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# New and rehabbed homes planned for Warren

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Approximately 100 houses would be built and 50 more could receive facelifts under a plan to redevelop foreclosed properties in southern Warren.

A company that met the minimum \$4.7 million bid at a county auction last summer to acquire almost 660 parcels in a package deal plans to seek tax credits to launch the ambitious project in the city.

The construction general contractor promised that if the firm can secure tax credits and additional financing, the project would revitalize the area between Eight Mile and 10 Mile roads, from Dequindre Road to Hayes, and create jobs.

“You’re going to get a first-class product,” said Bruce Beresh, president of The Beresh Group. “It is a win-win for the community.”

Some Warren officials say the plan is a unique method to improve the city’s housing stock and promote home ownership.

Others are skeptical.

Macomb County Properties LLC hopes to build 3-bedroom ranches and bungalows of approximately 1,400 square feet, and potentially some duplexes. Some of the houses would be federally subsidized, aimed at qualifying low-income, employed buyers and include rent-to-own properties. Project officials said the intent is to build “affordable” housing and promote home ownership.

As hundreds of would-be property investors and homeowners attended the county treasurer’s office auction of tax-foreclosed properties in August, only Macomb County Properties was able to meet the minimum bid, which was set at the amount of unpaid taxes. Treasurer Ted Wahby said that selling the parcels — whether empty lots or vacant homes — as a package would make the county whole. He also said that bundling the properties would prevent “cherry picking” and ensure that all parcels would be back on the local tax rolls.

Local communities were given the opportunity to buy all the foreclosed properties within their jurisdiction in advance of the county auction, with the same terms. Center Line, Clinton Township, Eastpointe, St. Clair

Shores and Washington Township exercised that option in 2012.

Still, some prospective buyers at the auction left angrily, unable to pick up a property or two.

Of the 657 parcels foreclosed for unpaid taxes and bought at the auction, 370 are in Warren. Among those in the city, 160 had houses. Macomb County Properties has since sold 110 of those to private investors and homeowners, said Tom Zibkowski of Realty Executives Midwest, the agent on the project.

“There probably wasn’t any that were move-in condition. Maybe a couple dozen needed just paint and carpet,” he said.

While officials close to Macomb County Properties declined to reveal detailed financial aspects of the project, the key is tax incentives. The company urgently sought approval from Warren officials to endorse the project to boost the firm’s chances of being awarded tax credits by the Michigan State Housing Development Authority.

Representatives failed to get Mayor James Fouts’ endorsement, so they turned to the Warren City Council. With a looming deadline to apply to MSHDA, Beresh and Macomb County Properties attorney Thomas Elkins said a council resolution supporting the project was vital to secure financing and their plans would be doomed without it.

The council recently voted 6-1 in favor of the resolution.

“This is the only game in town,” said council President Cecil St. Pierre, who noted the project could prove to be historic for Warren.

“We’ve never had a private ownership of this many units come in and say, ‘We want to rehab homes and build new homes,’” he said.

Some resident observers are concerned whether rental properties and homes geared at low-income buyers will be maintained. Ten percent of dwellings must be geared for low-income individuals.

“If they can’t afford to get here ... how are they going to afford to keep it up?” activist Dean Berry said.

Berry feels the project still has too many question marks, particularly about financing.

“Don’t show me what it’s going to look like when it’s done. I want to know how you’re going to get there,” he said.

Vickie Mallet said she and her husband have lived on Albany Avenue, near Eight Mile and Mound Road, for 37 years. She said one rental home on her block has been sold twice, and that the occupants toss trash around.

Mallet said she and her husband didn’t move because he could walk to his job at the nearby Chrysler Warren Truck plant. Looking back, she laments staying put.

“Bad decision. Really bad,” she admitted. “I’m a very positive person. (But) the south end is getting worse.”

Warren has about 5,000 vacant homes. Michigan’s third-most populated community also has more than 6,000 rental properties, most of them in the city’s southern half. Observers say many renters are very transient.

In 2012, residential property values in Warren declined 12.1 percent. From 2007 to 2011, the cash value of homes plunged an average 41 percent.

To reduce the number of vacant parcels in residential neighborhoods, the council recently directed city planners to offer empty lots to adjacent homeowners for \$1. That would create wider lots in neighborhoods where thousands of homes were built during the 1950s and 1960s, many on 40- to 50-foot lots.

A few years ago, the city revised its zoning ordinance to require that any new single-family homes be built on lots no less than 60 feet wide. That would force Macomb County Properties to seek variances before new houses could go up.

MSHDA rules also require that at least 30 percent of the workforce be hired locally, and that a substantial amount of products used for construction come from local vendors.

Beresh, owner of Livonia-based Beresh Group, said he has been a residential builder for 40 years. His firm built homes in Detroit and as part of a neighborhood stabilization program in Hamtramck. The company also has worked on commercial and government facilities.

Beresh said if MSHDA, which funnels U.S. Department of Housing and Urban Development allocations to the state, awards the tax breaks, work on Macomb County Properties parcels would be “comprehensive” — moving block by block. New home construction might start in early 2014, but rehabilitation might begin as early as this autumn.

He predicted the project will entice neighbors to make repairs to their own homes.

“You will see a spinoff; when folks see these homes, they’re going to be up at the local hardware store,” he said.

The normally outspoken Fouts was unusually quiet on such a significant issue.

“I didn’t support it. I was not comfortable with it. I just didn’t think I had enough information on it,” he told The Macomb Daily.

“In a perfect world I prefer we not have any rentals,” the mayor said. “I would prefer single-family home ownership.”

Councilwoman Kelly Colegio, who voted no on the broad resolution, said she remains troubled that the city administration did not make a recommendation to the council.

“When I asked for specifics, there were never any specifics given,” she said. “I pray this works out. I’m not convinced yet.”

The individuals behind Macomb County Properties are somewhat of a mystery. The limited-liability firm was established last July and lists Elkins as its resident agent, according to state business registration records. The names of officers are not listed.

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