



## **MINUTES**

**Committee on Development and Planning  
Monday, February 5, 2018 @ 4:00 p.m.  
Council Conference Room, City Hall 10<sup>th</sup> Floor**

### **CALL TO ORDER**

Called to order at 4:01 p.m.

### **PRESENT**

Council Member Hussain, Chair  
Council Member Spitzley, Vice-Chair  
Council Member Washington, Member- excused

### **OTHERS PRESENT**

Sherrie Boak, Council Staff  
Don Kulhanek, Planning & Neighborhood Development  
Brian McGrain, Planning & Neighborhood Development  
Susan Stachowiak, Planning & Neighborhood Development  
Greg Venker, Assistant City Attorney – arrived at 4:07 pm.  
Kevin McKinney  
Thadd Goimes  
Jeff Deehan  
Elaine Womboldt

### **PUBLIC COMMENT**

No public comment at this time.

Council Member Hussain passed the gavel to Council Member Spitzley.

### **MINUTES**

MOTION BY COUNCIL MEMBER HUSSAIN TO PLACE THE MINUTES FROM NOVEMBER 27, 2017 ON FILE. MOTION CARRIED 2-0.

Council Member Spitzley passed the gavel to Council Member Hussain.

### **DISCUSSION/ACTION**

#### **RESOLUTION – SLU-4-2017; 735 E. Hazel Street; Residential Use in Heavy Industrial**

Ms. Stachowiak recapped the development as a renovation of a vacant industrial parcel, with mixed use first floor office, and a maximum of 160 residential units on the second floor. Because it is zoned industrial they need the special land use approval. During the public

hearings, Ms. Stachowiak noted there were no negative comments, and the department recommends approval.

Mr. Deehan was present to answer any questions on the proposed development, which will incorporate shipping containers into the construction. Council Member Hussain asked if there would be onsite parking. Mr. Deehan noted there is 2 acres of surface parking across Hosmer that they are renting. The parking ratio is only parking .5 per unit, and Ms. Stachowiak confirmed parking does not need to be on site as long as it is within 300 ft.

MOTION BY COUNCIL MEMBER SPTIZLEY TO APPROVE THE SLU -4-2017 FOR 735 HOSMER. MOTION CARRIED 2-0.

**RESOLUTION – Introduction and Setting of Public Hearing; PILOT; Porter Senior Apartments; 505 Townsend Street**

Council Member Hussain informed the Committee and confirmed with the staff that the applicant will be present at the February 12, 2018 Council meeting to speak and answer any questions.

Mr. Kulhanek reviewed the project which is senior housing and Section 8 subsidized, with 100 units, and built in 1920. The site currently already has a 4% PILOT, which they received in 1982 and will expire in 2022. Mr. Kulhanek explained that the owners need this new PILOT to be on the same term as their funding from MSDHA, so this is to extend the PILOT to 2033. The applicant will be present at the February 12, 2018 meeting and will go into further details on the improvements, but they will include elevators, windows, a generator, roofing, and general maintenance. Some apartments will also get new appliances and cabinets. It was noted that they are expected to spend a total of \$30,000 per unit with an overall investment of approximately \$3 million. This is a project to enhance moderate-income housing for the elderly.

Council Member Hussain spoke on his concerns and admitted he struggled with the fact that they have had a 4% PILOT since 1982, and the list of repairs appears to be large and the buildings are faulty. He asked Law if there was something Council could do if they do not make good on the repairs, specifically inquiring whether the PILOT could be terminated if the repairs are not made. Mr. Kulhanek answered that termination has never been considered as an option, and there would be problems if it was terminated. He assured them that MSHDA is responsible for the inspections and he is not sure if a PILOT can be revoked. The way PILOTS are written is that they have a contractual effect and a “promise” is given with the PILOT approval and they “promise” to do the work.

Council Member Hussain continued his opposition to the PILOTS, stating with MSHDA it appears they receive more points with a PILOT however the PILOTS never come back on the tax rolls and it's not clear whether they receive more points for having a lower percentage PILOT. Council Member Spitzley stated that the applicants do get more points on their LIHTC application for securing a lower percentage, but asked that if this was a contractual agreement, why can't the City look at the PILOT contract and add consequences if they are not living up to the expectations. Mr. Kulhanek referred to the ordinance in front of the Committee, noting it has to be written to meet MSHDA approval. Council Member Spitzley asked if then Council can do a side contract similar to a development agreement. Mr. Venker agreed with Mr. Kulhanek that the Ordinance has to meet MSDHA and it is also statutory and if the City contracts a right they have under the statute, the City would be in trouble. Council Member Spitzley referred to Brownfield agreements and their conditions. Mr. Venker stated in development agreements the City usually owns a portion so they can set guidelines, and in a Brownfield there are things for payment timelines and necessary actions. Council Member Hussain asked Mr. Venker to look

into what restrictions and protections can be established, and Council Member Spitzley added she did not want something taken out of the ordinance as required to be written by MSHDA, but would be interested in something similar to a developers agreement where the City can say they have to do what they are proposing to do.

Mr. McGrain stated they can verify whether applicants receive more points for lower percentage PILOTS, but assured the Committee that there will be a huge element of compliance at the State level if the funds don't go in to what they state, and then they won't get the State tax credit. He too suggested speaking to the developer on February 12<sup>th</sup> on what their goals are to complete.

Council Member Hussain noted a concern that when it is noted as "senior living" it is general and not always 55 and over. Mr. McGrain assured them that this development (Porter) is 55 and over and they have not had any complaints. He would review the HUD definition for "senior living" also. Mr. Kulhanek referred back to the ordinance, and noted that the ordinance does say specifically "age 55", and they do have to submit every year to the Assessor's office that verifies the project.

Ms. Womboldt asked for accountability for developers that obtain advantages from the City.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR FEBRUARY 26, 2018 FOR THE PILOT FOR PORTER SENIOR APARTMENTS AT 505 TOWNSEND STREET. MOTION CARRIED 2-0.

**Other**

No other comments.

**Adjourn**

Adjourn at 4:26 p.m.

Submitted by, Sherrie Boak,

Recording Secretary,

Lansing City Council

Approved by the Committee on February 19, 2018