



Housing and Revitalization
Department

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To: Council Member Angela Whitfield-Calloway

From: Julie Schneider, Director, Housing & Revitalization Department

A handwritten signature in black ink, appearing to read "Julie M. Schneider".

Date: March 14, 2023

Re: Responses to Council Member Calloway's Budget Questions

Please find below responses to your questions sent on March 13, 2023, regarding the proposed Fiscal Year 2024 Proposed Budget for Housing & Revitalization Department.

QUESTION 1 - Cities across the country, including Dallas, New York City, and countless others have recognized that one growing solution to the housing shortage is the Adaptive Reuse of vacant office spaces into affordable housing. This solution has become more prevalent as remote work has left more and more office buildings vacant:

- a. Would Adaptive Reuse of vacant offices converted to residential units help provide more housing?
- b. Does HRD have and Adaptive Reuse plan?

HRD RESPONSE – The potential for any individual office building to be converted to residential use should be evaluated on a case-by-case basis but is often best suited for buildings constructed prior to approximately 1945. This is due to the narrower building footprint of buildings constructed prior to the proliferation of air conditioning and florescent lighting and the presence of operable windows in older structures compared to post-war buildings. Several buildings have been converted such as the David Stott, Free Press, Book Tower, United Artists, Broderick Tower, David Whitney, Albert Kahn, Kamper Industrial, Stevens, Kales, Himelhoch, Farwell, and several others. These buildings provide a substantial portion of housing in the downtown area.

HRD's work on facilitating adaptive reuse has focused on schools or other smaller buildings outside of the downtown for conversion to residential. The remaining pre-war office towers in the greater downtown are owned by private companies and would likely need significant incentive and/or subsidies, as did the previously converted buildings, in order to become residential spaces. Due to the interior depth of newer buildings, if there is demand to convert office buildings to residential buildings, older buildings are most likely to be converted first.

QUESTION 2 - Grants are an important part of HRDs function and from our understanding highly competitive:

- a. How can HRD build out its capacity to capture more grants? Would this require an additional FTE?

HRD RESPONSE – The Housing and Revitalization Department identifies grant opportunities by working with the Office of Development and Grants (ODG) and through departmental program managers. ODG assists HRD by identifying and providing assistance in applying for federal, state, and philanthropic grant opportunities. HRD regularly communicates with philanthropic partners who are active in Detroit or who fund work that is aligned with HRD’s mission to develop relationships and grant opportunities for Detroit. In the past few years, we have helped to secure over \$100 million in competitive and philanthropic grant funds.

HRD is currently adding capacity in this area by building out a division focused on programmatic operations that will provide additional support in identifying opportunities and preparing materials for applications.