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David Esparza, AIA, LEED  
Ritchie Harrison  
Gwen Lewis  
Frederick E. Russell, Jr.

**Special Meeting**  
**February 24, 2022**

**I. Opening**

A. Call to Order - Vice Chairperson Smith called the meeting to order at 5:27 pm.

B. Roll Call - CPC Director Todd called the roll; a quorum was present.

Attendees: Andrews, Daniels, Esparza, Lewis, Russell, and Smith

Excused: Ellis, Harrison and Hood

C. Amendments to and approval of agenda

**Commissioner Daniels motioned to approve the agenda; seconded by  
Commissioner Russell. Motion.**

**Minutes - October 21, 2021, and November 18, 2021**

**Commissioner Daniels motioned to approve the October 21, 2021, meeting minutes; seconded  
by Commissioner Esparza. Motion approved.**

**Commissioner Andrews motioned to approve the November 18, 2021, meeting minutes;  
seconded by Commissioner Daniels. Motion approved.**

**II. Public Hearings, Discussions and Presentations**

A. **PRESENTATION** – 2022-23 Community Development Block Grant, Neighborhood  
Opportunity Fund Program Recommendations.

Chris Gulock, CPC; Tamara Fountain Hardy, Kerry Baitinger, Gordon Pearson, and  
Lindsay Wallace, HRD, provided an overview of the 2022-23 Community  
Development Block Grant Neighborhood Opportunity Fund Program. (CDBG/NOF)  
CDBG, administered by the Housing and Revitalization Department (HRD), has three

(3) primary objectives: provide services to low to moderate income individuals; eliminate slums and blight; and address urgent needs. The Neighborhood Opportunity Fund Program (NOF) is a subcategory of CDBG created by the City of Detroit. NOF has three (3) primary categories: Public Service (PS) programs which serves low to moderate income individuals; Public Facility Rehabilitation (PFR) rehabilitates buildings owned by non-profit organizations who carryout CDBG eligible programs; and Homeless Public Service (HPS) funds programs serving homeless persons or preventing homelessness.

The review did not include Homeless Public Service (HPS) due to HRD's efforts to align the HPS award with the Emergency Solutions Grants Program (ESG). The City of Detroit uses the HPS funds as a match for the ESG program to ease the financial burden on the subrecipients and to leverage Federal funds awarded by the U. S. Department of Housing and Urban Development (HUD). Priorities listed under NOF/PS includes education, health, public safety, recreation and seniors. Under Federal regulations no more than 15% of the entitlement funds (plus program income) can be allocated toward PS and HPS funding. The Mayor's Office and HRD have completed their review of the 2022-23 program year, allocating \$2,531,478 for PS.

CPC staff provided two charts to the Commission summarizing the PS and PRF applicants, project descriptions and recommended funding amounts.

*Commissioner Andrews expressed concern regarding funding for organizations that are assisting refugees.*

Lindsay Wallace, HRD/PFR - Indicated that the Freedom House did apply for funding but were not included due to site issues and the department is working with them. HRD is aware of the organization's need for repairs. HRD will provide further information to CPC.

*Commissioner Smith noticed that some organizations were funded this year and not the previous year, wanted clarity about the difference.*

Tamara Hardy, HRD – Funding under Public Service depends on the scoring grid; attempts are made to divide funding among organizations in each category.

Lindsay Wallace, HRD/PFR – In construction, the department wants to fully fund the project to achieve and meet the national objective which is to show a completed project that benefits low- or moderate-income residents.

*Commissioner Daniel wanted to know who the members of the evaluation team and the timeline.*

The review/evaluation team is compiled of members of the HRD, CPC, the Office of Development and Grants (ODG) and the Office of Contracts and Procurement (OCP).

On July 28, 2021, HRD held a virtual CDBG/NOF Best Practices Webinar for PS and PFR; On August 26, 2021, and September 15, 2021, HRD hosted virtual proposal writing workshops which were recorded and posted on HRD's website and the City of Detroit's YOU TUBE channel. The PS application was placed online on the City's Oracle system, August 30, 2021, thru October 1, 2021. The PFR proposals went live on October 4, 2021 and were due on November 5, 2021.

*Several Commissioners expressed concern regarding one award under PFR and decided to postpone the vote until further details can be presented.*

*Commissioner Esparza - How do you account for the reality of inflation, the pandemic period that we're in, the supply chain issues that we're dealing with and the fact that there is a global war that's underway impacting everyone, how does that affect the allocations and your program?*

Lindsay Wallace: By the time we go under contract we're looking at 2023, a lot of things will happen with the economy. It is very common where an organization requests money for improvements, we want to make sure that we can secure the investment; looking at making sure that the most important improvements are made. We do look for additional funding if that happens with every proposal that is submitted.

The organizations are supposed to reach out and get cost estimates. We understand that those costs estimates are not always correct; it depends on when they do the procurement. When this happens, we will narrow down the scope of work or see if we can get additional funding through our reprogramming efforts as it relates to the supply chain. We have set new policies and procedures and new staff members will work with the sub recipients on a weekly basis.

*Commissioner Lewis: Can you tell us what is the maximum percentage of the property's value that you will award on a public service facility award?*

Lindsay Wallace: We do not have a cap. We typically look at what is needed for the improvements and if they are in alignment with CDBG regulations and the Public Facility Rehab Program. A lien is placed on the property for a minimum of five years, to make sure that if we put CDBG money into a facility it cannot be sold until the five years are up.

*Commissioner Lewis: Do you obtain evaluation of the property before making the award.*

Lindsay Wallace: No, we do not.

*Commissioner Lewis: A grantee could receive better than 100% of the value of a property?*

Lindsay Wallace, HRD: If they are not compliant and currently not providing an ETA or barrier free access or they're in violation of health and or safety regulations rules, that is our concern, making sure that they are able to provide public service activities to residents in need, and able to make improvements to those facilities.

*Commissioner Lewis: I am speaking to whether it is prudent not to have a max. In a business situation that banker might want that businessperson to come with 70% and they loan 30%, but all of that is based on the value of the structure; without knowing the value of the structure, how can we be sure that we are making prudent decisions?*

Lindsay Wallace, HRD: This is a grant, and our concern is making sure that if you are a nonprofit organization that is currently undertaking a public service activity and providing that service and if you can increase the number of people that are being served through a grant, where you can get improvements to that building, that is our major concern, and that is the nature and spirit of the Community Development Block Grant Programs.

*Commissioner Lewis: Maybe I miss understood the purpose of this grant, is this grant to rehabilitate a facility or help an entity construct a new facility or the actual recipient of the service.*

Lindsay Wallace, HRD: We will fund and make repairs to an existing building, or we will fund new construction; focusing on energy efficiency improvements or making sure that the funding that we are putting into it is going towards construction where they're doing that.

*Commissioner Lewis: Would it be prudent to put a million dollars into a facility that values at \$200,000 or \$300,000 or half a million? Would that be the prudent use of taxpayers' dollars, just asking us to consider that.*

Lindsay Wallace, HRD: If we invest CDBG funding and the recipient attempts to sell the property, we will get that money back; that's not an option, that's a hard requirement. We would get that investment back and put it back into the Community. The recipient can sell the property after five years from the date that the project is completed.

Commissioner Daniels: With this five years lien, you can't sell the property, but can they take a loan out against the property?

Lindsay Wallace, HRD: No, when they go to do the financing, a title search would be done, and we would not discharge the lien.

CPC Director Todd: If you have any concerns, we will probably look for you to address them with recommended procedures or investigation for staff or for the City Council to address, because we need your action tonight. This is due to unusual circumstances surrounding this entire review process this year.

*Commissioner Esparza: The dollars that are part of this program this year, based on the period we are in, were there any dollars supplemented by the ARPA Program? Specific to proposal two, the organization is Neighborhood Legal Services, and the focus of their request was to address service for victims of human trafficking. I noticed that they were not recommended for funding, outside of that decision, is there any follow-up by your team to address their need for funding for those services?*

Tamra Fountaine Hardy, HRD: Neighborhood Legal Services did not meet threshold because a critical document required as part of threshold was not included in their application. We have reached out to Neighborhood Legal Services, and we do plan to work with them to find funding to fill the gap.

We have created a new program, NOF ARPA, based on the NOF program. We will be presenting it to the City Council soon. This program will use ARPA funds that have been made available to the City Council. If the City Council approves the program, some of the current CDBG funding restrictions will be reduced and we believe that through that program many organizations that typically are not funded through CDBG due to the restrictions, will be able to be funded.

*Commissioner Daniels: I noticed that some of these organizations are funded; it says recommended for funding and the other organizations were not funded due to cost out, can you explain what that means?*

Christopher Gulock: Cost out means they met threshold, but there was not enough estimated budget to go around to every group.

*Commissioner Daniels: Some organizations, like IFF, got approved for \$860,000; instead of giving IFF the \$860,000 could you have given them half of that amount and given the remaining amount to another organization, giving them an opportunity to participate, if they scored high enough.*

Lindsay Wallace: Funding was based on the highest scores, IFF was the 5<sup>th</sup> highest scoring organization on the list. IFF did request \$2 million, they did not show any gaps or additional need, but we did not have \$2 million available after awarding the first four highest scoring organizations. We gave them what we recommended but a balance was left in the amount of \$860,000. The award was conditional based on IFF's ability to show that there was no gap in funding. They were able to fund the

entire project, and we advised them that if they were able to come up with the additional funding, we would go ahead and conditionally recommend them. We would not enter an agreement until they were able to demonstrate that the funding was available. This would apply to any applicant if they were awarded funding based on the score, this did not just apply to IFF. That does not mean that we would prolong the time we would enter into an agreement with any other applicants or sub recipients; if by that time they were not able to demonstrate additional funding, we would then go down the list. The next organization would be the Neighborhood Services Organization and that is also a new construction for a homeless shelter.

In the beginning of the presentation, I did discuss why funding partially is more problematic. Several years ago, the city would slice the funding in 14 or 15 different ways. We needed to be able to show that the project was being completed, there was a certificate of occupancy and, the organization was able to provide the public services needed. We cannot partially fund a project unless they are able to demonstrate that they can secure additional financing or funding. We conditionally approved IFF and they did send us a letter of interest, as well as a document from a lender stating that they would be able to cover that difference.

*Commissioner Daniels: And the other companies could not do that? It is a matter of fairness, because all these organizations obviously need help, but they would not come to the table and apply and go through the process and notice that?*

Lindsay Wallace, HRD: We went based on the highest score and then down; after that the full 2 million was accounted for. If we were not to following that process, we would be in violation of not only our city ordinance regarding procurement but also HUD. If somebody were to appeal this to HUD, they would look into this and we more than likely would get a finding from the Department of Housing and Urban Development for violating our own procurement process.

*Commissioner Andrews: Wanted to know the history of IFF, since this is a new construction and did, they have another building. I am confused about the relationship with Matrix; don't they have different buildings throughout the city that they operate, out of for their programming?*

Lindsay Wallace, HRD: They used to be called Illinois Facilities then changed their name to IFF. IFF is a nonprofit or community development financial institution. They were the developer on the Marygrove Early Learning Childhood Center. They have been working for several years and they are providing an early childhood learning center. The original provider would be a head start program and, the provider would be Matrix Human Services that would take on that activity. They are trying to do the same thing; they have another site that they are working on for affordable early learning childcare.

Christopher Gulock, CPC: They try to partner with local nonprofits to provide affordable childcare. The Commission may recall that they came before you with a rezoning request for land on McClellan and Sylvester, the former Beacon Public School site. They are buying it and were going to partner with another nonprofit but that fell through so now they are partnering with Matrix who will operate the new center.

Lindsay Wallace: Matrix is bringing additional funding to the table as well. There was a local daycare provider that was originally involved in this project; they were not able to bring additional financing. Matrix Human Services also requested funding for a different site which they own. I believe that is also why they were not on this application. If the Commission wants additional details, as it relates to the logistics of who will own the building, I am happy to get that information over to CPC.

*Commissioner Andrews: I would be interested to have some of that information.*

*Commissioner Daniels: Expressed concern regarding IFF coming from another state and applying for the funding; believed that organizations had to be from the state where they would receive the funds.*

Lindsay Wallace, HRD: IFF does have a location near Detroit. They are not headquartered in Detroit, but they do have a location and they do qualify. They do not have to be in Michigan; they do have to be in good standing with the State of Michigan. IFF is showing a total project amount at 7.7 million dollars.

*Commissioner Lewis: Requested information regarding the proposed market value of the building after completion.*

*Vice-Chairperson Smith: In the future I feel that we should look at new construction requests with a keener eye.*

*Commissioner Daniels: Questioned whether the Commission had to vote on the entire CBDG proposal tonight or whether they can omit portions that require further information?*

#### Staff Recommendation

Staff is recommending the approval of the funding recommendations for PS and pin the recommendations for PFR until additional information is provided regarding the recommendations.

**Commissioner Daniels motioned to accept staff recommendation to approve the**

**funding recommendations for the Public Service category (PS); Commissioner Lewis seconded the motion. A Roll Call was requested, the vote was unanimous. Motion approved.**

**Commissioner Andrews motioned to table the Public Facility Rehab (PFR) to our next Commission meeting on March 3, 2022; seconded by Commissioner Esparza. A Roll Call was requested, the vote was unanimous. Motion approved.**

### **III. Unfinished Business**

- A. Consideration of the request of DTE Energy to rezone one parcel commonly known as 7630 East Edsel Ford Service Drive from the R2 (Two-Family Residential) zoning district classification to the B4 (General Business) zoning district classification.

Jamie Murphy, CPC staff, provided a summary relative to request of DTE Energy to rezone parcel located at 7630 East Edsel Ford Service Drive to permit the development of an electrical substation to serve the I-94 Industrial Park and surrounding area. The Commission held a public hearing on November 18, 2021, regarding the rezoning request. The Commission had several questions regarding the necessity of the installation; the impact of the residential area surrounding the proposed request; etc.

DTE representatives provided an extensive PowerPoint Presentation relative to the Commission's various concerns during the November 18, 2021 public hearing.

#### **Staff Recommendation**

CPC staff recommends the approval of the request to rezone the parcel from a R2 (Two Family Residential) zoning district classification to the B4 (General Business) zoning classification. The R2 zoning district does not allow the proposed use; the B4 allows the use conditionally with a required public hearing at the Buildings, Safety Engineering and Environmental Department. The site is in District 3 and measures approximately 3 acres.

**Commissioner Daniels motioned to accept staff's recommendation of request to rezone the parcel from a R2 (Two Family Residential) zoning district classification to the B4 (General Business) zoning classification; seconded by Commissioner Esparza. Roll Call was requested, the vote was unanimous. Motion approved.**

### **V. New Business**

- A. The CPC staff is in receipt of request for minor modification to existing PD District at Northwest corner of Garfield and John R. to allow installation of public art.



Kimani Jeffrey: This is a significant development in the Sugar Hill Arts District, and staff wanted to make sure that the Commission was able to see this and give the developer a chance to come back and give an update on how the project has progressed. This development originally came before the Commission in 2018 and was approved by the City Council. This project was codified through a planned development in Section 50-3-97 of the zoning ordinance.

The Freelon is one of the last projects by the late Phil Freelon, Design Director of Perkins+Will. The Freelon is led by a joint venture comprised of Develop Detroit and the Preservation of Affordable Housing in collaboration with the City of Detroit.

The Freelon at Sugar Hill is a mixed-use development consisting of residential, retail and parking spaces for residents and visitors in Detroit's Sugar Hill Historic District. Develop Detroit partnered with Sidewalk Detroit to curate a community engagement process for the installation that will be featured on the exterior of the Freelon Parking Garage.

The steering committee selected Judy Bowman as the artist. She is a mixed-use media artist born and raised in the city of Detroit whose art practice centers on exalting America's Black Culture. Ms. Bowman's work appears in private and public collections nationally and internationally. She retired as a principal of the Detroit Academy of the Arts and Science in 2008.

**This is a minor modification to an existing PD District at the Northwest corner of Garfield and John R. There was no action required. This was an informational presentation.**

**VI. Committee Reports - None**

**VII. Staff Report - None**

**VIII. Member Report - None**

**IX. Communications - None**

**X. Public Comment - None**

*Vice – Chairperson Smith requested an update of ARPA funding. Staff will provide information regarding the request.*

**Adjournment** - The meeting was adjourned at 8:57 p.m.