

1. Public hearing to consider an application for a twelve-year Obsolete Property Rehabilitation Exemption Certificate, pursuant to PA 146 of 2000, for ICCF Nonprofit Housing Corporation at 2017 Eastern Avenue, SE



Item Number: 1



CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: June 10, 2025

TO: Mark Washington, City Manager

COMMITTEE: City Commission Meeting
LIAISON: N/A

FROM: Sarah Rainero, Economic Development Director
Economic Development

SUBJECT: **Public hearing to consider an application for a twelve-year Obsolete Property Rehabilitation Exemption Certificate, pursuant to PA 146 of 2000, for ICCF Nonprofit Housing Corporation at 2017 Eastern Avenue, SE**

On June 10, 2025, the City Commission will hold a public hearing to consider an application for a twelve-year Obsolete Property Rehabilitation Exemption Certificate, pursuant to Public Act 146 of 2000, for ICCF Nonprofit Housing Corporation (the "Applicant") for a project located at 1007 Wealthy Street, SE (the "Property").

The Applicant is the current owner of the Property and plans to rehabilitate the vacant and obsolete building by adding fifteen new residential units and main floor commercial space. The City Assessor inspected the building on March 14, 2022, and determined that it meets the definition of "functionally obsolete," as defined by Public Act 146 of 2000, and will require significant investment and rehabilitation prior to future use.

The Property consists of a two-story masonry building encompassing approximately 17,000 square feet and a portion of the building was converted into a USPS storefront, a function that continues to this day. However, by the mid-1960s, the grocery store space fell into disuse, and the rest of the building was largely neglected, with much of it remaining vacant for decades. Proposed rehabilitation of the property includes transformation of the long-vacant space in the back of the building into 15 mixed-income apartments, consisting of a combination of one-bedroom and two-bedroom units. The USPS storefront will remain in operation, ensuring continued access to this important community resource. Investment by the Applicant in the rehabilitation is currently estimated to be \$3,617,942 with hard construction costs estimated at \$3,217,683.

The Applicant is working towards the following subcontractor participation goals in connection with the project for Micro-Local Business Enterprises (MLBEs), Women-Owned Business Enterprises (WBE), and Minority-Owned Business Enterprises (MBE) during construction: 14% MBE, 6% WBE and 14% MLBE. These levels of participation amount to a total of 20.34%, or \$515,448 of the total project construction costs.

The project qualifies for the base ten-year OPRA term plus two years, pursuant to City Commission Policy 900-42 (the "Policy"), adopted on February 23, 2016.

The project meets multiple objectives of the City's Strategic Plan and Equitable Economic Development and Mobility Strategic Plan, including:

- **Prioritization of MBE, WBE and MLBE businesses and subcontractors for projects supported by City incentives, and**
- **Facilitates increased housing supply through the development of a variety of housing types**
- **Quality Architecture and Site Design**

Staff estimates that the residents of the apartments could generate approximately \$3,842 in new City income taxes annually. As proposed, the fifteen (15) apartments would be comprised of eight (8) one-bedroom units and seven (7) two-bedroom units, which are detailed below. According to the housing needs assessment recently updated by Bowen National Research, there is demand for 1,710 new rental units in the 51%-80% area median income (AMI) range and 1,573 new rental units in the 81%-120% AMI range by 2027.

Number of Units	Est. Household Affordability*	Est. Monthly Rent	Bedrooms	Avg. Square Feet
8	60-120% AMI	\$900-1,122	1	534-697
7	60-120% AMI	\$1,200-\$1,430	2	802-832

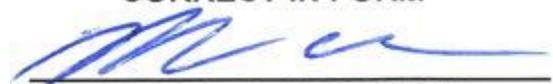
**Area Median Income (AMI) ranges are for price-point reference, do not include other housing costs, and are found in the 04/1/2025 [Income and Rent Limits](#) by number of bedrooms in a unit for Kent County, published by the Michigan State Housing Development Authority.*

There are no known environmental concerns at the Property and the Applicant is current on its tax liabilities to the City. The Applicant has received support of the project from the Southtown CIA.

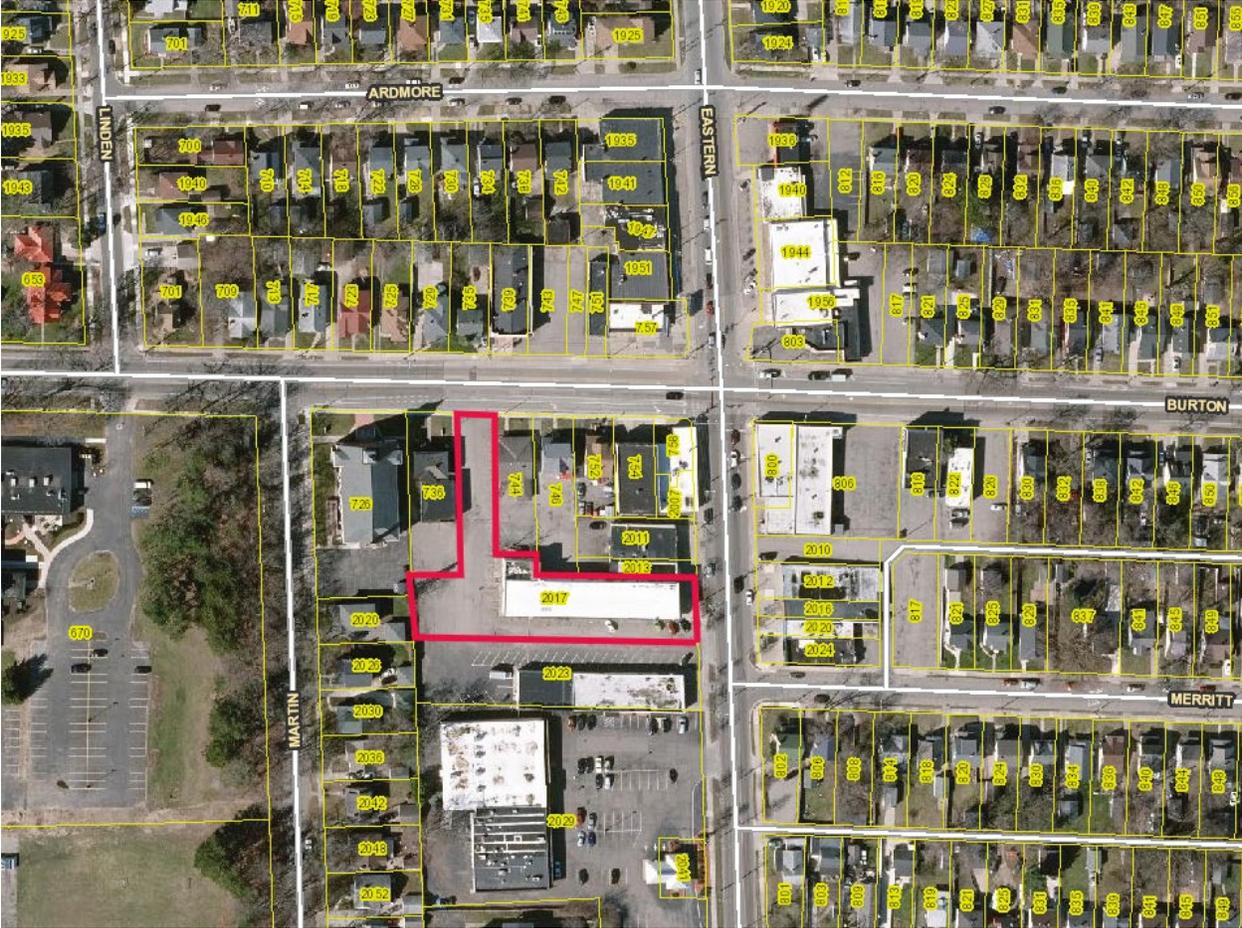
Project Projections – 2017 Eastern Avenue SE		
	Total Amount	City of Grand Rapids Portion
Investment – Construction Costs	3,217,683	
Total New Taxes Generated (1 year)	\$66,746.79	\$11,640.22
Taxes Paid (1 year)*	\$15,599.33	-
Taxes Abated (1 year)	\$51,147.46	\$11,640.22
New City Income Taxes (1 year)	-	\$3,842.80

*Assumes state tax commission approval of 12 mills of School Tax

SR/mm

CORRECT IN FORM

DEPARTMENT OF LAW

ICCF Nonprofit Housing Corporation
2017 Eastern Avenue SE
Approved OPRA District



2017 Eastern Avenue SE

