



MINUTES
Committee on Development and Planning
Tuesday, September 7, 2021@ 3:15 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

Council Member Spitzley called the meeting to order at 3:15 p.m.

PRESENT via audio/video

Council Member Spitzley, Chair-
Council Member Garza, Vice-Chair – arrived at 3:18 p.m.
Council Member Hussain, Member

OTHERS PRESENT via audio/video

Sherrie Boak, Council Staff
Lisa Hagen, OCA
Joe Abood, OCA
Barb Kimmel, EDP
Greg Venker, OCA
Miki Droste, CAHP
Felipe Serpa
Sam Spadafore
Representative from General Capital

MINUTES

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM AUGUST 23, 2021 WITH THE CHANGE TO THE MINUTES BEING APPROVED AT THAT MEETING WERE FROM AUGUST 3, 2021. MOTION CARRIED 2-0.

PUBLIC COMMENT

No public comment at this time.

Discussion/Action

ORDINANCE – Payment in Lieu of Taxes (PILOT); Walter French; 1900 S. Cedar Street
Ms. Droste stated she was available for additional comments.

Council Member Spitzley noted for the record this is a 6% PILOT for 20 years, there have been no changes from the last approval in 2020 except changes for prevailing wages. Ms. Droste concurred.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE ORDINANCE FOR THE PILOT FOR WALTER FRENCH, 1900 S. CEDAR STREET. MOTION CARRIED 3-0.

ORDINANCE – Payment in Lieu of Taxes (PILOT); The Porter Apartments; 505 Townsend Street

Council Member Spitzley noted for the record it was a request for 4% for 40 years.

Mr. Serpa with the increase they have calculated it on the rents, the market with HUD and will be getting higher subsidy rents, and seeing increases in income. Regarding the comment at the public hearing on the garbage chute, it was not a garbage chute but a dumb waiter when the building was a hotel.

Council Member Hussain asked what they were going to do to address the trash for the seniors and those with disabilities. Mr. Serpa stated PMG Management will pick up at the apartments that sign up for their plan.

Council Member Garza asked how many elevators were in the building and was told 2; 1 being a service elevator.

Council Member Wood referenced questions from other Council Members on the HVAC, and Mr. Serpa confirmed with the new HVAC there will be individual controls on demand in the units.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE ORDINANCE FOR THE PILOT FOR THE PORTER APARTMENTS; 505 TOWNSEND STREET. MOTION CARRIED 3-0.

ORDINANCE – Payment in Lieu of Taxes (PILOT); The Apartments West; 519 W Kalamazoo Street

Mr. Spadafore introduced the representative from General Capital Group, who he added would now be taking over the project and himself and Mr. Fleming will not be involved from this point on.

The representative outlined their company, the use of local subcontractors and architects, with their regional office in Wisconsin, and assured the Committee they have long term investment. A handout was distributed and on page 6 responding to Council questions at the public hearing. Included were details on the elevators, security, parking and resident services.

Council Member Spitzley asked location of parking since the site is senior housing. It was confirmed it is located across the street half block away at Lenawee and Pine. It was noted they are also in discussions with the State. Currently the Form Based Code does not require parking so they are looking at this as a central community area. Regarding a long term service agreement, they will do it as long as it makes.

The discussion then moved to page 7 of the handout, where it listed the rental limits from \$369 to \$1,050 for 2 bedrooms.

Council Member Spitzley asked if an elderly tenant can have a non-elderly live with them. The applicant explained that fair housing dictates what residents can live there. There is a 55 and older head of household, and in that category, spouse and family member can be younger, but must be a direct relation; the Fair Housing ACT rules is what dictates. Council Member Hussain asked how disabled is defined and what those thresholds are. The applicant verified they have to qualify services under the programs and requirements they need to meet. The Committee received details specifically from Ms. Kimmel in an email prior to the meeting.

Council Member Spitzley asked about the previous coal heat and other materials in the building. The applicant confirmed to the Committee there was no residual effects in Phase 1 and 2, and if they are awarded tax credits, they will do all the heavy items to get the plan approved by EGLE. They will have air testing and will use 3rd party testing.

Council Member Garza asked if all 75 units are ADA compliant, and it was confirmed. He then asked if they were offering any food or cafeteria options to the tenants. The applicant stated they imagine a free food pantry. Council Member Garza then asked about the onsite parking structure and was told the structure would be in the court yard, 2 levels with the top level being the courtyard. Lastly Council Member Garza asked if the PILOT was not granted, would they still move forward and was told they would but a PILOT would make it feasible.

Council Member Hussain asked why Mr. Fleming and Mr. Spadafore were no longer involved, and Mr. Spadafore stated there were questions raised at Council about their involvement and so they decided it was best to move forward so they transitioned over to General Capital. Council Member Hussain asked if there was an ethics issue, and if there were funds exchanged between Mr. Fleming and Mr. Spadafore stated no. Council Member Spitzley added to the explanation that the OCA confirmed there was no type of conflict, and Mr. Fleming was under contract with the Lansing Housing Commission and not an employee of the City. Mr. Abood stated that MSHDA or HUD might have had a bigger concern with his involvement.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE ORDINANCE FOR THE PILOT FOR THE APARTMENTS WEST, 519 W. KALAMAZOO STREET. MOTION CARRIED 3-0.

ORDINANCE – Payment in Lieu of Taxes (PILOT); Cedar Place; 201 W. Jolly Road

Council Member Spitzley started about by informing the applicant that Council heard residents have recently received letters that their rent is increasing. The applicant explained they did establish a plan to address affordability on all sides. What they found is that with changes in management over the years, some renters did not get increases in their last renewals. So the new management has presented an offer at the current rate, \$703. Some residents were in the \$550 range. To address it in the upcoming rent increase, any current renters, there is a cap of \$50. If they are below the current rate so it would be 7-9%, and has been communicated directly to those residents. The contract covers 94 units, and first offered to existing residents, and before offer to new potential residents, only 50 of the current decided to take advantage of that. Council Member Garza asked how many of the 220 were low income compared to market value. The applicant stated there are 94 designated as Section 8, 80 units get vouchers from LHC, Holy Cross, MSHDA, and Ingham County, so 75% of the units. Out of the remaining units there will be 8-10 with increases. The plan is to deed restrict all units to affordable, so as other tenants move out, and then will then seek tenants who qualify under the income limits.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE ORDINANCE FOR THE CEDAR PLACE, 201 W JOLLY ROAD. MOTION CARRIED 3-0.

Council Member Spitzley asked all applicants attend the Council meeting on September 13, 2021.

Other

Council Member Spitzley asked the Committee to consider items they want to add to the budget priorities at the Committee of the Whole meeting on Monday, 9/13/2021.

Adjourn

Adjourned at 3:56 p.m.

Submitted by Sherrie Boak

Recording Secretary, Lansing City Council

Approved by the Committee on October 19, 2021