

# CITY HOUSING DEVELOPMENT PROGRAMS & OPPORTUNITIES

February 2025

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Josh Bails – East Region Development Director

[bailsj@detroitmi.gov](mailto:bailsj@detroitmi.gov)





## Housing and Revitalization Department

### VISION

Vibrant neighborhoods and quality housing and services for all.

### MISSION

Soundly and transparently invest funds and deliver services to ensure that housing and neighborhoods are high quality, affordable, and accessible to and for all Detroiters.



# HOUSING & REVITALIZATION

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- Policy Development & Implementation
- Contract Coordination
- Council Liaison
- Disaster Recovery

- HUD Grant Compliance
- Labor Relations
- Environmental
- Office Admin



- Renew Detroit
- Bridging Neighborhoods
- Neighborhood Services
- Detroit Housing Network
- Federal HOME repair programs & inspections

- Underwriting
- Public Private Partnerships
- Development Services
- Asset Management & Preservation
- Choice Neighborhoods

- Homelessness Solutions
- Immigrant Affairs & Economic Inclusion
- Housing Services (foreclosure prevention, displacement prevention, housing navigation, emergency housing)

# AFFORDABLE HOUSING NOFA

## OVERVIEW

- ❖ Bi-annually, coordinated in advance of 9% LIHTC rounds
- ❖ Award Types
  - ❖ Pre-Development Loan Program (~\$250K)
  - ❖ Affordable Housing Development Program (\$1-3M) (Multifamily Development, PSH)
  - ❖ Homebuyer programs\*

## FUNDING SOURCES

- ❖ **HOME** Investment Partnerships Program through HUD
- ❖ Community Development Block Grant Program (**CDBG**) through HUD\*
- ❖ HOME - American Rescue Plan Act (**HOME-ARP**) Funds
- ❖ Affordable Housing Development and Preservation Fund (**AHDPF**)
- ❖ American Rescue Plan Act (**ARPA**)\*

## KEY REQUIREMENTS

- ❖ Inclusionary ordinance (all)
  - ❖ 5% at 50% AMI/15% at 60% AMI
- ❖ Cross cutting federal requirements - ie, environmental, prevailing wage, Section 3
- ❖ Tenant Retention Standards (occupied projects)
- ❖ Construction & rehabilitation standards (all)
- ❖ Marketing requirements (all)

# P3 TEAM OVERVIEW

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**P3 Mission:** To connect private developers to public financing instruments, entitlements approvals and publicly-owned property to further the development of transformational quality mixed-use, mixed-income housing in Detroit - especially in alignment with the Strategic Neighborhood Fund - to enhance the quality of life for the citizens of Detroit.

Three main focuses:

- Developing and implementing plans for the reuse of publicly owned land
- Coordinating the sale of publicly owned land
- Acting as a concierge for those developing affordable housing

# Public Private Partnerships Regions

## CENTRAL

JP Mansolf

[JP.Mansolf@detroitmi.gov](mailto:JP.Mansolf@detroitmi.gov)

Dominique Boyer

[Dominique.Boyer@detroitmi.gov](mailto:Dominique.Boyer@detroitmi.gov)

## EAST

Josh Bails

[BailsJ@detroitmi.gov](mailto:BailsJ@detroitmi.gov)

Dr. Kya Robertson

[robertsonkya@detroitmi.gov](mailto:robertsonkya@detroitmi.gov)

Antoine Hayes

[hayesa@detroitmi.gov](mailto:hayesa@detroitmi.gov)

## WEST

D'Marco Ansari

[Dmarco.Ansari@detroitmi.gov](mailto:Dmarco.Ansari@detroitmi.gov)

Michelle Lee

[Michelle.Lee@detroitmi.gov](mailto:Michelle.Lee@detroitmi.gov)

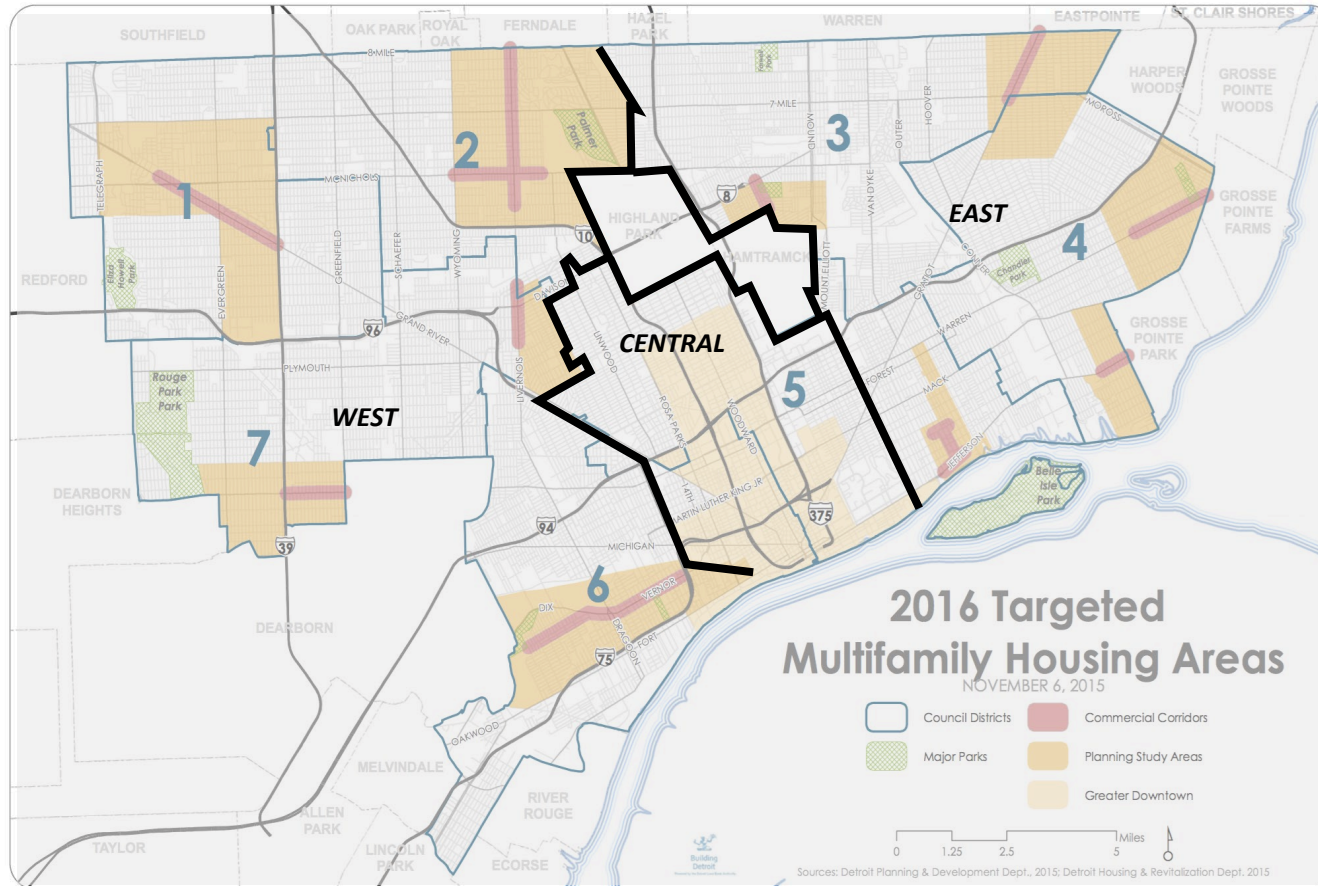
Kizzmett Littleton

[Kizzmett.Littleton@detroitmi.gov](mailto:Kizzmett.Littleton@detroitmi.gov)

## P3 DIRECTOR

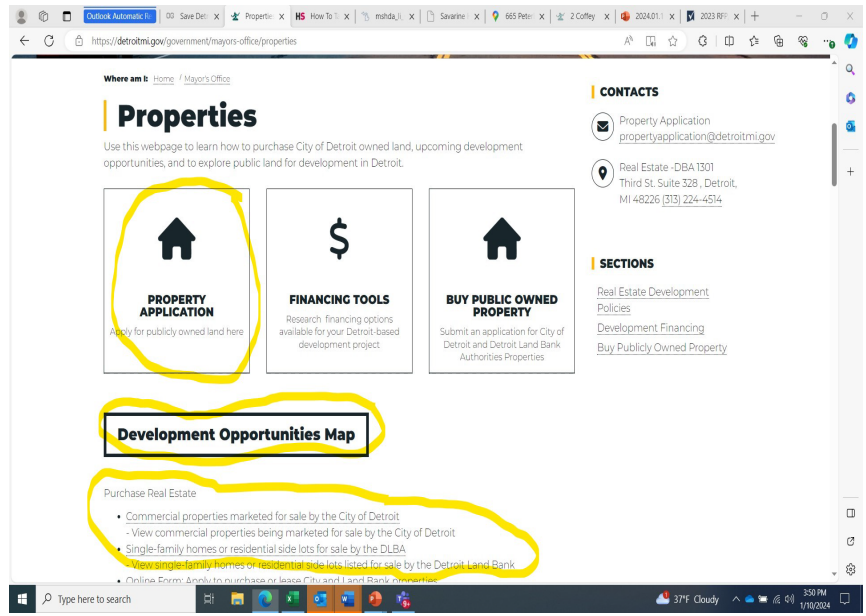
Jason Friedmann

[friedmannj@detroitmi.gov](mailto:friedmannj@detroitmi.gov)

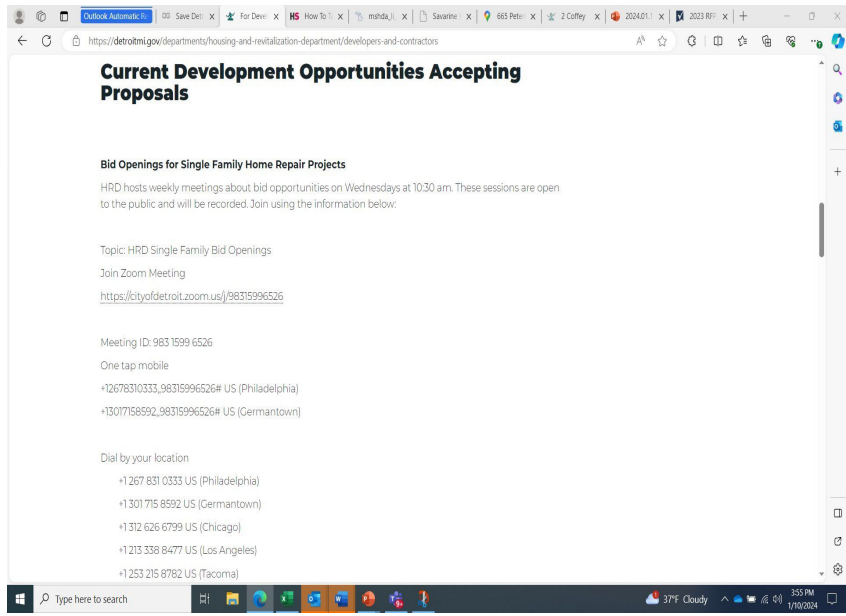


# PURCHASING PUBLICLY OWNED PROPERTIES

[WWW.DETROITMI.GOV/PROPERTIES](http://WWW.DETROITMI.GOV/PROPERTIES)



[WWW.DETROITMI.GOV/HRD](http://WWW.DETROITMI.GOV/HRD)



# UPCOMING RFP OPPORTUNITIES: 4819 FAIRVIEW



Former site of Joy Middle School, on E Warren just north of Brewer Park and Playfield. Some portion of parcel to be added to park, rest of parcel to be made available for infill development concepts.

Will discuss with community in Spring before RFP release in early Fall

Location: E Warren & Fairview

Expected RFP Release: Q3 2025

Current Zoning: R2

Size: 10.6 Acres (marketed site will likely be close to 5 acres)



# DEVELOPMENT OPPORTUNITIES: 3970 Marlborough

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Former Andrew Jackson School

Open to variety of adaptive reuse development concepts

Location: Marlborough & Lozier

Currently Marketed

Current Zoning: R2

Building Size: 133,603 sf

Parcel Size: 3.56 Acres

# DEVELOPMENT OPPORTUNITIES: 4365 Newport



Former George Hosmer School

Open to variety of adaptive reuse development concepts

Location: Newport & Waveney

Currently Marketed

Current Zoning: R2

Building Size: 48,920 sf

Parcel Size: 3.5 Acres



# PRESERVATION PRE-DEV PROGRAM

## SUMMARY:

- Providing **no-cost** predevelopment services to affordable multifamily housing developers to assist with recapitalization and preservation in Detroit neighborhoods.
- ARPA-funded partnership between City of Detroit and Enterprise Community Partners

## REQUIREMENTS:

- 1) Occupied rehab OR vacant rehab (for regulated affordable properties; at City's discretion)
- 2) 5 or more units
- 3) Building under site control
- 4) Adhere to City's Tenant Retention Standards and share needed information with Enterprise Community Partners, City, and vendors as needed

## SERVICES OFFERED:

- Capital Needs Assessments
- Energy Assessments
- Financial modeling (up to \$7,500)
- Phase I Environmental Assessments



Above: Van Dyke Village Apartments.  
Left: Heather Hall Apartments

Contact Kyle Ofori for more information: [Kyle.ofori@detroitmi.gov](mailto:Kyle.ofori@detroitmi.gov)

# SIGN UP FOR UPDATES FROM HRD!

## ACCESS ON CITY WEBSITE

- ❖ Enter email address in “Sign Up For News” section on main City of Detroit website
- ❖ Be sure to click “Housing and Revitalization Department” to get all updates from us!
  - ❖ RFP Releases
  - ❖ Notice of Funding Availability
  - ❖ Updates on Other Programs and Resources

The screenshot shows the Detroit City website interface. At the top, there is a navigation bar with the URL 'https://detroitmi.gov' and the slogan 'It's all here. All in one place.' Below this, a search section prompts users to enter their home address to find local information. A 'Property Address' input field is present. To the left, a graphic displays the 'SEVEN CORE VALUES' of the City of Detroit: 1. ACCOUNTABILITY, 2. COLLABORATION, 3. CUSTOMER-CENTERED, 4. INTEGRITY & ETHICS, 5. OPPORTUNITY, DIVERSITY, INCLUSION, & EQUITY, 6. PROFESSIONALISM & CREDIBILITY, and 7. WORKPLACE SAFETY & SECURITY. To the right, a 'Connect with the City' section features social media icons for Twitter, Facebook, YouTube, Instagram, and LinkedIn. Below these is a 'Sign up for news' form with an email address input field and a 'Sign Up' button. On the far right, a sidebar titled '/MIDETROIT/subscriber/topics' lists various update categories with checkboxes. The 'Housing and Revitalization Department' category is highlighted with a red box, and its sub-item 'Housing and Revitalization Department' is checked. At the bottom of the sidebar are 'Submit' and 'Cancel' buttons.



# Fast Track Payment In Lieu of Taxes (PILOT) program

February 2025



**TAKE PART**  
Opportunity Rising



# What exactly is a PILOT?

A Payment in Lieu of Taxes (PILOT) is a tax incentive that **ties taxes to rental revenue instead of property values.**

- Previously only available to “**A**ffordable” with federal subsidy
- Previously only available to developments under specific type of ownership (LDHAs, co-ops, nonprofits)



The Savannah  
Hubbard Farms



Lakewood Manor  
Jefferson Chalmers



Pablo Davis Senior Pavilion  
Springwells

## Why update our local PILOT program?

Once only available for “Affordable” housing with federal subsidy, Michigan now allows cities to approve a PILOT for any housing that commits to 15 years of affordability up to 120% AMI.



# Detroit's Expanded PILOT:

**Makes it faster and easier to build affordable housing.**

- Supports and enables Naturally Occurring Affordable Housing (NOAH)
- Federal funding not required
- Lower rents = lower taxes
- Developers in Good standing with the City of Detroit may apply
- Fast track approval option



## • What's Next?

- Application open through Neighborly on February 14, accessible at [www.detroitmi.gov/PILOT](http://www.detroitmi.gov/PILOT)
- Administrative Rules will undergo formal public comment process; estimated to be released on February 21 and finalized by April 1
  - BEFORE FINAL RULE: Applications may be received, reviewed. Letters of eligibility can be provided upon request.
  - AFTER FINAL RULE: Administrative and conditional approvals may be issued.

# PILOT RATES

# How does a PILOT work?



7850 E Jefferson Ave, East Riverfront

150 units

4% PILOT

Calculating PILOT	
Average rent	\$750
	X 150 units x 12 months
Annual Rental Income	\$1,350,000
	X 4% PILOT rate
<b>Annual Payment</b>	<b>\$54,000</b>

# PILOT Rates

PILOT rates for restricted units are prescribed by the ordinance as detailed below:

Average Affordability	Standard PILOT Rate	Long-Term Vacant Rehab PILOT Rate
81-120% AMI	*	3.5%
61-80% AMI	4.0%	2.0%
Up to 60% AMI	1.0%	0.5%

\*PILOT rate will be determined by HRD underwriting and subject to City Council approval.

Permanent Supportive Housing (PSH) units will provide payments of \$1/unit, and are not part of the calculations above.

# ELIGIBLE PROJECT TYPES

## Government Assisted Housing Project (GAHP)

## Fast Track Housing Project (FTHP)

## Standard Workforce Housing Project (SWHP)

**Definition:** Any project that includes government subsidies (CDBG, HOME, LIHTC, PBVs) - this used to be the only project type eligible for a PILOT

**Approval:** Administrative

- Benefits:**
- Works **together with other subsidy** to enable very low rents
  - Helps projects compete for funding (like LIHTC)
  - Reduce need for City gap funds



*Xavier Square, Mack & Alter*



*La Joya Gardens, Mexicantown*

Government Assisted Housing Project  
(GAHP)

Fast Track Housing Project  
(FTHP)

Standard Workforce Housing Project  
(SWHP)



The Arthur Murray, East English Village



The Deco, East English Village

**Definition:** Any non-GAHP project that either serves residents with average income under 80% of the Area Median Income (AMI) or involves the rehabilitation of a long vacant structure

**Approval:** Administrative

- Benefits:**
- Forgoes lengthy Council Approval process
  - Lower PILOT Rate for lower average income achieved
  - Vacant rehab projects also get 50% PILOT rate discount

Government Assisted Housing Project  
(GAHP)

Fast Track Housing Project  
(FTHP)

Standard Workforce Housing Project  
(SWHP)

**Definition:** Any project that serves residents with an average income between 80% and 120% of AMI that doesn't involve the rehabilitation of a long vacant structure

**Approval:** City Council

- Benefits:**
- Provides benefit for "missing middle"/ "workforce" housing projects that don't qualify for other affordable housing resources
  - Can fill in gap left by other expiring incentives



*OSI Art Apartments, Woodbridge*



*Heather Hall, Cass Corridor*



# PROGRAM REQUIREMENTS

# Property owners must provide quality affordable housing to receive PILOT by meeting 3 requirements:



1

Commit to restrict units for affordable and/or workforce housing



2

Meet investment threshold  
- \$15k/unit vacant rehab  
- \$5k/unit occupied rehab



3

Achieve and maintain Rental Certificate of Compliance

# Affordability Agreement

- FTHP and SWHP projects will enter an affordability agreement contingent on the PILOT to restrict rent and tenant income.
- Tenant incomes for every new household in affordable units verified only once, upon initial lease up
- Affordable rent includes utilities per standard MSHDA or DHC utility allowances for tenant-paid utilities (Not parking)
- Occupied rehabs must provide a Tenant Retention Plan that complies with the City's Tenant Retention Standards to limit rent increases/displacement

# Investment Threshold

- ❑ PILOTs are for development/rehabilitation projects and therefore require investment.
- ❑ Investment thresholds per project type:
  - ❑ \$5,000/unit occupied rehab
  - ❑ \$15,000/unit long-term vacant rehab, short-term vacant rehab
  - ❑ No investment threshold- New Construction
- ❑ Time-period
  - ❑ New PILOT: Construction should begin after application and be completed within 3 years of application. However, thru 12/5/25, a "lookback" applies during which work completed 12/13/22 or later may apply.
  - ❑ Renewal: Investment may take place over the life of the existing PILOT/abatement, or 15 years, whichever is less

# BSEED Certifications

- ❑ Applicable BSEED certificates must be provided to Assessor by Nov 1 of year preceding first year on PILOT
  - ❑ New construction and vacant rehab projects must produce Certificate of Occupancy (C of O)
  - ❑ Rehab projects requiring permits must produce Certificate of Compliance (C of C); should provide Certificate of Acceptance (C of A) for any permitted work
- ❑ All projects must have active Certificate of Compliance (C of C) for the life of the PILOT

# Application Types

## New:

- Any eligible GAHP, FTHP or SWHP project that meets requirements including investment threshold
- Projects with existing or previously-approved PILOTs seeking PILOT thru the expanded ordinance may apply if they meet the investment threshold

## Renewal:

- Projects with existing tax abatements (ie, NEZ, PA210, OPRA) seeking PILOT may apply as a renewal
- In the future, FTHP and SWHP projects may renew in the 14/15th year of their current PILOT

## Other:

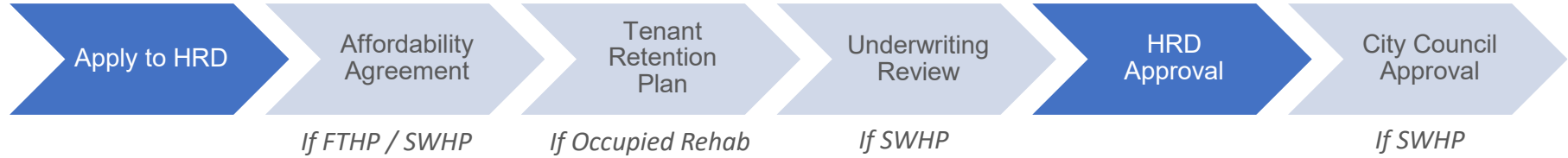
- Previously-approved PILOTs seeking PILOT thru the expanded ordinance that cannot meet investment threshold need council approval to change PILOT rate

**PROCESS**

Approval Process

Pre-PILOT

PILOT Period





Approval Process

Pre-PILOT

PILOT Period

STATE &  
COUNTY

Apply for  
MSHDA  
exemption

File MSHDA  
exemption with  
Assessor

Wayne County  
Opt Out  
(Assessor)

No later  
than

*If FTHP / SWHP`*

ADDING PROJECT  
TO PILOT ROLL

"Packet" to  
Assessor by Nov.  
1

Occupancy by  
Dec. 31

PILOT begins  
following year

No later  
than

CONSTRUCTION /  
REHAB

Complete Work  
on Project

BSEED  
Certification(s)

Approval Process

Pre-PILOT

PILOT Term

Compliance Reporting to  
NCS by April 1 Annually

Service Charge reporting to  
Assessor by May 31  
Annually

Apply for renewal 14/15 yr

*If FTHP / SWHP*

NOTE: Administrative Rules will  
detail options for reporting rental  
revenue applied to PILOT rate

*If FTHP / SWHP*

# Process Summary by PILOT type

Step		GAHP	FTHP	SWHP
Approval Process (est. 4-6 weeks)	Application / Intake	X	X	X
	Affordability agreement		X	X
	HRD approval	X	X	X
	Council			X
Pre-PILOT	MSHDA exemption	X	X	X
	County opt out		X	X
	Packet to Assessor	X	X	X
During PILOT	Annual Compliance Reporting		X	X
	Annual Service Charge Reporting	X	X	X

# HOW TO APPLY

# PILOT Application

## Part 1 Application Requirements:

- Property Information
- Addresses and parcel IDs
- Ownership and developer information
- Development information
- Scope of work
- Construction schedule (if not complete)

Following completion of part 1, applicants can request a letter verifying eligibility for lenders/investors. Letter will confirm eligibility and space under cap (if applicable) if part 2 is completed within 60 days.

## Part 2 Application Requirements:

- Completed pro forma containing rent schedule, sources & uses, other key project data
- Investment summary (renewal only)
- Trade Payment Breakdown (SWHP only)
- Capital Needs Assessment (Rehab only)
- Letters of intent/proof of funds (Non-renewal only)
- Occupancy information (if occupied)
- Proof of site control
- Zoning approval / zoning verification letter
- Site Plan Approval (if applicable)
- Blight clearance
- List of properties controlled by entity with controlling interest

# When to Apply

## Prior to December 5, 2025:

(Lookback period)

**Any project** may apply that can demonstrate meeting the relevant investment threshold for a scope of work lasting no longer than 3 years and completed after Dec 13, 2022.

Projects exiting another tax abatement may apply as renewals for investment purposes and summarize non-maintenance investments made after completion of work that qualified them for the original abatement.

## After December 5, 2025:

Projects must apply to City prior to construction start.

Renewals can apply in final years of expiration of PILOT or other incentive.

*(Reminder that renewals can consider investment over the life of the initial incentive rather than a full rehab scope.)*

# MORE INFORMATION

[www.detroitmi.gov/PILOT](http://www.detroitmi.gov/PILOT)

Updates expected on Friday 2/14:

- PILOT application link
- FAQs
- PILOT Pro Forma
- Affordability Agreement Template
- Tenant Retention Standards
- Tenant Retention Plan Template
- Final Ordinance As Adopted
- *Draft Administrative Rules (when published)*