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January 25, 2023

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Applications for the rehabilitation of a 56-unit residential apartment building located at 1516 Vinewood in the Hubbard Farms Neighborhood Enterprise Zone area (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received seven applications requesting Neighborhood Enterprise Zone (NEZ) certificates for the rehabilitation of a 56-unit residential apartment building located at 1516 Vinewood. The seven certificates for 1516 Vinewood are divided as follows:

- Units 001-002, 004-006, and 009-011
- Units 012, 101-102, 104-108
- Units 109-112, 201-204
- Units 205-212
- Units 301-308
- Units 309-312
- Units 405-412

The property is located at the northeast corner of Vinewood and Shady Lane in the Hubbard Farms neighborhood which is generally south of West Vernor and east of W. Grand Blvd. Below are maps of the location and an image of the building. The site is presently a vacant apartment building with 4 ½ stories. The building is within the Hubbard Farms historic district.

The developer for the project Blue Ink Vinewood LLC; this group includes Detroit based developers, Ryan Zampardo and Devon Caldwell of Inkwel Partners, along with Ben Sowers, a Denver based developer collaborating with Inkwel.

The request is for a 15-year abatement to create 56 rental units. The developer estimates spending \$74,650 per unit. Proposed improvements include interior demolition, roof replacement, electrical/plumbing/mechanical work, window replacement, and exterior work.

Regarding the units provided, there is expected to be 37 one-bedroom units and 19 two-bedroom units summarized as follows:

- The one-bedroom units will have approximately 432 to 646 square feet with estimated rents of \$850 to \$1,300/month
- The two-bedroom units will have approximately 635 to 965 square feet with estimated rents of \$1,250 to \$1,600/month

Regarding affordability, the project will include 11 units (7 one-bedroom and 4 two-bedrooms) at rents affordable to those with income not greater than 80% Area Median Income (AMI). However,

the petitioner indicates during the initial years, at least, market rents are expected to be less than 80% AMI levels, so the affordable units would be naturally occurring between 55-80% AMI.

Regarding parking, the existing building is in an older corner historic neighborhood surrounded by housing which has not had on-site parking in the past. It appears the owners own a small vacant lot north of the building, which could provide limited parking. The developer indicates it is working to identify nearby off-street spaces. There is on-street parking allowed on the east side of Vinewood and both sides of Shady Lane.

The developer indicates due to the historic design of the building, the building will not be ADA accessible. There is no room for any exterior ramps because the building is built right up to the sidewalk. It appears as soon as one enters the front door, there are steps going down to the lower level or up to the upper level.

It appears the NEZ certificate applications have 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 NEZ certificate application dated January 4, 2023, to the City Clerk’s office.

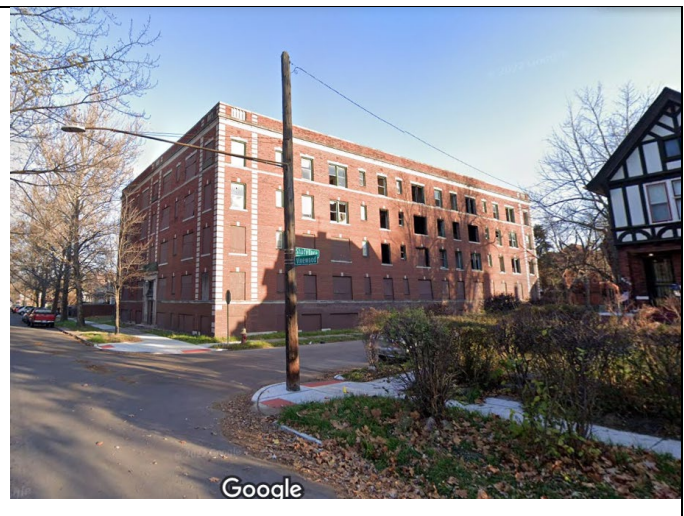
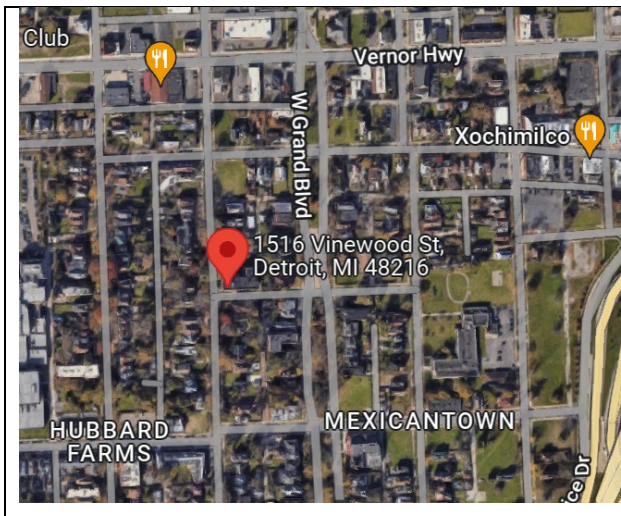
The subject property has been confirmed as being within the boundaries of the Hubbard Farms NEZ which was established by a vote of City Council on October 22, 2002. CPC staff has reviewed the applications and recommends approval. The City Clerk’s office is submitting a resolution for Your consideration. 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





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 applications to the State Tax Commission, and, if applicable, the City Council concurs with the issuance of the certificates 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 Certificates for a fifteen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
Hubbard Farms	1516 Vinewood Units 001-002, 004-006, and 009-011	07-0890
Hubbard Farms	1516 Vinewood Units 012, 101-102, 104-108	07-0891
Hubbard Farms	1516 Vinewood Units 109-112, 201-204	07-0892
Hubbard Farms	1516 Vinewood Units 205-212	07-0893
Hubbard Farms	1516 Vinewood Units 301-308	07-0894
Hubbard Farms	1516 Vinewood Units 309-312	07-0895
Hubbard Farms	1516 Vinewood Units 405-412	07-0896