City of Ann Arbor

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Legislation Text

File #: 20-1505, **Version:** 1

Resolution to Approve a Payment in Lieu of Taxes (PILOT) for the Grove at Veridian at 2270 Platt Road

Avalong Housing, or an affiliated entity as required by funding sources, will be acquiring a portion of the property at 2270 Platt Road as further described in the attached resolution for the purpose of building 50 affordable housing homes and applying for Low Income Housing Tax Credits (LIHTC) from the Michigan State Housing Development Authority (MSHDA).

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 additional points on the LIHTC application if the City adopts a PILOT specifically for this address.

City staff recommends approval of this resolution.

Prepared By: Brett Lenart, Planning Manager; Teresa Gillotti, Director, Office of Community and Economic Development

Reviewed By: Derek Delacourt, Community Services Area Administrator

Approved By: Tom Crawford, Interim City Administrator

Whereas, Avalon Housing, or an affiliated entity as required by funding sources, will be acquiring the property and building approximately 50 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 The Grove at Veridian 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 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 East ¼ corner of Section 3, T3S, R6E, City of Ann Arbor, Washtenaw County, Michigan; thence N 00°35'21" E 560.00 feet along the East line of said Section 3 and centerline of Platt Road (66 feet wide) to the Point of Beginning;

Thence S 89°56'30" W 255.00 feet; Thence S 00°35'21" W 60.00 feet; Thence S 89°56'30" W 210.00 feet; Thence N 00°35'21" E 10.00 feet; Thence S 89°56'30" W 275.00 feet; thence N 00°35'21" E 290.00 feet; Thence N 89°56'30" E 740.00 feet to the east line of said Section 3

and centerline of Platt road; Thence S 00°35'21" W 240.00 feet along the centerline of Platt road (66 feet wide) and East line of said Section 3 to the Point of Beginning. Being a part of the Northeast fractional ¼ of said Section 3 and containing 4.68 acres of land (4.44 acres net).

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.