

City of Detroit

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October 20, 2020

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Application for the rehabilitation of a multi-family 24-unit residential property located at 7610-7436 Kercheval Avenue in the Islandview Neighborhood Enterprise Zone area. (RECOMMEND APPROVAL)


The office of the City Planning Commission (CPC) has received an application requesting a Neighborhood Enterprise Zone (NEZ) certificate forwarded from the office of the City Clerk for the rehabilitation of a multi-family residential 24-unit residential property located at 7610-7436 Kercheval Avenue. These applications correspond to a qualified site which will accommodate the development project. The development will have a total of 24 rental apartments. 8 of these will be two-bedroom units (approx. 1,000 sq. ft. each) and the remaining 16 will be one-bedroom units (approximately 700 sq. ft. each).

The developer has indicated that, having discussed this matter with several stakeholders, they have offered to make a more aggressive contribution to affordable housing in the greater neighborhood, rather than solely in this development. Instead of setting aside 5 units within this development, the developer has agreed to renovate 5 larger units in the same Islandview neighborhood. These units are comprised of a 4-bedroom single family home and two two-family houses i.e. 5 dwellings in total. The rents at these units have been set at deeper affordability levels of 75%, 70% and 60% of AMI. This strategy has been explained to various City departments and has been well-received by the Department of Neighborhoods and the Housing and Revitalization Department.

The subject property has been confirmed as being within the boundaries of the Islandview NEZ which was established by a vote of Council on May 1, 2006, and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The anticipated construction cost of the project is approximately \$158,988.00 per unit. The applicant is seeking a 15-year tax abatement. The NEZ certificate application appears to have been submitted prior to the issuance of any applicable building permits.

Please contact our office should you have any questions.

Respectfully submitted,


Marcell R. Todd, Jr., Director CPC
George A. Etheridge, City Planner, LPD

cc: Janice Winfrey, City Clerk