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March 1, 2023

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Application for the rehabilitation of a 139-unit residential apartment building located at 5440 Cass Avenue (the Belcrest Apartments) in the Belcrest Neighborhood Enterprise Zone area (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received one application requesting a Neighborhood Enterprise Zone (NEZ) certificate for the rehabilitation of a 139-unit residential apartment building located at 5440 Cass Avenue.

The property is located on the east side of Cass Avenue between West Kirby and West Ferry near the Wayne State University campus. Below are maps of the location and an image of the building. The site is developed with a 12-story apartment building. The building is designated historic.

The developer for the project 5440 Cass LLC. The request is for a 15-year abatement to create 139 rental units. The rehab will include exterior and interior improvements. The developer estimates spending \$36,652 per unit. Some of the major improvements include elevator repair, roof restoration, painting, flooring, demolition, appliances, etc.

The developer shared the below table regarding unit sizes and rents, except for those units for current low-income tenants.

Unit Type	Units	SQF range	Avg. SF	Total SF	Rent after renovation	Rent/SF
Studio	9	350-500	404	3,636	\$921	\$2.28
Studio Affordable	3	350-500	404	1,212	\$848	\$2.10
1 Bedroom	85	500-900	738	61,254	\$1,269	\$1.72
1 Bedroom Affordable	20	500-900	738	14,760	\$1,186	\$1.61
2 Bedroom	16	1100-1200	1,155	19,635	\$1,909	\$1.65
2 Bedroom Affordable	5	1100-1200	1,155	5,775	\$1,500	\$1.30
3 Bd penthouse	2	1900-2300	2,100	4,200	\$2,750	\$1.31

The developer will offer 28 affordable units in the overall building at rents affordable to those with income not greater than 80% of the Area Median Income (AMI) to be located throughout various floors of the building.

Regarding parking, the site has 85 on-site parking spaces. The developer indicates usually only about 50% of the tenants need a parking space. For those with an on-site parking space, there will be a

\$120 per month charge. The developer has committed to not increase parking fees for existing low-income tenants, with rates around \$60 per month.

Regarding ADA accessibility, the developer will be re-activating the eliminated handicap parking at the building. The developer has met with two current disabled residents and will eliminate requested barriers and add requested safety features (grab bars, etc.). The developer will offer accessibility features to any new tenants as needed.

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.

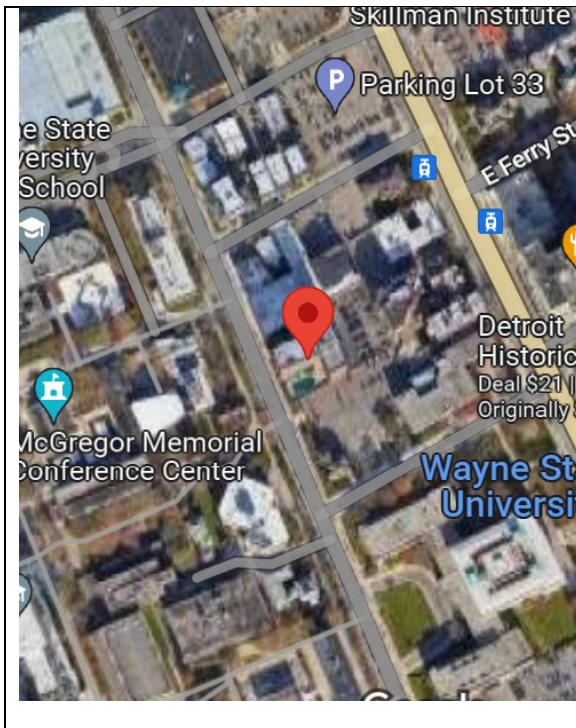
The subject property has been confirmed as being within the boundaries of the Belcrest NEZ which was established by a vote of City Council on February 1, 2023. CPC staff has reviewed the applications and recommends approval. The City Clerk’s office is submitting a resolution for Your consideration. Please 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 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>
Belcrest NEZ	5440 Cass Avenue	07-0899