



## Legislation Text

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**File #:** 14-0483, **Version:** 2

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Resolution to Approve a Payment in Lieu of Taxes (PILOT) for the Ann Arbor Housing Commission for North Maple Estates, North Maple Duplexes, Lower Platt, Broadway, and White/State/Henry Apartments

The Ann Arbor Housing Commission (Commission) is redeveloping the public housing units at North Maple Estates (701 - 739 N. Maple), North Maple Duplexes (743 -749 N. Maple), Lower Platt (3405, 3451-3457, Platt Road), Broadway (1504-1508 Broadway) and White/State/Henry Apartments (1514 & 1520 White Street, 1521 State Street, and 701 - 719 Henry) under the Federal Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. The primary source of funding for affordable housing redevelopment is the Low Income Housing Tax Credit (LIHTC) Program.

The Internal Revenue Service (IRS) requires the Commission to form a limited partnership or limited liability company with an equity investor to finance the redevelopment of these properties with LIHTC. The Commission has requested that City Council approve the transfer of ownership of these properties to the Commission under a separate resolution. The Commission will own the land and the Commission will execute a long-term land lease with the limited partnership or limited liability company for the improvements (buildings).

The Commission or an affiliated entity is applying for LIHTC from the Michigan State Housing Development Authority (MSHDA). These properties are currently tax-exempt and will lose their tax-exempt status when the City transfers ownership of the property to the Commission. The City has a PILOT ordinance (Chapter 19, Section 1:651 of Ann Arbor City Code) that applies to all affordable housing projects that meet the requirements of the ordinance. MSHDA requires a separate PILOT resolution specific to tax credit projects.

Under the RAD program, all existing households, in good standing with their lease, will retain their housing after the units are converted under the RAD program. After the conversion, all new tenants will have household income at 60% of the Area Median Income or less. The City's PILOT ordinance limits eligibility to households at 60% AMI or less.

The Housing Commission requests that City Council approve PILOT's for the properties at North Maple Estates, North Maple Duplexes, Lower Platt, Broadway, and White/State/Henry Apartments in Ann Arbor Michigan once the properties are eligible for a PILOT. This approval includes 3405 Platt, which the Housing Commission may acquire and redevelop as part of Lower Platt.

### **..Staff**

Prepared By: Jennifer Hall, Executive Director, Ann Arbor Housing Commission

Reviewed and Approved By: Steven D. Powers, City Administrator

Whereas, The Ann Arbor Housing Commission is redeveloping the units at North Maple Estates, North Maple Duplexes, Lower Platt, Broadway, and White/State/Henry Apartments under the Rental Assistance Demonstration (RAD) program;

Whereas, Under the RAD program, all existing households, in good standing with their lease, will retain their housing after the units are converted under the RAD program;

Whereas, After the conversion, all new tenants will have household incomes at 60% of the Area Median Income (AMI) or less and all households with incomes at 60% AMI or less will be eligible for the PILOT;

Whereas, The Ann Arbor City Council determines that the Ann Arbor Housing Commission and an affiliated entity qualify for 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, Section 1:651 of Ann Arbor City Code;

RESOLVED, That pursuant to Section 15(a) of the State Housing Development Authority Act and Chapter 19, Section 1:651 of Ann Arbor City Code, the City Council hereby approves an exemption from all property taxes for the Ann Arbor Housing Commission or an affiliated entity, not to exceed fifty years, subject to the Michigan State Housing Development Authority's approval of the project and receipt of the "Notification to Local Assessor of Exemption" from the Michigan State Housing Development Authority for said parcels;

RESOLVED, That notwithstanding the provisions of Section 15(a)(5) of the State Housing Development Authority 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 the Ann Arbor Housing Commission or an affiliated entity and its successors and assigns, with the Michigan State Housing Development Authority as third party beneficiary under this contract, is effectuated by adoption of this resolution, on the following parcels of property:

North Maple Estates:

Lots 253 through 261, Scioto Hills No. 1, as recorded in Liber 8 of Plats, Page 30, Washtenaw County Records, also Lots 273 through 279, and Lots 291 through 294, Scioto Hills No. 1, as recorded in Liber 8 of Plats, Page 30, Washtenaw County Records, also that portion of vacated Seybold Drive described as follows: beginning at the Southeast corner of Lot 259, and the West right of way of Seybold Drive, Scioto Hills No. 1, as recorded in Liber 8 of Plats, Page 30, Washtenaw County Records; thence South in the West right of way line of Seybold Drive 320 feet; thence deflecting 90°00' to the left 50 feet; thence North in the East right of way line of Seybold Drive 320 feet; thence deflecting 90°00' to the left 50 feet to the Place of Beginning.

Parcel I.D. # 08-24-400-002, (Lots 273 - 279 and Lots 291 - 294) and Parcel I.D. # 09-08-24-421-001, (Lots 253 - 261) also known as 701 - 739 North Maple

North Maple Duplexes:

Lot 271 and 272 Scioto Hills No. 1, as recorded in Liber 8 of Plats, Page 30 of Washtenaw County Records.

Parcel I.D. # 08-24-400-011, also known as 743-749 N. Maple

White/State/Henry Apartments:

Lots 5, 6, 14, 15, and 16 and the North 7.84 feet of Lot 7, and the North 7.84 feet of Lot

17, all in Block 3 of Hamilton, Rose and Sheehan's Addition to the City of Ann Arbor, Washtenaw County Michigan as recorded in Liber 1 of Plats, Page 24, Washtenaw County Records, also the East ½ of the vacated alley adjoining the rear of Lot 14 and all of the vacated alley lying between lots 5, 6, 15, and 16 and that part of the vacated alley lying between the North 7.84 feet of Lot 7, and the North 7.84 feet of Lot 17, Block 3.

Parcel I.D. # 09-33-318-001, commonly known as 1514 & 1520 White Street, 1521 State Street, and 701 - 719 Henry Street

Lower Platt:

Lot 71, Wagner-McComb Boulevard Gardens, as recorded in Liber 3 of Plats, Page 19, Washtenaw County Records

Parcel I.D. # 12-11-207-014, commonly known as 3451 - 3457 Platt Road

PARCEL A

Beginning at the NW corner of Lot 70 of Wagner-McComb Boulevard Gardens, as recorded in Liber 3 of Plats, Page 19, Washtenaw County Records; thence S 88° 23' 20" E 340.25 feet along the North line of Lot 70; thence S 24° 12' 10" W 60.06 feet along the East line of the lot; thence N 88° 18' 45" W 315.66 feet to a point on the East right-of-way line of Platt Road; thence North 55.05 feet along said right-of-way line to the Point of Beginning, said parcel being a part of Lot 70 of said Wagner-McComb Boulevard Gardens.

PARCELB

Commencing at the NW corner of Lot 70 of Wagner-McComb Boulevard Gardens, as recorded in Liber 3 of Plats, Page 19, Washtenaw County Records; thence South 55.05 feet along the East right-of-way line of Platt Road to the Point of Beginning; thence S 88° 18' 45" E 315.66 feet; thence S 24° 12' 10" W 60.06 feet along the East line of the lot; thence N 88° 13' 20" W 291.04 feet to a point on the East right-of-way line of Platt Road; thence North 55.05 feet along said right-of-way line to the Point of Beginning, said parcel being a part of Lot 70 of said Wagner-McComb Boulevard Gardens.

PARCELC

Beginning at the SW corner of Lot 70 of Wagner-McComb Boulevard Gardens, as recorded in Liber 3 of Plats, Page 19, Washtenaw County Records; thence North 55.05 feet along the East right-of-way line of Platt Road; thence S 88° 13' 20" E 291.04 feet; thence S 24° 12' 10" W 60.06 feet along the East line of the lot; thence N 88° 07' 00" W 266.42 feet along the South line of the lot to the Point of Beginning, said parcel being a part of Lot 70 of said Wagner-McComb Boulevard Gardens.

The combined description for parcels A, B and C is as follows:

Lot 70, Wagner-McComb Boulevard Gardens, as recorded in Liber 3 of Plats, page 19, Washtenaw County Records.

Parcel I.D. # 12-11-207-060

(To be Acquired)

Lot 69, Wagner-McComb Boulevard Gardens, as recorded in Liber 3 of Plats, page 19, Washtenaw County Records.

Parcel I.D. # 12-11-207-012, commonly known as 3405 Platt Road

Broadway:

Lots 66 and 67, according to the Plat of Traver's Addition to the Village (now City) of Ann Arbor, recorded in Liber L of Deeds, Page 36, Washtenaw County Records, also, commencing at the South 1/4 corner of Section 21, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan; thence along the North and South 1/4 line of the Section North 1°42' East 1879.23 feet for a Place of Beginning; thence North 75°40'00" West 236.58 feet; thence along the Southeasterly line of Traver's Addition to the City of Ann Arbor, as recorded in Liber L of Deeds, Page 36, Washtenaw County Records, North 57°54' East 267.0 feet to the southeast corner of Lot 67 of Traver's Addition; thence South 32°02'30" East 154.80 feet; thence South 57°54' West 92.68 feet; thence along the North and South 1/4 line of the Section South 1°42' West 20.0 feet to the Place of Beginning, being a part of Section 21.

Parcel I.D. # 09-21-302-001, commonly known as 1504-1508 Broadway Street

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

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