirements hereafter collectively referred to as the “Applicable Public Housing Requirements”);

WHEREAS, as of the date of execution of this Declaration, title to the Development is held by the Authority.

NOW THEREFORE, to assure HUD of the performance by the Authority and the Owner, and any successors in interest to the Authority and Owner, of the Applicable Public Housing Requirements in connection with the development, operation and maintenance of the Project for the term of the low income use restrictions, the parties hereby acknowledge and agree:

1. The Authority does hereby acknowledge and declare that it is possessed of and holds title to the Development consisting of the real property situated in the city of Detroit, county of Wayne, state of Michigan, as more fully described in Exhibit A to this Declaration and which is made a part hereof;
2. The Authority does hereby acknowledge and declare that it is possessed of and holds title to that portion of the Development comprising the Project in trust for the benefit of HUD, for the purposes hereinafter stated;
3. The Owner is possessed of and holds in trust for the benefit of HUD, for the purposes hereinafter stated, a leasehold interest in the Project and all buildings and fixtures developed or to be developed thereon or appurtenant thereto, and including all personalty;
4. The Owner and Authority hereby declare and acknowledge that during the existence of the trust hereby created, the restrictive covenants set forth in this Declaration shall be, and are, covenants running with the Development for the period of the low income use restrictions, and are binding upon the Owner and

the Authority, and their successors and assigns, for such term;

5. The Authority shall cause the Owner to, and the Owner shall develop the Project in compliance with the Applicable Public Housing Requirements, and shall thereafter operate and maintain the Project in compliance with the Applicable Public Housing Requirements for a 40-year period that begins on the date on which the Project (or stage of the Project) becomes available for occupancy, or for such other period as may be required by law. Such 40-year period shall be extended for 10 years after the end of the last Authority fiscal year for which Operating Fund assistance is provided by the Authority on behalf of the Project, or as may be otherwise required by law.
6. The Owner shall remain seized of title to the Development and shall refrain from transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering or permitting or suffering any transfer of any kind of the Project, or any part thereof, and shall refrain from permitting any lien to attach to the Project, or any part thereof or to any rent, revenues, income, or receipts of the Project in connection therewith, or any of the benefits or contributions granted to it by or pursuant to the ACC, as amended, or any interest in any of the same, except to the extent approved in writing by HUD, as otherwise authorized by the ACC, as amended, or as authorized below:
 - A. Mortgages and financing arrangements approved in writing by HUD under the terms of the Mixed Finance ACC Amendment, and transfer of the Development to the beneficiary under any such approved loans, by foreclosure or deed-in-lieu of foreclosure, or to a third-party purchaser at a foreclosure sale, provided that any such transfer shall be subject to the terms of this Declaration;
 - B. Dwelling leases with eligible families in the Project;
 - C. Conveyance or dedication of land for use as streets, alleys, or other public rights-of-way, and grants and easements for the establishment, operation, and maintenance of public utilities; and
 - D. Normal uses associated with the operation of the Project, to the extent authorized by the ACC.
7. (A) No transfer, conveyance, or assignment shall be made without the prior written approval of HUD of: (i) any interest of a managing member, general partner, or controlling stockholder (any such interest being referred to as a "Controlling Interest") of the Owner; or (ii) a Controlling Interest in any

entity which has a Controlling Interest in the Owner; or (iii) prior to the payment in full of all equity contributions described in the approved evidentiary documents listed in the Mixed Finance ACC Amendment, any other interest in the Owner, or in any partner or member thereof.

(B) Notwithstanding the foregoing, HUD consent is not required where a business organization that has a limited interest (non-controlling and non-managing) in the Owner transfers a non-controlling and non-managing interest in the business organization provided that the Owner: (i) provides HUD with written notice of such transfer; and (ii) certifies to HUD that the new owner of the limited interest remains obligated to fund its equity contribution in accordance with the terms of the HUD-approved organizational documents of the Owner.

(C) HUD will not unreasonably withhold, delay, or condition a request by the Owner for HUD's consent to an internal reorganization of the corporate or partnership structure of the Owner or any of the partners, members or stockholders of the Owner.

8. All notices or demands hereunder to the parties hereto shall be sufficient if made in writing and (a) delivered in person, (b) deposited in the mail, certified, postage prepaid, or (c) delivered by a recognized overnight carrier (such as Federal Express) and addressed to the parties respectively as follows:

If to Authority:	Executive Director Detroit Housing Commission 1301 E. Jefferson Detroit, Michigan 48207
With copies to:	Development Director Detroit Housing Commission 2211 Orleans Detroit, Michigan 48207
And to:	General Counsel Detroit Housing Commission 1301 E. Jefferson Detroit, Michigan 48207
If to the Owner:	Cornerstone Estates III LDHA, LLC 32500 Telegraph Rd. Ste. 333

Bingham Farms, MI 48025
Attn: John Frasco

With a copy to: Honigman Miller Schwartz & Cohn
600 Woodward Ave
Detroit, MI 48226
Attn: Denise J. Lewis

If to Investor, to: PNC Real Estate Tax Credit Capital Institutional
Fund 45 Limited Partnership
c/o PNC Real Estate
121 S.W. Morrison, Suite 1300
Portland, OR 97204
Attn: Fund Manager

With copy to: Bateman Seidel
888 Southwest 5th Ave
Portland, OR 97204-2026
Attn: Michael Chellis

If to Senior Lender: PNC Bank, National Association
500 West Jefferson Street, Suite 2300
Louisville, Kentucky 40202
Attn: Commercial Real Estate Loan Administration

With copy to: Bateman Seidel
888 Southwest 5th Ave
Portland, OR 97204-2026
Attn: Stephen Seidel

Notice shall be deemed to be effective upon delivery if hand delivered; forty eight (48) hours from the date such notice is deposited in the U.S. mail or, one (1) business day from the date such notice is delivered to a recognized overnight carrier for next business day delivery.

9. This Declaration shall not be amended, modified or released without the prior written consent of HUD.
10. Upon expiration of the period during which the Project is required to be operated and maintained as public housing in accordance with the Applicable Public Housing Requirements, HUD will release this Declaration by an instrument to be recorded in the appropriate land records (the "Release"). The Release shall be

prepared by the Owner and recorded at the Owner's expense.

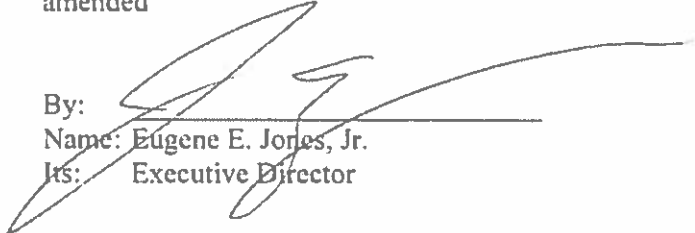
11. This Declaration is amended as set forth in Exhibit B attached hereto and incorporated by reference as if fully set forth herein.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

Sample

IN WITNESS WHEREOF, the Authority and the Owner have caused this Declaration to be executed by their duly authorized officers for proper recording in the public records.


DETROIT HOUSING COMMISSION, a Michigan public body corporate and a public housing agency as defined in the United States Housing Act of 1937, as amended

By: 
Name: Eugene E. Jones, Jr.
Its: Executive Director

STATE OF MICHIGAN)
)
COUNTY OF WAYNE)

The foregoing instrument was executed before me this 11 th day of Oct, 2011, by Eugene E. Jones, Jr., Executive Director of the Detroit Housing Commission on behalf of said Commission.

PATRICIA L VERSELE
NOTARY PUBLIC, STATE OF MI
COUNTY OF OAKLAND
MY COMMISSION EXPIRES Sep 28, 2016
ACTING IN COUNTY OF Wayne


Notary Public
State of Michigan, County of _____
My Commission Expires: _____
Acting in the County of _____

CORNERSTONE ESTATES III LIMITED DIVIDEND HOUSING ASSOCIATION, LLC
a Michigan limited liability company

By: SPA Operating IV, LLC
a Michigan limited liability company

Its: Managing Member

By: The Slavik Company
a Michigan corporation

Its: Managing Member

By: *Eric A. Gold*
Eric A. Gold
Its: Vice President

STATE OF MICHIGAN)

COUNTY OF WAYNE)

The foregoing instrument was executed before me this 11 th day of Oct, 2011, by Eric A. Gold, the Vice President of The Slavik Company, the Managing Member of SPA Operating IV, LLC, the Managing Member of Cornerstone Estates III Limited Dividend Housing Association, LLC, a Michigan limited liability company.

PATRICIA L. VERSELE
NOTARY PUBLIC, STATE OF MI
COUNTY OF OAKLAND
MY COMMISSION EXPIRES Sep 28, 2016
ACTING IN COUNTY OF Wayne

Patricia L. Versele
Notary Public
State of Michigan, County of _____
My Commission Expires: _____
Acting in the County of _____

AFTER RECORDING RETURN TO:

General Counsel
Detroit Housing Commission
1301 E. Jefferson
Detroit, Michigan 48207

EXHIBIT A

LEGAL DESCRIPTION FOR CORNERSTONE ESTATES PHASE III

LAND IN THE CITY OF DETROIT, COUNTY OF WAYNE, STATE OF MICHIGAN
BEING MORE PARTICULARLY DESCRIBED AS:

ALL THAT PART OF PRIVATE CLAIMS 23 AND 247, LYING BETWEEN LODGE
FREEWAY AND 4TH AVENUE AND BETWEEN STIMSON AVENUE AND TEMPLE AVENUE.

COMMONLY KNOWN AS: PART OF 2921 4TH AVENUE
TAX PARCEL LD: WARD 04 PART OF ITEM 004000-49

LEGAL DESCRIPTION PHASE "3A"
PARCEL # 04004000-1 1

A PART OF PRIVATE CLAIM 23 IN THE CITY OF DETROIT, WAYNE COUNTY,
MICHIGAN LYING BETWEEN MARTIN LUTHER KING JR. BOULEVARD (116 FEET
WIDE) AND PETERBORO STREET (60 FEET WIDTH); BEING ALL OF LOTS 7
THROUGH 10 AND ALL OF LOTS 19 THROUGH 22 AND PART OF LOTS 6, AND
PART OF LOTS 11 THROUGH 18, AND PART OF LOT 23 OF "CHARLES W.
NOBLES SUBDIVISION OF PART OF FORSYTH FARM LYING BETWEEN LOTS 1
AND 2 OF THE CONNOR ESTATE" AS RECORDED IN LIBER 1, PAGE 272,
WAYNE COUNTY RECORDS; AND ALL OF LOTS 16 THROUGH 19 AND PART OF
LOTS 1 THROUGH 5 AND PART OF LOT 15 AND PART OF LOTS 39 THROUGH
44 OF "E. CONNOR'S SUBDIVISION OF PART OF FORSYTH FARM BETWEEN
PITCHER AND MARCY STREETS" AS RECORDED IN LIBER 4, PAGE 51 OF
PLATS, WAYNE COUNTY RECORDS; ALSO INCLUDING AN AREA LYING BETWEEN
THE SOUTHERLY LINE OF "CHARLES W. NOBLE SUBDIVISION" AND THE
EASTERLY LINE OF VACATED FIFTH AVENUE (40 FEET WIDE) AND THE
NORTHERLY LINE OF PETERBORO STREET (60 FEET WIDE) AND WESTERLY
LINE OF CORNERSTONE BOULEVARD (66 FEET WIDE); ALSO THAT PART OF
VACATED NOBLE STREET (40 FEET WIDE); ALSO INCLUDING ALL THAT PART
OF VACATED ALLEYS LYING WITHIN THE BOUNDS OF THIS PARCEL, MORE
PARTICULARLY DESCRIBED AS:

BEGINNING AT THE POINT BEING THE INTERSECTION OF THE SOUTH RIGHT
OF WAY LINE OF MARTIN LUTHER KING JR. BOULEVARD (VARIABLE WIDTH)
AND EASTERLY RIGHT OF WAY LINE OF JOHN C. LODGE SERVICE DRIVE
(VARIABLE WIDTH); THENCE NORTH 66 DEGREES 12 MINUTES 57 SECONDS
EAST 182.26 FEET ALONG SAID SOUTH LINE TO A POINT ON THE WESTERLY
LINE OF CORNERSTONE BOULEVARD (66 FEET WIDE); THENCE SOUTH 23
DEGREES 56 MINUTES 15 SECONDS EAST 415.06 FEET ALONG SAID WEST
LINE TO A POINT BEING THE INTERSECTION OF THE NORTHERLY RIGHT OF
WAY LINE OF PETERBORO STREET (60 FEET WIDE) AND THE WESTERLY
RIGHT OF WAY LINE OF CORNERSTONE BOULEVARD (66 FEET WIDE); THENCE
SOUTH 66 DEGREES 13 MINUTES 29 SECONDS WEST 209.56 FEET ALONG
SAID NORTHERLY RIGHT OF WAY LINE TO A POINT ON THE EASTERLY RIGHT

OF WAY LINE OF JOHN C. LODGE SERVICE DRIVE (VARIABLE WIDTH);
THENCE THE FOLLOWING THREE (3) COURSES BEING ALONG SAID EASTERLY
RIGHT OF WAY LINE (1) NORTH 19 DEGREES 18 MINUTES 07 SECONDS WEST
196.20 FEET; AND (2) NORTH 18 DEGREES 49 MINUTES 19 SECONDS WEST
40.15 FEET; AND (3) NORTH 21 DEGREES 25 MINUTES 39 SECONDS WEST
179.58 FEET TO THE POINT OF BEGINNING.

LEGAL DESCRIPTION PHASE '3B'
PARCEL # 04004012-5

A PART OF PRIVATE CLAIM 23 AND PRIVATE CLAIM 247 IN THE CITY OF
DETROIT, WAYNE COUNTY, MICHIGAN LYING BETWEEN MARTIN LUTHER KING
JR. BOULEVARD (116 FEET WIDE) AND PETERBORO STREET (60 FEET
WIDTH); BEING ALL OF LOTS 1 THROUGH 6 OF BLOCK 80 AND ALL OF LOTS
3 THROUGH 7 AND PART OF LOT 2 OF BLOCK 82 OF ''PLAT OF THE
SUBDIVISION OF PART OF THE JONES FARM NORTH OF GRAND RIVER
AVENUE'' AS RECORDED IN LIBER 1, PAGE 7 OF PLATS, WAYNE COUNTY
RECORDS; AND ALL OF LOTS 1, 2, 27 AND 28 AND PART OF LOTS 3 AND
26 OF "CHARLES W. NOBLES SUBDIVISION OF PART OF FORSYTH FARM
LYING BETWEEN LOTS 1 AND 2 OF THE CONNOR ESTATE" AS RECORDED IN
LIBER 1, PAGE 272, WAYNE COUNTY RECORDS; ALSO PART OF LOTS 46
THROUGH 48 OF ''E. CONNOR'S SUBDIVISION OF PART OF FORSYTH FARM
BETWEEN PITCHER AND MARCY STREETS'' AS RECORDED IN LIBER 4, PAGE
51 OF PLATS, WAYNE COUNTY RECORDS, ALSO INCLUDING AN AREA LYING
BETWEEN THE SOUTHERLY LINE OF ''CHARLES W. NOBLE SUBDIVISION''
AND THE EASTERLY LINE OF CORNERSTONE BOULEVARD (66 FEET WIDE) AND
THE NORTHERLY LINE OF PETERBORO STREET (60 FEET WIDE) AND THE
WESTERLY LINE OF JONES FARM SUBDIVISION; ALSO THAT PART OF
VACATED NOBLE STREET (40 FEET WIDE); ALSO INCLUDING ALL THAT PART
OF VACATED ALLEYS LYING WITHIN THE BOUNDS OF THIS PARCEL. MORE
PARTICULARLY DESCRIBED AS:

BEGINNING AT THE POINT BEING THE INTERSECTION OF THE SOUTH RIGHT
OF WAY LINE OF MARTIN LUTHER KING JR. BOULEVARD (VARIABLE WIDTH)
AND THE WESTERLY RIGHT OF WAY LINE OF FOURTH STREET (50 FEET
WIDE); THENCE SOUTH 23 DEGREES 46 MINUTES 46 SECONDS EAST 415.10
FEET ALONG SAID WESTERLY LINE TO A POINT BEING THE INTERSECTION
OF THE NORTHERLY RIGHT OF WAY LINE OF PETERBORO STREET (60 FEET
WIDE) AND THE WESTERLY RIGHT OF WAY LINE OF FOURTH STREET (50
FEET WIDE); THENCE SOUTH 66 DEGREES 13 MINUTES 29 SECONDS WEST
174.90 FEET ALONG SAID NORTHERLY LINE TO A POINT BEING THE
INTERSECTION OF THE NORTHERLY RIGHT OF WAY LINE OF PETERBORO
STREET (60 FEET WIDE) AND THE EASTERLY RIGHT OF WAY LINE OF
CORNERSTONE BOULEVARD (66 FEET WIDE); THENCE NORTH 23 DEGREES 56
MINUTES 15 SECONDS WEST 415.07 FEET ALONG SAID EASTERLY LINE TO A
POINT ON THE SOUTHERLY LINE OF MARTIN LUTHER KING JR. BOULEVARD;
THENCE NORTH THENCE NORTH 66 DEGREES 12 MINUTES 57 SECONDS EAST
176.04 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

RIDER TO DECLARATION OF RESTRICTIVE COVENANTS FOR CORNERSTONE ESTATES PHASE III

The provisions below shall amend and restate entirely the existing Sections 6 and 7 of the attached Declaration.

6. The Owner shall remain seized of leasehold title to the land on which the Development sits and shall refrain from transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering or permitting or suffering any transfer of any kind of the Development, or any part thereof, and shall refrain from permitting any lien to attach to the Development, or any part thereof or to any rent, revenues, income, or receipts of the Project in connection therewith, or any of the benefits or contributions granted to it by or pursuant to the ACC, as amended, or any interest in any of the same, except to the extent approved in writing by HUD, as otherwise authorized by the ACC, as amended, or as authorized below:
 - A. Mortgages, assignments of leases and rents, financing statements and other financing arrangements approved in writing by HUD under the terms of the Mixed Finance ACC Amendment, and transfer of the Development to the beneficiary under any such approved loans, by foreclosure or deed-in-lieu of foreclosure, or to a third-party purchaser at a foreclosure sale, provided that any such transfer shall be subject to the terms of this Declaration;
 - B. Dwelling leases with eligible families in the Project;
 - C. Conveyance or dedication of a portion of the land for use as streets, alleys, or other public rights-of-way, and grants and easements for the establishment, operation, and maintenance of public utilities for the benefit of the Development; and
 - D. Normal uses associated with the operation of the Project, to the extent authorized by the ACC.
7. A. No transfer, conveyance, or assignment shall be made without the prior written approval of HUD and Authority of: (i) any interest of

a managing member, general partner, or controlling stockholder (any such interest being referred to as a “**Controlling Interest**”) of the Owner; or (ii) a Controlling Interest in any entity which has a Controlling Interest in the Owner; or (iii) prior to the payment in full of all equity contributions required pursuant to the Owner’s operating agreement (the “**Operating Agreement**”) approved as part of evidentiary documents listed in the Mixed-Finance ACC Amendment, any other interest in the Owner, or in any partner or member thereof.

B. Notwithstanding the foregoing, HUD and Authority consent is not required for:

1. the collateral assignment and pledge by SPA Operating IV, LLC (the “**Managing Member**”) of its interest in Owner to PNC Bank, National Association (the “**Senior Lender**”) pursuant to that certain Pledge and Security Agreement (Assignment of membership interests) dated as of the approximate even date herewith (the “**Pledge Agreement**”); provided however that in the event Senior Lender elects to exercise its right, pursuant to the Pledge Agreement, to remove the Managing Member and replace it with an affiliate (“**Investor’s Affiliate**”) of PNC Real Estate Tax Credit Capital Institutional Fund 45 Limited Partnership (the “**Investor**”), then: (x) Senior Lender shall provide the Authority and HUD with prior or contemporaneous written notice of such replacement; and (y) said replacement shall not extend beyond ninety (90) days (the “**Initial Replacement Period**”), unless Senior Lender: (y-i) demonstrates that it has continued to fund draw requests as required pursuant to Senior Lender’s loan documents; (y-ii) demonstrates that the Project continues to be operated in accordance with the Applicable Public Housing Requirements; and, (y-iii) provides notice to HUD and the Authority of the need to extend for a second ninety (90) day period or such longer period as reasonably necessary to identify a permanent substitute managing member (the “**Extension Period**”);
2. instances in which Investor transfers all or a portion of its non-Controlling Interest in Owner provided that the Investor (x) provides HUD and the Authority with written notice of such transfer; and (y) certifies to HUD and the Authority that the

new owner of the limited interest remains obligated to fund its equity contribution in accordance with the terms of the Operating Agreement; or

3. Investor exercises its right, pursuant to the Operating Agreement, to remove the Managing Member and replace it with Investor's Affiliate provided that (x) Investor provides the Authority and HUD with prior or contemporaneous written notice of such replacement and (y) said replacement does not extend beyond the Initial Replacement Period, unless Investor: (y-i) demonstrates that it has continued to provide the capital contributions as required pursuant to the Operating Agreement; (y-ii) demonstrates that the Project continues to be operated in accordance with the Public Housing Requirements; and, (y-iii) provides notice to HUD and the Authority of the Extension Period.

C. HUD and Authority consent is required if either Senior Lender or Investor exercise its right to replace the Managing Member pursuant to, respectively, the Pledge Agreement or the Operating Agreement, and either: (i) the replacement extends beyond the Initial Replacement Period or Extension Period, as applicable; or (ii) a replacement managing member other than Investor's Affiliate is selected.

D. With respect to any approvals or consents required by this Section 7, HUD and the Authority will not unreasonably withhold, delay or condition a request by the Owner for HUD and Authority consent to an internal reorganization of the Owner or any of the members of Owner, including the exercise of the Senior Lender or Investor of its right to replace the Managing Member pursuant to, respectively, the Pledge Agreement or the Operating Agreement, including the right to replace and/or substitute a managing member with one other than Investor's Affiliate.