



Legislation Details (With Text)

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Title: Resolution to Approve a Payment in Lieu of Taxes (PILOT) for Near North Limited Dividend Housing Association Limited Partnership at 626 N. Main

Sponsors:

Indexes:

Code sections:

Attachments: 1. Near North PILOT-Chptr 19.pdf

Date	Ver.	Action By	Action	Result
10/19/2009	1	City Council	Approved	Pass

Resolution to Approve a Payment in Lieu of Taxes (PILOT) for Near North Limited Dividend Housing Association Limited Partnership at 626 N. Main

On September 21, 2009, the property at 626 N. Main received a rezoning to Planned Unit Development.

Avalon Housing, together with its development partner, Three Oaks Group, will be applying for Low Income Housing Tax Credits (LIHTC) from the Michigan State Housing Development Authority (MSHDA) through Near North Apartments LDHA LP, a partnership that will own the Apartments, as required under the IRS code for LIHTC.

The LIHTC selection process includes a point system. Avalon can secure 15 points if the City of Ann Arbor adopts a PILOT (payment in lieu of taxes) specifically for this project. The City currently has a PILOT ordinance (Chapter 19 attached) that applies to all affordable housing projects that meet the requirements of the ordinance. Our ordinance technically would include the Near North project. However, MSDHA only awards 15 points if a separate PILOT resolution is adopted that specifically mentions the project.

The Office of Community Development recommends that City Council approve a PILOT for Near North Apartments LDHA LP at 626 N. Main Street.

Prepared by: Jennifer Hall, Housing Manager

Reviewed by: Mary Jo Callan, Community Development Director and Jayne Miller, Community Services Area Administrator

Whereas, Three Oaks Group, together with Avalon Housing, has applied for a rezoning of the parcels at 626 N. Main for new construction of 39 units of affordable housing;

Whereas, Avalon Housing Inc. and Three Oaks will create Near North Apartments Limited Dividend Housing Association Limited Partnership as the ownership entity for the property located at 626 N. Main to be called Near North Apartments;

Whereas, City Council approved a rezoning to PUD including the provision of 39 units of affordable housing; and

Whereas, The Ann Arbor City Council hereby determines that the Near North Apartments will be qualified for, and should be granted 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 the Code of the City of Ann Arbor;

RESOLVED, That pursuant to Section 15(a) of the State Housing Development Authority Act and Chapter 19, Section 1:651 of the Code of the City of Ann Arbor, the City Council hereby approves an exemption from all property taxes for the Near North Limited Dividend Housing Association Limited Partnership, for the term of the Michigan State Housing Development Authority mortgage loan, not to exceed fifty years, subject to the Michigan State Housing Development Authority's approval of the loan for the project and receipt of the "Notification to Local Assessor of Exemption" from the Michigan State Housing Development Authority for said parcel;

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 Near North Limited Dividend Housing Association Limited Partnership, 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, of the following parcels of property:

Legal Description of 1.19 Acre parcel of land part of Lots 1, 2 & 14 and all of Lots 5,7,9, 11 & 13 of Block #1, Ormsby and Page's Addition.

Commencing at the monumented intersection of Main Street and Summit Street; thence S 62° 00'42" E 37.46 feet to a point along the centerline of Summit Street, said point being N 62° 00'42" W 366.67 feet from the monumented intersection of Summit Street and N. Forth Street; thence S 19°00'00" W 114.21 feet parallel to the monumented centerline of Main Street and along the westerly line of Lot 1 of Block 1, Ormsby and Page Addition, as Recorded in Liber M of Deeds, pages 191 & 192, Washtenaw County Records, Michigan for a POINT OF BEGINNING; thence S 71°02'44" E 80.66; thence S 18°20'18" W 29.33 feet; thence S 0° 52'52" E 10.05 feet; thence S 28°13'07" W 1.73 feet; thence S 71°07'58" E 67.47 feet along the North line of Lot 5 of said Addition; thence S 22°03'45" W 208.08 feet along the East line of Lots 5,7,9 and 11 of said Addition to a found Iron pipe; thence S 22°36'53" W 123.99 feet along the East line of Lots 11 & 13 of said Addition; thence N 70°53'11" W 139.30 feet along the South line of Lot 13 of said Addition to a point which lies N 19°00'00" E 215.31 feet parallel to the monumented centerline of Main Street, along the Easterly right-of-way line of Block 1 of said Addition from the Southwesterly corner of Lot 19 of said Addition; thence N 19°00'00" E 362.08 feet parallel to the monumented centerline of Main Street, along the Easterly right-of-way line of Block 1 of said Addition to the Point of Beginning. Being a part of Lots 1,2 & 14 and all of Lots 5,7,9,11 & 13 of Block #1, Ormsby and Page's Addition, in the SE ¼ of Section 20, T2S, R6E, in the City of Ann Arbor, Washtenaw County, Michigan. Containing 1.19 acres of land, more or less. Being subject to easements And restrictions of record, if any. Containing 1.19 acres of land, more or less. Being subject to easements and restrictions of record, if any;

RESOLVED , That pursuant to Chapter 19, Section 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 for by the Michigan State Housing Development Authority Act; and

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