



Legislation Text

File #: 17-0250, **Version:** 2

Resolution to Approve a Payment in Lieu of Taxes (PILOT) for Hickory Way Apartments at 1110/1132 S. Maple

Avalon Housing, or an affiliated entity as required by funding sources, will be acquiring the properties at 1110 and 1132 S. Maple, demolishing the existing structures, building approximately 70 units of affordable housing, and applying for Low Income Housing Tax Credits (LIHTC) from the Michigan State Housing Development Authority (MSHDA). The upcoming project has previously been awarded funds from the Washtenaw Urban County.

The property is currently located in Scio Township, and is covered by an existing agreement between the Township and the City of Ann Arbor that provides for annexation into the City as part of the development process. The request for annexation has received initial approval by City Council, and has been sent to the State.

The property would be eligible for a PILOT under Chapter 19 of the City's Code of Ordinances that applies to all affordable housing projects that meet the requirements of the ordinance. Avalon can secure 5 points on the LIHTC application if the City of Ann Arbor adopts a PILOT specifically for this address.

Therefore, the Office of Community and Economic Development recommends that the City Council approve a PILOT for Hickory Way Apartments.

Prepared By: Teresa Gillotti, Housing and Infrastructure Manager, Office of Community and Economic Development

Reviewed By: Derek Delacourt, Community Services Area Administrator
Andrea Plevak, Director, Office of Community and Economic Development

Approved By: Howard S. Lazarus, City Administrator

Whereas, Avalon Housing, or an affiliated entity as required by funding sources, will be acquiring the property, demolishing the existing structures, and building approximately 70 units of affordable housing;

Whereas, Avalon Housing will be applying for Low Income Housing Tax Credits (LIHTC) from the Michigan State Housing Development Authority (MSHDA); and

Whereas, The Ann Arbor City Council hereby determines that Hickory Way Apartments will be qualified for and should be granted a Payment in Lieu of Taxes (PILOT), the exemption from all property taxes, as provided in the State Housing Development Authority Act and pursuant to Chapter 19, 1:651 of the Code of the City of Ann Arbor;

RESOLVED, Notwithstanding the provisions of Section 15(a)(5) of the State Housing Development Act to the contrary, a contract to provide tax exemption and accept payment in lieu of taxes, as previously described, between the City of Ann Arbor and Avalon Housing, Inc., or its subsidiary, with the Michigan State Housing Development Authority as third party beneficiary under this contract, is

effectuated by adoption of this resolution; and its successors and assigns, on the following parcel of property:

A part of the Northeast ¼ of Section 36, Town 2 South, Range 5 East, City of Ann Arbor, Washtenaw County, Michigan described as: Commencing at the East ¼ Corner of said Section; thence along the East line of said Section and the Centerline of South Maple Road North 01°41'46" West 1704.50 feet to the POINT OF BEGINNING; thence South 87°46'14" West 1213.04 feet to the East line of Interstate I-94; thence along said East line North 02°28'29" East 178.84 feet; thence North 87°45'14" East 1200.03 feet to the East line of said Section 24 and the Centerline of said Maple Road; thence along said East line and said Centerline South 01°41'46" East 178.26 feet to the POINT OF BEGINNING, containing 4.937 acres of land, more or less.

RESOLVED, That pursuant to Chapter 19, 1:651 of the Code of the City of Ann Arbor, the project shall pay a service charge equal to one dollar (\$1.00) for the assisted units as provided by the Michigan State Housing Development Authority Act;

RESOLVED, That the tax exemption shall be effective on December 31st of the year in which the resolution is adopted and immediately following receipt from the Michigan State Housing Development Authority of the "Notification to Local Assessor of Exemption" for the property; and

RESOLVED, That the City Administrator be authorized to take necessary administrative actions to implement this resolution.