



Legislation Text

File #: 24-1512, **Version:** 2

Resolution to Approve a Payment in Lieu of Taxes (PILOT) for Hickory Way Apartments Phase III at 1146 South Maple Road, Ann Arbor, MI 48103

Avalon Housing, or an affiliated entity as required by funding sources, will be acquiring the property at 1146 S. Maple, demolishing the existing structure, building approximately 39 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, however, following the process from the previous annexation of the adjacent properties where Hickory Way Apartments, Phases I and II now stand, Avalon Housing has applied for annexation of 1146 S. Maple with their application for site plan and zoning as submitted to the City of Ann Arbor;

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 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 Phase III, to ensure the development of 39 additional units of affordable housing in the City.

Prepared By: Tara Cohen, OCED Housing and Infrastructure Manager

Reviewed By: Derek Delacourt, Community Services Area Administrator

Approved By: Milton Dohoney Jr., City Administrator

Whereas, Avalon Nonprofit Housing Corporation ("Avalon Housing"), or an affiliated entity as required by funding sources, will be acquiring the property and building approximately 39 units of affordable housing;

Whereas, Avalon Housing has applied for site plan, zoning and annexation with the City of Ann Arbor, and prior to closing and construction, the land is to be annexed into the City;

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

Whereas, The Ann Arbor City Council hereby determines that Hickory Way Apartments Phase III 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, or its affiliate, 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:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 36, SCIO TOWNSHIP, WASHTENAW COUNTY, MICHIGAN; THENCE SOUTH 01 DEGREES 19 MINUTES EAST 954.44 FEET IN THE LAST LINE OF SECTION FOR A PLACE OF BEGINNING; THENCE CONTINUING SOUTH 1 DEGREES 19 MINUTES EAST 155.00 FEET; THENCE SOUTH 88 DEGREES 09 MINUTES WEST 320.00 FEET; THENCE NORTH 4 DEGREES 27 MINUTES WEST 155.23 FEET; THENCE NORTH 88 DEGREES 09 MINUTES EAST 328.50 FEET TO THE PLACE OF BEGINNING, BEING PART OF THE EAST 1/2 OF NORTHEAST 1/4, SECTION 36, TOWN 2 SOUTH, RANGE 5 EAST, WASHTENAW COUNTY, MICHIGAN;

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, subject to receipt from the Michigan State Housing Development Authority of the "Notification to Local Assessor of Exemption" for the property;

RESOLVED, That the resolution shall remain in effect and shall not terminate so long as a federally-aided mortgage loan remains outstanding and unpaid and the housing project remains subject to income and rent restrictions under the Low Income Housing Tax Credit program; and

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