MINUTES
Committee on Development and Planning
Wednesday, February 6, 2013 – 12:00 p.m.
Tenth Floor Conference Room – Lansing City Hall

CALLL TO ORDER

The meeting called to order at 12:00 p.m.

ROLL CALL

Councilmember Brian Jeffries, Chair
Councilmember Derrick Quinney, Vice Chair
Councilmember Jody Washington, Member

OTHERS PRESENT

Diana Bitely, Council Staff
Carol Wood, Councilmember
Don Kulhanek, Law
Susan Stachowiak, Planning
Mary Elaine Kiener, Citizen
Lynne Martinez, Citizen
Jim Shaw, Citizen
Zane Hubbard, IVOE 324
Brian Brannick, Michigan Building Trades
Price Dobernick, UA 333
Glenn Freeman III, Greater Lansing Labor Council
Charles Drayton, Citizen

APPROVAL OF MINUTES

COUNCILMEMBER QUINNEY MADE A MOTION TO APPROVE THE MINUTES OF THE DECEMBER 17, 2012 COMMITTEE MEETING, AS SUBMITTED. MOTION CARRIED, 3-0.

PUBLIC COMMENT ON AGENDA ITEMS

None.

DISCUSSION/ACTION

Transparency Ordinance Update

Mr. Kulhanek reported that the outcome of the Associated Builders case will affect the legality of this ordinance and he suggested that the Committee to wait until the Court of Appeals rules before moving forward. There were a couple of issues he thought to be pending.

Councilmember Jeffries questioned if the ordinance is ready for a public hearing.

Mr. Kulhanek stated that there was a public hearing last October, but it would need to be reset.

Councilmember Jeffries suggested an amendment to the ordinance to read "Nothing in this ordinance shall be interpreted to prohibit or require an applicant or any contractor or subcontractor of an applicant from requiring in bid specifications that a successful bidder enter into a project labor agreement or other collective bargaining agreement as a condition of contract award."

COUNCILMEMBER QUINNEY MADE A MOTION TO AMEND THE RESOLUTION TO READ "NOTHING IN THIS ORDINANCE SHALL BE INTERPRETED TO PROHIBIT OR REQUIRE AN APPLICANT OR ANY CONTRACTOR OR SUBCONTRACTOR OF AN APPLICANT FROM REQUIRING IN BID SPECIFICATIONS THAT A SUCCESSFUL BIDDER ENTER INTO A PROJECT LABOR AGREEMENT OR OTHER COLLECTIVE BARGAINING AGREEMENT AS A CONDITION OF CONTRACT AWARD. MOTION CARRIED, 3-0.

COUNCILMEMBER QUINNEY MADE A MOTION TO SET A PUBLIC HEARING FOR MONDAY, FEBRUARY 25, 2013 IN CONSIDERATION OF AN ORDINANCE ADDING SECTION 206.25 TO CHAPTER 206 OF THE LANSING CODIFIED ORDINANCES BY REQUIRING TRANSPARENCY IN THE BIDDING AND OPENING OF BIDGS FOR PROJECTS THAT RECEIVE CERTAIN ECONOMIC INCENTIVES APPROVED BY THE LANSING CITY COUNCIL. MOTION CARRIED, 3-0.

Niowave Review (WNA Letter) and SLU Ordinance Update

Councilmember Jeffries provided a brief overview of the history surrounding Niowave's Personal Property Exemption and the resulting building, commonly referred to as "the pole barn." He anticipates that at the next D&P, the Committee will likely set the public hearing for the Niowave PPE. He then anticipates referring it to Committee of the Whole to allow for full Council discussion because of the response from the surrounding neighborhoods to both the building constructed as well as future property exemptions that may result in these types of buildings.

The Committee will also continue discussions on the Special Land Use Ordinance.

Ms. Kiener expressed her appreciation for the continued discussion and she looks forward to seeing how this plays out.

Ms. Martinez commented that they are anxious to find some language that the Planning Board can insert into special land uses to avoid issues like the Niowave one.

Ms. Stachowiak stated that the Planning and Neighborhood Development is taking steps to ensure that the language within each special land use that they forward to Council is very specific.

Mr. Kulhanek stated that those conditions put forward in the SLU Ordinance are not conditions, they are "findings". The only condition in the resolution is that the applicant must identify methods of retaining playground equipment.

Councilmember Jeffries stated that during consideration, there were criteria set forth by Council. He requested that Mr. Kulhanek review the other tax incentives that were approved concurrently. Look at "use" and how that was clarified, particularly with regard to manufacturing. He questioned if the SLU would

Ms. Stachowiak stated that the criteria only addressed the use of the property and not the construction of the property.

Councilmember Wood questioned if there is a violation of criteria identified by resolution, what would the consequences of the violation.

Ms. Stachowiak stated that the Special Land Use could be revoked if there were a violation, but it is very clear that criteria apply only to the use of the property.

Councilmember Jeffries requested that Law move forward with the SLU Ordinance. At the December 5, 2012 meeting, and Mr. Smith

Ms. Keiner commented that the neighborhood is frustrated with the length of time that this is taking without resolution.

Councilmember Jeffries requested that a draft #2 is presented at the next D&P meeting.

Setting a Public Hearing for SLU-7-2012; Church at 2405 W. Mt. Hope Avenue

Ms. Stachowiak reported that this would be for a small church and the property is surrounded by park land. There is one property next door. The parking still must be able to accommodate the congregation, and the available parking is currently adequate. The language is very specific that it is limited to the use of the existing building at this location, which means that if they were to put on an addition, then it would have to come back in a new SLU.

COUNCILMEMBER QUINNEY MADE A MOTION TO SET A PUBLIC HEARING FOR MONDAY, FEBRUARY 25, 2013 IN CONSDIERATION OF SLU-7-2012; CHURCH AT 2405 W. MT. HOPE. MOTION CARRIED, 3-0.

Resolution Approving Act-13-2012; Marketing City Property for Sale – Waverly and Michigan Parks

Mr. Rieske reported that this has been approved by the voters; the Planning Board has recommended the marketing based on the finding that it is surplus property according to Parks and Recreation. No other agency has otherwise stepped forward to say we need the property.

Mr. Johnson stated that they have not had any serious interest, but have had some groups express interest in athletic activities. We want to be sure that we are able to market for sale before they take any definitive steps. It is located in Lansing Township and they are not sure if the City will use a Real Estate Broker or a Request for Purchase. We have not done appraisals yet for the property, preferring not to spend the money until we are sure that we can market it for sale.

Councilmember Quinney reminded the Committee that they had hoped to see the sledding hill retained; they know the concerns of Council, but he is only marketing it for sale. He will never say to our representative that there are no contingencies; he would disclose that and encourage selling off the north end of the property first. What happens on the site is outside of our jurisdiction.

Councilmember Jeffries expressed concern that access to the sledding hill after the sale of the remaining property.

Mr. Johnson is not sure what the Township would permit, but he will definitely present the case to them as it being a city asset and wanting to preserve it for the purpose of sledding.

Mr. Rieske stated that the Planning Board did discuss the sledding hill and recommended approval based upon what Council put forward as the legal description.

Councilmember Wood clarified that Mr. Johnson would conduct a survey and either secure Broker representation or an RFP. She questioned if the sledding hill could be carved out prior to putting it up for sale.

Mr. Johnson planned on going through the bidding process to conduct the survey next week. They are ready to go in the Planning Department. He will not make any recommendations that the sledding hill "is good to go". He will disclose it as Council requests.

COUNCILMEMBER QUINNEY MADE A MOTION TO APPROVE ACT-13-12, WAVERLY AND MICHIGAN AVENUE PARKS – MARKET FOR SALE. MOTION CARRIED, 3-0.

Resolution Approving the Capitol Commons Senior PILOT

Mr. Johnson stated that this is a taxation issue and when the development comes under consideration and whether it meets the affordability needs, but Planning Department does not really deal with PILOTs.

Mr. Kulhanek stated that the two PILOT's up for discussion today have been held up in discussions. The property owner would like to market for these by next week. This means, they are asking for approval this coming Monday. One of the two resolutions does need some technical legal changes, which are very small, but he is working with them on it.

Councilmember Wood requested a list of repairs

COUNCILMEMBER QUINNEY MADE A MOTION APPROVING THE CAPITOL COMMONS SENIOR PILOT. MOTION CARRIED, 2-0.

Resolution Approving the Riverfront PILOT

COUNCILMEMBER QUINNEY MADE A MOTION APPROVING THE RIVERFRONT PILOT. MOTION CARRIED, 2-0.

Councilmember Jeffries expressed frustration at receiving items at the last minute and without the supporting documentation.

Councilmember Washington echoed the frustration.

RECEIPT OF COMMUNICATIONS

None

OTHER

None.

PENDING

None.

ADJOURN

The meeting was adjourned at 1:01 p.m.
Submitted by,
Diana Bitely, Recording Secretary
Lansing City Council
Approved by the Committee on 2/20/2013.

Appropriate documents attached to original set of minutes.

REVISED AGENDA
Committee on Development and Planning
Wednesday, February 6, 2013 @ 12:00 p.m.
10th Floor Conference Room, City Hall

Councilmember Brian Jeffries, Chair
Councilmember Derrick Quinney, Vice Chair
Councilmember Jody Washington, Member

1. **Call to Order**
2. **Roll Call**
3. **Approval of Minutes**
   A. December 17, 2012
4. **Public Comment on Agenda Items**
5. **Discussion/Action:**
   A. Transparency Ordinance Update
   B. Setting a Public Hearing for SLU-7-2012; Church at 2405 W. Mt. Hope Avenue
   C. Resolution Approving Act-13-2012; Marketing City Property for Sale – Waverly and Michigan Parks
   D. Resolution Approving the Capitol Commons Senior PILOT
   E. Resolution Approving the Riverfront PILOT
   F. Niowave Review (WNA Letter) and SLU Ordinance Update
6. **Other**
7. **Adjourn**

8. Pending

- Niowave 328 PPE Application
- Reutter Park Place Brownfield # 54

AGENDA
Committee on Development and Planning
Wednesday, February 6, 2013 @ 12:00 p.m.
10th Floor Conference Room, City Hall

Councilmember Derrick Quinney, Chair
Councilmember Tina Houghton, Vice Chair
Councilmember Brian Jeffries, Member

1. **Call to Order**
2. **Roll Call**
3. **Approval of Minutes**
   A. December 17, 2012
4. **Public Comment on Agenda Items**
5. **Discussion/Action:**
   A. Transparency Ordinance Update
   B. Setting a Public Hearing for SLU-7-2012; Church at 2405 W. Mt. Hope Avenue
   C. Resolution Approving Act-13-2012; Marketing City Property for Sale – Waverly and Michigan Parks
   D. Niowave Review (WNA Letter) and SLU Ordinance Update
6. **Other**
7. **Adjourn**
8. **Pending**
   - Niowave 328 PPE Application
   - Reutter Park Place Brownfield # 54

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, TO ADD SECTION 206.25 TO CHAPTER 206 OF THE LANSING CODIFIED ORDINANCES BY REQUIRING TRANSPARENCY IN THE BIDDING AND OPENING OF BIDS FOR PROJECTS THAT RECEIVE CERTAIN ECONOMIC INCENTIVES APPROVED BY THE LANSING CITY COUNCIL.

THE CITY OF LANSING ORDAINS:

Section 1. That Section 206.25 be added to Chapter 206 of the Codified Ordinances of the City of Lansing, Michigan to read as follows:

(A) PURPOSE. THE PURPOSE OF THIS SECTION IS TO PROMOTE FAIRNESS IN BIDDING ON PROJECTS THAT RECEIVE ECONOMIC INCENTIVES BY ENSURING TRANSPARENCY IN DISTRIBUTION, OPENING, AND AWARDING OF BIDS.

(B) DEFINITIONS. AS USED IN THIS SECTION:

(1) "APPLICANT" MEANS A PERSON, CORPORATION, PARTNERSHIP, OR OTHER ENTITY THAT HAS APPLIED FOR AND RECEIVED ECONOMIC INCENTIVES APPROVED BY LANSING CITY COUNCIL, INCLUDING THE APPLICANT'S CONTRACORS OR SUBCONTRACTORS, ON A PROJECT.

(2) "BID" MEANS A SEALED OFFER TO PROVIDE SERVICES PURSUANT TO A PERMIT.

(3) "BID QUOTE" MEANS THE TOTAL BID AMOUNT IN DOLLARS AS READ ALOUD AND RECORDED AT THE BID OPENING.

(4) "ECONOMIC INCENTIVES" MEANS ANY OF THE FOLLOWING: AN INDUSTRIAL FACILITIES TAX ABATEMENT ISSUED UNDER PUBLIC ACT 198 OF 1974; A TAX ABATEMENT ISSUED UNDER PUBLIC ACT 328 OF 1998; A BROWNFIELD APPROVED UNDER PUBLIC ACT 381 OF 1996; OR, AN OBSOLETE PROPERTY REHABILITATION ACT ABATEMENT ISSUED UNDER PUBLIC ACT 146 OF 2000.

(5) "PERMIT" MEANS A BUILDING PERMIT, MECHANICAL PERMIT, ELECTRICAL PERMIT, OR PLUMBING PERMIT, ISSUED BY THE LANSING BUILDING SAFETY OFFICE.

(6) "PROJECT" MEANS THE WORK WHICH WILL BE DONE PURSUANT TO A REQUIRED PERMIT ON THE DEVELOPMENT WHICH IS RECIEVING THE ECONOMIC INCENTIVE.

(7) "PUBLICLY ACCESSIBLE LOCATION" MEANS LANSING CITY HALL CITY COUNCIL CHAMBERS DURRING REGULAR BUSINESS HOURS.

(8) "PUBLICLY ADVERTISED" MEANS:

I. ADVERTISED AT A TIME AND LOCATION CUSTOMARY IN THE RELEVANT TRADE; AND,

II. PUBLISHED ONCE IN A NEWSPAPER.

(8) "RESPONSIBLE BIDDER" MEANS THAT TERM AS DEFINED IN SECTION 206.01, EXCEPT THAT FOR PURPOSES HEREIN THE "DIRECTOR" SHALL BE THE APPLICANT. IN ADDITION TO THE REQUIREMENTS OF SECTION 206.01, A RESPONSIBLE BIDDER MUST NOT BE IN DEFAULT OF THE PAYMENT OF ANY TAXES, LICENSES, FEES, PERMITS OR ANY OTHER MONEY DUE TO THE CITY OR

IN ANY OTHER RESPECT DISQUALIFIED ACORDING TO ANY FEDERAL OR STATE LAW OR ANY CITY ORDINANCE PROVISION, AND SHALL HAVE OR PROCURE:

A. A VALID FEDERAL TAX IDENTIFICATION NUMBER, OR IF AN INDIVIDUAL, A VALID SOCIAL SECURITY NUMBER;

B. ALL REQUIRED LICENSES;

C. CERTIFICATION OF INSURANCE SHOWING THE FOLLOWING COVERAGE IF NECESSARY FOR THE PROJECT:

I. GENERAL LIABILITY;

II. WORKERS' COMPENSATION; AND

III. AUTOMOBILE LIABILITY.

(9) "RESPONSIVE BIDDER" SHALL MEAN THAT TERM AS DEFINED IN SECTION 206.01.

(C) INVITATION FOR BIDS. WHEN AN APPLICANT USES INVITATIONS FOR BIDS, THE INVITATIONS WILL BE PUBLICLY ADVERTISED AND BIDS SHALL BE SOLICITED FROM A REASONABLE NUMBER OF SUPPLIERS, REGARDLESS OF LABOR ORGANIZATION AFFILIATION, PROVIDING PROSPECTIVE BIDDERS REASONABLY SUFFICIENT TIME TO RESPOND ON OR PRIOR TO THE DATE AND TIME SET FOR RECEIVING ALL BIDS. THE INVITATION FOR BIDS WILL INCLUDE THE TIME, DATE AND LOCATION FOR THE OPENING OF THE BIDS. A LIST OF ALL BIDDERS INVITED TO SUBMIT BIDS WILL BE PROVIDED BY THE APPLICANT UPON REQUEST TO THE CITY OF LANSING.

(D) BID OPENING. APPLICANT AGREES TO OPEN ALL BIDS AT THE DATE, TIME AND PUBLICLY ACCESSIBLE LOCATION PRESCRIBED IN THE INVITATION FOR BIDS. AS EACH BID IS OPENED THE NAME OF THE BIDDER AND BID QUOTE AMOUNT SHALL BE READ ALOUD AND RECORDED BY THE APPLICANT. AT THE END OF THE BID OPENING EVENT A COPY OF THE LIST OF BIDDERS AND BID AMOUNTS SHALL BE MADE AVAILABLE TO ALL WHO ARE PRESENT. A COPY WILL ALSO BE PROVIDED TO THE CITY OF LANSING UPON ITS REQUEST. THE APPLICANT IS NOT REQUIRED TO AWARD A CONTRACT FOR THE JOB AT THE TIME OF BID OPENINGS.

(E) CONTRACT AWARD. IF A CONTRACT IS AWARDED TO A BIDDER, THE APPLICANT AGREES TO AWARD THE CONTRACT TO THE LOWEST RESPONSIBLE AND RESPONSIVE BIDDER.

(F) AFTER AWARDING A CONTRACT TO A BIDDER WHOSE BID QUOTE FOR SERVICE WAS NOT THE LOWEST BID AS RECORDED AT THE BID OPENING APPLICANT AGREES TO NOTIFY IN WRITING WITHIN THIRTY (30) DAYS ALL BIDDERS WHOSE PREVIOUSLY RECORDED BID WAS LESS THAN THE CHOSEN BIDDER. IN THE WRITTEN NOTIFICATION THE APPLICANT SHALL SPECIFY IN DETAIL THE REASON THE BIDDER WAS NOT SELECTED IN ACCORDANCE WITH SECTION (E). A COPY OF EACH LETTER SHALL BE PROVIDED TO THE CITY OF LANSING UPON ITS REQUEST.

(G) APPLICATION. THIS ORDINANCE SHALL ONLY APPLY TO THE PROJECT, FROM THE TIME THE ECONOMIC INCENTIVE IS APPROVED BY THE LANSING CITY

COUNCIL UNTIL PROJECT COMPLETION AS DEFINED BY: A DEVELOMENT AGREEMENT BETWEEN THE APPLICANT AND THE CITY OF LANSING OR IF NO AGREEMENT EXISTS, BY THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY BY THE CITY OF LANSING. THIS ORDINANCE SHALL NOT APPLY TO ECONOMIC INTENTIVES INITIATED BY THE INGHAM COUNTY LAND BANK OR THE DEWITT CHARTER TWP. – CITY OF LANSING NEXT MICHIGAN DEVELOPMENT CORPORATION. THIS ORDINANCE SHALL NOT APPLY TO ANY ECONOMIC INCENTIVE OR PROJECT APPROVED PRIOR TO THE EFFECTIVE DATE OF THIS ORDINANCE.

(H) CITY COUNCIL MAY WAIVE THE REQUIREMENTS OF THIS ORDINANCE BY RESOLUTION.

(I) IN THE EVENT AN APPLICANT VIOLATES THE REQUIREMENTS OF THIS ORDINANCE, THE CITY MAY TAKE WHATEVER ACTION LEGALLY PERMISSIBLE TO REVOKE ECONOMIC INCENTIVES GRANTED, AND THE APPLICANT WILL NOT BE ELIGIBLE FOR FUTURE ECONOMIC INCENTIVES.

Section 2. All ordinances, resolutions or rules, parts of ordinances, resolutions or rules inconsistent with the provisions hereof are hereby repealed.

Section 3. Should any section, clause or phrase of this ordinance be declared to be invalid, the same shall not affect the validity of the ordinance as a whole, or any part thereof other than the part so declared to be invalid.

Section 4. This ordinance shall take effect on the 30th day after enactment, unless given immediate effect by City Council.

DRAFT #5
Sep 26, 2012

Approved as to form:

City Attorney

Dated: 10-15-12

XV 16i

OFFICE OF THE MAYOR
9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933-1694
(517) 483-4141 (voice)
(517) 483-4479 (TDD)
(517) 483-6066 (Fax)

FROM THE 1/14/13 MEETING REFERRED TO THE COMMITTEE ON DEVELOPMENT AND PLANNING

Virg Bernero, Mayor

TO: City Council President Carol Wood and Council Members

FROM: Mayor Virg Bernero

DATE: January 10, 2012

RE: Resolution—Setting a Public Hearing—SLU-7-2012— Church at 2405 E. Mt. Hope Avenue

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The attached correspondence is forwarded for your review and appropriate action.

VB/rh
Attachment

OFFICE OF THE MAYOR
9th Floor, City Hall
124 W. Michigan Avenue
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(517) 483-4141 (voice)
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Virg Bernero, Mayor

TO: City Council President Carol Wood and Council Members

FROM: Mayor Virg Bernero

DATE: January 10, 2013

RE: Resolution—Approving—SLU-7-2012— Church at 2405 E. Mt. Hope Avenue

---

The attached correspondence is forwarded for your review and appropriate action.

VB/rh
Attachment

To: Virg Bernero, Mayor

From: Susan Stachowiak, Zoning Administrator

Subject: CITY COUNCIL AGENDA ITEM - SLU-7-2012, 2405 E. Mt. Hope Avenue

Date: January 9, 2013

Please forward this resolution to City Council for placement on the Agenda.

If you have any questions, or need additional information, please give me a call.

Attachments

BY THE COMMITTEE ON DEVELOPMENT & PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolved by the City Council of the City of Lansing that a public hearing be set for Monday, February 11, 2013, at 7 p.m. in City Council Chambers, Tenth Floor, Lansing City Hall, 124 West Michigan Avenue, Lansing, Michigan, for the purpose of approving and/or opposing the Ordinance for rezoning:

SLU-7-2012: Special Land Use Permit, Church at 2405 E. Mt. Hope Avenue

[18109:4:20130111:145512]

CITY OF LANSING
NOTICE OF PUBLIC HEARINGS

SLU-7-2012, 2405 E. Mt. Hope Avenue
Special Land Use Permit – Church

The Lansing City Council will hold a public hearing on Monday, February 11, 2013, at 7:00 p.m. in Council Chambers, 10th Floor, Lansing City Hall, 124 W. Michigan Avenue, Lansing, Michigan, to consider SLU-7-2012. This is a request by Kaleo Church of Lansing to utilize the building at 2405 E. Mt. Hope Avenue for a church. Churches are permitted in the "D-1" Professional Office district, which is the designation of the subject property, if a Special Land Use permit is approved by the Lansing City Council.

For more information about this case, phone City Council Offices on City business days, Monday through Friday, between 8 a.m. and 5 p.m. at 483-4177. If you are interested in this matter, please attend the public hearing or send a representative. Written comments will be accepted between 8 a.m. and 5 p.m. on City business days if received before 5 p.m., Monday, February 11, 2012, at the City Council Offices, Tenth Floor, City Hall, 124 West Michigan Avenue, Lansing, MI 48933-1696.

Chris Swope, City Clerk

BY THE COMMITTEE OF DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

SLU-7-2012
Church in the "D-1" Professional Office District
2405 E. Mt. Hope Avenue

WHEREAS, the applicant, Kaloo Church of Lansing, has requested a Special Land Use permit (SLU-7-2012) to utilize the existing building at 2405 E. Mt. Hope Avenue for a church; and

WHEREAS, the property is zoned "D-1" Professional Office District where churches are permitted subject to obtaining a special land use permit; and

WHEREAS, a review was completed by staff evaluating the character, location and impact this proposal would have on the surrounding area and the impact on the environment, utilities, services and compliance with the Zoning Code and objectives of the Comprehensive Plan; and

WHEREAS, the Planning Board held a public hearing on January 8, 2013, at which the applicant spoke in favor of her request and no other comments were received; and

WHEREAS, the Planning Board, at its January 8, 2013 meeting, voted (5-0) to recommend approval of SLU-7-2012 to utilize the existing building at 2405 E. Mt. Hope Avenue for a church with the condition that the seating capacity of the church is limited to the amount of available parking;

WHEREAS, the City Council held a public hearing regarding SLU-7-2012; and

WHEREAS, the Committee on Development and Planning has reviewed the report and recommendation of the Planning Board and concurs therewith; and

NOW THEREFORE BE IT RESOLVED that the Lansing City Council hereby approves SLU-7-2012 to utilize the existing building at 2405 E. Mt. Hope Avenue for a church, with the condition that the seating capacity of the church is limited to the amount of available parking.

BE IT FURTHER RESOLVED that this Special Land Use permit shall remain in effect only so long as the petitioner fully complies with this resolution, and if the petitioner fails to comply, the Special Land Use permit may be terminated by City Council Resolution.

BE IT FINALLY RESOLVED that in granting this request, the City Council determines the following:

1. The proposed church is compatible with the essential character of the surrounding area, as designed.
2. The proposed church will not change the essential character of the surrounding area.
3. The proposed church will not interfere with the general enjoyment of adjacent properties.
4. The proposed church will not impact adjacent properties as it will not be detrimental to the use or character of the property under consideration.

5. The proposed church will not impact the health, safety and welfare of persons or property in the surrounding area.
6. The proposed church can be acequately served by essential public facilities and services.
7. The proposed church will not place any demands on public services and facilities in excess of current capacities.
8. The proposed church is consistent with the intent and purposes of the Zoning Code and the Design Lansing Master Plan.
9. The proposed parking ramp will comply with the requirements of the "D-1" Professional Office District.

GENERAL INFORMATION

APPLICANT:	Kaleo Church of Lansing 10504 Bond Road Dewitt, MI 48820
OWNER:	Mark Fireout 4612 Okemos Road Okemos, MI 48864
REQUESTED ACTION:	Special Land Use permit to establish a church at 2405 E. Mt. Hope Avenue
EXISTING LAND USE:	Vacant Building
EXISTING ZONING:	"D-1" Professional Office District
PROPERTY SIZE & SHAPE:	Rectangular Shape - See attached map 132' x 297' = 39,204 square feet (.9 acres)
SURROUNDING LAND USE:	N: Crego Park S: Arboretum Park E: Single Family Residential W: Crego Park
SURROUNDING ZONING:	N: "A" Residential District S: "A" Residential District E: "A" Residential District W: "A" Residential District
MASTER PLAN DESIGNATION:	The Design Lansing Comprehensive Plan designates the subject property for "Open Space – Dedicated Park". E. Mt. Hope Avenue is designated as a minor arterial.

SPECIFIC NFORMATION

This is a request by Kaleo Church of Lansing to utilize the building at 2405 E. Mt. Hope Avenue for a church. Churches are permitted in the "D-1" Professional Office district, which is the designation of the subject property, if a Special Land Use permit is approved by the Lansing City Council.

Kaleo Church of Lansing intends to purchase the property at 2405 E. Mt. Hope on a land contract. The Church currently has 25 members with the potential for approximately 25% growth. At this time, Church services are only held on Sunday morning at 11:00 a.m. There is a Thursday night and a Saturday morning bible study group and the church anticipates a holding a Wednesday night children's program as well. No full time staff will be stationed on the property, although there will be a volunteer staff person at the site on an occasional basis.

AGENCY RESPONSES:

BWL: See attached.

Building Safety:

Development:

Fire Marshal:

Parks & Recreation:

Public Service:

Transportation: No comments or requirements regarding this SLU.

ANALYSIS

Section 1282.03(f)(1)-(2) sets forth the criteria which must be used to evaluate a Special Land Use permit request. The criteria and evaluation are as follows.

1. **Is the proposed special land use designed, constructed, operated and maintained in a manner harmonious with the character of adjacent property and the surrounding area?**

   The subject property is surrounded by park land to the north, south and west. There is a single family residential dwelling to the east. A church in such an environment is perceived to have a negligible impact on surrounding land uses, particularly since all traffic from the site will utilize E. Mt. Hope which is a minor thoroughfare designed to carry a high volume of traffic. Also, churches are low impact uses that generate minimal traffic and no other nuisance factors such as noise, fumes or glare.

2. **Will the proposed special land use change the essential character of the surrounding area?**

   The proposed church will not change the essential character of the area. In fact, the proposed church appears to be an excellent use of the subject property since there are several uses permitted under the current zoning designation, such as an office, bank, credit union or clinic that would generate far more activity on a regular basis than a church. There are many churches located in predominately residential areas throughout the City. With proper landscape, screening and buffering and maintenance of the site, churches are considered to be compatible with adjoining residential land uses. In addition, the church provides a convenient option for residents of the area since there are no other churches in the immediate vicinity.

3. **Will the proposed special land use interfere with the enjoyment of adjacent property?**

The primary concern with churches in terms of interfering with the enjoyment of adjacent properties is the potential conflicts with liquor licenses. By state law, a church has an opportunity to object to all new liquor licenses within 500 feet of the church property. In this case, there is only one commercially zoned parcel of land within 500 feet of the subject property and it is occupied by a cemetery monument company. Given the surrounding zoning pattern, there does not appear to be any issues with regard to a conflict between the church and liquor license requests.

4. **Will the proposed special land use represent an improvement to the use or character of property under consideration and the surrounding area in general, and will the use be in keeping with the natural environment of the lot?**

A church seems to be the most appropriate use of the subject property and would have the lowest impact of any potential uses for the site on the surrounding area. With regard to the natural environment, no changes are proposed for the site.

5. **Will the proposed special land use be hazardous to adjacent property or involve uses, activities, materials or equipment which are detrimental to the health, safety or welfare of persons or property through the excessive production of traffic, noise, smoke, odor, fumes or glare?**

The church will not generate any nuisances or hazardous conditions.

6. **Will the proposed special land use be adequately served by essential public facilities and services, or is it demonstrated that the person responsible for the proposed special land use is able to continually provide adequately for the services and facilities deemed essential to the special land use under consideration?**

The subject property is currently served by all necessary public services and utilities. No negative comments have been received from any of the reviewing departments or agencies. Inspections will be necessary to determine if the structure complies with current building code and fire code requirements for an assembly use.

7. **Will the proposed special land use place demand on public services and facilities in excess of current capacity?**

The proposed special land use is not expected to increase the demand on public services and facilities in excess of current capacity.

8. **Is the proposed special land use consistent with the intent and purpose of this Zoning Code and the objectives of any currently adopted Comprehensive Plan?**

The use is consistent with the provisions of the Zoning Code, including the nine criteria for approval of an SLU, as described herein.

The subject property is located within an area identified by the Design Lansing Comprehensive Plan for open space/parks. However, the site is zoned "D-1" Professional Office district and is already developed for an office use. Therefore, denying the special land use permit based on the "open space/parks" master plan designation would essentially render the property useless in its current form. The proposed church will not have any negative impacts on the surrounding parkland or with the residential development to the east. In fact, the proposed church will likely have less intensive impacts on the surrounding area than an office use that would be permitted by right at this location.

9. **Will the proposed special land use meet the dimensional requirements of the district in which the property is located?**

The only dimensional requirement that applies to this request is parking. Section 1284.13(b)(1) of the Zoning Ordinance requires 1 parking space for each 3 seats in the main sanctuary. The site currently has 13 parking spaces which would allow for 39 seats in the main sanctuary. There is, however, a significant amount of unimproved land north of the building that could be developed for additional parking. The installation of 1,000 square feet or more of new impervious surface to the site will require site plan review and approval. Site plan review is an administrative process that is coordinated through the Lansing Planning Office. A complete site plan review packet can be obtained by contacting me at 517-483-4085.

Section 1260.04(b) of the Zoning Ordinance states that churches in the "D-1" Professional Office district must be located on a collector, principal or minor arterial. Since E. Mt. Hope Avenue is designated as a minor arterial, the request complies with the condition.

SUMMARY

This is a request by Kaleo Church of Lansing to utilize the building at 2405 E. Mt. Hope Avenue for a church. Churches are permitted in the "D-1" Professional Office district, which is the designation of the subject property, if a Special Land Use permit is approved by the Lansing City Council.

Based on the findings contained in this staff report, the proposal complies with all of the criteria of Section 1282.03(f)(1)-(9) of the *Zoning Code* for evaluating Special Land Use permits.

1. The proposed Special Land Use will be harmonious with the character of adjacent properties and surrounding uses.
2. The proposed Special Land Use will not change the essential character of the surrounding properties.
3. The proposed Special Land Use will not interfere with the general enjoyment of adjacent properties.

4. The proposed Special Land Use does represent an improvement to the lot as it currently exists.
5. The proposed Special Land Use will not be hazardous to adjacent properties.
6. The proposed Special Land Use can be adequately served by public services and utilities.
7. The proposed Special Land Use will not place any demand on public services and facilities in excess of current capacities
8. The proposed Special Land Use is consistent with the specific designations of the Zoning Code and the Design Lansing Comprehensive Plan.
9. The proposed Special Land Use will comply with the dimensional requirements of the Zoning Ordinance.

RECOMMENDATION

Staff recommends approval of SLU-7-2012, a special land use permit to allow a church in the existing building at 2405 E. Mt. Hope Avenue, based upon the findings of fact as outlined in this staff report, with the condition that the seating capacity of the church is limited to the amount of available parking.

Respectfully Submitted,

Susan Stachowiak
Zoning Administrator

Hometown People. Hometown Power.

BOARD OF WATER AND LIGHT MEMO

January 4, 2013

TO: City of Lansing – Planning Department – Sue Stachowiak

FROM: Dana Paul, Utility Services Supervisor (517) 702-6690

RE: SLU-7-2012; 2408 E. Mt. Hope Avenue

The Site Plan is accepted and approved under the following conditions:
Electric: This approval does not constitute an agreement for service, and is subject to the following conditions:

Approved with comments:

- The BWL can provide electric service to the proposed and renovated buildings based on the BWL Rules and Regulations for Electric Service.
- Prior to relocation, removal and/or installation of electric distribution facilities and service entrance conductors BWL should receive electrical plans for the proposed building.
- Once electric distribution design is completed an Electric Service Agreement (ESA), electric service spot will be submitted to owner.
- The ESA be returned signed and all fees paid prior to electric distribution construction scheduling.
- Please contact Randy Pleunt at (517) 702-6067 for preparation of ESA and electric service entrance spots

The Site Plan is accepted and approved under the following conditions:
Water/Chilled Water/Steam: This approval does not constitute an agreement for service, and is subject to the following conditions:

Approved subject to the following conditions:

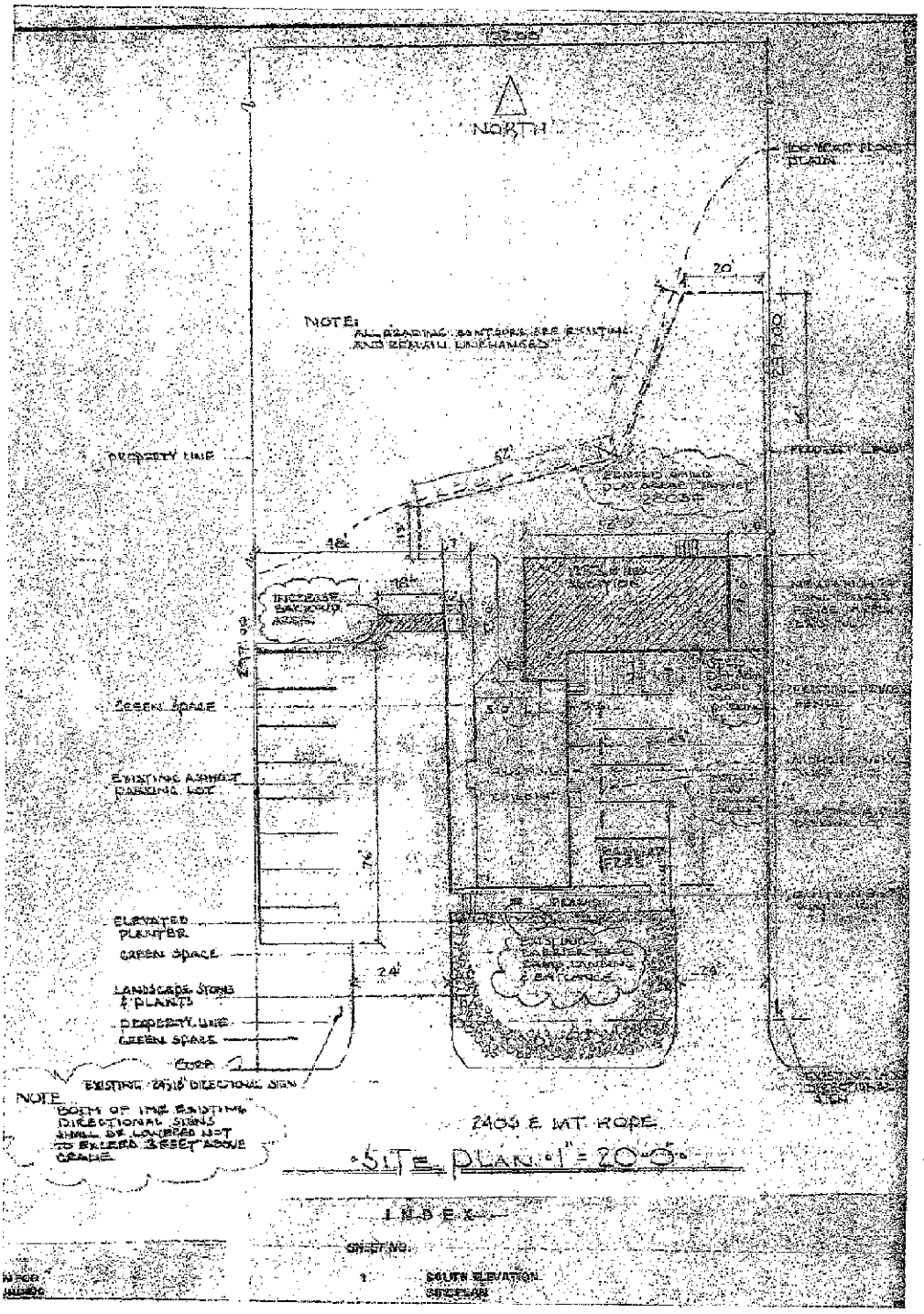
BWL water has no objection to proposed use of building for Church/Religious use. Building is currently being served water by an existing ¾" copper service with a 5/8" meter located in a manhole at the property line. If there are any questions, please call Ken Brown @ 517-702-6496.

The Site Plan is accepted and approved under the following conditions:
Street Lighting:

No comments.

If questions should arise, please contact Matthew Hein (517) 702-6225 office

Note that this site plan approval does not constitute an agreement for service. All customers must meet BWL requirements and enter a service agreement prior to receiving service.

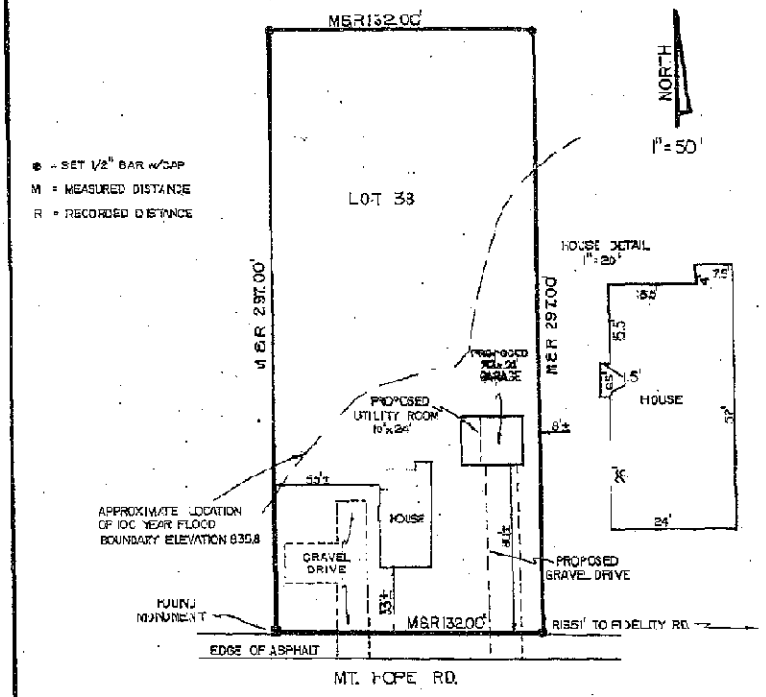

NORTH
NOTE:
ALL GRADING & PLANTINGS ARE EXISTING AND REMAIN UNCHANGED
PROPERTY LINE
INCREASE BACKYARD AREA
GREEN SPACE
EXISTING ASPHALT PARKING LOT
ELEVATED PLANTER
GREEN SPACE
LANDSCAPE STONE & PLANTS
PROPERTY LINE
GREEN SPACE
CURB
EXISTING 24"x18" DIRECTIONAL SIGN
NOTE
BOTH OF THE EXISTING DIRECTIONAL SIGNS SHALL BE LOWERED NOT TO EXCEED 3 FEET ABOVE GRADE.
2405 E. MT. ROPE
SITE PLAN 1" = 20'-0"
INDEX
SHEET NO.
1 SOUTH ELEVATION
SITE PLAN

LOT SURVEY

For:
Larry Bowdre
2403 E. Mt. Hope
Lansing, MI

LEGAL DESCRIPTION: (as provided)

Lot 38 Supervisor's Plat of Fidelity Farms, located on parts of the SW 1/4 of SE 1/4 and SE 1/4 of SW 1/4 of Sec. 23, T4N, R2W, City of Lansing, Ingham County, Michigan, according to the recorded plat thereof as recorded in Liber 15 of Plats, Page 7, Ingham County Records.



I hereby certify to the parties named hereon that I have surveyed, at the direction of said parties, the above described parcel of land, and that I have found or set, as noted hereon, permanent markers to all corners of said parcel and that all visible encroachments of a permanent nature upon said parcel are as shown on this survey.

Larry C. Bryan 7-2-83

Larry A. Bryan Date:
Registered Land Survey No.25832

BRYAN LAND SURVEYS
6019 Marsh Road
HASLETT, MICHIGAN 48840 Ph. (517) 339-1014

DRAWN BY G J W	SECTION 23, T4N, R2W
FIELD WORK BY GLV	JOB NUMBER: 83-L-2498
SHEET 1 OF 1	

REVISED, 9-20-83

City of Lansing
internet services

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Additional Pages
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Buildings
Images/Sketches

Related Details...
Tax Information
Building Department
Sp. Assessment
Miscellaneous Receivables
Delinquent Personal Property

Back to Main

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Click this button to collapse the above menu to the top of the screen.

Main > Assessing System > Property and Land Search > Results > Details > Image/Sketch

Image/Sketch for Parcel: 33-01-C1-23-376-021

Caption: No caption found

Printer friendly version

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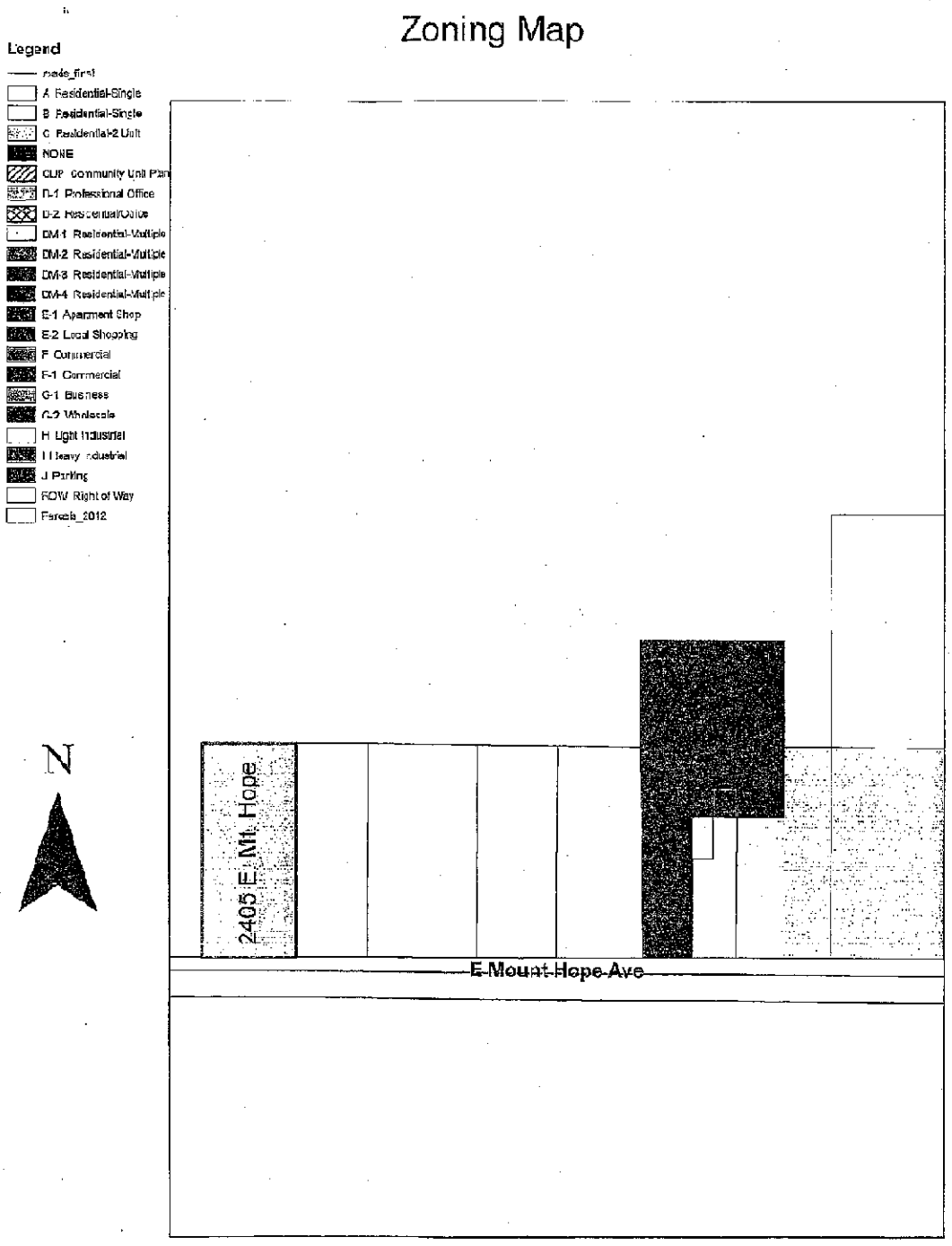
Zoning Map


Legend
roads_first
A Residential-Single
B Residential-Single
C Residential-2 Unit
NONE
CUP Community Unit Plan
D-1 Professional Office
D-2 Residential/Office
DM-1 Residential-Multiple
DM-2 Residential-Multiple
DM-3 Residential-Multiple
DM-4 Residential-Multiple
E-1 Apartment Shop
E-2 Local Shopping
F Commercial
F-1 Commercial
G-1 Business
G-2 Wholesale
H Light Industrial
I Heavy Industrial
J Parking
ROW Right of Way
Parcels_2012
N
2405 E Mt. Hope
E Mount Hope Ave

E Mount Hope Ave

XV 1 5 iv

OFFICE OF THE MAYOR
9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933-1094
(517) 483-4141 (voice)
(517) 483-4479 (TDD)
(517) 483-6066 (Fax)

From the 1/28/13 Meeting
Referred to the Committee on Development and Planning

Virg Bernero, Mayor

TO: City Council President Carol Wood and Council Members

FROM: Mayor Virg Bernero

DATE: January 24, 2013

RE: Resolution—Act-13-12—Marketing City Property for Sale—Waverly and Michigan Avenue Parks

---

The attached correspondence is forwarded for your review and appropriate action.

VB/rh
Attachment

To: Virg Bernero, Mayor

From: Bill Rieske, Assistant Planning Manager

Subject: CITY COUNCIL AGENDA ITEM
Act-13-12, Waverly & Mich. Ave. Parks, Market for Sale

Date January 23, 2013

Please forward this resolution to City Council for placement on the Agenda.

If you have any questions, or need additional information, please give me a call.

Attachments

BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Act-13-12, Waverly and Michigan Avenue Parks – Market for Sale

WHEREAS, the City of Lansing is the owner of real property commonly known as Waverly Golf Course, A/K/A Waverly Park, and adjacent Michigan Avenue Park (the "Property") and collectively described as the West 120.48 acres of the Northwest 1/4 of Section 18, T4N, R2W; and

WHEREAS, the two parks that constitute the Property are dedicated City of Lansing parks, located in Lansing Township, Michigan; and

WHEREAS, sale of the Property is in the best interest of the City because the City will no longer incur the expenses associated with maintaining the Property; and

WHEREAS, the Parks Board met and approved placing the sale of the Property on the ballot for consideration by Lansing voters at its meeting on May 1[illegible], 2011; and

WHEREAS, any net proceeds from the sale of the Property will be used for improvements in the City of Lansing park and recreation system; and

WHEREAS, Section 8-403.6 of the Lansing City Charter and Ordinance 208.10 require sale of park land be approved by the voters of the City of Lansing; and

WHEREAS, at the election held on August 7, 2012, the electors of the City of Lansing voted to approve the sale of the property as required by Section 8-403.6 of the City Charter; and

WHEREAS, on November 13, 2012, the Planning Board reviewed the location, character, and extent of the proposal, as well as the findings of City Council, in accordance with its Act 33 Review procedures, and found that:

1. The property is considered surplus by the Parks Board and the Parks and Recreation Department,

2. No other City department has indicated a use for the property; and

WHEREAS, the Board voted unanimously (5-0), recommend approval of Act-13-12, the proposal to market the 120.48 acre property for sale; and

WHEREAS, the Committee on Development and Planning has reviewed the report and recommendation of the Planning Board and concurs therewith;

NOW, THEREFORE BE IT RESOLVED, that the Lansing City Council approves Act-13-12, and authorizes the Administration to market the Property, legally described as:

the West 120.48 acres of the Northwest 1/4 of Section 18, T4N, R2W for sale.

BE IT FINALLY RESOLVED, that if the Administration negotiates an agreement for that purpose, that such sale or disposal, and the appropriation of net proceeds, shall be returned to the Lansing City Council for final approval.

STAFF REPORT

APPLICANT: Brett Kaschinske, Director, Parks and Recreation Dept,.

APPLICANT'S PROPOSAL: Market Waverly and Michigan Avenue Parks for sale.

LOCATION: The property has a prime location, with frontage on Waverly, W. Michigan, and W. Saginaw Streets in Lansing Township. It is a combination of the former Waverly Golf Course and Michigan Ave. Park.

CURRENT USE: The property is a former golf course, and is now in a more natural state. It is currently used as a public park.

PROPERTY SIZE AND SHAPE: Rectangular in shape, totaling 120.48 acres in size.

EXISTING ZONING: The parcel is regulated by *Lansing Township's zoning ordinance*, and is zoned "A" (single family) Residential, which allows one-family dwellings, public parks and playgrounds golf courses, schools museums, libraries, fire stations, etc.

Current Status: On August 7, 2012, a vote of the people authorized the disposition of the 120.48-acre property. The next step in the process is the completion of the Act 33 Review, to determine a property's public purpose, if any, and its necessity for City operations.

AGENCY REFERRALS

Agency Referrals were distributed on Monday, November 19, with responses requested by Monday, December 3. The following are the responses received thus far.

Board of Water and Light: BWL water utility has no objection to the sale of above mentioned property with the following conditions:

- •BWL has the sole supply to its wholesale customer (Delta Township) by way of a 30" water main and metering station located on the south side of the above mentioned property. This water main cannot be interrupted for any reason
- •BWL will require that a 30' easement located from the existing R.O.W. north 30' for the entire length of the parcel along Michigan Ave be granted before the sale.
- Owner/developer must contact BWL Customer Projects Department; William Erskine @ 517-702-6818 for any water system improvement. A Board of Water and Light Water Service Agreement shall be established with payment before a water system improvement may begin. (All services up to the meter are part of the water system and cannot be installed without a BWL Water Service Agreement in place.)

Building Safety/Code Compliance: No objections.

Development Office: No comment

LEDC/LEAP: LEAP fully supports that sale of this property and looks forward to assisting in the marketing and redevelopment of the land. We are currently applying for an EPA grant to assist in the redevelopment planning of the West Saginaw corridor between MKL Blvd and Waverly Rd. This property will be a key component in the plan.

Parks & Recreation: Parks and Recreation Department fully supports the sale of said parcels. The Parks Board approved placing the sale of the Property on the ballot for consideration by Lansing voters at its meeting on May 11, 2011.

Forestry: No comment.

Public Service Department:

Transportation Engineer: This is a significant parcel of property and its sale and development could have significant impacts on the surrounding area. Development of the property could significantly affect traffic in the Saginaw/Waverly area. As such, the City should work with the appropriate jurisdictions (Ingham County Dept. of Transportation and Roads, MDOT, and Lansing Township) to make sure the purchaser will develop a site that is a benefit to the region and is consistent with Tri-County's Long Range Plan. As the property is not in the city of Lansing, any input into the potential development would need to occur before the sale.

BACKGROUND

This property was a 9-hole golf course, which has been closed in the last few years for budgetary reasons.

ANALYSIS

This Act 33 Review is being conducted to determine a property's public purpose, if any, and its necessity for City operations.

LOCATION: The property is located on the SE corner of Saginaw and Waverly roads, at the west end of Lansing Township. Delta Township in Eaton County lies immediately to the west across Waverly Road. The Lansing city limits are almost ¾ of a mile to the east.

CHARACTER: The property provides substantial open space in the immediate area, with rolling hills in a grassy, naturalized state.

EXTENT: The property consists of Waverly and Michigan Avenue parks in their entirety.

STAFF RECOMMENDATION

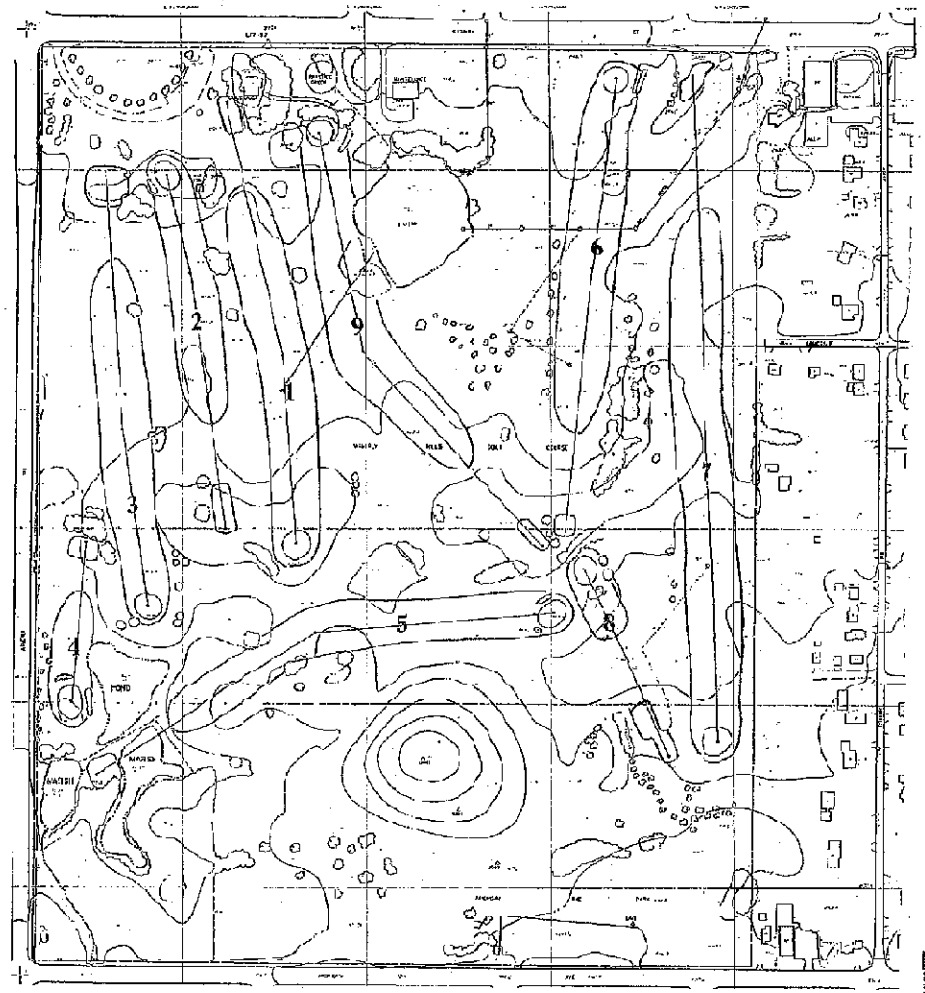
Findings:
The Planning staff based on a review of the location, character, and extent of the Act-13-12 proposal, recommends the findings listed in Council Resolution #2012-210::

- The two parks that constitute the Property are dedicated City of Lansing parks, located in Lansing Township, Michigan,
- The sale of the Property is in the best interest of the City because the City will no longer incur the expenses associated with maintaining the Property,
- The Parks Board met and approved placing the sale of the Property on the ballot for consideration by Lansing voters at its meeting on May 11, 2011,
- Any net proceeds from the sale of the Property will be used for improvements in the City of Lansing park and recreation system.

plus these additional findings:

- The property is considered surplus by the Parks and Recreation Department
- No other City department has indicated a use for the property.

Recommendation:
Staff recommends approval of Act-13-12, the proposal to market the 120.48 acre property for sale.



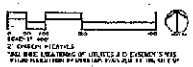
Existing Layout

WAVERLY HILLS GOLF COURSE

Lansing, Michigan

SCORECARD

HOLE	YARDAGE	PAR
1	413	4
2	315	4
3	400	4
4	253	3
5	488	5
6	420	4
7	597	5
8	189	3
9	406	4
TOTAL	3977	36



MATTHEWS and ASSOCIATES INC.
GOLF COURSE ARCHITECTS

XV 26

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2012 DEC 10 AM 11:49
LANSING CITY CLERK

Walnut Neighborhood Organization
est. 1912
"We connect Downtown to Old Town"

FROM THE 12/17/12 MEETING
Referred to the Committee on Development & Planning

503 W. Grand River Ave.
Lansing, MI 48906
December 10, 2012

Lansing City Council
10th floor - City Hall
124 W. Michigan Ave.
Lansing, MI 48933

Dear City Council Members:

This letter serves as a formal request on behalf of the Walnut Neighborhood Organization for the Lansing City Council to conduct a review of the Special Land Use Permit [SLU-8-2006] previously granted to Niowave, Inc. [Resolution #413] in August, 2006, based on Niowave's proposal "to utilize the building at 1012 N. Walnut Street [the former Walnut Street School] as a laboratory."

As part of its initial approval process, Niowave's original Special Land Use Permit request was evaluated for its compatibility with of 9 separate criteria [as set forth in Section 1282.03(f)(1)-(2)].

Having determined that Niowave's proposal initially met these criteria in August, City Council's Resolution #413 also stated that "this Special Land Use permit shall remain in effect only so long as the petitioner fully complies with this resolution, and if the petitioner fails to comply, the Special Land Use permit may be terminated by City Council Resolution.

In 2006, the Planning Board and the City Council followed the law. The Special Land Use Permit, still held by City Council, was unanimously approved. For six years, Niowave complied with the Special Land Use Permit. They no longer do.

By constructing the pole barn in the manner that they did, Niowave is now violating at least six of the nine criteria used to originally approve their Special Land Use Permit.

- The special land use is *no longer* designed, constructed, operated and maintained in a manner harmonious with the character of adjacent property and the surrounding area;
- The special land use *has changed* the essential character of the surrounding area;
- The special land use *now interferes* with the general enjoyment of adjacent property;
- The special land use *no longer* represents an improvement to the use or character of property under consideration and the surrounding area in general and also is *no longer* in keeping with the natural environment of the lot;
- If the special land use *is hazardous* to adjacent property, through the excessive production of glare;

RECEIVED
DEC 10 2012
LANSING CITY COUNCIL

- We do not know if the special land use is adequately served by essential public facilities and services, or it is demonstrated that the person responsible for the proposed special land use is able to continually provide adequately for the services and facilities deemed essential to the special land use under consideration;
- We do not know if the special land use does not place demands on public services and facilities in excess of current capacity;
- The special land use is *no longer* consistent with the intent and purpose of this Zoning Code and the objectives of any currently adopted Comprehensive Plan; and
- We do not know if the special land use meets the dimensional requirements of the district in which the property is located.

Zoning ordinances provide safeguards for those living in zoned communities. Lansing has a comprehensive zoning ordinance. It complies with state law. It fits in with the Comprehensive Plan. The problem is that a portion of the Lansing City Code was bypassed. This situation did not arise because it fell through the cracks of bureaucracy. The pole barn was approved and built because Nowave disregarded the conditions of the Special Land Use Permit in their 2012 building permit application and the Office of Planning and Zoning failed to address the criteria within the Special Land Use Permit when approving their site plan.

We respectfully request your review and consideration of this matter.

Sincerely,

Rina Risper, President

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, TO ADD SECTION 1282.04 OF THE LANSING CODIFIED ORDINANCES, REQUIRING CONSTRUCTION CODE PERMIT APPLICATIONS COVERING A LOT FOR WHICH A SPECIAL LAND USE HAS BEEN APPROVED TO BE SUBMITTED TO THE CITY CLERK FOR FORWARDING TO CITY COUNCIL.

THE CITY OF LANSING ORDAINS:

Section 1. That Section 1282.04 of the Codified Ordinances of the City of Lansing, Michigan, be and is hereby added to read as follows:

1282.04. – BUILDING PERMITS COVERING LOTS FOR WHICH A SPECIAL LAND USE HAS BEEN APPROVED

ANY APPLICATION FOR A CONSTRUCTION CODE PERMIT COVERING A LOT FOR WHICH A SPECIAL LAND USE HAS BEEN APPROVED SHALL BE FORWARDED BY THE BUILDING SAFETY OFFICE TO THE CITY CLERK. THE CITY CLERK SHALL FORWARD ALL SUCH APPLICATIONS TO CITY COUNCIL. FOR PURPOSES OF THIS SECTION, "CONSTRUCTION CODE PERMIT" MEANS ANY PERMIT REQUIRED BY THE STILLE-DeROSSETT-HALE SINGLE STATE CONSTRUCTION CODE ACT OR A CODE ADOPTED BY THE STATE OF MICHIGAN PURSUANT TO THE STILLE-DeROSSETT-HALE SINGLE STATE CONSTRUCTION CODE ACT.

Section 2. All ordinances, resolutions or rules, parts of ordinances, resolutions or rules inconsistent with the provisions hereof are hereby repealed.

Section 3. Should any section, clause or phrase of this ordinance be declared to be invalid, the same shall not affect the validity of the ordinance as a whole, or any part thereof other than the part so declared to be invalid.

Section 4. This ordinance shall take effect on the 30th day after enactment, unless given immediate effect by City Council.

Approved as to Form:

_____
City Attorney

Dated _____

XV 1 b v

OFFICE OF THE MAYOR
9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933-1694
(517) 483-4141 (voice)
(517) 483-4479 (TDD)
(517) 483-6066 (Fax)

Virg Bernero, Mayor

From the 1/28/13 Meeting
Referred to the Comm ttee
on Development and
Planning

TO: City Council President Carol Wood and Council Members

FROM: Mayor Virg Bernero

DATE: January 24, 2013

RE: Resolution Capitol Commons Senior PILOT

The attached correspondence is forwarded for your review and appropriate action.

VB/rh
Attachment

To: Virg Bernero, Mayor

From: Don Kulhanek, Interim City Attorney

Subject: Resolution—Capitol Commons Senior PILOT

Date: January 24, 2013

Please forward this resolution to City Council for placement on the Agenda.

If you have any questions, or need additional information, please give me a call.

Attachments

BY THE COMMITTEE ____

RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, it is the purpose of this Resolution to certify that Chapter 884 of the Code of Ordinances of the City of Lansing and the State Housing Development Authority Act of 1966, being Act No. 346 of the Public Acts of 1966, as amended, (hereinafter the "Act") specifically provide tax exemption to the sponsors who construct, or acquire and renovate housing for elderly persons of low income pursuant to the Act; and

WHEREAS, the FHC Five Limited Dividend Housing Association Limited Partnership (hereinafter the "Sponsor"), has offered, subject to receipt of a Mortgage Loan from the Michigan State Housing Development Authority (hereinafter the "Authority") or a Mortgage Loan insured by HUD, to acquire, rehabilitate, own and operate a housing development identified as Capitol Commons Senior, previously known as MSHDA Development No. 630 (hereinafter the "Development") on certain property in the City of Lansing, more specifically described as follows:

> PARCEL III – Block 144, except the East 91 feet of the South 182.75 feet of Block 144, also that part of Sycamore Street lying West of and adjacent to Lots 7, 8, 9, 10, 11 and 12 and that part of Lenawee Street lying North of and adjacent to Lots 1 and 12 and including the entire intersection of Sycamore Street and Lenawee Street, Block 144, Original Plat of the City of Lansing, Ingham County, Michigan, further described as: Beginning at the intersection of the West line of Pine Street and the North line of Lenawee Street at the SE corner of Block 141 of the Original Plat of the City of Lansing, Ingham County, Michigan; thence S 00°13'35" W, 297.25 feet on the West line of Pine Street to a point 16.0 feet South of the NE corner of Lot 4, Block 144, Original Plat of the City of Lansing; thence N 89°40'06" W, 91.00 feet; thence S 00°13'35" W, 182,75 feet to the North line of Hillsdale Street; thence N 89°38'08" W, 319.10 feet on the North line of Hillsdale Street to the point of intersection with the West line of Sycamore Street, being the SE corner of Block 143; thence N 00°10'23" E, 479.52 feet on the West line of Sycamore Street to the point of intersection with the North line of Lenawee Street, being the SE corner of Block 142; thence S 89°42'05" E, 410.54 feet along the North line of Lenawee Street to the point of beginning. Containing 180.245 Square Feet.

to serve elderly persons of low income, and the Sponsor has offered to pay the City on account of the Development an annual service charge for public services in lieu of taxes in accordance with the provisions of Chapter 884 of the Code of Ordinances of the City of Lansing; and

WHEREAS, it has been determined that Capitol Commons Senior, formerly known as MSHDA Development No. 630, is of the class of housing developments that are eligible for tax exemption pursuant to the provisions of the Act and Chapter 884 of the Code of Ordinances of the City of Lansing; and

WHEREAS, during the period between the time the original MSHDA loan will be fully retired and the actual conveyance of the Development to the Sponsor ("Interim Period"), the Development will continue to meet the requirements of the Act for tax exemption and payment in lieu of taxes and the City desires to confirm the continuation of eligibility for the tax exemption and payment of a 4% service charge during the Interim Period.

NOW, THEREFORE, it is hereby resolved that the Development and the property upon which it shall be constructed, shall be exempt from all property taxes from and after acquisition by the Sponsor and the Sponsor shall pay a service charge in lieu of taxes pursuant to the requisite provision of Chapter 884 of the Code of Ordinances of the City of Lansing which charge shall be equal to four percent of the difference between 95 percent of contract rents actually collected and utilities in the case of a housing development contained in the class prescribed in Section 884.03, which development is assisted pursuant to Section 8 of the U.S. Housing act of 1937, as amended by the Housing and Community Development Act of 1974. The tax exempt status of the Development granted pursuant to the Act and Chapter 884 of the Code of Ordinances of the City of Lansing, shall remain in effect and shall not be terminated so long as the Mortgage Loan for the housing development remains outstanding and unpaid, or the Authority or HUD has any interest in the property; provided that, acquisition of the development commences within one year from the effective date of this Resolution; and

BE IT FURTHER RESOLVED, that the current tax exemption and 4% payment in lieu of taxes for the Development shall continue while it continues to be owned by Capitol Senior Limited Dividend Housing Association Limited Partnership during the Interim Period; and

BE IT FURTHER RESOLVED, that, notwithstanding the provisions of Section 15(a)(5) of the Act, a contract between the city and the Sponsor with the Authority and/or HUD as third party beneficiary thereunder, to provide tax exemption and provide for the payment of a service charge in lieu thereof, pursuant to the provisions of Chapter 884 of the Code of Ordinances of the City of Lansing and the State Housing Development Authority Act of 1966 (Act No. 346 of the Public Act of 1966, as amended), is effectuated by the adoption of this Resolution.

XV 16 vi

OFFICE OF THE MAYOR
9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933-1694
(517) 483-4141 (voice)
(517) 483-4479 (TDD)
(517) 483-6086 (Fax)

Virg Bernero, Mayor

From the 1/28/13 Meeting Referred to the Committee on Development and Planning

TO: City Council President Carol Wood and Council Members

FROM: Mayor Virg Bernero

DATE: January 24, 2013

RE: Resolution—Riverfront PILOT

The attached correspondence is forwarded for your review and appropriate action.

VB/rh
Attachment

To: Virg Bernero, Mayor

From: Don Kulhanek, Interim City Attorney

Subject: Resolution—Riverfront PILOT

Date: January 24, 2012

Please forward this resolution to City Council for placement on the Agenda.

If you have any questions, or need additional information, please give me a call.

Attachments

BY THE COMMITTEE _____
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, it is the purpose of this Resolution to certify that Chapter 884 of the Code of Ordinances of the City of Lansing and the State Housing Development Authority Act of 1966, being Act No. 346 of the Public Acts of 1966, as amended, (hereinafter the "Act") specifically provide tax exemption to the sponsors who construct, or acquire and renovate housing for elderly persons of low income pursuant to the Act; and

WHEREAS, the FHC Nine Limited Dividend Housing Association Limited Partnership (hereinafter the "Sponsor"), has offered, subject to receipt of a Mortgage Loan from the Michigan State Housing Development Authority (hereinafter the "Authority") or a Mortgage Loan insured by HUD, to acquire, rehabilitate, own and operate a housing development identified as Riverfront, previously known as MSHDA Development No. 566 (hereinafter the "Development") on certain property in the City of Lansing, more specifically described as follows:

REDEVELOPMENT PARCEL 7

That part of Block 246, Plat of the Town of Michigan, lying on the Northeast 1/4 of Section 16, T4N, R2W, City of Lansing, Ingham County, Michigan, beginning on the East line of said Block (West line of Cedar Street) at a point N 89°59'20" W 1053.69 feet and S 0°05'21" W 232.25 feet from the Northeast corner of said Section 16, thence running along the East line of said Block S 0°05'21" W 1042.84 feet to the Southeast corner of said Block, thence along the South line of Block 246 (north line of Shiawassee Street) N 89°58'20" W 360.0 feet, thence parallel with said East Block line N 0°05'21" E 967.63 feet, thence N 3°12'30" E 39.02 feet, thence Northerly 36.15 feet along the arc of a 1936.33 foot radius curve to the left whose chord bears N 1°02'45" W 36.15 feet, thence parallel with the North line of said Block S 89°59'20" E 358.59 feet to the point of beginning.

to serve elderly person of low income, and the Sponsor has offered to pay the City on account of the Development an annual service charge for public services in lieu of taxes in accordance with the provisions of Chapter 884 of the Code of Ordinances of the City of Lansing; and

WHEREAS, it has been determined that the highrise portion of Riverfront that serves elderly persons of low and moderate income, formerly known as MSHDA Development No. 566, is of the class of housing developments that are eligible for tax exemption pursuant to the provisions of the Act and Chapter 884 of the Code of Ordinances of the City of Lansing.

NOW, THEREFORE, it is hereby resolved that the Development and the property upon which it shall be constructed, shall be exempt from all property taxes from and after acquisition by the Sponsor and the Sponsor shall pay a service charge in lieu of taxes pursuant to the requisite provision of Chapter 884 of the Code of Ordinances of the City

of Lansing which charge shall be equal to four percent of the difference between 95 percent of contract rents actually collected and utilities in the case of a housing development contained in the class prescribed in Section 884.03, which development is assisted pursuant to Section 8 of the U.S. Housing act of 1937, as amended by the Housing and Community Development Act of 1974. The tax exempt status of the Development granted pursuant to the Act and Chapter 884 of the Code of Ordinances of the City of Lansing, shall remain in effect and shall not be terminated so long as the Mortgage Loan for the housing development remains outstanding and unpaid, or the Authority or HUD has any interest in the property; provided that, acquisition of the development commences within one year from the effective date of this Resolution; and

BE IT FURTHER RESOLVED, that, notwithstanding the provisions of Section 15(a)(5) of the Act, a contract between the city and the Sponsor with the Authority and/or HUD as third party beneficiary thereunder, to provide tax exemption and provide for the payment of a service charge in lieu thereof, pursuant to the provisions of Chapter 884 of the Code of Ordinances of the City of Lansing and the State Housing Development Authority Act of 1966 (Act No. 346 of the Public Act of 1966, as amended), is effectuated by the adoption of this Resolution.

FIRST HOUSING
CORPORATION

RECEIVED
2012 AUG -8 PM 4:22
LANSING CITY CLERK

August 3, 2012

Chris Swope, City Clerk
City of Lansing
124 W. Michigan Avenue, 9th Floor
Lansing, MI 48933

Re: Capitol Senior
Reenactment/Extension of Payment in Lieu of Taxes (PILOT)

Mr. Swope,

We are submitting this letter to request that the PILOT for Capitol Senior be reenacted and extended. We are in the process of refinancing the property with the Michigan State Housing Development Authority (MSHDA) and it has requested we provide this documentation as part of the refinancing process.

The Property

Capitol Senior is a stable, well occupied high-rise senior development in downtown Lansing, currently owned by Capitol Senior LDHA LP. This 30 year old housing community provides 200 units of affordable living for seniors who pay only 30% of their income for rent and utilities. During 2012, Capitol Senior renewed its Housing Assistance Payment (HAP) contract (see enclosure) for an additional 20 years, which further extends the commitment to provide affordable housing in the downtown Lansing area. Additionally, to help ensure that this property is able to provide quality living for its residents with updated amenities, ownership is in the process of refinancing this property with MSHDA. This new debt, along with equity from the sale of Low Income Housing Tax Credits, will provide a capital infusion to this property to finance the rehabilitation/preservation process. To assure the long term accuracy and viability of its loan underwriting, MSHDA has asked ownership to obtain from the City what is essentially a reenactment of the current PILOT with the City of Lansing for the length of the new MSHDA mortgage loan, which will have a 35 year term.

The current Limited Partner in this deal, an affiliate of CRI, has indicated its desire to exit the partnership. The sale of the Property to a new related owner with the same general partner but a new limited partner allows for the exit of the current limited partner while also providing the cash infusion for rehabilitation of the property by gaining a new Limited Partner for this property. It is anticipated that the new Limited Partner will be the Great Lakes Capital Fund, which is a Lansing, Michigan based business with a very successful history of investing in Michigan affordable housing properties.

4275 Five Oaks Drive • Lansing, MI 48911
TEL: (517) 887.4200 FAX: (517) 887.4206 TTY: (800) 649.3777

Anticipated Scope of Work

The rehabilitation of this property is expected to cost more than $3.7 million and the anticipated complete Scope of Work for this project is attached. The final version of the scope of work is subject to approval by the lender and/or equity provider. A few highlights are noted below:

- Replace major building components – Boilers, Chillers, DHW Generation, elevator systems
- Parking Lot resurfacing
- Purchase new emergency generator
- Exterior building repairs (brick, siding)
- Interior building painting and common area floor covering replacements
- Security add exterior lighting, improve security system
- Focus on adding more energy efficiency to the building and modernizing the property

Resident Amenities

An emphasis is being place on updating and adding resident amenities. A few of the areas being addressed for the residents are:

- Exterior – addition of a dog run, replace existing outdoor seating, update landscaping
- Updated furnishings for interior common areas
- New entry way doors, closet doors and sliding glass doors
- Replace all flooring over 5 years old
- Replace all appliances over 5 years old with energy efficient appliances
- Add dishwashers to all apartments
- Replace all bathroom fixtures with energy efficient and water saving devices
- Update lighting fixtures
- Add hardwire smoke detectors to all bedrooms

Local Community Benefit

As a result of this rehab process, there are direct benefits to the local community as well.

- Provide affordable housing to the residents most in need, by the renewal of the HAP contract and the addition of the LIHTC equity.
- Use of Lansing based contractors to provide local employment opportunities during the construction period. It is estimated that 85% of the contractors to be used during the rehabilitation process will be from the Lansing area.
- Continuation of ownership by the General Partner team, which has a proven track record for successful operation of this property.
- Maintain current management agent which also has a proven track record for successful operation of this property.

- Addition of a Michigan based Limited Partner with an entity that is very committed to investing in successful properties and ensuring these properties are well maintained.

Current Property Taxes

Capitol Senior currently has a 4% PILOT. A copy of that PILOT is included with this request.

As part of this request, we are providing a proposed draft of the PILOT renewal. There is certain legal language that MSHDA requires be included in these documents. Our legal counsel, Rick Pennings, Esq. of Loomis Law Firm in Lansing, is available to answer any additional questions the City may have regarding these documents. He may be reached at 517-482-2400 or rwpennings@loomislaw.com. He is also a former MSHDA attorney and is well versed as to what the documentation is that is acceptable to MSHDA as part of this process.

We would like to schedule a meeting to discuss this request and would like to have this added to the agenda for the August 20 city council meeting. David Gerchak and Lori Pung will be following up in regards to this request on behalf of ownership.

Thank you for your time and consideration of this request.

Sincerely,

Gleason Amboy
CEO, First Housing Corporation
Management Agent for Capitol Senior LDHA LP

CC:
Rick Pennings, Esq., Loomis Law Firm
Joel Ferguson, General Partner, Capitol Senior LDHA LP
Sol Steadman, General Partner, Capitol Senior LDHA LP
Christopher Nielson, Housing Development Officer, MSHDA
David Gerchak, Vice President, First Housing Corporation
Lori L. Pung, CPA, Pung & Read Housing Consultants LLC

Enclosures:
1. HAP Renewal Contract
2. Existing PILOT
3. Anticipated Scope of Work
4. MSHDA Underwriting Letter
5. Proposed PILOT Draft

U.S. Department of Housing and Urban Development

Office of Housing

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT

MULTI-YEAR TERM

PREPARATION OF CONTRACT

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Basic Renewal Contract. The instructions are not part of the Renewal Contract

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U.S. Department of Housing and Urban Development
Office of Housing

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT[1]

MULTI-YEAR TERM

1 CONTRACT INFORMATION[2]

PROJECT

Section 8 Project Number: MI33H150039

Section 8 Project Number of Expiring Contract: MI33H150039

FHA Project Number (if applicable): N/A

Project Name: Capitol Commons

Project Description:[3]

500 S. Pine Street, Lansing, MI 48933-2245

TYPE OF RENEWAL

☒ Check this box for a project renewed under Section 524(a) of MAHRA (not including a Mark-Up-To-Market renewal).

☐ Check this box for a project renewed at exception rents under Section 524(b)(1) of MAHRA.

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator[4]

Michigan State Housing Development Authority

Address of Contract Administrator

Asset Management Division
735 E. Michigan Ave., P.O. Box 30044
Lansing, MI 48909

Name of Owner[5]

Capitol Senior Limited Dividend Hsg Association

Address of Owner

4275 Five Oaks Drive
Lansing, MI 48911

2 TERM AND FUNDING OF RENEWAL CONTRACT

a The Renewal Contract begins on 7/31/2012[6] and shall run for a period of 20[7] years.

b Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of $ 1,682,042,[8] an amount sufficient to provide housing assistance payments for approximately 12[9] months of the first annual increment of the Renewal Contract term.

c HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

3 **DEFINITIONS**

ACC. Annual contributions contract.

Anniversary. The annual recurrence of the date of the first day of the term of the Renewal Contract.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

Contract units. The units in the Project which are identified in Exhibit A by size and applicable contract rents.

Fifth year anniversary. The Renewal Contract annual anniversary that falls at expiration of each 5-year period of the Renewal Contract term.

Fifth year comparability adjustment. An adjustment of contract rents by the contract administrator at the Fifth Year Anniversary. The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

MAHRA. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

Mid-term comparability adjustment. An adjustment of contract rents by the contract administrator within each 5-year period of the Renewal Contract term (in addition to the comparability analysis and adjustment at

the Fifth Year Anniversary). The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

OCAF. An operating cost adjustment factor established by HUD.

PHA. Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937. 42 U.S.C. 1437 et seq.).

Project. The housing described in section 1 of the Renewal Contract.

Renewal Contract. This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

4 RENEWAL CONTRACT

a Parties

(1) The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).

(2) If HUD is the Contract Administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as Contract Administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 9 (HUD requirements), section 10 (statutory changes during term) and section 11 (PHA default), of the Renewal Contract.

b Statutory authority

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), and section 524 of MAHRA.

c Expiring Contract

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing

assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will expire prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

(1) The purpose of the Renewal Contract is to renew the expiring contract for an additional term. During the term of the Renewal Contract, the Contract Administrator shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract.

(2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, and has abated housing assistance payments to the Owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

e Contract units

The Renewal Contract applies to the Contract units.

5 EXPIRING CONTRACT – PROVISIONS RENEWED

a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).

b All provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:

(1) Identification of contract units by size and applicable contract rents;

(2) The amount of the monthly contract rents;

(3) Contract rent adjustments; and

(4) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.

c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section 5.

6 CONTRACT RENT

a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the Project are adjusted in accordance with section 6b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A of the Renewal Contract.

b Contract rent adjustments

(1) OCAF or Budget-Based Rent Adjustments

(a) Except as provided in section 6b(2) below (concerning comparability adjustments at each Fifth Year Anniversary and discretionary comparability adjustments within each five-year term), during the term of the Renewal Contract the Contract Administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements by either of the following methods (as determined by the Contract Administrator in accordance with HUD requirements):

(i) Using an OCAF; or

(ii) At the request of the owner, based on the budget for the Project, as approved by the Contract Administrator in accordance with HUD requirements.

(b) Adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for adjustment of rent at each Fifth Year Anniversary (as determined in accordance with section 6b(2)(b) below).

(2) Comparability adjustments

(a) Applicability. This section 6b(2) is applicable only if the contract has been renewed pursuant to Section 524(a) of MAHRA. This section 6b(2) does not apply to a project renewed at exception rents under Section 524(b)(1) of MAHRA (See section 1 of the Renewal Contract).

(b) Fifth year adjustment (comparability adjustment at expiration of each 5-year period, *if applicable*).

(i) This section 6b(2)(b) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).

(ii) At the expiration of each 5-year period of the Renewal Contract term ("Fifth Year Anniversary"), the Contract Administrator shall conduct a comparability analysis of existing contract rents. At such Fifth Year Anniversary of the Renewal Contract, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable market rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(iii) To assist in the redetermination of contract rents at each Fifth Year Anniversary, the Contract Administrator may require that the Owner submit to the Contract Administrator a rent comparability study prepared (at the Owner's expense) in accordance with HUD requirements.

(c) Mid-term adjustment (discretionary comparability adjustment within 5-year term)

In addition to the comparability analysis and adjustment of contract rents at the Fifth Year Anniversary, HUD may, at HUD's discretion, require or permit the Contract Administrator to conduct a comparability analysis and adjustment of contract rents ("mid-term adjustment"), one more time within each 5-year period of the Renewal Contract term

(d) Adjusting contract rent

At the time of a fifth year or mid-term comparability adjustment, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(3) Procedure for rent adjustments during renewal term

(a) To adjust contract rents during the term of the Renewal Contract (including an OCAF or budget-based adjustment in accordance with section 6b(1), or a fifth year or midterm adjustment in accordance with section 6b(2)), the Contract Administrator shall give the Owner notice with a revised Exhibit A that specifies the adjusted contract rent amounts.

(b) The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the Contract Administrator in accordance with this section. The adjustment notice by the Contract Administrator to the Owner shall specify when the adjustment of contract rent is effective.

(c) Notice of rent adjustment by the Contract Administrator to the Owner shall automatically constitute an amendment of the Renewal Contract.

(4) No other adjustments

Except for contract rent adjustments in accordance with this section, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

7 OWNER WARRANTIES

a The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.

b The Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8 OWNER TERMINATION NOTICE

a Before termination of the Renewal Contract, the Owner shall provide written notice to the Contract Administrator and each assisted family in accordance with HUD requirements.

b If the Owner fails to provide such notice in accordance with the law and HUD requirements, the Owner may not increase the tenant rent payment for any assisted family until such time as the Owner has provided such notice for the required period.

9 HUD REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of section 6 (contract rent), shall not be applicable.

10 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of

section 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

11 PHA DEFAULT

a This section 11 of the Renewal Contract applies if the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA Contract Administrator, for the purpose of PHA administration of the Renewal Contract.

b If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as Contract Administrator, to make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract, and that the Owner is not in default of its obligations under the Renewal Contract, HUD shall take any action HUD determines necessary for the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

12 EXCLUSION OF THIRD-PARTY RIGHTS

a The Contract Administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the Owner's action or failure to act in connection with the Contract Administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.

b The Owner is not the agent of the Contract Administrator or HUD, and the Renewal Contract does not create or affect any relationship between the Contract Administrator or HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.

c If the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the Contract Administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the Contract Administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

13 WRITTEN NOTICES

a Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.

b A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives a notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

SIGNATURES
Contract administrator (HUD or PHA)
Name of Contract Administrator

Michigan State Housing Development Authority

By: _____

Signature of authorized representative

Margaret Zakrzewski, Manager, Performance Based Contract Administration Unit
Name and official title

Date _____

U.S. Department of Housing and Urban Development

By: _____

Signature of authorized representative

_____
Name and official title
Date _____

Owner
Name of Owner

By: _____
Signature of authorized representative

_____
Name and title

Date _____

EXHIBIT A

IDENTIFICATION OF UNITS ("CONTRACT UNITS")

BY SIZE AND APPLICABLE CONTRACT RENTS

Section 8 Contract Number: MI33H150039
FHA Project Number (if applicable): N/A
Effective Date of the Rent Increase (if applicable): 8/1/2012

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
181	1 BR E	$744	$28	$772
19	2 BR E	$795	$29	$824

NOTE: This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with section 6b of the Renewal Contract.

Comments:

EXHIBIT B

DISTRIBUTIONS LIMITATION

FOR PROJECT NOT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is not subject to any limitation on distributions of project funds, either pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, neither HUD nor the PHA may impose any additional limitation on distributions of project funds during the term of the Renewal Contract.

FOR PROJECT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is subject to any limitation on distributions of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitation on distributions shall continue to be applicable during the term of the Renewal Contract, provided that the owner may take an increased distribution in accordance with the Section 8 Renewal Policy Guidance for Renewal of Project-Based Section 8 Contracts, (the "Guidebook").

However, owners of Section 8 properties must maintain the property in good condition, as demonstrated by a REAC score of 60 or higher, in order to take increased distributions.

The owner shall comply with the distribution limitations. The maximum distribution to the owner shall be equal to the total of:

1 The limited distribution permitted pursuant to the FHA Regulatory agreement or the Expiring Contract, **plus**

2 Any increased distribution as approved by HUD in accordance with the Guidebook.

INSTRUCTIONS FOR PREPARATION OF RENEWAL CONTRACT

The following instructions are not part of the Renewal Contract.

Endnote numbers are keyed to references in the text of the Renewal Contract.

---

[1] This form of Renewal Contract is to be used for initial and subsequent renewals of an expiring Section 8 project-based HAP contract under the authority of Section 524(a) or 524(b)(1) of MAHRA for a term of two years or more. Attachment 11-1 is to be used for renewals under the authority of Section 524(a) or 524(b)(1) of MAHRA for a renewal term of one year.

This form may not be used for Mark-Up-To-Market Renewals. The HUD prescribed form of Mark-Up-To-Market Renewal Contract must be used for this purpose.

Section 2 of the Renewal Contract specifies the contract term.

[2] To prepare the Renewal Contract for execution by the parties, fill out all contract information in section 1 and section 2.

[3] Enter a description of housing that will be covered by the Renewal Contract. The description must clearly identify the Project by providing the Project's name, street address, city, county, state, and zip code, block and lot number (if known), and any other information, necessary to clearly designate the covered Project.

[4] Enter the name of the Contract Administrator that executes the Renewal Contract. If HUD is the Contract Administrator, enter "United States of America – Department of Housing and Urban Development (HUD)". If the Contract Administrator is a public housing agency ("PHA"), enter the full legal name of the PHA.

[5] Enter the full legal name of the Owner. For example: "ABC Corporation, Inc., a Maryland corporation."

[6] The Renewal Contract must be entered before expiration of the Expiring Contract. Enter the date of the first day after expiration of the term of the Expiring Contract.

[7] Enter a whole number of two or more years.

[8] Enter the amount of funding obligated.

[9] Enter a whole number of months.

~~10/30/80~~

By ~~Councilmen~~ ECONOMIC DEVELOPMENT COMMITTEE

Resolved by the City Council of the City of Lansing

WHEREAS, it is the purpose of this Resolution to certify that ~~Article III~~ of Chapter 29 of the Code of Ordinances of the City of Lansing and the State Housing Development Authority Act of 1965, being Act No. 346 of the Public Acts of 1966, as amended, (hereinafter the "Act") specifically provide tax exemption to the sponsors who construct housing for elderly persons of low income pursuant to the Act; and

WHEREAS, the Capitol Senior Limited Dividend Housing Association (hereinafter the "Sponsor"), has offered, subject to receipt of a Mortgage Loan from the Michigan State Housing Development Authority (hereinafter the "Authority"), to ~~erect~~, own and operate a housing development identified as Capitol Commons, MSHDA Development No. 630 (hereinafter the "Development") on certain property in the City of Lansing, more specifically described as follows:

> PARCEL III - Block 144, except the East 91 feet of the South 182.75 feet of Block 144, also that part of Sycamore Street lying West of and adjacent to Lots 7, 8, 9, 10, 11 and 12 and that part of Lenawee Street lying North of and adjacent to Lots 1 and 12 and including the entire intersection of Sycamore Street and Lenawee Street, Block 144, Original Plat of the City of Lansing, Ingham County, Michigan, further described as: Beginning at the intersection of the West line of Pine Street and the North line of Lenawee Street at the SE corner of Block 141 of the Original Plat of the City of Lansing, Ingham County, Michigan; thence S00°13'35"W, 297.25 feet on the West line of Pine Street to a point 16.0 feet South of the NE corner of Lot 4, Block 144, Original Plat of the City of Lansing; thence N89°40'06"W, 91.00 feet; thence S00°13'35"W, 182.75 feet to the North line of Hillsdale Street; thence N89°38'08"W, 319.10 feet on the North line of Hillsdale Street to the point of intersection with the West line of Sycamore Street, being the SE corner of Block 143; thence N00°10'23"E, 479.58 feet on the West line of Sycamore Street to the point of intersection with the South line of Lenawee Street, being the SE corner of Block 142; thence S89°42'05"E, 410.54 feet along the South line of Sycamore Street to the point of beginning. Containing 180.245 Square Feet.

to serve elderly persons of low income, and the Sponsor has offered to pay the City on account of the Development an annual service charge for public services in lieu of taxes in accordance with the provisions of Article III of Chapter 29 of the Code of Ordinances of the City of Lansing; and

WHEREAS, it has been determined that Capitol Commons, MSHDA Development No. 630, is of the class of housing developments that are eligible for tax exemption pursuant to the provisions of the Act and Article III of Chapter 29 of the Code of Ordinances of the City of Lansing.

42

NOW, THEREFORE, it is hereby resolved that the Development and the property upon which it shall be constructed, shall be exempt from all property taxes from and after the commencement of construction and the Sponsor shall pay a service charge in lieu of taxes pursuant to the requisite provision of ~~Article III of~~ Chapter 29 of the Code of Ordinances of the City of Lansing. The tax exempt status of the Development granted pursuant to the Act and ~~Article III of~~ Chapter 29 of the Code of Ordinances of the City of Lansing, shall remain in effect and shall not be terminated so long as the Mortgage Loan for the housing development remains outstanding and unpaid, or the Authority has any interest in the property; provided that, construction of the Development commences within one year from the effective date of this Resolution; and

BE IT FURTHER RESOLVED, that, notwithstanding the provisions of Section 15(a)(5) of the Act, a contract between the City and the Sponsor with the Authority as third party beneficiary thereunder, to provide tax exemption and provide for the payment of a service charge in lieu thereof, pursuant to the provisions of Article III of Chapter 29 of the Code of Ordinances of the City of Lansing and the State Housing Development Authority Act of 1966 (Act No. 346 of the Public Act of 1966, as amended), is effectuated by the adoption of this Resolution.

City Council
11/3/80
Approved 8-0
RBH.

Adopted by the following vote: Unanimously

Councilmen	Yeas	Nays
ADADO		
BELEN		
BLAIR		
BRENKE		
GUNTHER		
LINDEMANN		
MCKANE		
WORTHINGTON	8	0

MSHDA Preservation Scope of Work For:
Capitol Seniors

Description of Item	Replacement Items - Quantity?	Planned Additions - Quantity?	Estimated Cost	Notes
SITE SYSTEMS:				
Surface				
Roadways/Parking	45337 SF		57,362	Parking area due for milling, resurfacing, striping
Crackfill & Sea coal				
Sidewalks			10,000	Repair existing damaged areas
Retaining Walls - Concrete/Brick			23,000	Replace existing retaining walls and add new
Retaining Walls - Wood				
Fencing	285 LF		13,830	Add new chain link fence for proposed dog run - STEEL ORNAMENTAL
Site Furnishings			8,000	Replace current bench seating and add additional amenities
Site Lighting			9,000	Add additional lights, poles, fixtures to existing
Landscaping			24,000	Revise current landscaping plan, new plantings
Signage			3,000	Add additional directional signage
Pool				
Irrigation			5,000	Replace zone valves, clock, repair system
		SUBTOTAL:	**153,212**	
BOILERS				
Boilers			212,600	Due for replacement
Controls				Due for replacement - Included with Boiler Proposal
Condensate & Feed Water				
Boiler Water Pumps				Due for replacement
Heating Water Pumps			8,000	Due for replacement
Combustion Air				
Flue Exhaust				
		SUBTOTAL:	**220,600**	
BOILER ROOM SYSTEMS				
Boiler Room Piping/Valves				
3-Way Valve & Controller				
DHW Generation - Senior Building				
DHW Storage - Senior Building				
DHW Generation - Senior Building			86,500	Due for replacement
DHW Generation - Laundry Rooms				
DHW Generation - Laundry Rooms				
DHW Generation - Athletic Building				
DHW Generation - Community Building				
Cold Water Booster Pumps			4,800	One due for replacement
SUBTOTAL:			**91,300**	
		SECTION TOTAL:	***465,112***	

MSHDA Preservation Scope of Work For:
Capitol Seniors

Description of Item	Replacement Items - Quantity?	Planned Additions - Quantity?	Estimated Cost	Notes
BUILDING MECHANICAL & ELECTRICAL				
Building Mechanical				
Compactors	1		11,225	Trash chute needs repair
Building Fire Suppression				
Building Heating Distribution				
Domestic Hot/Cold Water Dist.				
Building Sanitary Waste & Vent. Dist.				
Building Gas Distribution				
Chiller			75,100	One Chiller replaced 6-2012 - One due for replacement
Chiller				
Hallway Ventilation/Exhaust - Make Up Air Units			92,800	One due for replacement
Ventilation and Exhaust			4,000	Need air conditioning in elevator machine room
Athletic Building				
Community Building				
SUBTOTAL:			**183,125**	
Building Electrical				
Building Power Wiring				
Emergency Generator			47,461	
Smoke/Fire Detection				
Signaling / Communication			4,000	Phone entry panel due for replacement
SUBTOTAL:			**51,461**	
Building Elevators				
Shafts and Doorways			0	
Cabs			334,880	Includes cabs, controllers, hoist motors on both elevators
Controller/Dispatcher			0	Included Above
Machine Room Equipment			0	Included Above
SUBTOTAL:			**334,880**	
SECTION TOTAL:			***569,466***	
BUILDING ARCHITECTURE				
Structure				
Foundation				
Framing				
SUBTOTAL:			*0*	

MSHDA Preservation Scope of Work For:
Capitol Seniors

Description of Item	Replacement Items - Quantity?	Planned Additions - Quantity?	Estimated Cost	Notes
Building Exterior				
Exterior Stairs				
Exterior Common Doors	4		6,600	Replace entry common doors
Exterior Common Doors	4		4,000	Replace openers for doors
Exterior Unit Doors				
Storm Doors				
Glass Sliding Doors	208		158,261	Due for replacement
Service Doors				Replaced in 07
Exterior Walls - Brick			208,927	Brick due for tuckpointing and sealing
Exterior Walls - Caulking			31,075	Caulk exterior with brick
Exterior Walls - Siding	332		119,710	Replace with Vinyl Siding
Exterior Walls - Aluminum				
Exterior Walls - Glass				
Exterior Walls - Panel				
Exterior Wood Trim				
Window Frames	267		88,006	Due for replacement
Window Glazing and Screens				
Window Lintels			8,000	Paint steel lintels
Unit Balconies Railings				
Unit Balcony Ceilings				Included with Vinyl Siding Replacement
Patios				
Canopy			4,000	Repair damaged canopy
Building Mounted Lighting - HID's	9		5,000	
Building Mounted Lighting - Balconies	200		40,000	Due for replacement
SUBTOTAL:			*673,578*	
Roof Systems				
Structure				
Roof Covering--Senior Building				Done in 2002
Roof Covering--Garden Buildings				
Roof Covering--Grdn, TH, Athl.				
Roof Covering - Community Building				
Roof Drainage				
Skylights				
Penthouses				
Access Doors & Hatches				
SUBTOTAL:			*0*	
Halls				
Hallway Walls			40,000	Due for repainting
Hallway Ceilings				Replaced in 2004
Hallway Floors				Done in 2004
Hallway Floors				
Hallway Floors				
Hallway Doors - Wood Fire Doors	18		34,200	Replace with fiberglass 90-minute fire rated
Hallway Railings				
Hallway Interior Lighting			44,000	Replace with energy efficient fixtures
SUBTOTAL:			*118,200*	

MSHDA Preservation Scope of Work For:
Capitol Seniors

Description of Item	Replacement Items - Quantity?	Planned Additions - Quantity?	Estimated Cost	Notes
Stairs				
Stair Walls and Ceilings			10,000	Due for repainting
Stair Floors			3,000	Due for repainting
Stair Doors				
Stair Railings				
SUBTOTAL:			*13,000*	
Lobbies/Mail Facilities				
Lobby Walls & Ceilings				Included with Hallway Walls above
Lobby Floors - Hall Tile	2900		40,600	Replace quarry tile
Mail Facilities				
SUBTOTAL:			*40,600*	
Community Room				
Comm. Room Walls/Ceilings			4,000	Due for repainting
Comm. Room Floor Covering			9,875	Due for replacement
Comm. Cabinets/Countertop			8,750	Due for replacement
Comm. Kitchen Appliances			3,000	Due for replacement
Community Room Furnishings			25,000	Allowance
SUBTOTAL:			*50,625*	
Office				
Office Walls/Ceilings			1,500	Due for repainting
Office Floor Covering			2,625	
Remodel Office				
SUBTOTAL:			*4,125*	
Public Laundry				
Laundry Walls/Ceilings			4,000	Due for repainting
Laundry Floors				
Laundry Equipment				
SUBTOTAL:			*4,000*	
Public Restrooms				
Restroom Walls/Ceilings			1,400	Due for repainting
Restroom Floors - Sr. Bldg.				Included in Lobby Floors - Hall Tile above
Restroom Fixtures			2,150	Replace toilets and faucets with water-savers
Restroom Accessories			1,000	Wall panels due for replacement
BUILDING ARCHITECTURE SUBTOTAL:			*4,550*	
SECTION TOTAL:			*908,678*	

MSHDA Preservation Scope of Work For:
Capitol Seniors

Description of Item	Replacement Items - Quantity?	Planned Additions - Quantity?	Estimated Cost	Notes
DWELLING UNITS				
Living Area Finishes				
Unit Hallway Doors	200		135,000	Replace with 20-minute fire rated plus new locksets
Unit Interior Doors	420		63,425	Due for replacement
Unit Closet Doors	820		102,550	Due for replacement and shelving
Living Area Walls				
Living Area Ceilings				
Living Area Floors	82		116,359	
SUBTOTAL:			*417,334*	
Kitchens				
Kitchen Walls & Ceilings				
Kitchen Floors	137		79,473	
Kitchen Cabinets - Senior Building				
Kitchen Cabinets - Townhouse Buildings				
Kitchen Countertop				
Range	100		34,344	Replace all ranges over 5 years old
Refrigerator	99		47,118	Replace all refrigerators over 5 years old
Rangehood and Vent	200		57,000	Replace range hoods with energy efficient
Disposal	101		5,558	Due for replacement
Dishwasher		200	91,800	Install 18" dishwashers in all units
SUBTOTAL:			*315,293*	
Bathrooms				
Bathroom Walls and Surrounds	143		228,800	Due for replacement
Bathroom Ceilings				
Bathroom Floors	137			Included with Kitchen Floors
Bathtubs				
Bathroom Vanity				
Bathroom Sink				
Toilets	200		71,810	Replace toilets with power flush water savers
Medicine Cabinets	200		14,000	Due for replacement
Accessories	200		12,000	Due for replacement
Ventilation & Exhaust	200		34,000	Replace fans with new fan/humidistat combination
SUBTOTAL:			*360,610*	
In-Unit Mechanical				
Unit Warm Air Furnaces				
Unit Thermostats				
Unit Electrical Panel				
Unit Wiring				
Unit Smoke / Fire Detection				
SUBTOTAL:			*0*	

MSHDA Preservation Scope of Work For:
Capitol Seniors

Description of Item	Replacement Items - Quantity?	Planned Additions - Quantity?	Estimated Cost	Notes
In-Unit Electrical				
Unit Electrical Panel				
Unit Wiring	200		72,100	Replace interior unit light fixtures with energy efficient
Unit Security Call system				
Apartment Building Entry System				
Unit Smoke / Fire Detection				
Emergency Call Pull Cords - Sr. Bldg.				
SUBTOTAL:			*72,100*	
Site Equipment				
Pick Up Truck with Plow		1	35,000	
Add DW Circuit		200	35,000	Add dishwasher circuit to all units
Unit Smoke / Fire Detection		200	56,565	Add hard-wirec smoke detectors to bedrooms
SUBTOTAL:			*126,565*	
	SECTION TOTAL:		***1,291,902***	
		TOTAL:	**3,235,168**	
	GC Services			
	General Requirements	6%	194,109	
	Builder's Overheac	2%	68,585	
	Builder's Profit	6%	209,871	
		GRAND TOTAL:	**3,707,724**	

STATE OF MICHIGAN
RICK SNYDER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

GARY HEIDEL
EXECUTIVE DIRECTOR

July 30, 2012

Chris Swope, City Clerk
City of Lansing
124 W. Michigan Avenue, 9th Floor
Lansing, MI 48933

Re: Capitol Senior LDHA LP
Reenactment/Extension of Payment in Lieu of Taxes (PILOT)

Mr. Swope,

The ownership of Capitol Senior LDHA LP has indicated to the Michigan State Housing Development Authority (MSHDA) that they have submitted a request to the city of Lansing that the PILOT for this property be reenacted and extended. This property is currently in the application process to be refinanced with MSHDA and as part of that process, MSHDA and ownership agree that this PILOT request is in the best interests of the long term financial viability of the subject property.

A typical PILOT request is for the PILOT to be over the life of the mortgage term. The purpose of this correspondence is to confirm to you that current MSHDA mortgage terms are a 35 year loan with a 35 year amortization period for our first mortgage, and 50 year loan for our soft second cash flow mortgage.

If I can be of further assistance in providing information to assist with the PILOT reenactment and extension on this property, I may be contacted at 517-241-7207. Thank you.

Sincerely,

John Hundt, Housing Development Manager
Rental Development Division

735 EAST MICHIGAN AVENUE • P.O. BOX 30044 • LANSING, MICHIGAN 48909
michigan.gov/mshda • 517.373.8370 • FAX 517.335.4797 • TTY 800.382.4568
Equal Housing Employer/Lender

RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, it is the purpose of this Resolution to certify that Chapter 884 of the Code of Ordinances of the City of Lansing and the State Housing Development Authority Act of 1966, being Act No. 346 of the Public Acts of 1966, as amended, (hereinafter the "Act") specifically provide tax exemption to the sponsors who construct, or acquire and renovate housing for elderly persons of low income pursuant to the Act; and

WHEREAS, the FHC Five Limited Dividend Housing Association Limited Partnership (hereinafter the "Sponsor"), has offered, subject to receipt of a Mortgage Loan from the Michigan State Housing Development Authority (hereinafter the "Authority") or a Mortgage Loan insured by HUD, to acquire, rehabilitate, own and operate a housing development identified as Capitol Commons Senior, previously known as MSHDA Development No. 630 (hereinafter the "Development") on certain property in the City of Lansing, more specifically described as follows:

> PARCEL III – Block 144, except the East 91 feet of the South 182.75 feet of Block 144, also that part of Sycamore Street lying West of and adjacent to Lots 7, 8, 9, 10, 11 and 12 and that part of Lenawee Street lying North of and adjacent to Lots 1 and 12 and including the entire intersection of Sycamore Street and Lenawee Street, Block 144, Original Plat of the City of Lansing, Ingham County, Michigan, further described as: Beginning at the intersection of the West line of Pine Street and the North line of Lenawee Street at the SE corner of Block 141 of the Original Plat of the City of Lansing, Ingham County, Michigan; thence S 00°13'35" W, 297.25 feet on the West line of Pine Street to a point 16.0 feet South of the NE corner of Lot 4, Block 144, Original Plat of the City of Lansing; thence N 89°40'06" W, 91.00 feet; thence S 00°13'35" W, 182,75 feet to the North line of Hillsdale Street; thence N 89°38'08" W, 319.10 feet on the North line of Hillsdale Street to the point of intersection with the West line of Sycamore Street, being the SE corner of Block 143; thence N 00°10'23" E, 479.52 feet on the West line of Sycamore Street to the point of intersection with the North line of Lenawee Street, being the SE corner of Block 142; thence S 89°42'05" E, 410.54 feet along the North line of Lenawee Street to the point of beginning. Containing 180.245 Square Feet.

to serve elderly person of low income, and the Sponsor has offered to pay the City on account of the Development an annual service charge for public services in lieu of taxes in accordance with the provisions of Chapter 884 of the Code of Ordinances of the City of Lansing; and

WHEREAS, it has been determined that Capitol Commons Senior, formerly known as MSHDA Development No. 630, is of the class of housing developments that are eligible for tax exemption pursuant to the provisions of the Act and Chapter 884 of the Code of Ordinances of the City of Lansing.

NOW, THEREFORE, it is hereby resolved that the Development and the property upon which it shall be constructed, shall be exempt from all property taxes from and after acquisition by the Sponsor and the Sponsor shall pay a service charge in lieu of taxes pursuant to the requisite provision of Chapter 884 of the Code of Ordinances of the City of Lansing which charge shall be equal to four percent of the difference between 95 percent of contract rents actually collected and utilities in the case of a housing development contained in the class prescribed in Section 884.03, which development is assisted pursuant to Section 8 of the U.S. Housing act of 1937, as amended by the Housing and Community Development Act of 1974. The tax exempt status of the Development granted pursuant to the Act and Chapter 884 of the Code of Ordinances of the City of Lansing, shall remain in effect and shall not be terminated so long as the Mortgage Loan for the housing development remains outstanding and unpaid, or the Authority or HUD has any interest in the property; provided that, acquisition of the development commences within one year from the effective date of this Resolution; and

BE IT FURTHER RESOLVED, that, notwithstanding the provisions of Section 15(a)(5) of the Act, a contract between the city and the Sponsor with the Authority and/or HUD as third party beneficiary thereunder, to provide tax exemption and provide for the payment of a service charge in lieu thereof, pursuant to the provisions of Chapter 884 of the Code of Ordinances of the City of Lansing and the State Housing Development Authority Act of 1966 (Act No. 346 of the Public Act of 1966, as amended), is effectuated by the adoption of this Resolution.

FIRST HOUSING
CORPORATION

August 3, 2012

RECEIVED
2012 AUG -8 PM 4:22
LANSING CITY CLERK

Chris Swope, City Clerk
City of Lansing
124 W. Michigan Avenue, 9th Floor
Lansing, MI 48933

Re: Riverfront
Reenactment/Extension of Payment in Lieu of Taxes (PILOT)

Mr. Swope,

We are submitting this letter to request that the PILOT for Riverfront be reenacted and extended. We are in the process of refinancing the property with the Michigan State Housing Development Authority (MSHDA) and it has requested we provide this documentation as part of the refinancing process.

The Property

Riverfront is a stable, well occupied high-rise family and senior development in downtown Lansing, currently owned by Riverfront LDHA LP. This 30 year old housing community provides 200 units of affordable living for seniors who pay only 30% of their income for rent and utilities. The property has 78 family units that are not included in the current PILOT ordinance, nor does this request encompass those 78 units. Riverfront currently has a Housing Assistance Payment (HAP) contract (see enclosure) through the year 2020, at which time an extension will be requested. This further extends the commitment to provide affordable housing in the downtown Lansing area. Additionally, to help ensure that this property is able to provide quality living for its residents with updated amenities, ownership is in the process of refinancing this property with MSHDA. This new debt, along with equity from the sale of Low Income Housing Tax Credits, will provide a capital infusion to this property to finance the rehabilitation/preservation process. To assure the long term accuracy and viability of its loan underwriting, MSHDA has asked ownership to obtain from the City what is essentially a reenactment of the current PILOT with the City of Lansing for the length of the new MSHDA mortgage loan, which will have a 35 year term.

The current Limited Partner in this deal, an affiliate of CRI, has indicated its desire to exit the partnership. The sale of the Property to a new related owner with the same general partner but a new limited partner allows for the exit of the current limited partner while also providing the cash infusion for rehabilitation of the property by gaining a new Limited Partner for this property. It is anticipated that the new Limited Partner will be the Great Lakes Capital Fund, which is a Lansing, Michigan based business with a very successful history of investing in Michigan affordable housing properties.

4275 Five Oaks Drive • Lansing, MI 48911
TEL: (517) 887.4200 FAX: (517) 887.4206 TTY: (800) 649.3777

Anticipated Scope of Work

The rehabilitation of this property is expected to cost more than $4.7 million and the anticipated complete Scope of Work for this project is attached. The final version of the scope of work is subject to approval by the lender and/or equity provider. A few highlights are noted below:

- Replace major building components – Boilers, Chillers
- Parking Lot repairs
- Purchase new emergency generator
- Exterior building repairs (brick, siding)
- Interior building painting and common area floor covering replacements
- Security – add exterior lighting, improve security system
- Focus on adding more energy efficiency to the building and modernizing the property

Resident Amenities

An emphasis is being place on updating and adding resident amenities. A few of the areas being addressed for the residents are:

- Exterior – replace existing outdoor seating, update landscaping
- Updated furnishings for interior common areas including replace exercise equipment
- New entry way doors, closet doors and sliding glass doors
- Replace all flooring over 5 years old
- Replace all appliances over 5 years old with energy efficient appliances
- Add dishwashers to all apartments
- Replace all bathroom fixtures with energy efficient and water saving devices
- Update lighting fixtures

Local Community Benefit

- As a result of this rehab process, there are direct benefits to the local community as well.
- Provide affordable housing to the residents most in need, by the renewal of the HAP contract and the addition of the LIHTC equity.
- Use of Lansing based contractors to provide local employment opportunities during the construction period. It is estimated that 85% of the contractors to be used during the rehabilitation process will be from the Lansing area.
- Continuation of ownership by the General Partner team, which has a proven track record for successful operation of this property.
- Maintain current management agent which also has a proven track record for successful operation of this property.
- Addition of a Michigan based Limited Partner with an entity that is very committed to investing in successful properties and ensuring these properties are well maintained.

Current Property Taxes

Riverfront currently has a 4% PILOT on the senior units. A copy of that PILOT is included with this request.

As part of this request, we are providing a proposed draft of the PILOT renewal. There is certain legal language that MSHDA requires be included in these documents. Our legal counsel, Rick Pennings, Esq. of Loomis Law Firm in Lansing, is available to answer any additional questions the City may have regarding these documents. He may be reached at 517-482-2400 or rwpennings@loomislaw.com. He is also a former MSHDA attorney and is well versed as to what the documentation is that is acceptable to MSHDA as part of this process.

We would like to schedule a meeting to discuss this request and would like to have this added to the agenda for the August 20 city council meeting. David Gerchak and Lori Pung will be following up in regards to this request on behalf of ownership. Thank you for your time and consideration of this request.

Sincerely,

Gleason Amboy
CEO, First Housing Corporation
Management Agent for Riverfront LDHA LP

CC:
Rick Pennings, Esq., Loomis Law Firm
Joel Ferguson, General Partner, Riverfront LDHA LP
Sol Steadman, General Partner, Riverfront LDHA LP
Christopher Nielson, Housing Development Officer, MSHDA
David Gerchak, Vice President, First Housing Corporation
Lori L. Pung, CPA, Pung & Read Housing Consultants LLC

Enclosures:

1. HAP Contract
2. Existing PILOT
3. Anticipated Scope of Work
4. MSHDA Underwriting Letter
5. Proposed PILOT Draft

MSHDA Preservation Scope of Work For:
Riverfront

Description of Item	Replacement Items - Quantity?	Planned Additions - Quantity?	Estimated Cost	Notes
SITE SYSTEMS:				
Surface				
Roadways/Parking			0	Future Costs Only
Crackfill & Sealcoat			9,885	Sealed in 2010 Repairs needed
Sidewalks			0	Annual repair/replace allowance only
Retaining Walls - Wood			54,528	per CNA
Fencing			7,500	Add Fencing along north side of property
Site Lighting			0	Annual repair/replace allowance only
Irrigation			8,000	Repair damaged lines
Landscaping			48,000	Replace/upgrade turf and plantings where needed
Pool			0	
		SUBTOTAL:	127,913	
BOILERS				
Boilers			90,000	Replace boilers
Controls			0	
Condonsate & Feed Water			0	Monitor
Boiler Water Pumps			0	
Heating Water Pumps			0	
Combustion Air			0	
Flue Exhaust			0	
		SUBTOTAL:	90,000	
BOILER ROOM SYSTEMS				
Boiler Room Piping/Valves			0	Replace isolation valves and piping concurrent w/boiler replacement
3-Way Valve & Controller			0	Replace 3-Way valve and controller concurrent w/boiler replacement
DHW Generation - Senior Building			0	Installed April - May/2008
DHW Storage - Senior Building			0	Installed June 2008
DHW Generation - Senior Building			0	
DHW Generation - Laundry Rooms			0	
DHW Generation - Laundry Rooms			0	Per 6/16/08 CNA Final Report
DHW Generation - Athletic Building			0	Per 6/16/08 CNA Final Report
DHW Generation - Community Building			0	Per 6/16/08 CNA Final Report
Domestic Hot Water Pumps			0	Replace 2 B & G end of inline pumps
		SUBTOTAL:	0	
		SECTION TOTAL:	***217,913***	

MSHDA Preservation Scope of Work For:
Riverfront

Description of Item	Replacement Items - Quantity?	Planned Additions - Quantity?	Estimated Cost	Notes
BUILDING MECHANICAL & ELECTRICAL				
Building Mechanical				
Compactors			13,000	Replace Compactor Doors
Building Fire Suppression			0	Overhaul 50hp primary pump w/jockey pump and Sylvania controller
Building Heating Distribution			0	Monitor per Preservation C N A
Domestic Hot/Cold Water Dist.			0	Monitor per Preservation C N A
Building Sanitary Waste & Vent. Dist.			0	Monitor per Preservation C N A
Building Gas Distribution			0	Monitor per Preservation C N A
Chiller			130,000	Major component replacement Trane 62 ton chillers Senior Building
Chiller			0	Monitor/Replace per Preservation C N A
Hallway Ventilation and Exhaust			45,000	Replace Powermatic 2200 MBH gas-fired hall vent and exhaust unit
Ventilation and Exhaust			0	Per Preservation C N A
Athletic Building			0	
Community Building			0	
		SUBTOTAL:	188,000	
Building Electrical				
Building Power Wiring			0	Monitor per Preservation C N A
Emergency Generator			45,780	Replace with new
Smoke/Fire Detection			0	
Signaling / Communication			12,428	Add security cameras
		SUBTOTAL:	58,208	
Building Elevators				
Shafts and Doorways			0	Maintained under service contract
Cabs			8,800	Refurbish cabs and door operators
Controller/Dispatcher			0	Maintained under service contract
Machine Room Equipment	2		0	
		SUBTOTAL:	8,800	
	SECTION TOTAL:		***255,008***	
BUILDING ARCHITECTURE				
Structure				
Foundation			0	Monitor per Preservation C N A
Framing			20,000	Repair termite damage in TH
		SUBTOTAL:	20,000	

MSHDA Preservation Scope of Work For:
Riverfront

Description of Item	Replacement Items - Quantity?	Planned Additions - Quantity?	Estimated Cost	Notes
Building Exterior				
Exterior Stairs			0	Monitor
Exterior Common Doors			0	Future Year Replacements Only per Preservation C N A
Exterior Unit Doors	12		19,684	
Storm Doors	12		1,800	
Glass Sliding Doors	232		278,400	Replace remaining aluminum framed sliders
Service Doors			10,655	Replace 6 steel service doors
Exterior Walls - Brick			0	Tuckpoint/replace brick/recaulk/clean/seal completed 8/2008
Exterior Walls - Aluminum	35284		176,420	Replace remaining aluminum siding 20% complete
Exterior Walls - Glass			12,000	Repair stairwell glass with new coating
Exterior Walls - Panel			0	Replace Garden Building balcony composite panels, included in Balcony Railings below
Exterior Wood Trim			0	Replace entry curtain wall wood trim, included in Balcony Railings below
Window Frames	438		240,900	Replace remainder of aluminum framed sliders
Window Glazing and Screens			0	Future Year Replacements Only per Preservation C N A
Window Caulking			0	Monitor per Preservation C N A
Unit Balconies & Railings			131,531	Townhouse and Low Rise balconies and panels
Unit Wood Decks & Railings			109,493	Deck replacement using Trex composite decking - Garden & TH Buildings
Patios			0	Repair/replace yearly per Preservation C N A
Building Mounted Lighting			0	Repair/replace yearly per Preservation C N A
		SUBTOTAL:	980,883	
Roof Systems				
Structure			0	Monitor per Preservation C N A
Roof Covering–Senior Building			0	Future replacement only per Preservation C N A
Roof Covering–Garden Buildings			0	Future replacement only per Preservation C N A
Roof Covering–Grdn, TH, Aplt			0	Future replacement only per Preservation C N A
Roof Covering - Community Building			5,242	Replace Roof - Community Building
Roof Drainage			0	Repair allowance only over term of Preservation C N A
Skylights	3		1,950	Replace Skylights
Penthouses			0	Future needs included in Exterior Walls line items
Access Doors & Hatches			0	Future replacement only per Preservation C N A
		SUBTOTAL:	7,192	
Halls				
Hallway Walls			23,000	Due for Paint - per CNA
Hallway Ceilings			0	
Hallway Ceilings			2,400	Paint Drywall @ Garden Buildings - per CNA
Hallway Floors Senior bldg			49,000	Due for replacement
Hallway Floors Apt bldg			13,213	Apt bldg entire lobbies VCT
Hallway Floors Apt bldg			24,838	Due for replacement
Hallway Doors - Senior Building	77		138,416	Replace common area doors with fiberglass fire-rated doors
Hallway Doors - Low Rise	34		59,893	Replace common area doors with fiberglass fire-rated doors
Hallway Lighting			46,000	Replace per CNA
SUBTOTAL:		***SUBTOTAL:***	356,660	

MSHDA Preservation Scope of Work For:
Riverfront

Description of Item	Replacement Items - Quantity?	Planned Additions - Quantity?	Estimated Cost	Notes
Stairs				
Stair Walls and Ceilings			0	
Stair Floors			0	
Stair Floors			0	
Stair Doors & Railings			0	Cycle painting of wood doors and steel railings included w/walls above
		SUBTOTAL:	0	
Lobbies/Mail Facilities				
Lobby Walls & Ceilings			0	
Lobby Floors - Senior Bldg.			0	
Lobby Floors - Senior Bldg.	1300		16,200	Replace ceramic tile - Sr. Bldg lobby
Lobby Lighting			1,300	Replace with new fixtures
Mail Facilities			0	Monitor
		SUBTOTAL:	19,500	
Community Room				
Comm. Room Walls/Ceilings			3,300	Due for Paint - per CNA
Comm. Room Floor Covering			17,892	Replace carpet & VCT both buildings
Comm. Cabinets/Countertop			6,800	Replace cabinets/countertops Comm.
Comm. Kitchen Appliances			3,100	Periodic replace/upgrade allowance for appliances both Comm Bldgs.
Library and game room furnishings			15,000	Replace existing furnishings
Lockers & Exercise Room			5,700	New exercise equipment
		SUBTOTAL:	51,792	
Office				
Office Walls			0	
Office Ceiling			0	
Office Floor Covering			0	
		SUBTOTAL:	0	
Public Laundry				
Laundry Walls/Ceilings			0	
Laundry Floors			0	
Laundry Equipment			0	Lease Equipment
		SUBTOTAL:	0	
Public Restrooms				
Restroom Walls/Ceilings			775	Due for paint - per CNA
Restroom Floors - Sr. Bldg.			0	Monitor Sr. Bldg. ceramic tile per Preservation C.N.A. - Included with Lobby Floors
Restroom Floors - Community Building			0	Comm Bldg Vinyl Replacement - Future Cost Only
Restroom Fixtures & Accessories			25,200	Replace fixtures and partitions - Includes Highrise, Commmunity Building and Athletic Building public restrooms
		SUBTOTAL:	25,975	
		SECTION TOTAL:	*1,462,201*	

MSHDA Preservation Scope of Work For:
Riverfront

Description of Item	Replacement Items - Quantity?	Planned Additions - Quantity?	Estimated Cost	Notes
DWELLING UNITS				
Living Area Finishes				
Unit Hallway Doors	266		296,283	High Rise and Garden Units
Unit Interior Doors	1047		157,050	Due for replacement
Unit Closet Doors	405		50,625	Due for replacement
Living Area Walls			0	Covered by operating budget
Living Area Ceilings			0	Covered by operating budget
Living Area Floors	152		238,545	Units over 5 years old
		SUBTOTAL:	742,503	
Kitchens				
Kitchen Walls & Ceilings			0	Covered by operating budget
Kitchen Floors	141		84,171	Units over 5 years old
Kitchen Cabinets - Senior Building				
Kitchen Cabinets - Townhouse Buildings				
Kitchen Countertop				
Range - Existing Original & Older Replaced	246		84,486	Replace 246 over 5 years old
Refrigerator	231		109,942	Replace 231 over 5 years old
Rangehood and Vent				
Dishwasher Valve	278		60,380	
Dishwasher	278		114,868	
		SUBTOTAL:	453,848	
Bathrooms				
Bathroom Walls			0	Covered by operating budget
Bathroom Ceilings			0	Included with Kitchen Floors above
Bathroom Floors			0	30% allowance for floors over 5 years of age
Bathtubs	278		472,600	Replace bathtub/surround/fauce: in units
Bathroom Vanity			0	Completed
Bathroom Sink			0	Per Preservation C.N.A
Toilets	290		117,550	Includes material and labor to install energy efficient power assist toilets
Medicine Cabinets	290		20,300	Per Preservation C.N.A
Accessories	290		13,050	Per Preservation C.N.A
Ventilation & Exhaust	290		49,300	Per Preservation C.N.A
		SUBTOTAL:	672,800	
In-Unit Mechanical				
Unit HVAC - Garden			0	Future replacement cost only per Preservation C.N.A
Unit Warm Air Furnaces - Townhouses			0	Future replacement cost only per Preservation C.N.A
Unit Air Conditioning - Townhouses			0	Future replacement cost only per Preservation C.N.A
Unit DHW Generation			0	Annual replacement amounts - gas fired tanks
Unit Radiation			0	Annual allowance for fan coil motors and drip pans - Sr. Bldg.
		SUBTOTAL:	0	

MSHDA Preservation Scope of Work For:
Riverfront

Description of Item	Replacement Items - Quantity?	Planned Additions - Quantity?	Estimated Cost	Notes
In-Unit Electrical				
Light Fixtures	278		91,035	Replace with energy efficient fixtures
Dishwasher Circuit		278	48,650	
Unit Security Call system			21,120	Annual replacement amounts-buzzer/intercom panels Garden Bldgs.
Apartment Building Entry System			21,993	Replace high rise building entry system
Unit Smoke / Fire Detection			0	Annual replacement amounts - hardwired unit smoke/fire detection
Emergency Call Pull Cords - Sr. Bldg.			0	Monitor per Preservation C N A
		SUBTOTAL:	182,798	
Heating Boilers and Associated Equipment			116,250	Replace in senior building - per C N A
Trash Chute Doors			13,000	Replace in senior building - per C N A
Fire Pump and Controller			7,250	Replace in senior building - per C N A
Maintenance Vehicles			30,000	Replace - per C N A
		SUBTOTAL:	166,500	
	SECTION TOTAL:		***2,218,448***	
		TOTAL:	4,153,570	
	GC Services			
	General Requirements	6%	249,214	
	Builder's Overhead	2%	88,056	
	Builder's Profit	6%	269,450	
Total Construction Costs			**4,760,291**	

STATE OF MICHIGAN
RICK SNYDER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

GARY HEIDEL
EXECUTIVE DIRECTOR

July 30, 2012

Chris Swope, City Clerk
City of Lansing
124 W. Michigan Avenue, 9th Floor
Lansing, MI 48933

Re: Riverfront LDHA LP
Reenactment/Extension of Payment in Lieu of Taxes (PILOT)

Mr. Swope,

The ownership of Riverfront LDHA LP has indicated to the Michigan State Housing Development Authority (MSHDA) that they have submitted a request to the city of Lansing that the PILOT for this property be reenacted and extended. This property is currently in the application process to be refinanced with MSHDA and as part of that process, MSHDA and ownership agree that this PILOT request is in the best interests of the long term financial viability of the subject property.

A typical PILOT request is for the PILOT to be over the life of the mortgage term. The purpose of this correspondence is to confirm to you that current MSHDA mortgage terms are a 35 year loan with a 35 year amortization period for our first mortgage, and 50 year loan for our soft second cash flow mortgage.

If I can be of further assistance in providing information to assist with the PILOT reenactment and extension on this property, I may be contacted at 517-241-7207. Thank you.

Sincerely,

John Hundt, Housing Development Manager
Rental Development Division

735 EAST MICHIGAN AVENUE • P.O. BOX 30044 • LANSING, MICHIGAN 48909
michigan.gov/mshda • 517.373.8370 • FAX 517.335.4797 • TTY 800.382.4568
Equal Housing Employer/Lender

RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, it is the purpose of this Resolution to certify that Chapter 884 of the Code of Ordinances of the City of Lansing and the State Housing Development Authority Act of 1966, being Act No. 346 of the Public Acts of 1966, as amended, (hereinafter the "Act") specifically provide tax exemption to the sponsors who construct, or acquire and renovate housing for elderly persons of low income pursuant to the Act; and

WHEREAS, the FHC Nine Limited Dividend Housing Association Limited Partnership (hereinafter the "Sponsor"), has offered, subject to receipt of a Mortgage Loan from the Michigan State Housing Development Authority (hereinafter the "Authority") or a Mortgage Loan insured by HUD, to acquire, rehabilitate, own and operate a housing development identified as Riverfront, previously known as MSHDA Development No. 566 (hereinafter the "Development") on certain property in the City of Lansing, more specifically described as follows:

REDEVELOPMENT PARCEL 7

That part of Block 246, Plat of the Town of Michigan, lying on the Northeast 1/4 of Section 16, T4N, R2W, City of Lansing, Ingham County, Michigan, beginning on the East line of said Block (West line of Cedar Street) at a point N 89°59'20" W 1053.69 feet and S 0°05'21" W 232.25 feet from the Northeast corner of said Section 16, thence running along the East line of said Block S 0°05'21" W 1042.84 feet to the Southeast corner of said Block, thence along the South line of Block 246 (north line of Shiawassee Street) N 89°58'20" W 360.0 feet, thence parallel with said East Block line N 0°05'21" E 967.63 feet, thence N 3°12'30" E 39.02 feet, thence Northerly 36.15 feet along the arc of a 1936.33 foot radius curve to the left whose chord bears N 1°02'45" W 36.15 feet, thence parallel with the North line of said Block S 89°59'20" E 358.59 feet to the point of beginning.

to serve elderly person of low income, and the Sponsor has offered to pay the City on account of the Development an annual service charge for public services in lieu of taxes in accordance with the provisions of Chapter 884 of the Code of Ordinances of the City of Lansing; and

WHEREAS, it has been determined that the highrise portion of Riverfront that serves elderly persons of low and moderate income, formerly known as MSHDA Development No. 566, is of the class of housing developments that are eligible for tax exemption pursuant to the provisions of the Act and Chapter 884 of the Code of Ordinances of the City of Lansing.

NOW, THEREFORE, it is hereby resolved that the Development and the property upon which it shall be constructed, shall be exempt from all property taxes from and after acquisition by the Sponsor and the Sponsor shall pay a service charge in lieu of taxes pursuant to the requisite provision of Chapter 884 of the Code of Ordinances of the City of Lansing which charge shall be equal to four percent of the difference between 95

percent of contract rents actually collected and utilities in the case of a housing development contained in the class prescribed in Section 884.03, which development is assisted pursuant to Section 8 of the U.S. Housing act of 1937, as amended by the Housing and Community Development Act of 1974. The tax exempt status of the Development granted pursuant to the Act and Chapter 884 of the Code of Ordinances of the City of Lansing, shall remain in effect and shall not be terminated so long as the Mortgage Loan for the housing development remains outstanding and unpaid, or the Authority or HUD has any interest in the property; provided that, acquisition of the development commences within one year from the effective date of this Resolution; and

BE IT FURTHER RESOLVED, that, notwithstanding the provisions of Section 15(a)(5) of the Act, a contract between the city and the Sponsor with the Authority and/or HUD as third party beneficiary thereunder, to provide tax exemption and provide for the payment of a service charge in lieu thereof, pursuant to the provisions of Chapter 884 of the Code of Ordinances of the City of Lansing and the State Housing Development Authority Act of 1966 (Act No. 346 of the Public Act of 1966, as amended), is effectuated by the adoption of this Resolution.

Amendment No. 1

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM
HOUSING FINANCE AND DEVELOPMENT AGENCIES

Riverfront
Lansing, MI
MSHDA #556

PART I OF THE

HOUSING ASSISTANCE PAYMENTS CONTRACT

NEW CONSTRUCTION OR SUBSTANTIAL REHABILITATION

MASTER SECTION 8 ACC NUMBER:	ACC LIST NUMBER AND DATE:	NEW CONSTRUCTION PROJECT NUMBER: or SUBSTANTIAL REHABILITATION PROJECT NUMBER:
C-8025	C-81-337 02-10-81	MI33-H150-025 / N/A

This Housing Assistance Payments Contract ("Contract") is entered into by and between the Michigan State Housing Development Authority, a housing finance agency ("HFA"), which is a public housing agency as defined in the United States Housing Act of 1937, 42 U.S.C. 1437, et seq. ("Act"), at section 1437a(6), and Riverfront Limited Dividend Housing Association ("Owner"), and approved by the United States of America acting through the Department of Housing and Urban Development ("Government"), pursuant to the Act and the Department of Housing and Urban Development Act, 42 U.S.C. 3531, et seq.

The parties hereto agree as follows:

1.1 SIGNIFICANT DATES AND OTHER ITEMS; CONTENTS OF CONTRACT.

a. Effective Date of Contract. The effective date of this Contract is April 21, 1980, 19__. [This date shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR, Section 883.316(a).]

b. Initial Term of Contract. The initial term of this Contract (see Section 1.4a) shall be five years [not to exceed five years], beginning with the effective date of this Contract and ending April 21, 1985, 19__.

c. Number and Length of Optional Additional Terms. The number and length of optional additional terms (see Section 1.4a) shall be Seven (7) terms of Five years each [not to exceed five years each].

d. Maximum Total Term of Contract. The maximum total term of this Contract for any unit, including all renewals, shall be as specified in Section 1.4a.

e. Fiscal Year. The ending date of each Fiscal Year (see Section 1.4b) shall be June 30 [insert March 31, June 30, September 30, or December 31, as determined by the Government].

f. Annual Contributions Contract. The Annual Contributions Contract applicable to this Contract ("ACC") (see Section 1.5a) is the ACC dated September 29, 19 78, with respect to Project No. MI33-H150-025.

g. Maximum Housing Assistance Commitment. The maximum amount of the commitment for housing assistance payments under this Contract (see Section 1.6a) is $ 995,448 per annum. [Enter amount specified in the ACC for housing assistance payments, exclusive of the Financing Cost Contingency.] This amount shall be subject to increase pursuant to Section 1.5e(2) or 1.5f(3) of the Agreement or Section 1.9e(3) of this Contract, as appropriate.

h. Percent of Units to be Leases to Very Low-Income Families. In the initial renting of the Contract Units, the minimum percentage of those units required to be leased to Very Low-Income Families (see Section 1.10c(1)) shall be 30 percent.

i. Contents of Contract. This Contract consists of Part I, Part II, and the following exhibits:

Ex : A: The schedule showing the number of units by size ("Contract Units") and their applicable rents ("Contract Rents");

Exhibit B: The project description;

Exhibit C: The statement of services, maintenance and utilities to be provided by Owner;

Exhibit D: The Affirmative Fair Housing Marketing Plan, if applicable; and

Additional exhibits: [Specify additional exhibits, if any. If none, insert "None."]

This Contract, including said exhibits, comprises the entire agreement between the parties hereto with respect to the matters contained herein, and neither party is bound by any representations or agreements of any kind except as contained herein or except agreements entered into in writing which are not inconsistent with this Contract.

1.2 OWNER'S WARRANTIES.

a. Legal Capacity. The Owner warrants that he has the legal right to execute this Contract and to lease dwelling units covered by this Contract.

b. Completion of Work. The Owner warrants that the project as described in Exhibit B is in good and tenantable condition and that the project has been completed in accordance with the terms and conditions of the Agreement to Enter into Housing Assistance Payments Contract ("Agreement") or will be completed in accordance with the terms on which the project was accepted. The Owner further warrants that he will remedy any defects or omissions covered by this warranty if called to his attention within 12 months of the effective date of this Contract. The Owner and the HFA agree that the continuation of this Contract shall be subject to the conditions set forth in Section 1.4b of the Agreement.

1.3 FAMILIES TO BE HOUSED; HFA ASSISTANCE.

a. Families to Be Housed. The Contract Units are to be leased by the Owner to eligible Lower-Income Families ("Families") for use and occupancy by such Families solely as private dwellings.

b. HFA Assistance.

(1) The HFA hereby agrees to make housing assistance payments on behalf of Families for the Contract Units, to enable such Families to lease Decent, Safe, and Sanitary housing pursuant to section 8 of the Act. Such housing assistance payments shall equal the difference between the Contract Rents for units leased by Families and the portion of such rents payable by Families as determined by the Owner in accordance with schedules and criteria established by the Government.

HUD-52643A (11-75)

(2) If there is an Allowance for Utilities and Other Services and if such Allowance exceeds the Gross Family Contribution, the Owner shall pay the Family the amount of such excess on behalf of the HFA upon receipt of funds from the HFA for that purpose.

1.4 TERM OF CONTRACT; FISCAL YEAR.

a. Term of Contract.
[Alternative provisions—incorporate alternative 1, 2, or 3, as applicable.]

ALTERNATIVE 1—GENERAL:

The initial term of this Contract shall be as stated in Section 1.1b. This Contract may be renewed for the number and length of additional terms stated in Section 1.1c, provided that the total Contract term for any unit, including all renewals, shall not exceed the shorter of (1) a number of years equal to the maximum anticipated number of years during which assistance payments will be made, not to exceed 40 years], (1) 40 years or (2) a period terminating on the date of the last payment of principal due on the permanent financing [insert in (1) a Renewals shall be automatic unless either party notifies the other in writing, no later than 60 days prior to the expiration of the current term, of his desire not to renew, and the other party agrees in writing that there shall be no renewal. If the project is completed in stages, the dates for the initial term and renewal terms shall be separately related to the units in each stage; Provided, however, that the total Contract term for all the stages, beginning with the effective date of the Contract with respect to the first stage, shall not exceed the total Contract term for any unit specified in this paragraph, plus two years. In any case where the project is owned by, or financed by a loan or loan guarantee from, a State or local agency, the housing assistance payments pursuant to this Contract with respect to any dwelling unit shall be payable over a period not to exceed 40 years.

ALTERNATIVE 2—FOR MOBILE HOMES PROJECT:

In the case of mobile homes, the initial term of this Contract for each mobile home shall be as stated in Section 1.1b. This Contract may be renewed with respect to any mobile home for the number and length of additional terms as stated in Section 1.1c, provided that the total Contract term for any mobile home, including all renewals, shall not exceed N/A years. [Insert number as authorized by the Government pursuant to 24 CFR, Section 883.206.] Renewals shall become effective only if either party gives written notice, with a copy to the Government, no later than 60 days prior to the expiration of the current term, of his desire to renew, and the other party and the Government give their written concurrence and approval, respectively, before the expiration of the current term. If the project is completed in stages, the dates for the initial term and renewal terms shall be separately related to the mobile homes in each stage; Provided, however, that the total Contract term for all the stages, beginning with the effective date of the Contract with respect to the first stage, shall not exceed the total Contract term stated in Section 1.1d, plus two years. For purposes of this paragraph a, the term "mobile home" means the original mobile home and any replacement(s), combined.

ALTERNATIVE 3—FOR CERTAIN SUBSTANTIAL REHABILITATION PROJECTS:

For a Substantial Rehabilitation project, where the relative cost of the rehabilitation is less than 15 percent of the value of the project after completion of the rehabilitation, the Contract shall be for one term of not more than five years for any dwelling unit. If the project is completed in stages, this term shall be separately related to the units in each stage; Provided, however, that the total Contract term for all the stages, beginning with the effective date of the Contract with respect to the first stage, shall not exceed said Contract term, plus two years.

b. Fiscal Year. The Fiscal Year for the project shall be the 12-month period ending on the date stated in Section 1.1e; Provided, however, that the first Fiscal Year for the project shall be the period beginning with the effective date of the Contract and ending on the last day of said established Fiscal Year which is not less than 12 months after such effective date. If the first Fiscal Year exceeds 12 months, the maximum total annual housing assistance payment in Section 1.6a may be adjusted by the addition of the pro rata amount applicable to the period of operation in excess of 12 months.

1.5 ANNUAL CONTRIBUTIONS CONTRACT.

a. Identification of Annual Contributions Contract. The HFA has entered into an Annual Contributions Contract with the Government, as identified in Section 1.1f, under which the Government will provide financial assistance to the HFA pursuant to section 8 of the Act for the purpose of making housing assistance payments. A copy of the ACC shall be provided upon request.

b. HFA Pledge of ACC Payments. The HFA hereby pledges to the payment of housing assistance payments pursuant to this Contract the annual contributions payable under the ACC for such housing assistance payments. The HFA shall not, without the consent of the Owner, amend or modify the ACC in any manner which would reduce the amount of such annual contributions, except as authorized in the ACC and this Contract.

c. Government Approval of Housing Assistance Payments Contract. The approval of this Contract by the Government signifies that the Government has executed the ACC and that the ACC has been properly authorized; that the faith of the United States is solemnly pledged to the payment of annual contributions pursuant to said ACC; and that funds have been obligated by the Government for such payments to assist the HFA in the performance of its obligations under the Contract.

1.6 MAXIMUM HOUSING ASSISTANCE COMMITMENT; PROJECT ACCOUNT.

a. Maximum Housing Assistance Commitment. Notwithstanding any other provisions of this Contract (other than paragraph b of this Section) or any provisions of any other contract between the HFA and the Owner, the HFA shall not be obligated to make and shall not make any housing assistance payments under this Contract in excess of the amount per annum stated in Section 1.1g; Provided, however, that this amount shall be reduced commensurately with any reduction in the number of Contract Units or in the Contract Rents or pursuant to any other provision of the ACC or this Contract (except reductions in Contract Rents pursuant to Section 1.9c(1)).

b. Project Account. As provided in the ACC, in order to assure that housing assistance payments will be increased on a timely basis to cover increases in Contract Rents or decreases in Family Incomes

(1) A Project Account shall be established and maintained, in an amount as determined by the Government consistent with its responsibilities under section 8(c)(6) of the Act, out of amounts by which the Maximum ACC Commitment per year (exclusive of any Financing Cost Contingency) exceeds amounts paid under the ACC for any Fiscal Year. This account shall be established and maintained by the Government as a specifically identified and segregated account. To the extent funds are available in said account, the maximum total annual housing assistance payments for any Fiscal Year may exceed the maximum amount stated in paragraph a of this Section to cover increases in Contract Rents or decreases in Family Incomes (see Section 1.9). Any amount remaining in said account after payment of the last housing assistance payment with respect to the project shall be applied by the Government in accordance with law.

(2) Whenever the Government approved estimate of the required Annual Contribution exceeds the Maximum ACC Commitment then in effect (exclusive of any Financing Cost Contingency), and would cause the amount in the Project Account to be less than an amount equal to 40 percent of such Maximum ACC Commitment, the Government shall, within a reasonable period of time, take such additional steps authorized by section 8(c)(6) of the Act as may be necessary to carry out this assurance, including (as provided in that section of the Act) "the reservation of annual contributions authority for the purpose of amending housing assistance contracts or the allocation of a portion of new authorizations for the purpose of amending housing assistance contracts."

1.7 HOUSING ASSISTANCE PAYMENTS TO OWNERS.

a. General.

(1) Housing assistance payments shall be paid to the Owner for units under lease by Families in accordance with the Contract. The housing assistance payment will cover the difference between the Contract Rent and that portion of said rent payable by the Family as determined in accordance with the Government-established schedules and criteria.

(2) The amount of housing assistance payment payable on behalf of a Family and the amount of rent payable by such Family shall be subject to change by reason of changes in Family Income, Family composition, or extent of exceptional medical or other unusual expenses in accordance with the Government-established schedules and criteria; or by reason of adjustment by the HFA of any applicable Allowance for Utilities and Other Services. Any such change shall be effective as of the date stated in a notification of such change to the Family.

b. Vacancies During Rent-up. If a Contract Unit is not leased as of the effective date of the Contract, the Owner shall be entitled to housing assistance payments in the amount of 80 percent of the Contract Rent for the unit for a vacancy period not exceeding 60 days from the effective date of the Contract, provided that the Owner (1) commenced marketing and otherwise complied with Section 1.3b of the Agreement, (2) has taken and continues to take all feasible actions to fill the vacancy, including, but not limited to, contacting applicants on his waiting list, if any, requesting the HFA and other appropriate sources to refer eligible applicants, and advertising the availability of the unit, and (3) has not rejected any eligible applicant, except for good cause acceptable to the HFA.

c. Vacancies After Rent-up.

(1) If a Family vacates its unit (other than as a result of action by the Owner which is in violation of the Lease or the Contract or any applicable law), the Owner shall receive housing assistance payments in the amount of 80 percent of the Contract Rent for a vacancy period not exceeding 60 days; Provided, however, that if the Owner collects any of the Family's share of the rent for this period in an amount which, when added to the 80 percent payments, results in more than the Contract Rent, such excess shall be payable to the Government or as the Government may direct. (See also Section 1.10f.) The Owner shall not be entitled to any payment under this subparagraph unless he: (i) immediately upon learning of the vacancy, has notified the HFA of the vacancy or prospective vacancy and the reasons for the vacancy, and (ii) has taken and continues to take the actions specified in paragraphs b(2) and b(3) of this Section.

(2) If the Owner evicts a Family, he shall not be entitled to any payment under paragraph c(1) of this Section unless the request for such payment is supported by a certification that (i) he gave such Family a written notice of the proposed eviction, stating the grounds and advising the Family that it had 10 days within which to present its objections to the Owner in writing or in person and (ii) the proposed eviction was not in violation of the Lease or the Contract or any applicable law.

d. Limitation on Payments for Vacant Units. The Owner shall not be entitled to housing assistance payments with respect to vacant units under this Section to the extent he is entitled to payments from other sources (e.g., payments for losses of rental income incurred for holding units vacant for relocatees pursuant to Title I of the Housing and Community Development Act of 1974 or payments under Section 1.10b of this Contract).

e. HFA Not Obligated for Family Rent. The HFA has not assumed any obligation for the amount of rent payable by any Family or the satisfaction of any claim by the Owner against any Family other than in accordance with Section 1.10b of this Contract.

f. Owner's Monthly Requests for Payments.

(1) The Owner shall submit monthly requests to the HFA or as directed by the HFA for housing assistance payments. Each such request shall set forth: (i) the name of each Family and the address and/or number of the unit leased by the Family; (ii) the address and/or the number of units, if any, not leased to Families for which the Owner is claiming payments; (iii) the Contract Rent as set forth in Exhibit A for each unit for which the Owner is claiming payments; (iv) the amount of rent payable by the Family leasing the unit (or, where appropriate, the amount to be paid the Family in accordance with Section 1.3b(2)); and (v) the total amount of housing assistance payments requested by the Owner.

(2) Each of the Owner's monthly requests shall contain a certification by him that to the best of his knowledge and belief (i) the dwelling unit is in Decent, Safe, and Sanitary condition, (ii) all the other facts and data on which the request for funds is based are true and correct, (iii) the amount requested has been calculated in accordance with the provisions of this Contract and is payable under the Contract, and (iv) none of the amount claimed has been previously claimed or paid.

(3) If the Owner has received an excessive payment, the HFA or the Government, in addition to any other rights to recovery, may deduct the amount from any subsequent payment or payments.

(4) The Owner's monthly requests for housing assistance payments shall be made subject to penalty under 18 U.S.C. 1001, which provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

g. Recoupment of Savings in Financing Cost.

(1) In the event that interim financing is used and is continued after the first year of the term of the Contract and the debt service of the interim financing for any period of three months, after such first year, is less than the anticipated debt service under the permanent financing on which the Contract Rents were based, an amount reflecting the savings in financing cost, computed in accordance with paragraph g(2) of this Section, shall be credited by the Government to the Project Account, and withheld from housing assistance payments to the Owner. If during the course of the same year there is any period of three months in which the debt service is greater than the anticipated debt service under the permanent financing, an adjustment shall be made so that only the net amount of savings in financing cost for the year is credited by the Government to the Project Account and withheld by the HFA from the Owner as aforesaid (no increased payments shall be made to the Owner on account of any net excess for the year of actual interim debt service over the anticipated debt service under the permanent financing). Nothing in this paragraph g shall be construed as requiring a reduction in the Contract Rents or precluding adjustments of Contract Rents in accordance with Section 1.9.

(2) The computation and recoupment under this paragraph g may be made on an annual or on a quarterly or other periodic basis, but in any event no later than as of the end of each Fiscal Year; Provided, however, that if recoupment is to be made less often than quarterly, the amounts of recoupment shall be computed on at least a quarterly basis and funds shall be deposited in a special account from which withdrawals may be made only with the authorization of the HFA. The manner of computing the amount of recoupment shall be as follows:

(i) Determine the amount by which the debt service for the interim financing for the period in question is less than the anticipated debt service under the permanent financing on which the Contract Rents were based;

(ii) Determine what percentage the amount found under paragraph g(2)(i) of this Section is of the aggregate Contract Rents for all Contract Units for the period in question;

(iii) Apply the percentage found in paragraph g(2)(ii) of this Section to the aggregate Contract Rents for those Contract Units which are included in the Owner's claim(s) for housing assistance payments for the period in question; and

(iv) The amount found in paragraph g(2)(iii) of this Section shall be credited to the Project Account and withheld from the next housing assistance payment or payments to the Owner.

h[1] Payments by HFA. The amount of the housing assistance payment, determined in accordance with the provisions of this Contract, up to the amount of the mortgage repayments due the HFA from the Owner pursuant to the mortgage loan made by the HFA for the project, shall be credited to the Owner and transferred monthly by the HFA from the account maintained under the General Depositary Agreement pursuant to the ACC to the trustee under the note or bond resolution of the HFA under which the notes or bonds to provide the mortgage loan were issued. Any amount of the housing assistance payment in excess of such credit shall be paid by the HFA directly to the Owner.

1.8 MAINTENANCE, OPERATION AND INSPECTION.

a. Maintenance and Operation. The Owner agrees (1) to maintain and operate the Contract Units and related facilities so as to provide Decent, Safe, and Sanitary housing, and (2) to provide all the services, maintenance and utilities set forth in Exhibit C. If the HFA determines that the Owner is not meeting one or more of these obligations, the HFA shall have the right, in addition to its other rights and remedies under this Contract, to abate housing assistance payments in whole or in part.

b. Inspections Prior to Occupancy.

(1) Prior to occupancy of any unit by a Family, the Owner and the Family shall inspect the unit and both shall certify, on forms prescribed by the Government, that they have inspected the unit and have determined it to be Decent, Safe, and Sanitary in accordance with the criteria provided in the prescribed forms. Copies of these reports shall be kept on file by the Owner for at least three years.

(2) The HFA shall inspect or cause to be inspected each Contract Unit and related facilities at least annually and at such other times (including prior to initial occupancy and rerenting of any unit) as may be necessary to assure that the Owner is meeting his obligation to maintain the units in Decent, Safe, and Sanitary condition and to provide the agreed upon utilities and other services. The HFA shall take into account complaints by occupants and any other information coming to its attention in scheduling inspections and shall notify the Owner and the Family of its determination.

c. Units Not Decent, Safe, and Sanitary. If the HFA notifies the Owner that he has failed to maintain a dwelling unit in Decent, Safe, and Sanitary condition and the Owner fails to take corrective action within the time prescribed in the notice, the HFA may exercise any of its rights or remedies under the Contract, including abatement of housing assistance payments, even if the Family continues to occupy the unit. If, however, the Family wishes to be rehoused in another dwelling unit with section 8 assistance and the HFA does not have other section 8 funds for such purpose, the HFA may use the abated housing assistance payments for the purpose of rehousing the Family in another dwelling unit. Where this is done, the Owner shall be notified that he will be entitled to resumption of housing assistance payments for the vacated dwelling unit if (1) the unit is restored to Decent, Safe, and Sanitary condition, (2) the Family is willing to and does move back into the restored unit, and (3) a deduction is made for the expenses incurred by the Family for both moves.

d. Notification of Abatement. Any abatement of housing assistance payments shall be effective as provided in written notification to the Owner. The HFA shall promptly notify the Family of any such abatement.

e. Overcrowded and Underoccupied Units. If the HFA determines that a Contract Unit is not Decent, Safe, and Sanitary by reason of increase in Family size, or that a Contract Unit is larger than appropriate for the size of the Family in occupancy, housing assistance payments with respect to such unit will not be abated, unless the Owner fails to offer the Family a suitable unit as soon as one becomes vacant and ready for occupancy. In the case of an overcrowded unit, if the Owner does not have any suitable units or if no vacancy of a suitable unit occurs within a reasonable time, the HFA will assist the Family in finding a suitable dwelling unit and require the Family to move to such a unit as soon as possible. The Owner may receive housing assistance payments for the vacated unit if he complies with the requirements of Section 1.7c(1).

1.9 RENT ADJUSTMENTS.

a. Funding of Adjustments. Housing assistance payments will be made in increased amounts commensurate with Contract Rent adjustments under this Section up to the maximum amount authorized under Section 1.6 of this Contract.

b. Automatic Annual Adjustments.

(1) Automatic Annual Adjustment Factors will be determined by the Government at least annually; interim revisions may be made as market conditions warrant. Such Factors and the basis for their determination will be published in the Federal Register. These published Factors will be reduced appropriately by the Government where utilities are paid directly by the Families.

(2) On each anniversary date of the Contract, the Contract Rents shall be adjusted by applying the applicable Automatic Annual Adjustment Factor most recently published by the Government. Contract Rents may be adjusted upward or downward, as may be appropriate; however, in no case shall the adjusted Contract Rents be less than the Contract Rents on the effective date of the Contract.

c. Special Additional Adjustments. Special additional adjustments shall be granted, when approved by the Government, to reflect increases in the actual and necessary expenses of owning and maintaining the Contract Units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs (i.e., assessments, and utilities not covered by regulated rates), but only if and to the extent that the Owner or the HFA clearly demonstrates that such general increases have caused increases in the Owner's operating costs which are not adequately compensated for by automatic annual adjustments. The Owner or the HFA shall submit to the Government financial statements which clearly support the increase.

d. Overall Limitation. Notwithstanding any other provisions of this Contract, adjustments as provided in this Section shall not result in material differences between the rents charged for assisted and comparable unassisted units, as determined by the HFA (and approved by the Government, in the case of adjustments under paragraph c of this Section); provided, that this limitation shall not be construed to prohibit differences in rents between assisted and comparable unassisted units to the extent that such differences may have existed with respect to the initial Contract Rents.

e. Adjustment to Reflect Actual Cost of Permanent Financing. This paragraph e shall apply if the project is not permanently financed until after the effective date of the Contract. After the project is permanently financed, the HFA shall submit a certification to the Government as to the actual financing terms and the following provisions shall apply:

(1) If the actual debt service under the permanent financing is lower than the anticipated debt service on which the Contract Rents were based, the Contract Rents currently in effect shall be reduced commensurately, and the amount of the savings shall be credited to the Project Account. The Maximum ACC Commitment shall not be reduced except by the amount of the contingency, if any, which was included for possible increases under paragraph e(2) of this Section.

(2) If the actual debt service under the permanent financing is higher than the anticipated debt service on which the Contract Rents were based, and the HFA is using its set-aside for the project, the Contract Rents currently in effect shall be increased commensurately, not to exceed the limitations in this paragraph e(2) and the amount of the Financing Cost Contingency in the ACC, if the projected borrowing rate (net interest cost) was not less than the average net interest cost for the preceding quarter (at the time the projection was submitted to the Government) of the "20 Bond Index" published weekly in the Bond Buyer, plus 50 basis points. An adjustment under this paragraph e(2) shall not be more than is necessary to reflect an increase in debt service (based upon the original projected capital cost and the actual term of the permanent financing for the project) resulting from an increase in interest rate of not more than:

(i) One and one-half percent if the projected spread as submitted to the Government was three-fourths of one percent or less, or

(ii) One percent if such projected spread was more than three-fourths of one percent but not more than one percent, or

[1]Use of this Section 1.7h is optional.

(iii) One-half of one percent if such projected spread was more than one percent.

(3) After Contract Rents have been adjusted in accordance with paragraph e(1) or e(2) of this Section, the maximum amount of the ACC commitment shall be reduced by the amount of any unused portion of the Financing Cost Contingency, and such portion shall be re-allocated to the then current set-asids of the HFA, if any. At the same time, if the Contract Rents have been increased in accordance with paragraph e(2) of this Section, the maximum Contract amount specified in Section 1.1 g shall be increased commensurately.

f. Incorporation of Rent Adjustment. Any adjustment in Contract Rents shall be incorporated into Exhibit A by a dated addendum to the exhibit establishing the effective date of the adjustment.

1.10 MARKETING AND LEASING OF UNITS.

a. Compliance with Equal Opportunity. Marketing of units and selection of Families by the Owner shall be in accordance with the Owner's Government-approved Affirmative Fair Housing Marketing Plan, shown as Exhibit D, and with all regulations relating to fair housing advertising.

b. Security and Utility Deposits.

(1) The Owner may require Families to pay a security deposit in an amount equal to one month's Gross Family Contribution. If a Family vacates its unit, the Owner, subject to State and local law, may utilize the deposit as reimbursement for any unpaid rent or other amount owed under the Lease. If the Family has provided a security deposit, and it is insufficient for such reimbursement, the Owner may claim reimbursement from the HFA, not to exceed an amount equal to the remainder of one month's Contract Rent. Any reimbursement under this Section shall be applied first toward any unpaid rent. If a Family vacates its unit owing no rent or other amount under the Lease, or if the amount owed is less than the amount of the security deposit, the Owner shall refund the full amount or the unused balance, as the case may be, to the Family.

(2) In those jurisdictions where interest is payable by the Owner on security deposits, the refunded amount shall include the amount of interest payable. All security deposit funds shall be deposited by the Owner in a segregated bank account, and the balance of this account, at all times, shall be equal to the total amount collected from tenants that is occupancy, plus any accrued interest. The Owner shall comply with all State and local laws regarding interest payments on security deposits.

(3) Families shall be expected to obtain the funds to pay security and utility deposits, if required, from their own resources and/or other private or public sources.

c. Eligibility, Selection and Admission of Families.

(1) The Owner shall be responsible for determination of eligibility of applicants, selection of families from among those determined to be eligible, and computation of the amount of housing assistance payments on behalf of each selected Family in accordance with schedules and criteria established by the Government. In the initial renting of the Contract Units, the Owner shall lease at least that percentage of those units which is stated in Section 1.1h to Very Low-Income Families (determined in accordance with the Government-established schedules and criteria) and shall thereafter exercise his best efforts to maintain at least that percentage of occupancy of the Contract Units by Very Low-Income Families as determined in accordance with such schedules and criteria.

(2) The Lease entered into between the Owner and each selected Family shall be on the form of Lease approved by the Government.

(3) The Owner shall make a reexamination of Family Income, composition, and the extent of medical or other unusual expenses incurred by the Family, at least annually (except that such reviews may be made at intervals of no longer than two years in the case of elderly Families), and appropriate redeterminations shall be made by the Owner of the amount of Family contribution and the amount of housing assistance payment, all in accordance with schedules and criteria established by the Government. In connection with the reexamination, the Owner shall determine what percentage of Families in occupancy are Very Low-Income Families. If there are fewer than the agreed to percentage of Very Low-Income Families in occupancy, the Owner shall report the fact to the HFA and shall adopt changes in his admission policies to achieve, as soon as possible, at least the agreed to percentage of occupancy by such Families.

d. Rent Redetermination after Adjustment in Allowance for Utilities and Other Services. In the event that the Owner is notified of an HFA determination making an adjustment in the Allowance for Utilities and Other Services applicable to any of the Contract Units, the Owner shall promptly make a corresponding adjustment in the amount of rent to be paid by the affected Families and the amount of housing assistance payments.

e. Processing of Applications and Complaints. The Owner shall process applications for admission, notifications to applicants, and complaints by applicants in accordance with applicable HFA or Government requirements and shall maintain records and furnish such copies or other information as may be required by the HFA or the Government.

f. Review; Incorrect Payments. In making housing assistance payments to Owners, the HFA or the Government will review the Owner's determinations under this Section. If as a result of this review, or other reviews, audits or information received by the HFA or the Government at any time, it is determined that the Owner has received improper or excessive housing assistance payments, the HFA or the Government shall have the right to deduct the amount of such overpayments from any amounts otherwise due the Owner, or otherwise effect recovery thereof.

1.11 TERMINATION OF TENANCY. The Owner shall be responsible for termination of tenancies, including evictions. However, conditions for payment of housing assistance payments for any resulting vacancies shall be as set forth in Section 1.7c.

1.12 REDUCTION OF NUMBER OF CONTRACT UNITS FOR FAILURE TO LEASE TO ELIGIBLE FAMILIES.

a. After First Year of Contract. If at any time, beginning six months after the effective date of this Contract, the Owner fails for a continuous period of six months to have at least 80 percent of the Contract Units leased or available for leasing by Families, the HFA, with Government approval, may on 30 days notice reduce the number of Contract Units to not less than the number of units under lease or available for leasing by Families, plus 10 percent of such number if the number is 10 or more, rounded to the next highest number.

b. At End of Initial and Each Renewal Term. At the end of the initial term of the Contract and of each renewal term, the HFA, with Government approval, may, by notice to the Owner, reduce the number of Contract Units to not less than (1) the number of units under lease or available for leasing by Families at that time or (2) the average number of units so leased or available for leasing during the last year, whichever is the greater, plus 10 percent of such number if the number is 10 or more, rounded to the next highest number.

c. Restoration of Units. The Government will agree to an amendment of the ACC to provide for subsequent restoration of any reduction made pursuant to paragraph a or b of this Section if the Government determines that the restoration is justified as a result of changes in demand and in the light of the Owner's record of compliance with his obligations under the Contract and if annual contributions contract authority is available; and the Government will take such steps authorized by section 8(c)(6) of the Act as may be necessary to carry out this assurance (see Section 1.6).

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

Owner Riverfront Limited Dividend Housing Assoc.

By: EJS Housing Partnership, Its Managing Gen. Partner

By: [signature] Its General Partner

and By: Sol L. Steadman, Its General Partner

Date NOV 18 1980, 19__

APPROVED:

United States of America
Secretary of Housing and Urban Development

By [signature]

Deputy Supervisor of Development
(Official Title)

Date FEB 10 1981, 19__

Michigan State Housing Development Authority

HFA

By [signature]

Edward J. Pinto, Director, Legal Affairs
(Official Title)

Date NOV 25 1980, 19__

[If the project is to be completed and accepted in stages, execution of the Contract with respect to the several stages appears on the following pages of this Contract.]

Amendment No. 1

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM
HOUSING FINANCE AND DEVELOPMENT AGENCIES

Riverfront
Lansing, MI
MSHDA #566

PART I OF THE

HOUSING ASSISTANCE PAYMENTS CONTRACT

NEW CONSTRUCTION OR SUBSTANTIAL REHABILITATION

MASTER SECTION 8 ACC NUMBER:	ACC LIST NUMBER AND DATE:	NEW CONSTRUCTION PROJECT NUMBER:
C-8025	d-81-337 FEB 10 1981	MI33-H150-025
		or SUBSTANTIAL REHABILITATION PROJECT NUMBER:

2.1 NONDISCRIMINATION IN HOUSING.

a. The Owner shall not in the selection of Families, in the provision of services, or in any other manner, discriminate against any person on the grounds of race, color, creed, religion, sex, or national origin. No person shall be automatically excluded from participation in, or be denied the benefits of, the Housing Assistance Payments Program because of membership in a class such as unmarried mothers, recipients of public assistance, etc.

b. The Owner shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, and any rules and regulations pursuant thereto.

c. The Owner shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964, Public Law 88-352, 78 Stat. 241; the regulations of the Department of Housing and Urban Development issued thereunder, 24 CFR, Subtitle A, Part 1, Section 1.1, et seq.; the requirements of said Department pursuant to said regulations; and Executive Order 11063 to the end that, in accordance with that Act, the regulations and requirements of said Department thereunder, and said Executive Order, no person in the United States shall, on the grounds of race, color, creed, religion or national origin, be excluded from participation in, or be denied the benefits of, the Housing Assistance Payments Program, or be otherwise subjected to discrimination. This provision is included pursuant to the regulations of the Department of Housing and Urban Development, 24 CFR, Subtitle A, Part 1, Section 1.1, et seq.; issued under Title VI of the said Civil Rights Act of 1964, and the requirements of said Department pursuant to said regulations; and the obligation of the Owner to comply therewith inures to the benefit of the Government, the said Department, and the HFA, any of which shall be entitled to invoke any remedies available by law to redress any breach thereof or to compel compliance therewith by the Owner.

2.2 TRAINING, EMPLOYMENT, AND CONTRACTING OPPORTUNITIES FOR BUSINESSES AND LOWER-INCOME PERSONS.[2]

a. The project assisted under this Contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given lower-income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.

b. Notwithstanding any other provision of this Contract, the Owner shall carry out the provisions of said section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR, Part 135 (published in 38 Federal Register 29220, October 23, 1973), and all applicable rules and orders of the Secretary issued thereunder prior to the execution of this Contract. The requirements of said regulations include, but are not limited to, development and implementation of an affirmative action plan for utilizing business concerns located within, or owned in substantial part by persons residing in, the area of the project; the making of a good faith effort, as defined by the regulations, to provide training, employment, and business opportunities required by section 3; and incorporation of the "section 3 clause" specified by section 135.20(b) of the regulations and paragraph d of this Section in all contracts for work in connection with the project. The Owner certifies and agrees that he is under no contractual or other disability which would prevent him from complying with these requirements.

c. Compliance with the provisions of section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of the Secretary issued thereunder prior to approval by the Government of the application for this Contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the Owner, his successors and assigns. Failure to fulfill these requirements shall subject the Owner, his contractors and subcontractors, his successors, and assigns to the sanction specified by this Contract, and to such sanctions as are specified by 24 CFR, Section 135.135.

d. The Owner shall incorporate or cause to be incorporated into any contract or subcontract for work pursuant to this Contract in excess of $50,000 cost, the following clause:

"EMPLOYMENT OF PROJECT AREA RESIDENTS AND CONTRACTORS

"A. The work to be performed under this Contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given lower-income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.

"B. The parties to this Contract will comply with the provisions of said section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Contract. The parties to this Contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

"C. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

"D. The contractor will include this section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR, Part 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations, under 24 CFR, Part 135, and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

[2]Strike this Section if the Contract Rents on the effective date of this Contract, over the maximum term of this Contract, are $500,000 or less.

"E. Compliance with the provisions of section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR, Section 135.135."

e. The Owner agrees that he will be bound by the above Employment of Project Area Residents and Contractors clause with respect to his own employment practices when he participates in federally assisted work.

2.3 COOPERATION IN EQUAL OPPORTUNITY COMPLIANCE REVIEWS. The HFA and the Owner shall cooperate with the Government in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and rules and regulations pursuant thereto.

2.4 FLOOD INSURANCE. If the project is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and if the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, the Owner agrees that the project will be covered, during its anticipated economic or useful life, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

2.5 CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT.[3] In compliance with regulations issued by the Environmental Protection Agency ("EPA"), 40 CFR, Part 15, 39 F.R. 11099, pursuant to the Clean Air Act, as amended ("Air Act"), 42 U.S.C. 1857, et seq., the Federal Water Pollution Control Act, as amended ("Water Act"), 33 U.S.C. 1251, et seq., and Executive Order 11738, the Owner agrees that:

a. Any facility to be utilized in the performance of this Contract or any subcontract shall not be a facility listed on the EPA list of Violating Facilities pursuant to section 15.20 of said regulations;

b. He will promptly notify the HFA of the receipt of any communication from the EPA indicating that a facility to be utilized for the Contract is under consideration to be listed on the EPA List of Violating Facilities;

c. He will comply with all the requirements of section 114 of the Air Act and section 308 of the Water Act relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in section 114 and section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder; and

d. He will include or cause to be included the provisions of this Section in every nonexempt subcontract, and that he will take such action as the Government may direct as a means of enforcing such provisions.

2.6 HFA AND GOVERNMENT ACCESS TO PREMISES AND OWNER'S RECORDS.

a. The Owner shall furnish such information and reports pertinent to the Contract as reasonably may be required from time to time by the HFA or the Government.

b. The Owner shall permit the HFA or the Government or any of their duly authorized representatives to have access to the premises and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the Owner that are pertinent to compliance with this Contract, including the verification of information pertinent to the housing assistance payments.

2.7 FAILURE OR INABILITY OF HFA TO COMPLY WITH CONTRACT. The following provisions of the ACC are hereby made a part of this Contract:

"(a) Rights of Owner if HFA Defaults under Contract.

"(1) In the event of failure of the HFA to comply with the Contract with the Owner, or if such Contract is held to be void, voidable or ultra vires, or if the power or right of the HFA to enter into such Contract is drawn into question in any legal proceeding, or if the HFA asserts or claims that such Contract is not binding upon the HFA for any such reason, the Government may, after notice to the HFA giving it a reasonable opportunity to take corrective action, determine that the occurrence of any such event constitutes a Substantial Default hereunder. Where the Government so determines, it shall have the right to assume the HFA's rights and obligations under such Contract, perform the obligations and enforce the rights of the HFA, and exercise such other powers as the Government may have to cure the Default; however, whether or not the Government elects to proceed in this manner, the Government shall, if it determines that the Owner is not in default, continue for the duration of such Contract to pay Annual Contributions for the purpose of making housing assistance payments with respect to dwelling units under such Contract.

"(2) All rights and obligations of the HFA assumed by the Government pursuant to this Section 2.16(a) will be returned as constituted at the time of such return (i) when the Government is satisfied that all defaults have been cured and that the Project will thereafter be administered in accordance with all applicable requirements, or (ii) when the Housing Assistance Payments Contract is at an end, whichever occurs sooner.

"(3) The provisions of this Section 2.16(a) are made with, and for the benefit of, the Owner, the HFA (but only in its capacity as lender), or the Owner's other assignees, if any, who will have been specifically approved by the Government prior to such assignment. If such parties are not in default, they may, in order to enforce the performance of these provisions, (i) demand that the Government, after notice to the HFA giving it a reasonable opportunity to take corrective action, make a determination whether a Substantial Default exists under paragraph (a)(1) of this Section, (ii) if the Government determines that a Substantial Default exists, demand that the Government take action as authorized in paragraph (a)(1), and (iii) proceed against the Government by suit at law or in equity."

2.8 RIGHTS OF HFA AND GOVERNMENT IF OWNER DEFAULTS UNDER CONTRACT.

a. A default by the Owner under this Contract shall result if:

(1) The Owner has violated or failed to comply with any provision of, or obligation under, this Contract or of any Lease; or

(2) The Owner has asserted or demonstrated an intention not to perform some or all of his obligations under this Contract or under any Lease.

b. Upon a determination by the HFA that a default has occurred, the HFA shall notify the Owner, with a copy to the Government, of (1) the nature of the default, (2) the actions required to be taken and the remedies to be applied on account of the default (including actions by the Owner to cure the default, and, where appropriate, abatement of housing assistance payments in whole or in part and recovery of overpayments), and (3) the time within which the Owner shall respond with a showing that he has taken all the actions required of him. If the Owner fails to respond or take action to the satisfaction of the HFA and the Government, the HFA shall have the right to terminate this Contract in whole or in part or to take other corrective action to achieve compliance, in its discretion or as directed by the Government.

[3] Strike this Section if the Contract Rents on the effective date of this Contract, over the maximum total term of this Contract, are $100,000 or less.

c. Notwithstanding any other provisions of this Contract, in the event the Government determines that the Owner is in default of his obligations under the Contract, the Government shall have the right, after notice to the Owner and the HFA giving them a reasonable opportunity to take corrective action, to abate or terminate housing assistance payments and recover overpayments in accordance with the terms of the Contract. In the event the Government takes any action under this Section, the Owner and the HFA hereby expressly agree to recognize the rights of the Government to the same extent as if the action were taken by the HFA. The Government shall not have the right to terminate the Contract except by proceeding in accordance with Section 2.16(b) of the ACC and paragraph b of this Section.

2.9 REMEDIES NOT EXCLUSIVE AND NON-WAIVER OF REMEDIES. The availability of any remedy under this Contract or the ACC shall not preclude the exercise of any other remedy under this Contract or the ACC or under any provision of law, nor shall any action taken in the exercise of any remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

2.10 DISPUTES.

a. Except as otherwise provided herein, any dispute concerning a question of fact arising under this Contract which is not disposed of by agreement of the HFA and the Owner may be submitted by either party to the Department of Housing and Urban Development field office director who shall make a decision and shall mail or otherwise furnish a written copy thereof to the Owner and the HFA.

b. The decision of the field office director shall be final and conclusive unless, within 30 days from the date of receipt of such copy, either party mails or otherwise furnishes to the Government a written appeal addressed to the Secretary of Housing and Urban Development. The decision of the Secretary or duly authorized representative for the determination of such appeals shall be final and conclusive, unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this Section, the appellant shall be afforded an opportunity to be heard and to offer evidence in support of his appeal. Pending final decision of a dispute hereunder, both parties shall proceed diligently with the performance of the Contract and in accordance with the decision of the field office director.

c. This Section does not preclude consideration of questions of law in connection with the decisions rendered under paragraphs a and b of this Section; Provided, however, that nothing herein shall be construed as making final the decision of any administrative official, representative, or board, on a question of law.

2.11 INTEREST OF MEMBERS, OFFICERS, OR EMPLOYEES OF HFA, MEMBERS OF LOCAL GOVERNING BODY OR OTHER PUBLIC OFFICIALS. No member, officer, or employee of the HFA, no member of the governing body of the State or locality (city and county) in which the project is situated, and no other public official of such State or locality who exercises any functions or responsibilities with respect to the project, during his tenure or for one year thereafter, shall have any interest, direct or indirect, in this Contract or in any proceeds or any benefits arising therefrom. In the case of a project owned by a public housing agency, the foregoing prohibition shall also apply to members of the governing body of the locality (city and county) in which such public housing agency was activated.

2.12 INTEREST OF MEMBER OF OR DELEGATE TO CONGRESS. No member of or delegate to the Congress of the United States of America or resident commissioner shall be admitted to any share or part of this Contract or to any benefits which may arise therefrom.

2.13 ASSIGNMENT, SALE, OR FORECLOSURE.

a. The Owner agrees that he has not made and will not make any sale, assignment, or conveyance or transfer in any other form, of this Contract or the project or any part thereof or any of his interest therein, without the prior consent of the HFA and the Government; Provided, however, that in the case of an assignment as security for the purpose of obtaining financing of the project, the HFA and the Government shall consent in writing if the terms of the financing have been approved by the Government.

b. The Owner agrees to notify the HFA and the Government promptly of any proposed action covered by paragraph a of this Section. The Owner further agrees to request the written consent of the HFA and the Government in regard thereto.

c. (1) A transfer by the Owner, in whole or in part, or a transfer by a party having a substantial interest in said Owner, or transfers by more than one party of interests aggregating a substantial interest in said Owner, or any other similarly significant change in the ownership of interests in the Owner, or in the relative distribution thereof, or with respect to the parties in control of the Owner or the degree thereof, by any other method or means (e.g., increased capitalization, merger with another corporation or other entity, corporate or other amendments, issuance of new or additional ownership interests or classification of ownership interests or otherwise) shall be deemed an assignment, conveyance, or transfer for purposes of this Section 2.13. An assignment by the Owner to a limited partnership, in which no limited partner has a 25 percent or more interest and of which the Owner is the sole general partner, shall not be considered an assignment, conveyance, or transfer.

(2) The term "substantial interest" means the interest of any general partner, any limited partner having a 25 percent or more interest in the organization, any corporate officer or director, and any stockholder having a 10 percent or more interest in the organization.

(3) The Owner, and the party signing this Contract on behalf of said Owner, represent that they have the authority of all of the parties having ownership interests in the Owner to agree to this provision on their behalf and to bind them with respect thereto.

d. In the event of foreclosure, or assignment or sale to the HFA (or mortgagee if the HFA is not the mortgagee) in lieu of foreclosure, or in the event of assignment or sale agreed to by the HFA (or mortgagee if the HFA is not the mortgagee) and approved by the Government (which approval shall not be unreasonably delayed or withheld), housing assistance payments shall continue in accordance with the terms of the Contract.

EXHIBIT A

HUD Project #: MI33-H150-025
MSHDA #: 566
Project Name: Riverfront

I. Schedule of Number, Composition and Monthly Contract Rental Changes as to subsidized dwelling units:

Number of Units	Bedrooms	Monthly Contract Rent
181	AE-1BR	$ 378
19	AE-2BR	456
2	AW-1BR	250
6	AW-2BR	285
4	SD-2BR	340

II. The units and contract rents above represent the total number of units in the project. This contract will be executed in phases, the number and size to be determined at a future date. Additional exhibits will be filed at the completion of each phase (delete if not applicable).

EXHIBIT C

Project Name Riverfront
Location Lansing
MSHDA # 566

A. RENT SCHEDULE

No. of Units	Unit Type	Gross Rent	Basic Rent	PBE
181	AE-1BR	$ 387	$ 378	$ 9
19	AE-2BR	467	456	11
2	AW-1BR	280	250	30
6	AW-2BR	323	285	38
4	SD-2BR	384	340	44

B. SERVICES (Included in Gross Rent)

		Tenant Paid	Owner Paid
(x)	Heat x Gas ___ Elec	FAM	ELD
(x)	Hot Water x Gas ___ Elec	FAM	ELD
(x)	Water		ELD/FAM
(x)	Electricity	ELD/FAM	
(x)	Cooking	ELD/FAM	

C. EQUIPMENT (Included in Gross Rent)

Eld	Fam		
(x)	(x)	Ranges ___ Gas ___ Elec	
(x)	(x)	Refrigerator	
(x)	(x)	Kitchen Exhaust Fan	
( )	( )	Disposal	
(x)	(x)	Drapes	
(x)	(x)	Drapery Rods	
(x)	(x)	Carpeting	
(x)	(x)	Dishwasher	
(x)	( )	Elevators	
( )	( )	Elderly Emergency Service System	
		Air Conditioning x Unit	x Fam ___ Eld
		x Central	___ Fam x Eld
		Laundry Facilities x Unit Hook-up	x Fam ___ Eld
		x Central	___ Fam x Eld

The Owner will provide the level of services and maintenance necessary to maintain the development as decent, safe, and sanitary housing.

Enrolled

ORDINANCE NO. 514 6/30/78

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, PROVIDING THAT CHAPTER 29 OF THE CODE OF ORDINANCES, CITY OF LANSING, MICHIGAN BE AMENDED BY REVISING SECTION 29-3 AND BY ADDING AN ARTICLE III TO SAID CHAPTER TO BE ENTITLED "TAX EXEMPTION FOR DWELLING UNITS FOR LOW INCOME ELDERLY" CONSISTING OF SECTIONS 29-14 THROUGH 29-19 INCLUSIVE TO SAID CODE.

The City of Lansing Ordains:

Section 1. That Chapter 29 of the Code of Ordinances of the City of Lansing, Michigan, be amended by revising Section 29-3 and by adding an Article III to said Chapter to be entitled "Tax Exemption for Dwelling Units for Low Income Elderly" consisting of Sections 29-14 through 29-19 to read as follows:

Sec. 29-3. Co-op housing exemption not applicable.

The tax exemption established in subsection (1) of Section 15a Act No. 334 of the Public Acts of 1968 amending Act No. 346 of the Public Acts of 1966 of the State of Michigan shall not apply to all or any classes of housing projects enumerated in said act, located within the city boundaries, EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER.

ARTICLE III. TAX EXEMPTION FOR DWELLING UNITS FOR LOW INCOME ELDERLY.

Sec. 29-14. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its elderly citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCLA 125.1401 et seq; MSA 116.114(1) et seq.). The City is

authorized by said Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under the Act at any amount it chooses not to exceed the taxes that would be paid but for the Act. It is further acknowledged that such housing for elderly persons of low income is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing certain real estate tax exemption therefor is a valid public purpose; further, that the continuance of the provisions of this ordinance for tax exemption and the service charge in lieu of taxes during the periods hereinafter contemplated are essential to the determination of economic feasibility of housing developments.

Sec. 29-15. Definitions.

(A) Authority means the Michigan State Housing Development Authority.

(B) Act means the State Housing Development Authority Act, being Public Act 346 of 1966, of the State of Michigan, as amended.

(C) Contract Rents are as defined by the U.S. Department of Housing and Urban Development in regulations promulgated pursuant to Section 8 of the U.S. Housing Act of 1937, as amended by the Housing and Community Development Act of 1974.

(D) Housing Development means a development which contains a significant element of housing for elderly persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the Authority determines improve the quality of the development as it relates to housing for persons of low income.

(E) Elderly Persons means a family where the head of household

is 62 years of age or older or a single person who is 62 years of age or older.

(F) Mortgage Loan means a loan to be made by the Authority to the Sponsor for the construction and permanent financing of the Housing Development.

(G) Utilities mean fuel, water, sanitary sewer service and/or electrical service which are paid by the Development.

(H) Sponsor means persons or entities which have applied to the Authority for a Mortgage Loan to finance a Housing Development.

(I) Annual Shelter Rents means the total collections during an agreed annual period from all occupants of a housing project representing rents or occupancy charges exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants.

(J) Elderly Persons of low income means elderly persons who meet the income limitations set by the federal government through its Department of Housing and Urban Development (HUD).

Sec. 29-16. Class of Housing Developments.

It is hereby determined that the class of Housing Developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be multiple dwellings for elderly persons of low income, which are financed or assisted pursuant to the Act.

Sec. 29-17. Establishment of Annual Service Charge.

The Housing Developments for elderly persons of low income and the property on which they shall be constructed shall be exempt from all property taxes from and after the commencement of construction. The City, acknowledging that the Sponsor and the Authority have established the economic feasibility of the Housing Developments in reliance upon the enactment of this ordinance and the qualification

of the Housing Developments for exemption from all property taxes and a payment in lieu of taxes as established herein, will accept payment of an annual service charge for public services in lieu of all property taxes. Persons filing a certified affidavit notifying the City of its exemption with the Lansing City Assessor as provided by Section 15(a)(1) of 1966 PA 346, as amended (MCLA 125.415(a)(1) shall pay an annual service charge which shall be equal to four (4%) per cent of the difference between ninety five (95%) per cent of Contract Rents actually collected and utilities in the case of a Housing Development contained in the class set forth in Section 29-16 herein which is assisted pursuant to Section 8 of the U.S. Housing Act of 1937, as amended by the Housing and Community Development Act of 1974, and ten (10%) per cent of Annual Shelter Rents in the case of a Housing Development in the class set forth in Section 29-16 which is assisted pursuant to the National Housing Act of 1934, as amended by the Housing and Urban Development Act of 1968.

Sec. 29-18. Payment of Service Charge.

The service charge in lieu of taxes as determined hereunder shall be payable in the same manner as general property taxes are payable to the City except that the annual payment shall be paid on or before July 1 of the year following the year upon which the charge is calculated.

Sec. 29-19. Severability.

The various sections and provisions of this article shall be deemed to be severable, and should any section or provision of this article be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of this article as a whole or any section or provision hereof other

than the section or provision so declared to be unconstitutional or invalid.

Section 2. All ordinances or parts of ordinances inconsistent with the provisions hereof are hereby repealed.

Section 3. This ordinance shall take effect thirty (30) days from the date of passage unless given immediate effect by the City Council.