DISTRICT 3

CHARTER-MANDATED MEETING

Mayor Mike Duggan Tuesday, September 17, 2024



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District 3 Management Team



Kayana SessomsDistrict 3 Manager
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Kenzie CurrentDistrict 3 Deputy Manager
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Md-Abdul Muhit
District 3 Business Liaison
mmuhit@degc.org



Your 7th Precinct Neighborhood Police Officers

















Your 9th Precinct Neighborhood Police Officers





















Your 11th Precinct Neighborhood Police Officers















Your 12th Precinct Neighborhood Police Officers





Alonja Smith











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





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





(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!

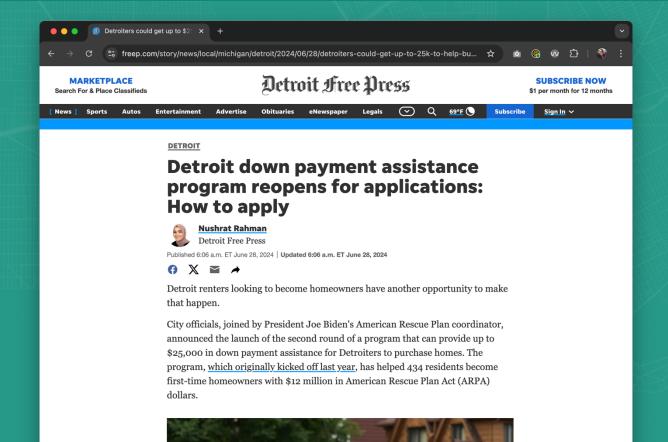


University of Michigan Study: \$3 billion gain in black wealth from home value increases since 2014

The Washington Post Democracy Dies in Darkness The Washington Post Home values rising in Detroit, especially for Black homeowners, study shows By Corey Williams | AP April 16, 2024 at 3:00 p.m. EDT Comment 0 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 largest municipal bankruptcy in U.S. history, 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 staved,

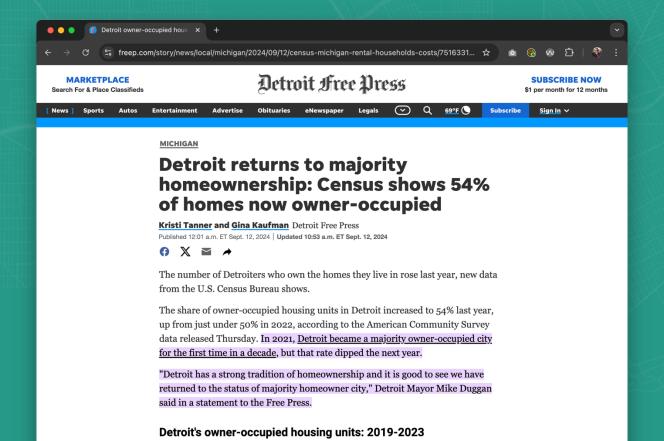


With Detroit's \$25,000 Downpayment Assistance Plan, 434 Detroit renters became homeowners last year





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





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:



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



















































Freion at Sugar Hill



Friendship Meadows











La Joya Gardens



Le Chateau











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











Ruth Ellis Clairmount Center



























The Charlotte



The Claire





The Ribbon







Xavier Square









Savannah Wilshire









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







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

DETROIT

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



The Detroit News d 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.









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



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







OSI Art Apartments



Dreamtroit



Belnord



The Charlotte



The Weber



Le Chateau



Kingsley Arms



Lee Arden



The Shirley





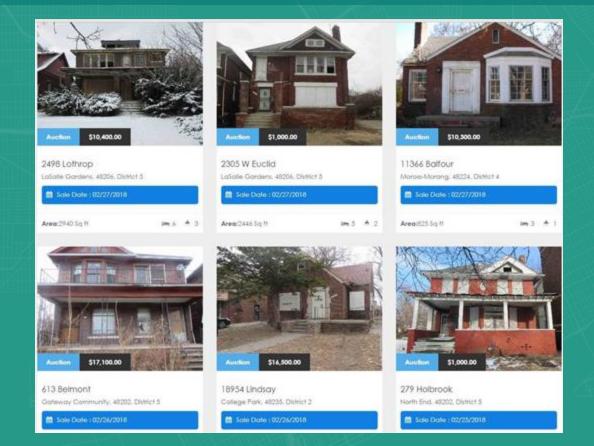








Over the last 10 years, the Land Bank sold more than 13,000 vacant houses for families to move in



5239 Three Mile Drive



Before



Today

16770 Tuller





Before Today

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



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 rent Original tax PILOT Tax \$500-900/month \$600 a year \$100 a year

Total tenants' average income below \$52,000 (80% AMI)

One bedroom rent Original tax PILOT 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

\$900-1,400/month

\$3,200 a year

\$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









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











































Freion at Sugar Hill



Friendship Meadows



Hubbard Farms





















Morningside Commons







Ruth Ellis Clairmount Center



























West Boston Apts







Van Dyke Center

St Matthew



The Charlotte











Le Chateau

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





The Shirley





Transfiguration Place











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.