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# City of Detroit

## CITY COUNCIL

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TO: COUNCIL MEMBERS

FROM: David Whitaker, Director   
Legislative Policy Division Staff

DATE: September 29, 2022

RE: **Comprehensive Report and Exhaustive List of the City of Detroit Housing Funds**

In the Planning and Economic Development Committee, Council Pro-Tem Tate, requested that the Legislative Policy Division secure a comprehensive list provide a list that includes, but is not limited to the following housing/housing-related funds:

- Affordable Housing Trust Fund
- Housing Preservation Fund
- Inclusionary Housing Fund
- Affordable Housing Leverage Fund
- Detroit Housing for the Future Fund
- Detroit Home Repair Fund
- Detroit Housing Trust Fund
- Strategic Neighborhood Fund

In addition, Council Pro-Tem Tate asked LPD to report on when each of these funds were created, their respective funding sources and type, and whether these funds are public or private. In addition, LPD was requested to report on the use of each of the funds, and to report on the funds remaining balances.

## **HRD Response to the Housing Fund Inquiry**

The Housing and Revitalization Department (HRD) provided a comprehensive response to our inquiry (attached), which included a complete description of the following five housing funds:

- **AHLF (Detroit Housing for the Future Fund)**  
Launched in September 2019 (3 years)
- **AHLF (City of Detroit Housing Rehabilitation & Development Program)**  
Fund Start/End Dates: Ongoing
- **Detroit Affordable Housing Development & Preservation Fund**  
Fund Start/End Dates: Fund was created in 2018
- **Strategic Neighborhood Fund**  
Fund Start: Launched 2018 (4+ years)
- **Preservation Partnership (Predevelopment Fund)**  
Fund Start: Launched 2020, with additional services launched in 2022

Please contact us if we can be of any further assistance.

**Attachment:** September 7, 2022- List of City of Detroit Housing Funds from HRD



**Housing and Revitalization  
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**To:** Derrick Head, Fiscal Analyst, Detroit City Council Legislative Policy Division  
**From:** Julie Schneider, Director, Housing & Revitalization Department  
**Date:** September 7, 2022  
**Subj:** List of City of Detroit Housing Funds

DocuSigned by:  
*Julie Schneider*  
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In response to City Council’s inquiry, the following is a list of housing funds that the City of Detroit supports (through fundraising, oversight, direct funding, and/or administration).

Two clarifying notes regarding the original request:

1. The Affordable Housing Leverage Fund (AHLF) is a collaboration between the City, Detroit LISC, and MSHDA, each of which manage separate and distinct funding tools in support of affordable housing in Detroit. The City has direct participation in the two components listed in this report. The portion operated by MSHDA does not have direct involvement from the City apart from general coordination with City programs and is not listed here.
2. The Detroit Affordable Housing Development & Preservation Fund is the official name of the fund established by the City of Detroit Inclusionary Housing Ordinance. This is sometimes referred to as the “Trust Fund” or other similar names, however it is referred to here by its technical name.

**AHLF (Detroit Housing for the Future Fund)**

**Manager:** Local Initiatives Support Corporation (LISC)

**City Role:** Fundraising support through Office & Development & Grants, project review & recommendation from HRD.

**Funding Source Type:** Private

**Funding Sources:** JP Morgan Chase, Key Bank, Huntington Bank, Ford Motor Company, TCF Bank, Flagstar, Fifth Third Bank, Blue Cross Blue Shield, First Independence Bank, Citizens Bank, PNC Bank, CIBC.

**Purpose:** To finance the development, rehabilitation, and preservation of multifamily affordable housing.

**Eligible/Target Activities:** The DHFF provides low-interest loans, preferred equity, and predevelopment grants (through the Developer of Color Predevelopment Grant) to affordable housing development and affordable housing preservation activities. Eligible activities include new affordable housing construction, affordable housing acquisition, and affordable housing rehabilitation.

**Fund Size/Balance:** Original fund size of \$60.5 million; current balance is \$46.1 million (\$28.6M is tentatively committed to 11 projects)

**Fund Start:** Launched in September 2019 (3 years)

**Activity:** LISC has made the following investments through the DHFF:

- OSI Art Apartments: \$620,000
- West Boston Apartments: \$1,908,889
- Belnord Apartments: \$2,460,000
- The Charlotte: \$2,554,250
- DreamTroit: \$2,360,000
- Hazelwood Apartments: \$2,882,369
- LeChateau Apartments: \$1,615,000

### **AHLF (City of Detroit Housing Rehabilitation & Development Program)**

**Manager:** City of Detroit Housing & Revitalization Dept.

**City Role:** Administration of funds

**Funding Source Type:** Public

**Funding Sources:** U.S. Dept. of Housing & Urban Development (HOME & CDBG)

**Purpose:** To provide gap financing for affordable housing development and preservation activities.

**Eligible/Target Activities:** Funds support: Development and construction of new affordable housing, including supportive housing; Preservation of existing affordable housing; Conversion of existing market-rate housing to an affordable housing unit.

**Fund Size/Balance:** \$8.9 Million, 100% of which is conditionally committed to projects in pre-development (additional HUD allocations are made annually)

**Fund Start/End Dates:** Ongoing

**Activity:** HRD has made the following allocations with HOME/CDBG funds in 2021 & 2022:

- Mack/Alter Homes: \$1,969,576
- Rev. Dr. Jim Holley Residences: \$1,800,000
- 150 Bagley: \$3,000,000
- Beaubien (Brush & Watson): \$1,050,000
- Marwood Apartments: \$2,441,028

### **Detroit Affordable Housing Development & Preservation Fund**

**Manager:** City of Detroit Housing & Revitalization Dept.

**City Role:** Administration of funds

**Funding Source Type:** Public

**Funding Sources:** City of Detroit General Fund allocations (based on a minimum of 20% of proceeds from public commercial land sales)

**Purpose:** To develop and preserve affordable housing, including supportive housing. At least 70% of fund expenditures must support households making 30% of the Area Median Income with the remainder for households making 50% of the AMI.

**Eligible/Target Activities:** Funds support: Development and construction of new affordable housing, including supportive housing; Preservation of existing affordable housing; Conversion of existing market-rate housing to an affordable housing unit.

**Fund Size/Balance:** The current balance is \$4,040,000 (\$3.8 million is tentatively allocated to 7 projects)

**Fund Start/End Dates:** Fund was created in 2018.

**Activity:** HRD has made the following allocations with DAHPF Funds:

- Ruth Ellis Center: \$311,783 (subsequently replaced with CARES Act funds)
- Clay Apartments: \$230,523 (subsequently replaced with CARES Act funds)
- Peterboro Arms Apartments: \$1,296,650 (subsequently replaced with CDBG funds)

## **Strategic Neighborhood Fund**

**Manager:** Invest Detroit

**City Role:** Fundraising support through Office & Development & Grants, project review & recommendation from PDD & HRD.

**Funding Source Type:** Private

**Funding Sources:** American Axle, Ballmer, Bank of America, BCBSM, Davidson, Fifth Third Bank, Flagstar Bank, Ford Foundation, Huntington Bank, JPMorgan Chase, Kresge, Penske, Ralph C. Wilson, and Skillman

**Purpose:** To revitalize 10 Detroit neighborhoods outside the Greater Downtown across four broad investment categories: commercial corridor reactivation, streetscape improvement, park investment, and housing stabilization, preceded by year-long planning studies led by the City of Detroit

**Eligible/Target Activities:** Funds financial gaps in housing projects within 10 SNF neighborhood geographies. Fund can support housing stabilization activities including scattered-site single-family and duplex housing stabilization.

**Fund Size/Balance:** Total SNF is \$59M, of which \$7M is targeted on housing activities. Current housing balance is \$1.58 million.

**Fund Start:** Launched 2018 (4+ years)

**Activity:** SNF has made the following housing allocations:

- Century Forward Meadows Stabilization at Fitzgerald: \$268,796
- Century Partners Housing Stabilization at Fitzgerald: \$400,000
- Rehabbed & Ready housing activation across 10 SNF geographies: \$2,500,000
- Bridging Neighborhoods housing activation across 10 SNF geographies: \$2,000,000

## **Preservation Partnership (Predevelopment Fund)**

**Manager:** Enterprise Community Partners

**City Role:** Funding provider and contract management

**Funding Source Type:** Public and private

**Funding Sources:** CDBG, NSP, Private Philanthropy

**Purpose:** To support a range of predevelopment activities for existing affordable housing developments planned for long-term preservation as affordable housing through recapitalization and/or rehabilitation.

**Eligible/Target Activities:** Funds predevelopment activities including resident engagement, energy assessments, environmental assessments financial modeling services, and capital needs assessments.

**Fund Size/Balance:** \$570,000 allocated in total; approx. \$394,000 remaining as of July 2022

**Fund Start:** Launched 2020, with additional services launched in 2022

**Activity:** Through the Preservation Partnership, Enterprise & HRD have made the following allocations:

- Resident engagement services: 11 projects including 446 units served
- Energy assessments: 17 projects including 1,302 units served
- Financial modeling services: 2 projects including 60 units served
- Capital needs assessments: 5 projects including 467 units served