



Housing and Revitalization  
Department

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**To:** Mary Waters, Detroit City Councilmember, At-Large  
**From:** Julie Schneider, Director, Housing & Revitalization Department  
**Date:** March 20, 2023  
**Re:** Responses to Council Member Waters' FY 23-24 HRD Budget Questions

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

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Please find below responses to your questions sent on March 17, 2023, regarding the proposed Fiscal Year 2024 Proposed Budget for the Housing & Revitalization Department.

**1. The Affordable Housing Development and Preservation fund received a decrease of \$2,200,000. Please explain the reason for the decrease.**

The Inclusionary Housing Ordinance specifies that 40% of the previous year commercial land sale revenue (net) will be budgeted for the Affordable Housing Development and Preservation Fund. The proposed budget for FY 23-24 is based on that calculation from the Inclusionary Ordinance.

In the FY 22-23 budget, City Council added \$3 million of one-time funding to what had been proposed by the Administration.

**2. Detroit residents experienced high eviction rates with 1 out of 5 citizens being evicted. Please explain how your department will help assist residents with a \$2,200,000 decrease in the Affordable Housing Development and Preservation fund that HRD proposed for budget?**

HRD anticipates about 1,000 new units of affordable housing to start construction in 2023. Of those units expecting to start construction, 43.4% of them will be at rental levels affordable to households making between 0-50% of the Area Median Income. These units will be funded through HOME, CDBG, ARPA, and previously budgeted Trust Fund dollars.

HRD is also continuing to build the pipeline of deeply affordable housing. The City of Detroit, through HRD, received an allocation of \$26.5M from HUD of HOME-ARP dollars to serve households earning up to 30% of AMI. These dollars will be used to construct new housing, provide services at permanently supportive housing, and rehabilitate a

homelessness shelter. The HOME-ARP dollars must serve those under 30% of AMI, which significantly overlaps with the Trust Fund.

HRD is working directly with the Office of Eviction Defense to create a referral process between the two programs. Housing Services will refer residents to legal service providers when a program participant needs legal representation. Legal service providers through Right to Council will refer participants to Housing Services where a program participant needs relocation assistance. Referrals will be based on program eligibility and capacity.

**3. Will there be an increase in the Housing Trust fund? If not, why?**

The FY24 Proposed Budget for the Affordable Housing Development and Preservation Fund is \$1.82 million which is equivalent to 40% of net proceeds of the prior fiscal year's sale of commercial real property sales.

**4. Economic development programs received an increase of \$1,370,358 in the proposed budget. Why?**

Appropriation 27360 Economic Development Programs increased by \$1.37M because:

- a) The Jobs & Economy Team was previously located in Appropriation 26362-Affordable Housing Underwriting and Development, cost center 365703-OPPP Direct-Tax Incentives, Policy & Development. Effective FY 2023-2024, it has been transferred to cost center 360133-Jobs & Economy Team in Appropriation 27360-Economic Development Programs.
- b) Four additional FTEs were added to cost center 360133-Jobs & Economy Team for the new Neighborhood Economic Development team to coordinate neighborhood commercial corridor revitalization efforts. This team reports to the Administration's Jobs & Economy Team.
- c) Additional non-personnel costs were added to cost center 360133-Jobs & Economy Team as part of the team's operating budget.

**5. How much money will come out of the HRD budget to support the Gordie Howe International bridge project?**

No funding will be coming from the proposed HRD budget to support the Gordie Howe International Bridge.

**6. How many upcoming housing projects does HRD currently have? How many projects are on the horizon? Will these Housing projects be between 30% and 50% AMI?**

HRD has approximately 175 operating housing projects under loan agreements; additionally, HRD has 14 projects (911 units) that are under construction and over 20 projects (1000+ units) that are positioned to begin construction by the end of 2023. Of the 1,081 units that are anticipated to start construction in 2023, 43.4% of those units will be affordable to households between 0-50% of AMI (19.4% for those between 0-30%, and 24% for those between 31-50%).

Another 30 projects (1700+ units) are in the pipeline and anticipated to start construction in future years. Details about financing and affordability for all those developments are still to be finalized.

**7. How many Detroit residents received funds from CERA and how many were replaced with the CERA dollars?**

The Covid-19 Emergency Rental Assistance (CERA) program launched in March of 2021 - the application period was open until July 2022. 33,300 CERA applications were approved, for a total of \$270 million dollars in rent and utility assistance. Of the 33,300 approved applications, just under 10,000 applicants indicated they were facing eviction.