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May 12, 2025

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Application for the rehabilitation of a 67-unit residential apartment building located at 66 Adelaide Street in the Crosswinds (Woodward Place) Neighborhood Enterprise Zone area (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received an application requesting a Neighborhood Enterprise Zone (NEZ) certificate for the rehabilitation of a 67-unit residential apartment building located at 66 Adelaide Street. The request is for a 17-year abatement.

The property is located on the south side of Adelaide between Woodward Ave. and John R in the Brush Park neighborhood. Below are maps of the location and an image of the building. The site is developed with a 6-story apartment building built in 1910 within the Brush Park Historic District.

The developer for the project is 66 Adelaide, LLC which is an affiliate of Heritage Development Partners. Heritage is a real estate development and investment company based in Metro Detroit and is focused on adaptive re-use and urban infill projects, in addition to ground up development.

The petitioner is proposing to invest \$1.8 million toward renovation which is an average of \$27,316/unit. The rehab will include new electrical meters and panels, replacement of elevator systems, exterior tuckpointing, common area upgrades, and unit updates. The petitioner has provided the following regarding unit breakdown and rents.

Type	Number of Units	Unit Size	Projected Market Rent	80% AMI Rent (1) (2)
Studio (Efficiency)	6	150	\$750	
Studio (Efficiency) Affordable				
Studio	4	250 - 490 sqft	\$750 - \$1,400	
Studio Affordable	2	250 - 490 sqft		\$1,269
1-Bed	40	415 - 625 sqft	\$1,300 - \$2,000	
1-Bed Affordable	10	415 - 625 sqft		\$1,365
1-Bed +Bonus Room	1	825 sqft	\$2,100 - \$2,200	
1-Bed +Bonus Room Affordable	1	825 sqft		\$1,365
2-Bed	2	825 - 900 sqft	\$2150 - \$2,500	
2-Bed Affordable	1	825 - 900 sqft		\$1,653
Total Units	67			
Units restricted at 80% AMI	14	20.9%		
Mkt Rate Units	53	79.1%		

(1) Based upon MSDHA 2024 80% AMI Rents
(2) Net of \$75 utility cost.

Regarding rental rates and affordability, the table above shows the rental rates. Twenty percent (14 out of the 67 units) are reserved for tenants making 80% AMI or less, with rents not exceeding the 80% AMI level.

Regarding accessibility, the petitioner indicates the ability to incorporate accessibility features is limited due to the age of the building and existing unit layouts. However, the rehabilitation includes a new elevator sized for better accessibility.

Regarding parking, the subject apartment building is an older building with no adjacent parking lot. Over the past 25 years, the adjacent land has been redeveloped with newer buildings. However, there is permitted street parking surrounding the building.

The NEZ Act (Act 147 of 1992) states the applications must be filed before a building permit is issued; however, this does not apply for qualified historic buildings.

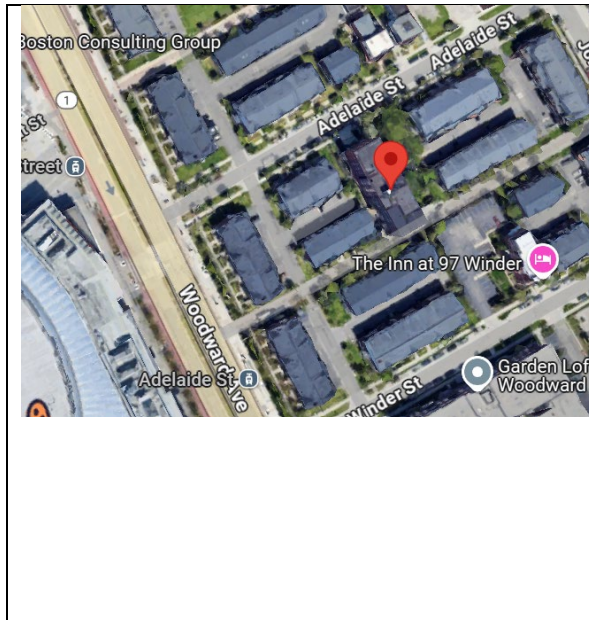
The subject property has been confirmed as being within the boundaries of the Crosswinds (Woodward Place) NEZ, which was established by the City Council in July 1996. CPC staff have reviewed the application and recommend approval. Attached is a resolution for Your consideration.

Respectfully submitted,

A handwritten signature in blue ink, reading "Marcell R. Todd, Jr." in a cursive script.

Marcell R. Todd, Jr., Director CPC
Christopher J. Gulock, Deputy Director CPC

cc: 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; and

NOW, THEREFORE, BE IT RESOLVED, That the Detroit City Council approves the submission of the application to the State Tax Commission; and

BE IT FINALLY RESOLVED, That the Detroit City Council approves the following for receipt of a Neighborhood Enterprise Zone Certificate for a seventeen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
Crosswinds (Woodward Place) NEZ	66 Adelaide	25-017