### **DISTRICT 3**

# CHARTER-MANDATED MEETING

Mayor Mike Duggan Tuesday, September 17, 2024



# CHARTER-MANDATED MEETING

Mayor Mike Duggan Tuesday, September 17, 2024



## **District 3 Management Team**



Kayana Sessoms District 3 Manager sessomsk@detroitmi.gov



Kenzie Current District 3 Deputy Manager kenzie.current@detroitmi.gov



Md-Abdul Muhit District 3 Business Liaison mmuhit@degc.org



## Your 7th Precinct Neighborhood Police Officers











Mina Baxter



## Your 9th Precinct Neighborhood Police Officers





NPO Dallas Garner



Aaron Kraszewski









## Your 11th Precinct Neighborhood Police Officers





## Your 12th Precinct Neighborhood Police Officers



NPO Alonja Smith





NPO Maurice Edley



NPO Keith Buckman





### **CHARTER-MANDATED MEETING**

# FIGHTING RISING RENTS BY BUILDING NEW AFFORDABLE HOUSING

A Proposal for a Fast Track PILOT Ordinance





## As Detroit has recovered, homeowners have benefited: 7 straight years



#### DETROIT

#### Detroit property values climb 23% in 2023, marking seventh straight year of growth, officials say



Published 12:20 p.m. ET Jan. 22, 2024 Updated 4:32 p.m. ET Jan. 22, 2024



Detroit - Residential property values in the city climbed an average of 23% last year, marking the seventh straight year of growth, Mayor Mike Duggan announced Monday.

The increased values are reflected in the city's latest assessments, which are based on a review of the last two years of property and land sales as well as land improvement and appreciation. In comparison, Detroit's values rose 31% in 2022, and 8% per neighborhood from in 2021.

All 208 of the city's neighborhoods saw an increase in property values, Duggan said, though some saw bigger increases than others. The values of homes have tripled in seven years, he said, touting the "best investment in America."



# In 2023, Detroit had the largest increase in home sale prices in the U.S. – beating Miami

BLACK WEALTH FOR LIFE



(REAL ESTATE) | by Derek Major - January 12, 2024

DETROIT PASSES MIAMI AS THE FASTEST-APPRECIATING U.S. HOUSING MARKET

Metro Detroit has bested Miami in the housing market...find out how!



# University of Michigan Study: \$3 billion gain in black wealth from home value increases since 2014

### The Washington Post

Democracy Dies in Darkness

Latest Local News	• Live Shows ···	CBS NEWS
DETROIT News	Weather Sports Videos •••	

The Washington Post Democracy Dies in Darkness

BUSINESS

### Home values rising in Detroit, especially for Black homeowners, study shows

By Corey Williams | AP April 16, 2024 at 3:00 p.m. EDT

Share Comment 0 Save

DETROIT — Home values in Detroit — especially for Black residents — have increased by billions of dollars in the years following the city's exit from the <u>largest municipal bankruptcy in U.S. history</u>, according to a study released Tuesday.

Get a curated selection of 10 of our best stories in your inbox every weekend.

The University of Michigan Poverty Solutions report says added home value for Black residents increased 80% between 2014 and 2022.

For Black homeowners, estimated home values rose from \$3.4 billion to \$6.2 billion over that period, while the net value of all owner-occupied homes in the city increased from \$4.2 billion to \$8.1 billion.

"For decades, Detroit's homeowners saw their family wealth evaporate as home values declined," Mayor Mike Duggan said Tuesday at a news conference announcing the study's findings. "Now, those who stayed, LOCAL NEWS

New study finds housing value for Detroit Black homeowners increased nearly \$3 billion between 2014-2022

> By DeJanay Booth-Singleton Updated on: April 16, 2024 / 6:23 PM EDT / CBS Detroit

f 🐰 🖪



## With Detroit's \$25,000 Downpayment Assistance Plan, 434 Detroit renters became homeowners last year

• • • Ø Detroiters could get up to \$2: ×	+	v
← → C freep.com/story/news/loca	//michigan/detroit/2024/06/28/detroiters-could-get-up-to-25k-to-help-bu	★ • • • • • • • • • •
MARKETPLACE Search For & Place Classifieds	Detroit Free Press	SUBSCRIBE NOW \$1 per month for 12 months
[ News ] Sports Autos Entertainment	Advertise Obituaries eNewspaper Legals 💌 Q <u>69°F</u> 🕒	Subscribe Sign In V

#### DETROIT

#### **Detroit down payment assistance** program reopens for applications: How to apply



**Detroit Free Press** 

Published 6:06 a.m. ET June 28, 2024 Updated 6:06 a.m. ET June 28, 2024

#### X

Detroit renters looking to become homeowners have another opportunity to make that happen.

City officials, joined by President Joe Biden's American Rescue Plan coordinator, announced the launch of the second round of a program that can provide up to \$25,000 in down payment assistance for Detroiters to purchase homes. The program, which originally kicked off last year, has helped 434 residents become first-time homeowners with \$12 million in American Rescue Plan Act (ARPA) dollars.





## Last Tuesday's National Report: Detroit returns to majority home ownership



#### MICHIGAN

#### Detroit returns to majority homeownership: Census shows 54% of homes now owner-occupied

Kristi Tanner and Gina Kaufman Detroit Free Press Published 12:01 a.m. ET Sept. 12, 2024 | Updated 10:53 a.m. ET Sept. 12, 2024

#### () 🗶 🖬 🔺

The number of Detroiters who own the homes they live in rose last year, new data from the U.S. Census Bureau shows.

The share of owner-occupied housing units in Detroit increased to 54% last year, up from just under 50% in 2022, according to the American Community Survey data released Thursday. In 2021, <u>Detroit became a majority owner-occupied city</u> for the first time in a decade, but that rate dipped the next year.

"Detroit has a strong tradition of homeownership and it is good to see we have returned to the status of majority homeowner city," Detroit Mayor Mike Duggan said in a statement to the Free Press.

#### Detroit's owner-occupied housing units: 2019-2023



### But what about renters?

Rising home values are good for homeowners, but it also means landlords will raise rents

Average Detroit Rental Rate
2016 \$ 800
2020 \$1,000
2024 \$1,200

When regular rental market rises, we must move rapidly to build new affordable housing units



# How does a city get developers to build new affordable housing units?

One example of a developer's choices

Developer's cost to build or renovate a housing unit required rent:

Detroiter with income of \$40,000 can afford to pay:

Needed subsidy from federal, state, City, or private philanthropy: \_\_\_\_\_





→ \$500 a month



## In cities across America, the failure to expand affordable housing quickly enough led to the opening of tent camps































**Bowin Place** 

60 Harpe





Cathedral Arts

7850 East Jefferson









Dr Maya Angelou Village





Freion at Sugar Hill

Friendship Meadows



Hubbard Farms



Jefferson Meadows Jefferson Square

La Joya Gardens

Le Chateau



LIFEBuilders II LIFEBuilders III

Mapleridge Duplexes



### IN 5 YEARS, DETROIT BUILT \$1 BILLION IN NEW AND RENOVATED AFFORDABLE HOUSING







Morningside Commons



Reverend Dr. Jim Holley Residences



-----

Roberts III

The Sanctuary



Ruth Ellis Clairmount Center

Northlawn Gardens





Orchard Village

Savannah Wilshire







**Orchestra Place** 



**OSI Art Apartments** 

TO ETE PE

Springwells



Pablo Davis







VanDyke Village

Parker Durand











The Weber

**Trumbull Crossings** 

**University Meadows** 

Van Dyke Center

West Boston Apts

Xavier Square







# City Council support for using one-time ARPA funds for affordable housing supported 1,500 units

#### Politics & Government

#### Detroit announces \$203 million affordable housing plan, new Housing Services Division

Michigan Radio | By Briana Rice Published July 22, 2022 at 2:33 PM FDT



Detroit City Councilmembers Fred Durhall III and Angela Whitfield Calloway, Mayor Mike Duggan, and Councilmember Mary Waters.

#### DETROIT

f 🍠 in 🖂

City introduces \$203M affordable housing plan to protect Detroiters from rising rent

#### Sarah Raha

ublished 11:15 a.m. ET July 21, 2022 | Updated 2:41 p.m. ET July 21, 2022



Detroit — City leaders unveiled a \$203 million affordable housing plan Thursday that takes steps toward addressing housing insecurity and protecting Detroiters from rising rent costs.

Detroit Mayor Mike Duggan joined three new city councilmembers – Mary Waters, Angela Whitfield-Calloway and Latisha Johnson – to outline the seven-step plan.



Keith Harris, left, and other neighborhood residents speak to Mayor Mike Duggan about the development of the building behind them at 2900 Tyler. Andy Monrison, The Detroit News





### \$30 Million in a special federal Choice Neighborhoods grant is building 600 affordable units in Greater Corktown



PUBLICLY-OWNED LAND

### We raised \$50 million in private philanthropy for the Detroit Housing for the Future Fund for 513 affordable units



West Boston Apts



**OSI Art Apartments** 



Dreamtroit



Belnord







The Weber



The Ribbon



Le Chateau



Beauton



**Kingsley Arms** 



1403 Junction



Lee Arden



VanDyke Village







The Claire

# Over the last 10 years, the Land Bank sold more than 13,000 vacant houses for families to move in



## **5239 Three Mile Drive**





Before

Today

## **16770 Tuller**



Before



# After 10 years, Detroit is recognized as a national leader in affordable housing and reducing homelessness

#### The San Francisco Standard

News Politics & Policy Business Opinion Life Food & Drink Arts & Entertainment

# Is SF the next Detroit? Motor City's mayor can teach us a thing or two

Mike Duggan has overseen the Midwestern city's comeback over the past decade. What can SF's leaders learn from his experience?



What Los Angeles can learn from Detroit about addressing homelessness

#### COMMUNITY SOLUTIONS



Case Studies | Bright Spot, Homelessness

#### DETROIT REDUCES VETERAN HOMELESSNESS BY NEARLY 50%

Strong partnerships and leadership allow the large city to make strides in the last mile to functional zero.

Bianca Gonzalez | August 9, 2023



## Detroit's challenge going forward: We need to build another \$1 billion in next 5 years





- Federal ARPA money was one-time 2024 deadline
- \$30 Million Choice Grant was one-time
- \$50 Million in philanthropy to DHFF was one-time

13,000 Land Bank houses have been renovated – only 2,000 are left and will be gone by end of 2025

### Our plan: use Michigan's new PILOT law to make Detroit the easiest city in the state to build affordable housing

Michigan has historically given limited help to encourage affordable housing: **210 Tax Abatements or NEZs**.

### Two huge problems:

- **1. Limited to 12 years**. Not much help when you need a 30-year mortgage.
- 2. State law required multiple hearings at city level and a hearing at State Tax Commission huge delays

# How long and complicated is the existing system for financing affordable housing?







Lewis Village First applied: 2021 Construction: 2024

Preserve on Ash First applied: 2021 Construction: 2024 **7850 E Jefferson** First applied: 2018 Construction: 2024

## **Proposed Fast Track PILOT Ordinance**

Fast Track Tax Breaks are for Detroit's low-income renters: They lower the builder's monthly cost for affordable housing.

- The lower the rent, the bigger the tax cut.
- Annual audit of tenant income
- Annual audit for building code compliance
- Loss of tax break if owner fails to remedy problem.
- Quarterly reporting and review by City Council of the effectiveness of the **PILOT Ordinance**.

### Who would get Fast Track PILOT breaks?

**Estimated averages under PILOT Ordinance** 

Total tenants' average income below \$39,000(60% AMI)One bedroom rentOriginal taxPILOT Tax\$500-900/month\$600 a year\$100 a year

Total tenants' average income below \$52,000 (80% AMI)One bedroom rentOriginal taxPILOT Tax\$900-1,400/month\$3,200 a year\$600 a year

# What about the abandoned apartment buildings across Detroit?

# Fast Track offers **double the tax cut** for renovating a building vacant for 5 years



# Fast Track breaks for vacant buildings

Rent to tenants with average income **below \$39,000** One bedroom rent Original tax **PILOT Tax** \$500-900/month \$600 a year \$50 a year Rent to tenants with average income below \$52,000 One bedroom rent Original tax **PILOT Tax** \$3,200 a year \$900-1,400/month \$300 a year Rent to tenants with average income **below \$80,000** One bedroom rent **Original tax PILOT Tax** \$1,400-2,100/month \$5,600 a year \$800 a year

# Yesterday Matt Naimi opened a 76-unit apartment building in historic industrial space

It took him more than 5 years to bring affordable housing to this Midtown neighborhood





The process was so painfully complicated, Matt celebrated by getting his financing structure tattooed on his arm.

## How Much Time Would Fast Track PILOT Save?

# Today's Approval Process for<br/>PA 210/NEZ tax abatements:8-10 months

Fast Track Approval Process: 1-2 months

# Thank you to City Councilmembers who are sponsoring Detroit's PILOT Ordinance



Councilmember Fred Durhal III



Council President Mary Sheffield



Councilmember Mary Waters



Councilmember Coleman A. Young II

# Next week, City Council will introduce an ordinance to have Detroit adopt this new approach.



**City Council President, District 5** Mary Sheffield



City Council President Pro Tem District 1 James Tate



**City Council District 2** Angela Whitfield-Calloway



City Council District 3 Scott Benson



**City Council District 4** Latisha Johnson



**City Council District 6** Gabriela Santiago-Romero



City Council District 7 Fred Durhal III



City Council At Large Mary Waters



City Council At Large Coleman A. Young II



















60 Harpe



**Brooke On Bagley** Brush

1403 Junction













**Bowin Place** 

Frelon at Sugar Hill

Friendship Meadows



Hubbard Farms



Jefferson Meadows



Le Chateau



LIFEBuilders II LIFEBuilders III

Mapleridge Duplexes

### WITH PILOT, DETROIT CAN BUILD ANOTHER \$1 BILLION OF **AFFORDABLE HOUSING IN NEXT 5 YEARS**















Pablo Davis









**Morningside Commons** 



Reverend Dr. Jim Holley Residences



The Sanctuary

Roberts III





The Weber





Savannah Wilshire







**University Meadows** 



St Matthew



VanDyke Village







The Ribbon





Van Dyke Center

Xavier Square

**Transfiguration Place** 

**Trumbull Crossings** 



Sawyer Art Apartments















TO LEE DE

















West Boston Apts

### **How To Ask Your Question**

#### Step 1 Raise your Hand

- Mac/iOS (Press Option-Y on your keyboard or click "raise hand" icon)
- Windows/Android (Press Alt-Y on your keyboard or click "raise hand" icon)
- Telephone: Press \*9 on your phone

#### Step 2 State your name when recognized by the host

Residents will be recognized in the order they raise their hand

#### Step 3 Ask your question

- To fit in as many as possible, each person will have ONE MINUTE to ask a question. After ONE MINUTE, you may be muted
- The Mayor or a Department Head will answer your question

#### Last Question Will Be Taken at 8:30 p.m.