

AGENDA

Committee on Development and Planning AGENDA FOR SEPTEMBER 21, 2022 AT 3:30 PM



Lansing City Hall, City Council Conference Room
124 W. Michigan Avenue, 10th Floor

To provide input or ask questions on any item that is listed on the agenda,
members of the public may contact the City Council at city.council@lansingmi.gov or (517) 483-4177 prior to the meeting.

Council Member Garza, Chairperson
Council Member Spitzley, Vice Chairperson
Council Member Jackson, Member

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
 - A. August 31, 2022
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Discussion/Action:**
 - B. ORDINANCE - Z-2-2022- Rezoning of 2 Vacant Parcels between 3220 and 3330 W Miller Road
 - C. ORDINANCE - Z-3-2022- Rezoning 3021 Aurelius Road
 - D. ORDINANCE - Payment in Lieu of Taxes (PILOT) - Stadium North Multi Family Lofts; 500 N Cedar
 - E. ORDINANCE - Payment in Lieu of Taxes (PILOT) - Stadium North Senior Lofts; 500 N Cedar Street
 - F. ORDINANCE - Payment in Lieu of Taxes (PILOT)- Hillsdale Place; 1020 Hillsdale
 - G. RESOLUTION - Obsolete Rehabilitation (OPRA) - 700 May Street
6. **Other**
 - H. DISCUSSION - Fiscal Year 2023/2024 Budget Priorities
7. **Adjourn**

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Council Office at 517-483-4177 (TTY 711) 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

DRAFT



MINUTES
Committee on Development and Planning
Wednesday, August 31, 2022 @ 3:30 p.m.
City Council Conference Room

CALL TO ORDER

Council Member Garza called the meeting to order at 3:31 p.m.

PRESENT

Council Member Jeremy Garza, Chair
Council Member Patricia Spitzley, Vice-Chair
Council Member Brian T. Jackson, Member

OTHERS PRESENT

Renee Richmond, Council Administrative Assistant
Lisa Hagen, OCA
Greg Venker, OCA – arrived at 3:32pm
Susan Stachowiak, EDP
Tamera Carter
Bruce Hicks

MINUTES

MOTION BY COUNCIL MEMBER SPITZLER TO APPROVE THE AUGUST 10, 2022, MINUTES AS PRESENTED. MOTION CARRIED 3-0.

PUBLIC COMMENT

No public comment at this time.

Councilmember Garza moved the appointment of Tamera to the front since the other two are reappointments.

Discussion/Action

RESOLUTION – Appointment; Tamera Carter; Business Representative Member Downtown Lansing Inc., Board; Term to Expire 6/30/2026

Councilmember Garza asked Ms. Carter to briefly tell the Committee why she wants to be on the DLI Board.

Greg Venker arrived at 3:32pm

Ms. Carter stated she has been the Branch Manager at Lake Trust CU for several years and see's the impact of downtown. See's that small businesses are in need and the opportunity for

revitalization of downtown and loves the community. She added she has lived in Grand Rapids, Chicago and Detroit and the perception is that Lansing is a small city and wants to change that. Councilmember Spitzley mentioned she is on the board as well and excited to have her. Councilmember Jackson asked where her hometown is, she replied she grew up in GR but moved here and loves it, with her job it is 80% in the community and she enjoys that.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF TAMARA CARTER TO THE DLI, WITH A TERM TO EXPIRE 6/30/2026. MOTION CARRIED 3-0.

RESOLUTION – Reappointment; Katie Alexander; At Large Member of Planning Board; Term to Expire 6/30/2026

No comments or questions by the Committee.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION FOR THE REAPPOINTMENT OF KATIE ALEXANDER TO THE PLANNING BOARD WITH A TERM TO EXPIRE 6/30/2026. MOTION CARRIED 3-0.

RESOLUTION – Reappointment; Teresa Stokes; Business Owner South Martin Luther King Jr. Blvd Corridor Improvement Authority; Term to Expire 7/31/2026

No comments or questions by the Committee.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION FOR THE REAPPOINTMENT OF TERESA STOKES TO THE S. MLK JR. BLVD. CORRIDOR IMPROVEMENT AUTHORITY BOARD. MOTION CARRIED 3-0.

ORDINANCE; Z-1-2022; 109 E Randolph, Rezoning from R-6A Urban Detached Residential to R-AR Residential Adaptive Reuse

Councilmember Garza asked Ms. Stachowiak and Mr. Hicks to tell the Committee what they've learned, Ms. Stachowiak mentioned that it is not owned by the Catholic Diocese of Lansing and Mr. Hicks has been in primary communications with them, but she has viewed the emails. She continued that this has been owned since 1980 by the Convent. Councilmember Garza asked that it currently has 17 beds, but they are asking for 20. Ms. Stachowiak indicated that they have several licenses for 1-6 beds, 7-12, and 13-20. She confirmed they currently have 17 but could have up to 20, adding that two people showed up to the hearing from the church and the property owner adjacent and neither had any objections.

Councilmember Spitzley asked what the parking variance is for, Ms. Stachowiak said this has been granted and there is no parking on one side so would allow this to happen. She added that the church has said because the coming and going of different shifts and visitors the budget is limited and may not get plowed during the winter months when it's needed. Councilmember Spitzley asked if they were not willing to do the maintenance and Ms. Stachowiak confirmed. Councilmember Jackson reminded that during snow emergencies vehicles are supposed to be off the streets so they can be plowed, Mr. Hicks indicated he spoke to the Priest, and they have agreed to allow them in such an event to use their parking lot. Councilmember Spitzley asked how many staff and where would they park the street, Mr. Hicks stated it will vary between day/night but not more than possibly 4 and confirmed parking. Councilmember Garza had a question on additional public hearings and both Ms. Hagen and Mr. Venker verified that all notices for the previous hearing went out and had opportunity to attend, no additional hearings are required.

MOTION BY COUNCIL MEMBER JACKSON TO APPROVE THE ORDINANCE TO REZONE 109 E RANDOLPH FROM R-6A TO R-AR. MOTION CARRIED 3-0.

RESOLUTION – SLU-1-2022; Special Land Use for 109 E Randolph for 20-bed state licensed adult foster care, large group home for the aged

No additional comments or questions by the Committee.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION FOR SLU-1-2022 FOR 109 E RANDOLPH FOR A 20 BED STATE LICENSED ADULT FOSTER CARE, LARGE GROUP HOME FOR THE AGED. MOTION CARRIED 3-0.

DISCUSSION – Fiscal year 2022/2023 Budget Priorities

Councilmember Garza mentioned he didn't believe there were any changes from the previous year, and Councilmember Spitzley said she would look at it and discuss at the next meeting on 9/14/2022.

Other

No other topics of discussion.

Adjourn

Adjourned at 3:47p.m.

Submitted by Renee Richmond

Recording Secretary, Lansing City Council

Approved by the Committee on

GENERAL INFORMATION

APPLICANT/OWNER:	Ray Garcia, VMG Construction, LLC 6081 S. M. L. King Jr. Blvd. Lansing, MI 48911
REQUESTED ACTION:	Rezone the 2 vacant parcels located between 3220 & 3330 W. Miller Road from "R-3" Suburban Detached Residential to "R-6B" Urban Residential
EXISTING LAND USE:	Vacant
PROPOSED LAND USE:	1 duplex on each of the 2 vacant parcels
PROPERTY SIZE & SHAPE:	Parcel No. 1: 60' x 297.07' = 17,824.2 sq. ft. Parcel No. 2: 60' x 297.07' = 17,824.2 sq. ft.
SURROUNDING LAND USES	N: Single Family Residential & Church S: Single Family Residential E: Single Family Residential W: Single Family Residential
SURROUNDING ZONING:	N: "R-3" Suburban Detached Residential S: "IND-1" Suburban Industrial E: "R-3" Suburban Detached Residential W: "R-3" Suburban Detached Residential
MASTER PLAN:	The Design Lansing Comprehensive Plan designates the subject property for low density residential use. W. Miller Road is designated as a collector road.

DESCRIPTION

The City Council recently approved a request by Raymundo Garcia (property owner) for variances to the width-to-depth ratio requirement for residential lots to allow the vacant parcel located between 3220 and 3330 W. Miller Road to be split into 2 separate parcels of land. That process is complete, and the owner is now requesting a rezoning from "R-3" Suburban Detached Residential to "R-6B" Urban Residential to permit the construction of duplexes on each of the 2 newly created parcels. If the rezoning is not approved, the applicant will be limited to the construction of 1 single family home on each parcel as allowed under the current zoning. This is a conditional rezoning request wherein the future use of the parcels will be limited to either 1 single family dwelling or 1 duplex.

COMPATIBILITY WITH SURROUNDING LAND USE

There is a very eclectic land use and zoning pattern in the area surrounding the subject properties. The area to the south is zoned industrial and contains a mix of industrial and residential land uses. The adjoining properties to the east and west and the properties to the north are zoned and being used for single family residential purposes. Further to the east and west are multiple family residential zoning and land uses. While the proposed rezoning will represent a “spot” of “R-6B” zoning, the proposed duplexes that it would allow are appropriate given the location and size of the properties and its frontage along W. Miller Road which carries a relatively high volume of traffic.

A straight rezoning to the “R-6B” zoning district would allow, based upon the lot size, up to 6 residential units, depending on the number of bedrooms in each unit. Allowing more than 2 units could conflict with the density being advanced in the City’s Design Lansing Comprehensive Plan as described below. To prevent over densifying the property, the applicant has agreed to a conditional rezoning to limit use of each of the 2 parcels to either 1 single family dwelling or 1 duplex.

COMPLIANCE WITH MASTER PLAN

The Design Lansing Comprehensive Plan designates the subject properties for low density residential use. The Plan defines low-density as 6 dwelling units per acre or less. The subject properties are 17,824.2 square feet in area. A duplex on a property of this size equals a density of 4.8 dwelling units per acre which is well within the density level being advanced in the Plan for the subject properties.

In addition, the proposed duplexes are consistent with the following goals of the Plan:

“Allow medium-density residential (rather than commercial) on high traffic streets served by transit.”

“Encourage higher-density housing options in transit-served mixed-use centers and corridors.”

The subject properties are located on W. Miller Road which is a 3-lane road that has 2 travel lanes and a center left turn lane. W. Miller Road is designated as a collector road that is designed for a relatively high volume of traffic. It is also a CATA route with a bus stop just to the south at 3237 W. Miller Road.

IMPACT ON VEHICULAR AND PEDESTRIAN TRAFFIC

The traffic generated by 2 duplexes will be negligible and will thus, have no impact on the transportation system in the area. The subject properties are accessed via W. Miller Road, which is designated as a collector road, designed to accommodate a relatively high volume of traffic.

IMPACT ON PUBLIC FACILITIES

The proposed duplexes will have no negative impacts on public facilities in the area. The duplexes will generate very minimal traffic and will not exceed capacity levels with regard to the utilities needed to serve the duplexes.

ENVIRONMENTAL IMPACT

Construction of 2 duplexes will have no negative impacts on the environment. Site plan review is not required for duplexes. As part of the building permit process, however, the applicant will be required to submit a basic plot plan showing the proposed building setbacks, house/garage sizes and driveways to ensure that the basic zoning ordinance development standards will be met. The lot coverage limitation is 60% (all impervious surfaces) to prevent any stormwater run-off issues.

IMPACT ON FUTURE PATTERNS OF DEVELOPMENT

Approval of the rezoning could set a precedent for future requests of a similar nature along the north side of the 3000 block of W. Miller Road. There are only 4 lots in this area that would be appropriate for higher density residential zoning to accommodate duplexes. Requests for conditional rezonings of those 4 parcels to permit duplexes would be given favorable staff recommendations for the same reasons, as described in this report, that staff is supportive of this request

SUMMARY

This is a request by Raymundo Garcia to rezone the 2 vacant parcels of land located between 3220 & 3330 W. Miller Road from "R-3" Suburban Detached Residential to "R-6B" Urban Residential. The purpose of the rezoning is to permit the construction of a duplex on each of the 2 vacant parcels.

The proposed duplexes will have no negative impacts on traffic, the environment, or public services in the area. The duplexes that would be permitted under the proposed "R-6B" zoning are consistent with the density being advanced in the Master Plan for the area in which the subject properties are located and with the goals of the Master Plan to locate medium and higher density residential land uses along high traffic volume roads. To ensure that the density does not exceed the Master Plan designation, the applicant has agreed to a conditional rezoning wherein the future use of both parcels will be restricted to 1 single family dwelling or 1 duplex.

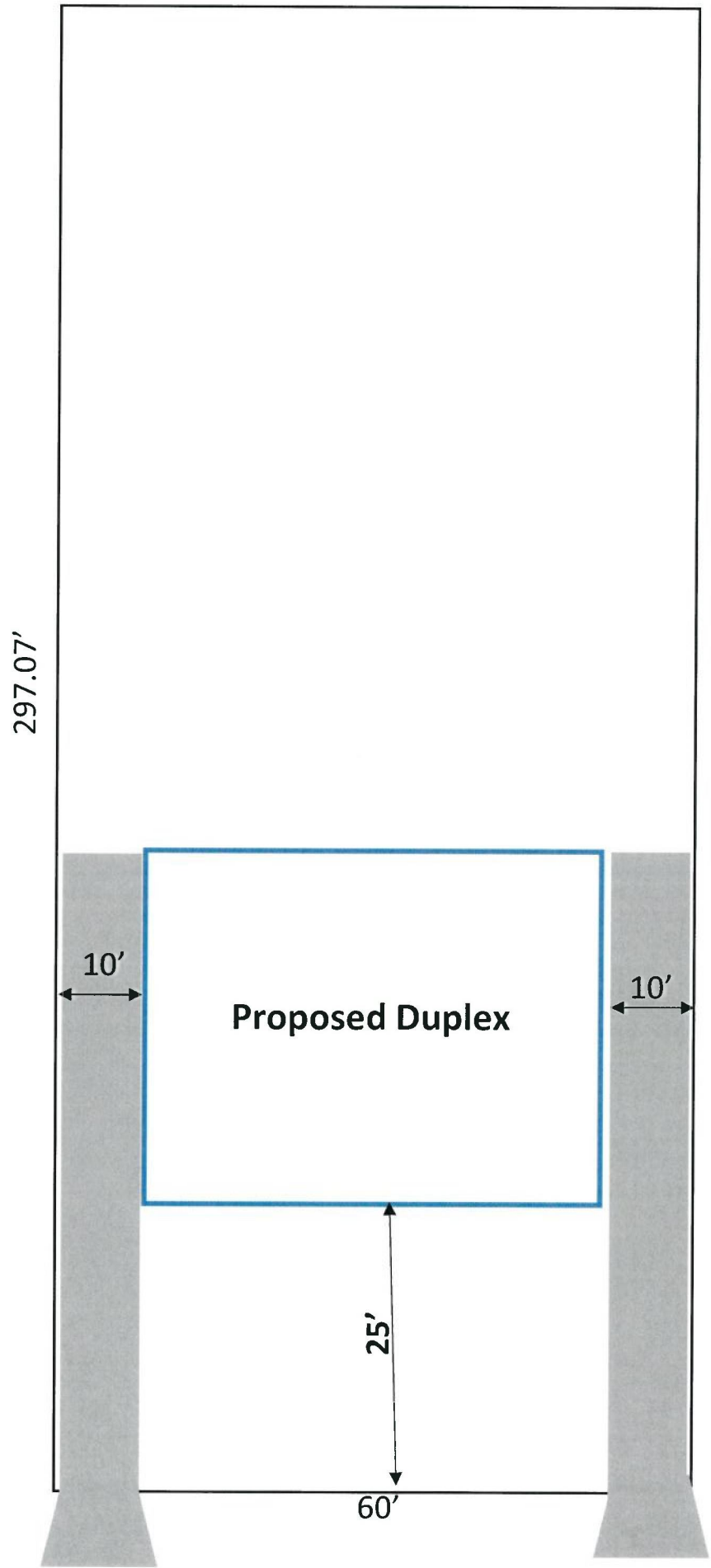
RECOMMENDATION

Pursuant to the findings described in this report, staff recommends approval of Z-2-2020 to rezone the 2 vacant parcels of land located between 3220 & 3330 W. Miller Road from "R-3" Suburban Detached Residential to "R-6B" Urban Residential with the condition that the subject properties can only be used for either 1 single-family dwelling or 1 duplex.

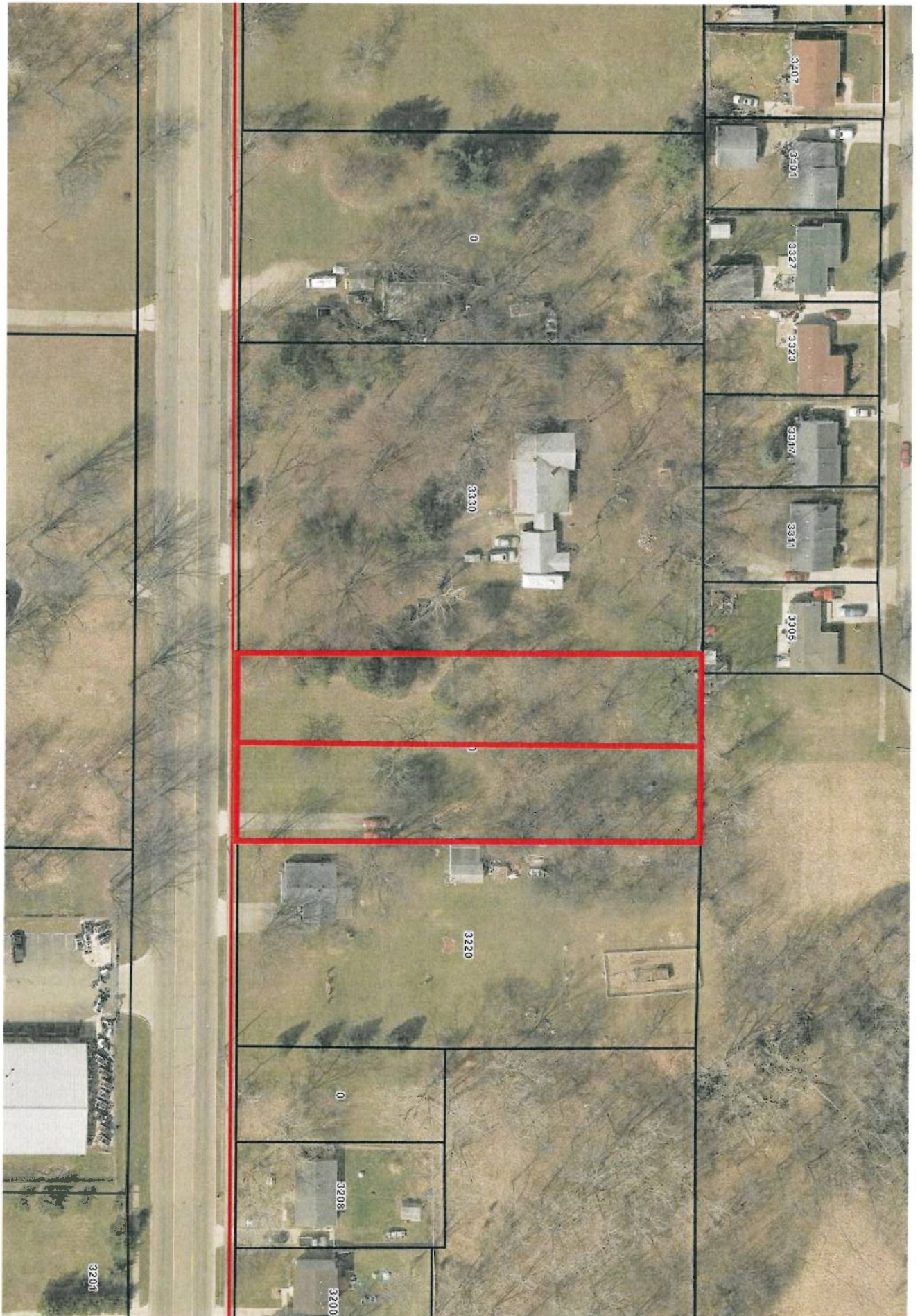
Respectfully Submitted,

Susan Stachowiak
Zoning Administrator

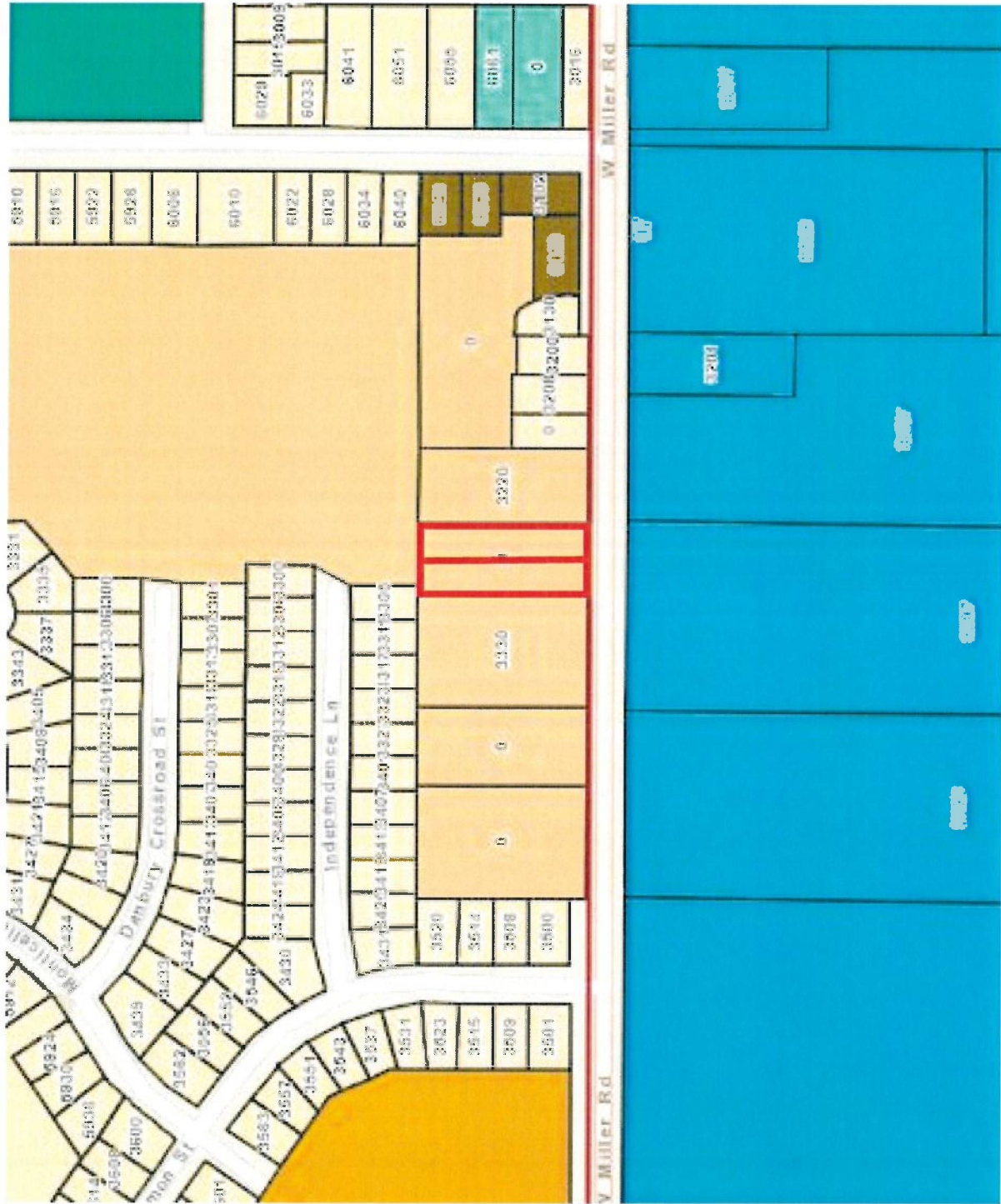
W. Miller Road Parcels







City of Lansing Zoning Map



Ordinance # _____

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, PROVIDING FOR THE REZONING OF A PARCEL OF REAL PROPERTY LOCATED IN THE CITY OF LANSING, MICHIGAN AND FOR THE REVISION OF THE DISTRICT MAPS ADOPTED BY SECTION 1242.02 OF THE CODE OF ORDINANCES.

The City of Lansing ordains:

Section 1. That the district maps adopted by and incorporated as Section 1242.02 of the Code of Ordinances of the City of Lansing, Michigan be amended to provide as follows:

To change the zoning classification of the property described as follows:

Case Number: Z-2-2022

Parcel Number's: 33-01-05-06-378-181

Addresses: W. Miller Road

Legal Descriptions: Commencing 2096.25 feet East of the Southwest corner post, Section 6, T3N R2W, thence North 330.01 feet to the South line of Coachlight Estates Subdivision, East 120 feet on said line, South 330.01 feet, West 120 feet to the point of beginning; Section 6, T3N R2W, from "R-3" Suburban Detached Residential to "R-6B" Urban Residential, with the condition that the use of the two newly created parcels is limited to one single firmly dwelling or one duplex per parcel, which condition shall run with the land and be binding upon all future owners thereof.

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

Section 3. This ordinance was duly adopted by the Lansing City Council on _____, 2022, and a copy is available in the office of the Lansing City Clerk, 9th Floor, City Hall, 124 W. Michigan Avenue, Lansing, MI 48933.

Section 4. This ordinance shall take effect on the 30th day after enactment.

PASSAGE OF ORDINANCE

An Ordinance of the City of Lansing, Michigan, providing for the Rezoning of a parcel of real property located in the City of Lansing, Michigan and for the revision of the district maps adopted by section 1242.02 of the Code of Ordinances.

Z-2-2022: 2 vacant parcels between 3220 and 3330 W. Miller Road, from "R-3" Suburban Detached Residential to "R-6B" Urban Residential

Is read a second time by its title. The Ordinance was reported from the Committee on Development & Planning and is on the order of immediate passage.

COUNCIL MEMBER	YEAS	NAYS
BROWN	☐	☐
DANIELS	☐	☐
GARZA	☐	☐
HUSSAIN	☐	☐
JACKSON	☐	☐
SPADAFORE	☐	☐
SPITZLEY	☐	☐
WOOD	☐	☐
☐ ADOPTED	☐ FAILED	

GENERAL INFORMATION

APPLICANT/OWNER:	Ray Garcia, VMG Construction, LLC 6081 S. M. L. King Jr. Blvd. Lansing, MI 48911
REQUESTED ACTION:	Rezone 3021 Aurelius Road from "R-2" Suburban Detached Residential to "R-6B" Urban Residential
EXISTING LAND USE:	Vacant
PROPOSED LAND USE:	Duplex
PROPERTY SIZE & SHAPE:	82.5' x 231' = 19,057 square feet
SURROUNDING LAND USES	N: Single Family Residential S: Single Family Residential E: Single Family Residential W: Single Family Residential/Vacant Lot
SURROUNDING ZONING:	N: "R-2" Suburban Detached Residential S: "R-2" Suburban Detached Residential E: "R-2" Suburban Detached Residential W: "R-MX" Residential Mix
MASTER PLAN:	The Design Lansing Comprehensive Plan designates the subject property for low density residential use. W. Miller Road is designated as a prime connector.

DESCRIPTION

This is a request by Raymundo Garcia to rezone 3021 Aurelius Road from "R-2" Suburban Detached Residential to "R-6B" Urban Residential. The purpose of the rezoning is to permit the construction of a duplex on the property. If the rezoning is not approved, the applicant will be limited to the construction of 1 single family home as permitted under the current zoning designation.

COMPATIBILITY WITH SURROUNDING LAND USE

The proposed duplex will be consistent with the established land use pattern along the 2900, 3000 and 3100 blocks of Aurelius Road. There are existing duplexes located 1 lot to the north at the southeast corner of Hamelon and Aurelius, 2 lots to the south at 3111 Aurelius and on 4 of the lots located on the west side of Aurelius just south of the subject property.

While the proposed rezoning will represent a “spot” of “R-6B” zoning, the proposed duplexes that it would allow are appropriate given the size of the property, its frontage along a prime connector road and the existence of several other duplexes already in the immediate vicinity of the subject property. Also, the properties on the west side of Aurelius in the 2900 – 3100 blocks are currently zoned “R-MX” Residential Mix which permits duplexes as a matter of right.

A straight rezoning to the “R-6B” zoning district would allow, based upon the lot size, up to 6 residential units, depending on the number of bedrooms in each unit. Allowing more than 2 units could conflict with the density being advanced in the City’s Design Lansing Comprehensive Plan as described below. To prevent over densifying the property, the applicant has agreed to a conditional rezoning to limit use of each of the 2 parcels to either 1 single family dwelling or 1 duplex. The conditions of a rezoning run with the land and are binding upon all future owners of the properties in perpetuity.

COMPLIANCE WITH MASTER PLAN

The Design Lansing Comprehensive Plan designates the subject property for low density residential use. The Plan defines low-density as 6 dwelling units per acre or less. The subject property is 19,057 square feet in area. A duplex on a property of this size equals a density of 4.5 dwelling units per acre which is well within the density level being advanced in the Plan for the subject properties.

In addition, the proposed duplexes are consistent with the following goals of the Plan:

“Allow medium-density residential (rather than commercial) on high traffic streets served by transit.”

“Encourage higher-density housing options in transit-served mixed-use centers and corridors.”

The subject property is located on Aurelius Road which is a 3-lane road that has 2 travel lanes and a center left turn lane. Aurelius Road is designated as a prime connector that is designed to carry a relatively high volume of traffic. It is also CATA route with bus stops located to the north at Forest Road and to the south at Irvington Avenue.

IMPACT ON VEHICULAR AND PEDESTRIAN TRAFFIC

The traffic generated by a duplex will be negligible and will thus, have no impact on the transportation system in the area. The subject property is accessed via Aurelius Road, which is designated as a prime connector, designed to accommodate a higher volume of traffic than what would be associated with a typical local residential road.

IMPACT ON PUBLIC FACILITIES

The proposed duplex will have no negative impacts on public facilities in the area. The duplex will generate very minimal traffic and will not exceed capacity levels with regard to the utilities needed to serve the duplex.

ENVIRONMENTAL IMPACT

Construction of a duplex on the subject property will have no negative impacts on the environment. Site plan review is not required for duplexes. As part of the building permit process, however, the applicant will be required to submit a basic plot plan showing the proposed building setbacks, house/garage sizes and driveways to ensure that the basic zoning ordinance development standards will be met. The lot coverage limitation is 60% (all impervious surfaces) to prevent any stormwater run-off issues.

IMPACT ON FUTURE PATTERNS OF DEVELOPMENT

Approval of the rezoning could set a precedent for future requests of a similar nature for some of the larger properties along the east side of Aurelius Road between Wabash Road and Forest Road. There are several that would comply with the rezoning evaluation criteria for the same reasons described in this report as regards rezoning the subject property. Requests for rezoning of some of the other properties in the area would, therefore, also be given a favorable staff recommendation, conditioned upon the uses being restricted to single or 2-family residential.

FLOODPLAIN

The west, approximately 2/3 of the subject property is located in the 100-year floodplain. Since the setback restrictions for the duplex will result in it being constructed in the floodplain, a permit from The State of Michigan Department of Environment, Great Lakes & Energy will be required prior to issuance of a building permit. The first finished floor of the duplex will have to be elevated or floodproofed to a distance of at least 1 foot above the base (100 year) flood elevation. A certified land survey showing the existing elevations of the property and the proposed elevations of the new building in relation to the floodplain elevation will be required.

SUMMARY

This is a request by Raymundo Garcia to rezone 3021 Aurelius Road from "R-2" Suburban Detached Residential to "R-6B" Urban Residential. The purpose of the rezoning is to permit the construction of a duplex on the subject property.

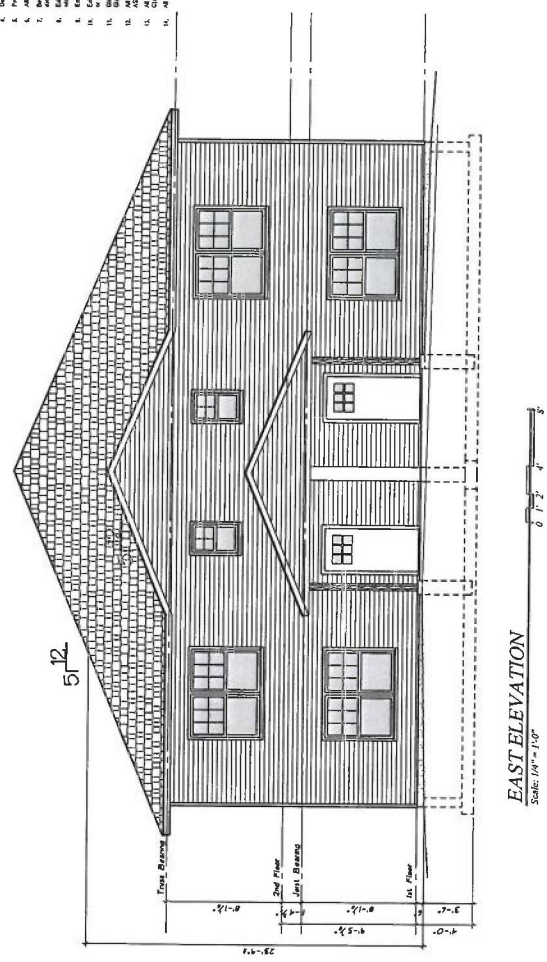
The proposed duplex will have no negative impacts on traffic, the environment, or public services in the area. The duplex that would be permitted under the proposed "R-6B" zoning is consistent with the density being advanced in the Master Plan for the area in which the subject property is located and with the goals of the Master Plan to locate medium and higher density residential land uses along high traffic volume roads. To ensure that the density does not exceed the Master Plan designation, the applicant has agreed to a conditional rezoning wherein the future use of the property will be restricted to 1 single family dwelling or 1 duplex.

RECOMMENDATION

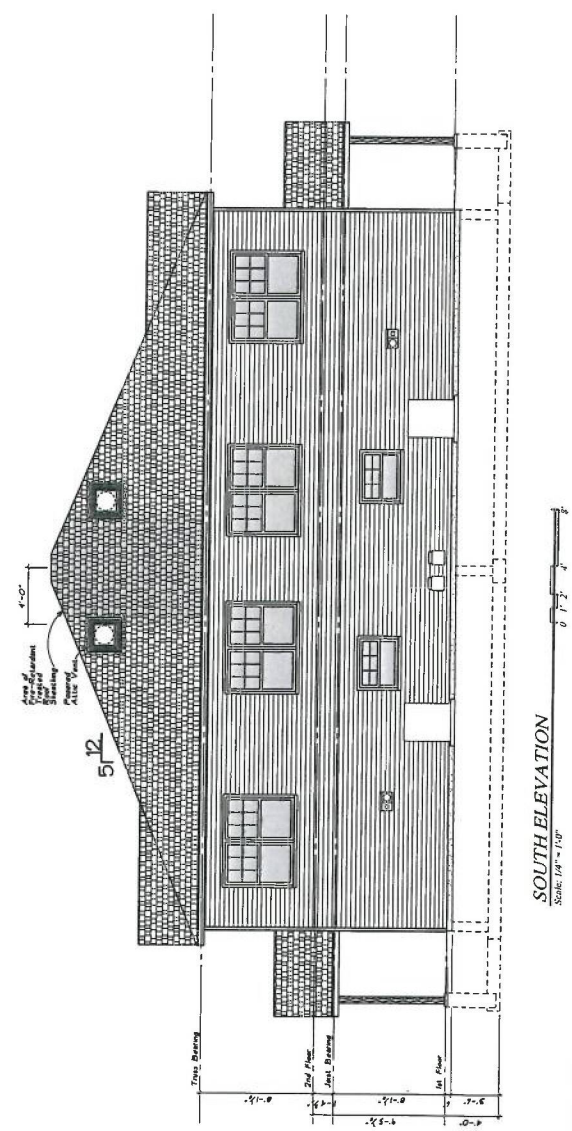
Pursuant to the findings described in this report, staff recommends approval of Z-3-2022 to rezone the vacant property at 3021 Aurelius Road from "R-2" Suburban Detached Residential to "R-6B" Urban Residential with the condition that the subject property can only be used for either a single-family dwelling or a duplex.

Respectfully Submitted,

**Susan Stachowiak
Zoning Administrator**

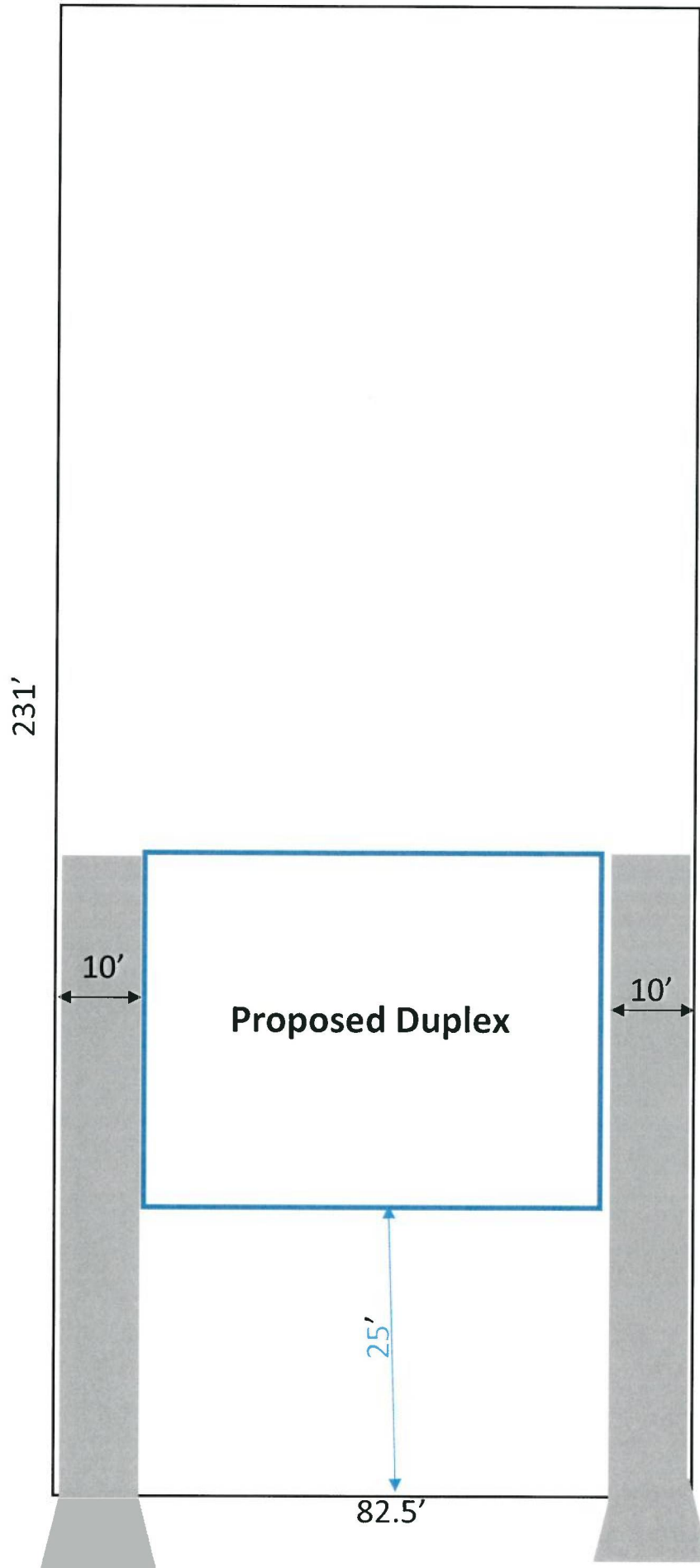


EAST ELEVATION
Scale: 1/4" = 1'-0"



SOUTH ELEVATION
Scale: 1/4" = 1'-0"

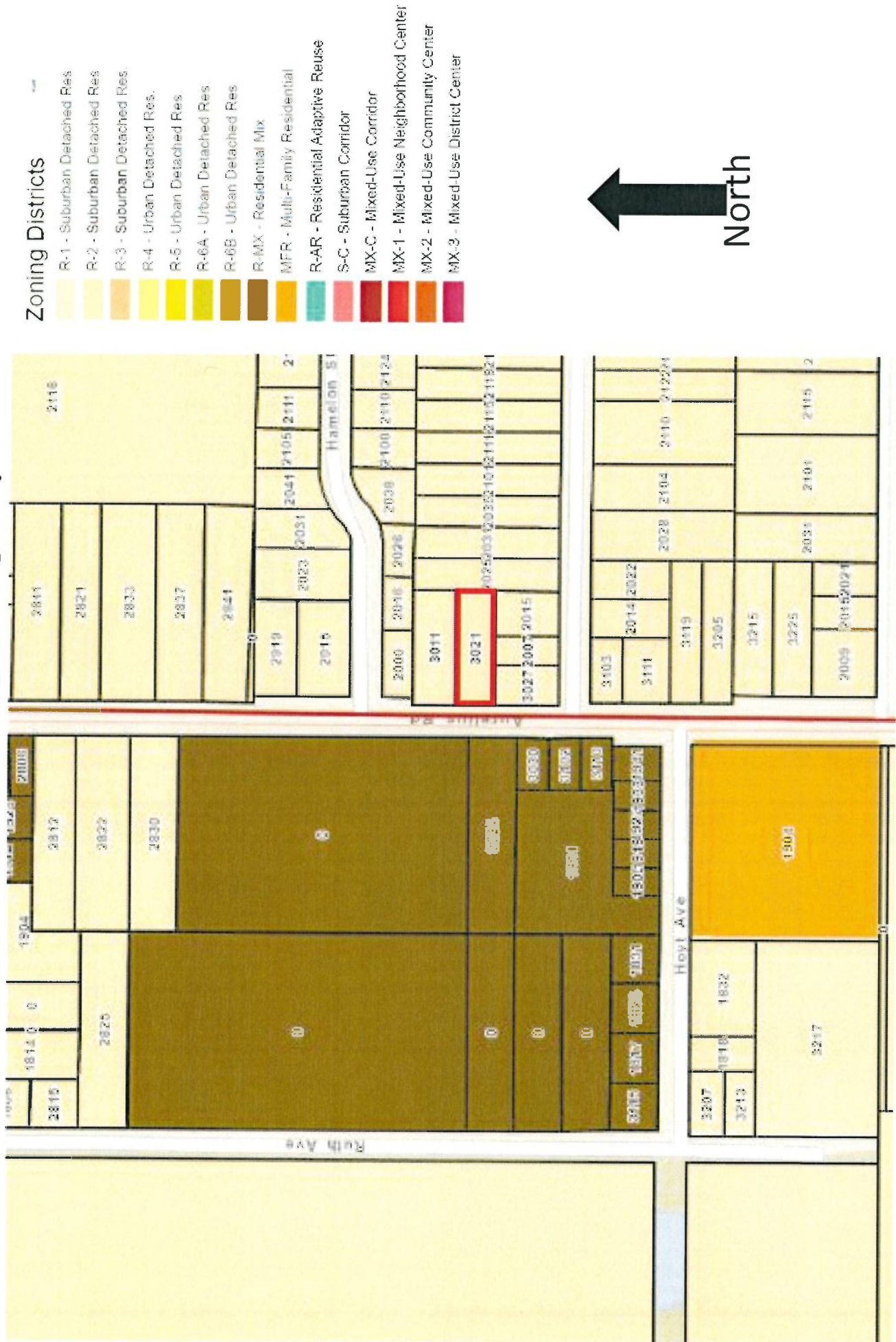
3021 Aurelius Road



The house has been demolished
Blue area represents the floodplain



City of Lansing Zoning Map



Ordinance # _____

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, PROVIDING FOR THE REZONING OF A PARCEL OF REAL PROPERTY LOCATED IN THE CITY OF LANSING, MICHIGAN AND FOR THE REVISION OF THE DISTRICT MAPS ADOPTED BY SECTION 1242.02 OF THE CODE OF ORDINANCES.

The City of Lansing ordains:

Section 1. That the district maps adopted by and incorporated as Section 1242.02 of the Code of Ordinances of the City of Lansing, Michigan be amended to provide as follows:

To change the zoning classification of the property described as follows:

Case Number: Z-3-2022
Parcel Number's: 33-01-01-26-351-021
Addresses: 3021 Aurelius Road
Legal Descriptions: Lot 2, Supervisor's Plat of Robinson Road Subdivision, from "R-2" Suburban Detached Residential to "R-6B" Urban Residential, with the condition that the use of the property is limited to one single family residential dwelling or one duplex, which condition shall run with the land and be binding upon all future owners thereof.

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

Section 3. This ordinance was duly adopted by the Lansing City Council on _____, 2022, and a copy is available in the office of the Lansing City Clerk, 9th Floor, City Hall, 124 W. Michigan Avenue, Lansing, MI 48933.

Section 4. This ordinance shall take effect on the 30th day after enactment.

PASSAGE OF ORDINANCE

An Ordinance of the City of Lansing, Michigan, providing for the Rezoning of a parcel of real property located in the City of Lansing, Michigan and for the revision of the district maps adopted by section 1242.02 of the Code of Ordinances.

Z-3-2022: 3021 Aurelius Road, from "R-2" Suburban Detached Residential to "R-6B" Urban Residential

Is read a second time by its title. The Ordinance was reported from the Committee on Development & Planning and is on the order of immediate passage.

COUNCIL MEMBER	YEAS	NAYS
BROWN	☐	☐
DANIELS	☐	☐
GARZA	☐	☐
HUSSAIN	☐	☐
JACKSON	☐	☐
SPADAFORE	☐	☐
SPITZLEY	☐	☐
WOOD	☐	☐
☐ ADOPTED	☐ FAILED	

GENERAL INFORMATION

APPLICANT: (Sponsor/Developer)	MVAH Development LLC 9100 Centre Pointe Drive, Suite 210 West Chester, OH 45069
STATUS OF APPLICANT:	Developer
REQUESTED PILOT:	7% of rents received (less utilities) as payment in lieu of taxes
REQUESTED TERM OF PILOT:	35 years
EXISTING LAND USE:	Commercial
EXISTING ZONING:	D-2 Urban Flex
PROPERTY SIZE & SHAPE:	0.117-acre rectangular shaped parcel with frontage on Erie Street containing an existing 420 sq. ft. 1 story commercial warehouse structure. 3.076 acre irregularly shaped parcel with frontage on Erie Street, N. Cedar Street and N. Larch Street, containing an existing 2,880 sq. ft. single story commercial warehouse structure.
SURROUNDING LAND USE:	N: Retail and Day Shelter S: Commercial E: Retail, Commercial W: Residential
SURROUNDING ZONING FBC:	N: D-2 Urban Flex S: D-2 Urban Flex E: D-2 Urban Flex W: D-2 Urban Flex

ANALYSIS

Request and description of project:

Stadium North Multi-Family Lofts is a new construction affordable housing development that will provide sixty-six (66) units of rent restricted affordable housing at or below 60% of Area Median Income.

The development consists of 66 units:
51-2 Bedroom units, each between 898-939 square feet
15-3 Bedroom units, each between 1,116 and 1,127 square feet

This development includes a furnished community room and a gym for residents.

A 10% PILOT Agreement was provided to this project in January of 2021. The PILOT application submitted by the Developer to the City as well as the 10% PILOT Agreement incorrectly listed the number of units as 77 units.

The project has received it's LIHTC Reservation from MSHDA. Due to dramatically increased construction and financing costs, the proposed development with the original 10% PILOT is infeasible.

The current request for a new 7%, 35-year PILOT allows for increased construction financing, and along with a significant amount of deferred Developer fee the project will be able to move forward.

Assessor's Financial Analysis:

Stadium North Lofts

Rents Utilities

\$581,034 - \$46,200 = \$534,834

7% PILOT \$534,834 x 7% = \$37,438.38 x 35 yrs. = \$1,310,343.30

10% PILOT \$534,834 x 10% = \$53,483.40 x 35 yrs.= \$1,871,919.00

The cost to the City to grant the 7% PILOT vs. the 10% PILOT over 35 years is \$561,576

RECOMMENDATION

Staff recommends adoption of the 7% PILOT ordinance based on the following:

The proposed project has received a LIHTC Reservation. The proposed development with the original 10% PILOT faces a significant gap in financing as construction and financing costs have increased significantly. The approval of a new 7%, 35-year PILOT allows for an increased construction financing, and along with \$1,562,284 of deferred developer fee invested back into the project, the project will move forward.

The project is consistent with the City's Master Plan and Form Based Code. Redevelopment will help to stabilize the area and encourage redevelopment of adjacent parcels. Occupancy of the completed units will add vitality to the area and increase its overall marketability.

The adoption of a 7% PILOT for the subject property allows the project to be built, providing 66 units of affordable multi-family housing.

Ordinance no. _____

An ordinance of the City of Lansing, Michigan, to amend the Code of Ordinances of the City of Lansing by adding a new section 888. _____ for the purposes of providing for a service charge in lieu of taxes for sixty-six (66) low-income multi-family dwelling units in a project known as Stadium North Lofts, pursuant to the provisions of the State Housing Development Authority Act of 1966, (being Public Act 346 of 1966 as amended [MCL 125.1401, et seq.]) (The “Act”).

The City of Lansing ordains:

Section 1. That Chapter 888 of the Code of Ordinances of the City of Lansing, Michigan be amended to add a new Section _____ to read as follows:

_____ **Stadium North Lofts**

(a) **Purpose.** It is acknowledged that it is a proper public purpose of the state and its political subdivisions to provide housing for its residents of low and moderate 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, being Public Act 346 of 1966, as amended [MCL 125.1401, et seq.]. The City is authorized by such 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 such Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for persons of low and moderate 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 for such housing is a valid public purpose.

(b) Definitions.

- (1) "Act" means the State Housing Development Authority Act, being Public Act 346 of 1966, as amended.**
- (2) "*Annual shelter rents*" means the total collections during an agreed annual period from all persons of low or moderate income, occupying the housing development representing rents for occupancy, which rental amounts shall be exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants.**
- (3) "*Authority*" means the Michigan State Housing Development Authority.**
- (4) "*Housing development*" or "*Development*" means a development which contains a significant element of housing for persons of low and moderate income and such elements of other housing, commercial, recreational, industrial, communal and educational facilities as the authority may determine will improve the quality of the development as it relates to housing for persons of low and moderate income. For the purpose of this section, the name of this development is Stadium North Lofts, and consist of sixty-six (66) units of rental housing located within the City of Lansing at:**

Parcel 1

**Land in the City of Lansing, Ingham County, Michigan,
described as follows:**

**Lot 34 of Assessor's Plat No. 33 of the East ½ of Lot 3 and Lots
4 through 8 inclusive of Block 247, City of Lansing; also Lots
14, 15, 16 and 17 of Scofield's Subdivision; thence South 4.5**

feet along extension of East line of Lot 17 to North line of Lot 34 of Assessor's Plat No. 33; thence West along North line of said Lot 34 a distance of 214.5 feet to the point of beginning.

ALSO: Commencing at Southwest corner of Lot 11; thence East 132 feet; thence North 100 feet; thence West 14.5 feet; thence South 30.5 feet; thence West 22.5 feet; thence South 19.5 feet; thence East 4 feet; thence South 27 feet; thence West 21 feet; thence South 13 feet; thence West 78 feet; thence South 10 feet to beginning, being part of Lots 10 and 11 of Scofield's subdivision of Lot 2 and part of Lot 3, Block 247, City of Lansing;

ALSO: Lots 1, 2, 4, 5, 6, 33 and Lot 3 except the North 33 feet of the east 40 feet thereof Assessors Plat No. 33 of East ½ of Lot 3 and Lots 4 through 8 inclusive of Block 247, City of Lansing; also Lots 12 and South 57 feet of Lot 13 and commencing at the Northwest corner of Lot 11; thence East 99 feet; thence South 27 feet; thence West 21 feet; thence South 13 feet; thence West 78 feet; thence North 40 feet to beginning of Scofield's Subdivision of Lot 2 and part of Lot 3, Block 247, City of Lansing; Together with and in addition of those lands as described above, all lands lying between the South line of Lot 12 and the South line of Lot 13 of Scofield's Subdivision (a subdivision of Lot 2 and part of Lot 3, Block 247, Original Plat, City of Lansing) and the North line of Lot 1, Assessor's Plat No. 33 (on the East ½ of Lot 3 and all of Lots 4 through 8 inclusive of Block 247, Original Plat, City of Lansing).

Parcel 2

Land in the City of Lansing, Ingham County, MI, described as follows:

The North 93 feet of Lot 13, Scofield's Subdivision of Lot 2 and part of Lot 3 of Block 247, City of Lansing, Ingham County, Michigan, according to the recorded plat thereof, as recorded in Liber1 of Plats, Page 34, Ingham County Records.

- (5) **"HUD"** means The Department of Housing and Urban Development of the United States government.
- (6) **"Low Income Housing Tax Credit Program"** means the program established by section 42 of the United States internal revenue code.

- (7) **"Low or moderate income"** means low- or moderate-income eligibility under the authority act or rules.
- (8) **"Mortgage loan"** means a loan that is federally aided (as defined in section 11 of the Act) or a loan or grant made or to be made by the authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project and secured by a mortgage on the housing project.
- (9) **"Sponsor"** means a person or other entity with a housing development which is financed or assisted pursuant to the act. For purposes of this section, the Sponsor of Stadium North Lofts is MVAH Development LLC, or its successors or assigns.
- (10) **"Utilities"** means fuel, water, sanitary sewer and/or electrical service, which is paid for by the housing development.

(c) *Establishment of annual service charge.*

- (1) The City acknowledges that the Sponsor and the authority have established the economic feasibility of Stadium North Lofts in reliance upon the enactment and continuing effect of this section and upon the qualification of the sixty-six (66) units of housing in the housing development for exemption from all property taxes as established in this section,
- (2) Subject to the conditions and requirements of this section and the act, the sixty-six (66) units in the housing development for persons of low and moderate income identified as Stadium North Lofts and the property on which they are constructed shall be exempt from all property taxes for not

more than thirty-five (35) years, commencing with and including tax year 2024.

- (3) In lieu of all said property taxes on the sixty-six (66) units in the housing development, the Sponsor shall pay, and the City will accept, an annual service charge for public services in the sum equal to seven percent (7%) of the annual shelter rents.**
- (4) The exemption provided under this section shall commence when the Sponsor complies with Section 15a(1) of 1966 PA 346, as amended, codified as MCL 125.1415a(1), which provides: the owner of a housing project eligible for the exemption shall file with the local assessing officer (the City Assessor) a notification of the exemption, which shall be in an affidavit form as provided by the authority. The completed affidavit form first shall be submitted to the authority for certification by the authority that the project is eligible for the exemption. The owner then shall file or cause to be filed the certified notification of the exemption with the local Assessing Officer before November 1 of the year preceding the tax year in which the exemption is to begin.**
- (5) In addition to the certification required pursuant to Subsection (c)(4), the Sponsor shall provide for the housing development annually in writing to the City assessor for the preceding year in which the property tax exemption was in effect:**
 - A. The annual audited accounting report for the payment in lieu of taxes;**
 - and**

- B. A certified statement identifying all the units rented to persons of low or moderate income; and**
- C. If requested by the City, proof that the housing development units have not increased, decreased, or been altered in any form, unless the City has otherwise amended the provisions of this section.**
- (d) *Limitation on the payment of the annual service charge.* Notwithstanding subsection (c), the service charge to be paid each year in lieu of taxes for the part of the housing development project that is tax exempt and occupied by other than low- or moderate-income persons shall be equal to the full amount of the taxes that would otherwise be due and payable on that portion of the housing development project if the project were not tax exempt.**
- (e) *Payment of annual service charge.* The service charge in lieu of taxes, as established under this section, shall be payable in the same manner as general property taxes are payable to the City, except that the annual payment shall be made on or before July 1 of the year following the year upon which such charge is calculated. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 pa 206 as amended; MCL 211.1 et.seq.)**
- (f) *Contractual effect.* Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City and the Sponsor with the authority as third-party beneficiary under the contract, to provide tax exemption and accept payment in lieu of taxes as previously described, is effectuated by the enactment of this section.**

(g) *Duration.* This section shall remain in effect and shall not terminate for thirty five (35) years, commencing with and including tax year 2024, provided that the Sponsor complies with the requirements of the act and this section, and further provided that the housing development continues to be rented to low or moderate income persons at rents determined under the low income housing tax credit program, as the same maybe further amended or superseded, or there is an authority-aided or federally-aided mortgage on the housing development as provided in the act, or the authority or HUD has an interest in the property; but in no event beyond December 31, 2058. If (a) the construction of the housing development project does not commence or the Sponsors fail to obtain a mortgage loan within two (2) years from the effective date of this ordinance, or (b) if transfer of title is not effectuated to Stadium North Lofts Limited Dividend Housing Association LLC within two (2) years from the effective date of this ordinance or (c) if the Sponsors change the scope or purpose of the sixty-six (66) units of housing within the housing development project without the consent of the City, by and through its representatives, and in accordance with the requirements of the Lansing City Charter, and the Sponsor or other responsible party does not cure the violation within ninety (90) days after written notice is given to the Sponsor, then this ordinance shall automatically expire, terminate and be of no further effect.

Section 2. All ordinances, resolutions or rules, ordinances, parts of ordinances, resolutions or rules inconsistent with the provisions hereof including the Payment In Lieu of Taxes Agreement dated January 29, 2021, are hereby repealed as they pertain to Stadium North Lofts at the time this exemption commences.

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 valid.

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

“A MULTI-GENERATIONAL HOUSING DEVELOPMENT”



STADIUM NORTH

MVAH Partners

- 28+ Years Experience
- Development in 16 States
- 9,000+ Units Developed

MVAH Activities in MI

- 16+ Years Experience
- 7 Awards in Past 4 Years
- 12 Development since 2018

MVAH Nearby Efforts

- Eastern Lofts – Grand Rapids
- Francis Senior – Jackson
- Coldwater Senior – Coldwater



STADIUM NORTH

Stadium North Lofts (Workforce Housing)

- 66 Total Units
- 2 & 3 Bed Units
- Targets Up To 80% AMI (up to 76K +/-)

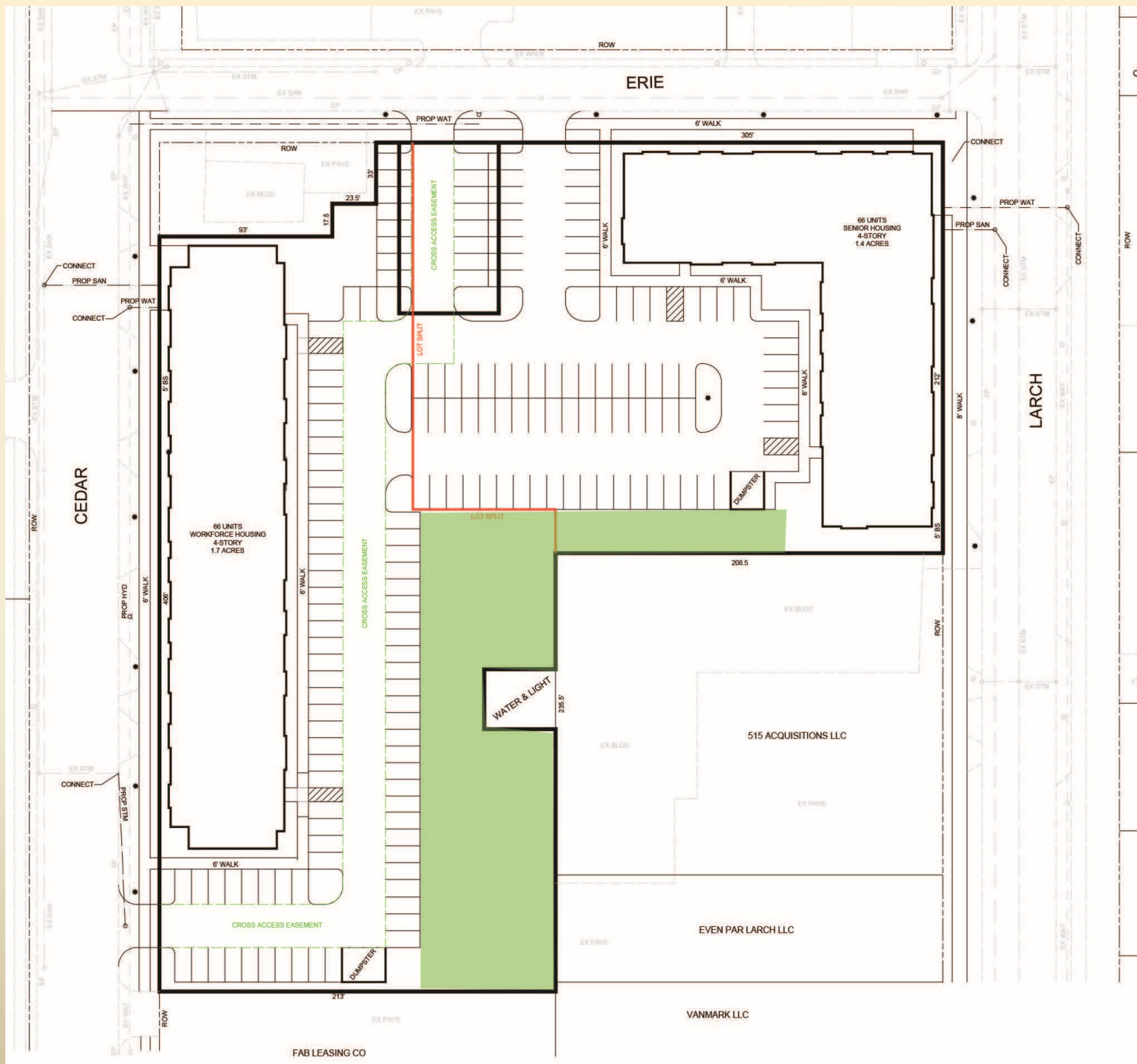
Stadium North Senior Lofts (Age 55+)

- 66 Total Units
- 2 Bed Units
- Targets Up To 80% AMI (up to 57K +/-)

Amenities

- On-site Management
- Fully Modernized Units / Amenities
- Community Room
- Fitness Center
- Business Centers
- Green Design
- 100% Accessible

STADIUM NORTH



STADIUM NORTH



STADIUM NORTH



STADIUM NORTH

**STADIUM NORTH LOFTS (10% PILOT)
SOURCE AND USE OF FUNDS**

Description	Total	% of Total Sources	Rate
Limited Partner- Low Income Housing Tax Credit Equity	12,875,942	73.23%	
Perm	3,175,000	18.06%	5.50%
Deferred Developer Fee	1,531,731	8.71%	0.00%
Total Sources:	17,582,673	100.00%	

	Per Unit	Acquisition Basis	Low Income Eligible Const/Rehab Basis	Historic Qualified Rehab Expenditures
Acquisition Costs				
Land	1,150,000	17,424	-	-
Construction Costs				
Residential Structures	9,397,257	142,383	-	9,397,257
On-Site Improvements	602,446	9,128	-	602,446
Personal Property (Included In Structures Above)	232,183	3,518	-	232,183
Construction Contingency	511,594	7,751	-	511,594
General Requirements	613,913	9,302	-	613,913
Builder Overhead	216,916	3,287	-	216,916
Builder Profit	663,763	10,057	-	663,763
Builder Risk Insurance/Bond	109,664	1,662	-	109,664
Aid to Construction	30,000	455	-	30,000
Tap Fees/Permits	116,062	1,759	-	116,062
Site Environmental	132,200	2,003	-	132,200
Transaction Costs				
Architectural Fees	474,645	7,192	-	474,645
Engineering Fees	68,000	1,030	-	68,000
Third Party Studies (Enviro / Historic)	105,000	1,591	-	105,000
Taxes/Insurance/Reserves	56,200	852	-	56,200
Soft Cost Contingency	20,000	303	-	20,000
Cost Certification / Audit	40,000	606	-	40,000
Legal - General Legal	60,000	909	-	60,000
Legal - Partnership and Related	60,000	909	-	-
Tax Credit Fees - Reservation	86,813	1,315	-	-
Tax Credit Fees - Compliance	31,350	475	-	-
Tax Credit Fees - Application	2,500	38	-	-
Miscellaneous Development Costs	10,000	152	-	10,000
Market Study	10,000	152	-	10,000
Appraisal	10,000	152	-	10,000
Construction Monitoring	20,000	303	-	20,000
Financing Costs				
Perm loan orig fee - lender	68,500	1,038	-	2,564
Construction loan orig fee - lender	144,000	2,182	-	144,000
Title & Recording - Construction & Perm	70,000	1,061	-	2,620
Operating Reserve	275,000	4,167	-	-
Predevelopment Loan Interest	20,000	303	-	20,000
Construction Interest	525,667	7,965	-	367,967
Other Costs				
New Construction/Rehab - Developer Fee	1,500,000	22,727	-	1,500,000
Rent Up & Marketing	99,000	1,500	-	-
Clubhouse Furniture	50,000	758	-	50,000
Total Uses:	17,582,673	266,404	-	15,586,994

**STADIUM NORTH LOFTS (7% PILOT)
SOURCE AND USE OF FUNDS**

Description	Total	% of Total Sources	Rate
Limited Partner- Low Income Housing Tax Credit Equity	12,875,942	73.21%	
Perm	3,475,000	19.76%	5.50%
Deferred Developer Fee	1,237,731	7.04%	0.00%
Total Sources:	17,588,673	100.00%	

	Per Unit	Acquisition Basis	Low Income Eligible Const/Rehab Basis	Historic Qualified Rehab Expenditures
Acquisition Costs				
Land	1,150,000	17,424	-	-
Construction Costs				
Residential Structures	9,397,257	142,383	-	9,397,257
On-Site Improvements	602,446	9,128	-	602,446
Personal Property (Included In Structures Above)	232,183	3,518	-	232,183
Construction Contingency	511,594	7,751	-	511,594
General Requirements	613,913	9,302	-	613,913
Builder Overhead	216,916	3,287	-	216,916
Builder Profit	663,763	10,057	-	663,763
Builder Risk Insurance/Bond	109,664	1,662	-	109,664
Aid to Construction	30,000	455	-	30,000
Tap Fees/Permits	116,062	1,759	-	116,062
Site Environmental	132,200	2,003	-	132,200
Transaction Costs				
Architectural Fees	474,645	7,192	-	474,645
Engineering Fees	68,000	1,030	-	68,000
Third Party Studies (Enviro / Historic)	105,000	1,591	-	105,000
Taxes/Insurance/Reserves	56,200	852	-	56,200
Soft Cost Contingency	20,000	303	-	20,000
Cost Certification / Audit	40,000	606	-	40,000
Legal - General Legal	60,000	909	-	60,000
Legal - Partnership and Related	60,000	909	-	-
Tax Credit Fees - Reservation	86,813	1,315	-	-
Tax Credit Fees - Compliance	31,350	475	-	-
Tax Credit Fees - Application	2,500	38	-	-
Miscellaneous Development Costs	10,000	152	-	10,000
Market Study	10,000	152	-	10,000
Appraisal	10,000	152	-	10,000
Construction Monitoring	20,000	303	-	20,000
Financing Costs				
Perm loan orig fee - lender	74,500	1,129	-	2,789
Construction loan orig fee - lender	144,000	2,182	-	144,000
Title & Recording - Construction & Perm	70,000	1,061	-	2,620
Operating Reserve	275,000	4,167	-	-
Predevelopment Loan Interest	20,000	303	-	20,000
Construction Interest	525,667	7,965	-	367,967
Other Costs				
New Construction/Rehab - Developer Fee	1,500,000	22,727	-	1,500,000
Rent Up & Marketing	99,000	1,500	-	-
Clubhouse Furniture	50,000	758	-	50,000
Total Uses:	17,588,673	266,495	-	15,587,219

STADIUM NORTH

STADIUM NORTH SENIOR LOFTS (10% PILOT)
SOURCE AND USE OF FUNDS

STADIUM NORTH SENIOR LOFTS (7% PILOT)
SOURCE AND USE OF FUNDS

Description	Total	% of Total Sources	Rate
Limited Partner- Low Income Housing Tax Credit Equity	12,826,287	72.93%	
Perm	3,125,000	18.05%	5.50%
Deferred Developer Fee	1,562,284	9.02%	0.00%
Total Sources:	17,313,571	100.00%	

	Per Unit	Acquisition Basis	Low Income Eligible Const/Rehab Basis	Historic Qualified Rehab Expenditures
Acquisition Costs				
Land	1,150,000	17,424	-	-
Construction Costs				
Residential Structures	9,220,899	139,711	-	9,220,899
On-Site Improvements	662,093	10,032	-	662,093
Personal Property (Included In Structures Above)	232,823	3,528	-	232,823
Construction Contingency	505,791	7,663	-	505,791
General Requirements	606,949	9,186	-	606,949
Builder Overhead	214,455	3,249	-	214,455
Builder Profit	656,233	9,943	-	656,233
Builder Risk Insurance/Bond	197,271	2,989	-	197,271
Aid to Construction	30,000	455	-	30,000
Tap Fees/Permits	60,000	909	-	60,000
Site Environmental	122,200	1,852	-	122,200
Transaction Costs				
Architectural Fees	472,828	7,164	-	472,828
Engineering Fees	61,000	924	-	61,000
Third Party Studies (Enviro / Historic)	75,000	1,136	-	75,000
Taxes/Insurance/Reserves	56,200	852	-	56,200
Cost Certification / Audit	40,000	606	-	40,000
Legal - General Legal	60,000	909	-	60,000
Legal - Partnership and Related	60,000	909	-	-
Tax Credit Fees - Reservation	86,813	1,315	-	-
Tax Credit Fees - Compliance	31,350	475	-	-
Tax Credit Fees - Application	2,500	38	-	-
Miscellaneous Development Costs	10,000	152	-	10,000
Market Study	10,000	152	-	10,000
Appraisal	10,000	152	-	10,000
Construction Monitoring	20,000	303	-	20,000
Financing Costs				
Perm loan orig fee - lender	67,500	1,023	-	4,335
Construction loan orig fee - lender	144,000	2,182	-	144,000
Title & Recording - Construction & Perm	70,000	1,061	-	4,495
Operating Reserve	260,000	3,939	-	-
Predevelopment Loan Interest	20,000	303	-	20,000
Construction Interest	448,667	6,798	-	314,067
Other Costs				
New Construction/Rehab - Developer Fee	1,500,000	22,727	-	1,500,000
Rent Up & Marketing	99,000	1,500	-	-
Clubhouse Furniture	50,000	758	-	50,000
Total Uses:	17,313,571	262,327	-	15,360,639

Description	Total	% of Total Sources	Rate
Limited Partner- Low Income Housing Tax Credit Equity	12,826,287	72.90%	
Perm	3,425,000	19.78%	5.50%
Deferred Developer Fee	1,268,284	7.32%	0.00%
Total Sources:	17,319,571	100.00%	

	Per Unit	Acquisition Basis	Low Income Eligible Const/Rehab Basis	Historic Qualified Rehab Expenditur
Acquisition Costs				
Land	1,150,000	17,424	-	-
Construction Costs				
Residential Structures	9,220,899	139,711	-	9,220,899
On-Site Improvements	662,093	10,032	-	662,093
Personal Property (Included In Structures Above)	232,823	3,528	-	232,823
Construction Contingency	505,791	7,663	-	505,791
General Requirements	606,949	9,186	-	606,949
Builder Overhead	214,455	3,249	-	214,455
Builder Profit	656,233	9,943	-	656,233
Builder Risk Insurance/Bond	197,271	2,989	-	197,271
Aid to Construction	30,000	455	-	30,000
Tap Fees/Permits	60,000	909	-	60,000
Site Environmental	122,200	1,852	-	122,200
Transaction Costs				
Architectural Fees	472,828	7,164	-	472,828
Engineering Fees	61,000	924	-	61,000
Third Party Studies (Enviro / Historic)	75,000	1,136	-	75,000
Taxes/Insurance/Reserves	56,200	852	-	56,200
Cost Certification / Audit	40,000	606	-	40,000
Legal - General Legal	60,000	909	-	60,000
Legal - Partnership and Related	60,000	909	-	-
Tax Credit Fees - Reservation	86,813	1,315	-	-
Tax Credit Fees - Compliance	31,350	475	-	-
Tax Credit Fees - Application	2,500	38	-	-
Miscellaneous Development Costs	10,000	152	-	10,000
Market Study	10,000	152	-	10,000
Appraisal	10,000	152	-	10,000
Construction Monitoring	20,000	303	-	20,000
Financing Costs				
Perm loan orig fee - lender	73,500	1,114	-	2,751
Construction loan orig fee - lender	144,000	2,182	-	144,000
Title & Recording - Construction & Perm	70,000	1,061	-	2,620
Operating Reserve	260,000	3,939	-	-
Predevelopment Loan Interest	20,000	303	-	20,000
Construction Interest	448,667	6,798	-	314,067
Other Costs				
New Construction/Rehab - Developer Fee	1,500,000	22,727	-	1,500,000
Rent Up & Marketing	99,000	1,500	-	-
Clubhouse Furniture	50,000	758	-	50,000
Total Uses:	17,319,571	262,418	-	15,357,180

STADIUM NORTH

PILOT Existing vs. Proposed

- 500 N. Cedar currently generates \$26,021.47 per year
- 514 Erie currently generates \$1,118.19 per year

Current Revenue:

\$27,139.66

Vs.

PILOT Revenue

\$37,483.38

GENERAL INFORMATION

APPLICANT: (Sponsor/Developer)	MVAH Development LLC 9100 Centre Pointe Drive, Suite 210 West Chester, OH 45069
STATUS OF APPLICANT:	Developer
REQUESTED PILOT:	7% of rents received (less utilities) as payment in lieu of taxes
REQUESTED TERM OF PILOT:	35 years
EXISTING LAND USE:	Commercial
EXISTING ZONING:	D-2 Urban Flex
PROPERTY SIZE & SHAPE:	0.117-acre rectangular shaped parcel with frontage on Erie Street containing an existing 420 sq. ft. 1 story commercial warehouse structure. 3.076 acre irregularly shaped parcel with frontage on Erie Street, N. Cedar Street and N. Larch Street, containing an existing 2,880 sq. ft. single story commercial warehouse structure.
SURROUNDING LAND USE:	N: Retail and Day Shelter S: Commercial E: Retail, Commercial W: Residential
SURROUNDING ZONING FBC:	N: D-2 Urban Flex S: D-2 Urban Flex E: D-2 Urban Flex W: D-2 Urban Flex

ANALYSIS

Request and description of project:

7% Pilot Request

Lansing Stadium North Senior Lofts

2

Stadium North Senior Lofts is a new construction affordable housing development for seniors that will provide sixty-six 66 units of rent restricted affordable housing for seniors at or below 60% of Area Median Income.

The development consists of 66 two-bedroom units, each between 898 and 939 square feet.

This development includes a furnished community room and a gym for residents.

A 10% PILOT Agreement was provided to this project in January of 2021. The PILOT application submitted by the Developer to the City as well as the 10% PILOT Agreement incorrectly listed the number of units as 77 units.

The project has received it's LIHTC Reservation from MSHDA. Due to dramatically increased construction and financing costs, the proposed development with the original 10% PILOT is infeasible.

The current request for a new 7%, 35-year PILOT allows for increased construction financing, and along with a significant amount of deferred Developer fee the project will be able to move forward.

Assessor's Financial Analysis:

Stadium North Lofts

Rents Utilities

\$581,034 - \$46,200 = \$534,834

7% PILOT \$534,834 x 7% = \$37,438.38 x 35 yrs. = \$1,310,343.30

10% PILOT \$534,834 x 10% = \$53,483.40 x 35 yrs.= \$1,871,919.00

Difference of \$561,576.00 over 35 years

The loss of revenue to the City to grant the 7% PILOT vs. the 10% PILOT over 35 years is \$561,576.

RECOMMENDATION

Staff recommends adoption of the 7% PILOT ordinance based on the following:

The proposed project has received a LIHTC Reservation. The proposed development with the original 10% PILOT faces a significant gap in financing as construction and financing costs have increased significantly. The approval of a new 7%, 35-year PILOT allows for an increased construction financing, and along with \$1,562,284 of deferred developer fee invested back into the project, the project will move forward.

The project is consistent with the City's Master Plan and Form Based Code. Redevelopment will help to stabilize the area and encourage redevelopment of adjacent parcels. Occupancy of the completed units will add vitality to the area and increase its overall marketability.

7% Pilot Request

Lansing Stadium North Senior Lofts

3

The adoption of a 7% PILOT for the subject property allows the project to be built, providing sixty-six 66 units of affordable senior housing.

Ordinance no. _____

An ordinance of the City of Lansing, Michigan, to amend the Code of Ordinances of the City of Lansing by adding a new section 884.____ for the purposes of providing for a service charge in lieu of taxes for sixty-six (66) low-income elderly dwelling units in a project known as Stadium North Senior Lofts, pursuant to the provisions of the State Housing Development Authority Act of 1966, (being Public Act 346 of 1966, as amended [MCL 125.1401, et seq.]) (The “Act”).

The City of Lansing ordains:

Section 1. That chapter 884 of the Code of Ordinances of the City of Lansing, Michigan be amended to add a new section _____ to read as follows:

_____ **Stadium North Senior Lofts**

(a) ***Purpose.*** It is acknowledged that it is a proper public purpose of the state and its political subdivisions to provide housing for its elderly residents of low and moderate 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, being Public Act 346 of 1966, as amended [mcl 125.1401, et seq.]. The City is authorized by such 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 such Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for elderly persons of low and moderate 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 for such housing is a valid public purpose.

(b) ***Definitions.***

- (1) **"Act"** means the State Housing Development Authority Act, being Public Act 346 of 1966, as amended.
- (2) **"Annual shelter rents"** means the total collections during an agreed annual period from all persons of low or moderate income, occupying the housing development representing rents for occupancy, which rental amounts shall be exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants.
- (3) **"Authority"** means the Michigan State Housing Development Authority.
- (4) **"Housing development" or "Development"** means a development which contains a significant element of housing for persons of low and moderate income and such elements of other housing, commercial, recreational, industrial, communal and educational facilities as the authority may determine will improve the quality of the development as it relates to housing for persons of low and moderate income. For the purpose of this section, the name of this development is Stadium North Senior Lofts, and consist of sixty-six (66) units of rental housing located within Lansing at:

Parcel 1

Land in the City of Lansing, Ingham County, Michigan, described as follows:

Lot 34 of Assessor's Plat No. 33 of the East ½ of Lot 3 and Lots 4 through 8 inclusive of Block 247, City of Lansing; also Lots 14, 15, 16 and 17 of Scofield's Subdivision; thence South 4.5 feet along extension of Est line of Lot 17 to North line of Lot 34 of Assessor's Plat No. 33; thence West along North line of said Lot 34 a distance of 214.5 feet to the point of beginning.

ALSO: Commencing at Southwest corner of Lot 11; thence East 132 feet; thence North 100 feet; thence West 14.5 feet; thence South 30.5 feet; thence West 22.5 feet; thence South 19.5 feet; thence East 4 feet; thence South 27 feet; thence West 21 feet; thence South 13 feet; thence West 78 feet; thence South 10 feet to beginning, being part of Lots 10

and 11 of Scofield's subdivision of Lot 2 and part of Lot 3, Block 247, City of Lansing;

ALSO: Lots 1, 2, 4, 5, 6, 33 and Lot 3 except the North 33 feet of the east 40 feet thereof Assessors Plat No. 33 of East ½ of Lot 3 and Lots 4 through 8 inclusive of Block 247, City of Lansing; also Lots 12 and South 57 feet of Lot 13 and commencing at the Northwest corner of Lot 11; thence East 99 feet; thence South 27 feet; thence West 21 feet; thence South 13 feet; thence West 78 feet; thence North 40 feet to beginning of Scofield's Subdivision of Lot 2 and part of Lot 3, Block 247, City of Lansing; Together with and in addition of those lands as described above, all lands lying between the South line of Lot 12 and the South line of Lot 13 of Scofield's Subdivision (a subdivision of Lot 2 and part of Lot 3, Block 247, Original Plat, City of Lansing) and the North line of Lot 1, Assessor's Plat No. 33 (on the East ½ of Lot 3 and all of Lots 4 through 8 inclusive of Block 247, Original Plat, City of Lansing).

Parcel 2

Land in the City of Lansing, Ingham County, MI, described as follows:

The North 93 feet of Lot 13, Scofield's Subdivision of Lot 2 and part of Lot 3 of Block 247, City of Lansing, Ingham County, Michigan, according to the recorded plat thereof, as recorded in Liber 1 of Plats, Page 34, Ingham County Records.

- (5) **"HUD"** means The Department of Housing and Urban Development of the United States government.
- (6) **"Low-income housing tax credit program"** means the program established by Section 42 of the United States internal revenue code.
- (7) **"Low or moderate income"** means low- or moderate-income eligibility under the authority act or rules.
- (8) **"Mortgage loan"** means a loan that is federally aided (as defined in Section 11 of the act) or a loan or grant made or to be made by the authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project and secured by a mortgage on the housing project.

(9) **"Sponsor"** means a person or other entity with a housing development which is financed or assisted pursuant to the act. For purposes of this section, the Sponsor of Stadium North Senior Lofts is MVAH Development LLC, or its successors or assigns.

(10) **"Utilities"** means fuel, water, sanitary sewer and/or electrical service, which is paid for by the housing development.

(c) *Establishment of annual service charge.*

(1) The City acknowledges that the Sponsor and the authority have established the economic feasibility of Stadium North Senior Lofts in reliance upon the enactment and continuing effect of this section and upon the qualification of the sixty-six (66) units of housing in the housing development for exemption from all property taxes as established in this section,

(2) Subject to the conditions and requirements of this section and the act, the sixty-six (66) units in the housing development for elderly persons of low and moderate income identified as Stadium North Lofts and the property on which they are constructed shall be exempt from all property taxes for not more than twenty (35) years, commencing with and including tax year 2024.

(3) In lieu of all said property taxes on the sixty-six (66) units in the housing development, the Sponsor shall pay, and the City will accept, an annual service charge for public services in the sum equal to seven percent (7%) of the annual shelter rents.

(4) The exemption provided under this section shall commence when the Sponsor complies with section 15a(1) of 1966 PA 346, as amended, codified as MCL

125.1415a(1), which provides: the owner of a housing project eligible for the exemption shall file with the local assessing officer (the City Assessor) a notification of the exemption, which shall be in an affidavit form as provided by the authority. The completed affidavit form first shall be submitted to the authority for certification by the authority that the project is eligible for the exemption. The owner then shall file or cause to be filed the certified notification of the exemption with the local Assessing Officer before November 1 of the year preceding the tax year in which the exemption is to begin.

(5) In addition to the certification required pursuant to subsection (c)(4), the Sponsor shall provide for the housing development annually in writing to the City Assessor for the preceding year in which the property tax exemption was in effect:

- A. The annual audited accounting report for the Payment In Lieu Of Taxes; and**
- B. A certified statement identifying all the units rented to persons of low or moderate income; and**
- C. If requested by the City, proof that the housing development units have not increased, decreased, or been altered in any form, unless the City has otherwise amended the provisions of this section.**

(d) *Limitation on the payment of the annual service charge.* Notwithstanding Subsection (c), the service charge to be paid each year in lieu of taxes for the part of the housing development project that is tax exempt and occupied by other than low- or moderate-income elderly persons shall be equal to the full amount of the taxes that would otherwise be due and payable on that portion of the housing development project if the project were not tax exempt.

- (e) *Payment of annual service charge.* The service charge in lieu of taxes, as established under this section, shall be payable in the same manner as general property taxes are payable to the City, except that the annual payment shall be made on or before July 1 of the year following the year upon which such charge is calculated. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206 as amended; mcl 211.1 et.seq.)
- (f) *Contractual effect.* Notwithstanding the provisions of Section 15(a)(5) of the act to the contrary, a contract between the City and the Sponsor with the authority as third-party beneficiary under the contract, to provide tax exemption and accept payment in lieu of taxes as previously described, is effectuated by the enactment of this section.
- (g) *Duration.* This section shall remain in effect and shall not terminate for thirty five (35) years, commencing with and including tax year 2024, provided that the Sponsor complies with the requirements of the act and this section, and further provided that the housing development continues to be rented to low or moderate income elderly persons at rents determined under the low income housing tax credit program, as the same maybe further amended or superseded, or there is an authority-aided or federally-aided mortgage on the housing development as provided in the act, or the authority or HUD has an interest in the property; but in no event beyond December 31, 2058. If (a) the construction of the housing development project does not commence or the Sponsors fail to obtain a mortgage loan within two (2) years from the effective date of this ordinance, or (b) if transfer of title is not effectuated to Stadium North Senior Lofts Limited Dividend Housing Association LLC within two (2) years from the effective date of this ordinance or (c) if the Sponsors change the scope or purpose of the sixty-six (66) units of housing within the housing development project without the consent of the City, by and

through its representatives, and in accordance with the requirements of the Lansing City charter, and the Sponsor or other responsible party does not cure the violation within ninety (90) days after written notice is given to the Sponsor, then this ordinance shall automatically expire, terminate and be of no further effect.

Section 2. All ordinances, resolutions or rules, ordinances, parts of ordinances, resolutions or rules inconsistent with the provisions hereof including the payment in lieu of taxes agreement dated January 29, 2021, are hereby repealed as they pertain to Stadium North Senior Lofts at the time this exemption commences.

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 valid.

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

GENERAL INFORMATION

APPLICANT: (Sponsor/Developer)	Gryphon Group 240 Bridge Street Ste. 100 DeWitt, MI 48823
STATUS OF APPLICANT:	Hillsdale Place Limited Dividend Housing Association Limited Liability Company
REQUESTED PILOT:	4% of rents received (less utilities) as payment in lieu of taxes
REQUESTED TERM OF PILOT:	45 years
EXISTING LAND USE:	Vacant
EXISTING ZONING:	DT-2 Urban Flex
PROPERTY SIZE & SHAPE:	2.2 acre irregularly shaped parcel with frontage on N. Martin Luther King Blvd, W. Lenawee Street and W. Hillsdale Street.
SURROUNDING LAND USE:	N: Residential S: Commercial and Residential E: Residential W: Church
SURROUNDING ZONING:	N: DT-2 Urban Flex S: DT-2 Urban Flex E: DT-2 Urban Flex W: DT-2 Urban Flex

ANALYSIS

Request and description of project: The request for a site-specific PILOT ordinance is submitted by Gryphon Group, LLC (the Sponsor). The request is for a 45-year 4% PILOT for property located at 1020 W. Hillsdale Street (33-01-01-17-478-007). The Hillsdale Place project is proposed for new construction of multi-family affordable rental units. The completed project will contain a total of 40 units located in four 2-story buildings, consisting of eight 1-bedroom units averaging 845 sq. ft., twenty-four 2-bedroom units averaging 895 sq. ft., and eight 3-bedroom units averaging 1,105 sq. ft., to house low- and moderate-income residents.

The project will be submitted for Low Income Housing Tax Credit award on October 1, 2022.

Twenty units will be reserved as permanent supportive housing (PSH) for which project-based vouchers will be sought from MSHDA. Supportive Services will be provided via contracts with

co-lead service agencies Advent House Ministries and Community Mental Health Authority of Clinton, Eaton and Ingham Counties.

Ample community gathering spaces have been designed for residents to interact with their neighbors. Additionally, office and support service spaces designated for PSH clients were included in the building design.

4 apartments will meet barrier-free standards, including two 1-bedroom units, one 2-bedroom unit and one 3-bedroom unit.

LEED Silver standard and Zero Energy will be designed and built into the property reducing the use of gas, electric and water/sewer resources.

Assessor's Financial Analysis:

Gross Rent Potential	501,792
Vacancy	(35,125)
Utilities	(44,000)
Net Collected Rents	422,667
10%	4%
PILOT	16,907

Since the subject property is currently exempt from ad valorem property taxation it provides no direct revenue to the various taxing authorities. The creation and the adoption of a PILOT for the subject property would have a positive impact and provide an additional source of revenue for the taxing authorities to help offset the cost of services provided and services to be provided to the new occupants.

RECOMMENDATION

Staff recommends adoption of the PILOT ordinance based on the following:

The project creates 40 units of affordable housing including 20 units of supportive housing.

The project is consistent with the City's Master Plan and Form-Based Zoning code (FBC)

The property is currently exempt from ad valorem property. It generates no property tax revenue at present. The adoption of a PILOT for the subject property would have a positive financial impact and provide new revenue to help offset services to the new occupants.

HILLSDALE PLACE

HELPING TO FILL THE NEED FOR QUALITY AFFORDABLE HOUSING IN LANSING

HILLSDALE PLACE

- Previous site of the Union Missionary Baptist Church.
- The City of Lansing, owner of the lot, requested proposals from local developers for the purchase/ redevelopment of the property as a part of the land sale. Gryphon Group's proposal was awarded the redevelopment contract by the city.
- This project was presented to City Council in February/March 2022 and received approval for the purchase of the lot, which is currently owned by the city.
- At that time, a 10% PILOT was awarded administratively, and the project was submitted 4/1/22 requesting LIHTC.
- Funding was not awarded in that round so a new request will be resubmitted 10/1/22
- **Current request: Modification of the 10% PILOT to a 4% PILOT**
- Changes to the project that necessitate a reduced PILOT include:
 - Mortgage interest rate that went from 5.25% to 6.25% in permanent loan, increasing annual mortgage payment by \$25,111
 - Increase to utility costs. Utilizing data from comparable, local projects, the estimated utility costs have increased 5-8% over previously estimated costs, requiring adjustments to budget

HILLSDALE PLACE – PILOT COMPARISONS

		10% PILOT Calculation		4% PILOT Calculation		Current Taxes
Gross Rents - 40 units		4,979,042		500,808		
Less Vacancy		-34,853		-35,057		
Less Landlord Paid Utilities		-44,000		-50,000		
Net Collected Rents		419,051		415,751		
PILOT Percentage		10%		4%		
Total for 2024		\$41,905		\$16,630		\$0

DEVELOPER:
GRYPHON GROUP, LLC
OUR WORK: BUILDING COMMUNITIES
TOGETHER

Address: 240 S Bridge St. DeWitt, MI 48820

“Our goal is to remain on the cutting edge, ensuring our developments are highly marketable to prospective residents, an asset to the community and profitable to our investors and clients.”



Prestwick Village, Holt

HILLSDALE PLACE

- 40 One, Two & Three-Bedroom Apartments are planned
- On-site Community Room/Office where Medallion Management staff will provide management services
- Playground/Tot Lot
- Ample parking for residents



HILLSDALE PLACE

- 8 one-bedroom apartments
- 24 two-bedroom apartments
- 8 three-bedroom apartments
- Units will have W/D hook-ups, patios, individual entries and will meet LEED Silver energy ratings.



ONE BEDROOM UNIT
700 SF GROSS



THREE BEDROOM UNIT
1000 SF GROSS



TWO BEDROOM UNIT
850 SF GROSS

HDJ
Hooker DeJong Inc.
ARCHITECTS • ENGINEERS • PLANNERS

UNIT PLANS

HILLSDALE PLACE – UNIT MIX

Unit Type	Income Target	# of Bedrooms	Total # of Units	Barrier Free	Rents
<i>1 Bedroom – SH*</i>	<i>30%</i>	<i>1</i>	<i>4</i>	<i>1</i>	<i>\$920</i>
<i>1 Bedroom – SH*</i>	<i>30%</i>	<i>1</i>	<i>2</i>		<i>\$816</i>
1 Bedroom	60%	1	2		\$775
<i>2 Bedroom – SH*</i>	<i>30%</i>	<i>2</i>	<i>6</i>	<i>1</i>	<i>\$1,123</i>
<i>2 Bedroom – SH*</i>	<i>30%</i>	<i>2</i>	<i>4</i>	<i>1</i>	<i>\$978</i>
2 Bedroom	60%	2	14		\$950
<i>3 Bedroom – SH*</i>	<i>30%</i>	<i>3</i>	<i>4</i>	<i>1</i>	<i>\$1,443</i>
3 Bedroom	60%	3	4		\$1,100
Total			40		

**Rental Vouchers to be provided by the State*

SH- Supportive Housing - Supportive Services Provided

Ordinance no. _____

An ordinance of the City of Lansing, Michigan, to amend the Code of Ordinances of the City of Lansing by adding a new Section 888.____ for the purposes of providing for a service charge in lieu of taxes for forty (40) low-income multi-family dwelling units in a project known as Hillsdale Place, pursuant to the provisions of the State Housing Development Authority Act of 1966, (being Public Act 346 of 1966 as amended [MCL 125.1401, et seq.]) (The “Act”).

The City of Lansing ordains:

Section 1. That Chapter 888 of the Code of Ordinances of the City of Lansing, Michigan be amended to add a new Section _____ to read as follows:

_____ **Hillsdale Place**

- (a) ***Purpose.*** It is acknowledged that it is a proper public purpose of the state and its political subdivisions to provide housing for its residents of low and moderate 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, being Public Act 346 of 1966, as amended [MCL 125.1401, et seq.]. The City is authorized by such 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 such act at any amount it chooses, not to exceed the taxes that would be paid but for this act. It is further acknowledged that such housing for persons of low and moderate 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 for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all ad valorem taxes during the period contemplated in this Ordinance are essential to the

determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The City acknowledges that the Sponsor (as defined below) has offered, subject to receipt of a Mortgage Loan from the Michigan State Housing Development Authority, to construct/acquire , own and operate a housing project identified as Hillsdale Place on certain property located at 1020 W. Hillsdale Street in the City to serve low income persons and families, and that the Sponsor has offered to pay the City on account of this housing project an annual service charge for public services in lieu of all ad valorem property taxes.

(b) *Definitions.*

- (1) "*Act*" means the State Housing Development Authority Act, being Public Act 346 of 1966, as amended.**
- (2) "*Annual shelter rents*" means the total collections during an agreed annual period from all persons of low or moderate income, occupying the housing development representing rents for occupancy, which rental amounts shall be exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants.**
- (3) "*Authority*" means the Michigan State Housing Development Authority.**
- (4) "*Housing development*" or "*Development*" means a development which contains a significant element of housing for persons of low and moderate income and such elements of other housing, commercial, recreational, industrial, communal and educational facilities as the Authority may determine will improve the quality of the development as it relates to housing for persons of low and moderate income. For**

the purpose of this section, the name of this development is Hillsdale Place, and consists of forty (40) units of rental housing located within Lansing at:

West 20 FT Lot 7, All of Lots 8, 9, 10, 13, 14 and 15, Also Lots 11 and 12 excluding used as Street ROW; Block 8 Bush, Butler and Sparrow Add.

- (5) **"HUD"** means The Department of Housing and Urban Development of the United States government.
 - (6) **"Low Income Housing Tax Credit Program"** means the program established by section 42 of the United States Internal Revenue Code.
 - (7) **"Low or moderate income"** means low- or moderate-income eligibility under the Authority Act or Rules.
 - (8) **"Mortgage loan"** means a loan that is federally aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project and secured by a mortgage on the housing project.
 - (9) **"Sponsor"** means a person or other entity with a housing development which is financed or assisted pursuant to the act. For purposes of this section, the Sponsor of Hillsdale Place is Gryphon Group, LLC, or its successors or assigns.
 - (10) **"Utilities"** means fuel, water, sanitary sewer and/or electrical service, which is paid for by the housing development.
- (c) ***Establishment of annual service charge.***
- (1) The City acknowledges that the Sponsor and the Authority have established the economic feasibility of Hillsdale Place in reliance upon the enactment and continuing effect of this section and upon the qualification of the forty (40) units of

housing in the housing development for exemption from all property taxes as established in this section,

- (2) Subject to the conditions and requirements of this section and the Act, the forty (40) units in the housing development for persons of low and moderate income identified as Hillsdale Place and the property on which they are constructed shall be exempt from all property taxes for not more than forty-five (45) years, commencing with and including tax year 2024.
- (3) In lieu of all said property taxes on the forty (40) units in the housing development, the Sponsor shall pay, and the City will accept, an annual service charge for public services in the sum equal to four percent (4%) of the annual shelter rents.
- (4) The exemption provided under this section shall commence when the Sponsor complies with section 15a(1) of 1966 PA 346, as amended, codified as MCL 125.1415a(1), which provides: the owner of a housing project eligible for the exemption shall file with the local Assessing Officer (the City Assessor) a notification of the exemption, which shall be in an affidavit form as provided by the Authority. The completed affidavit form first shall be submitted to the Authority for certification by the Authority that the project is eligible for the exemption. The owner then shall file or cause to be filed the certified notification of the exemption with the local Assessing Officer before November 1 of the year preceding the tax year in which the exemption is to begin.
- (5) In addition to the certification required pursuant to Subsection (c)(4), the Sponsor shall provide for the housing development annually in writing to the City Assessor for the preceding year in which the property tax exemption was in effect:

- A. The annual audited accounting report for the Payment In Lieu Of Taxes; and**
 - B. A certified statement identifying all the units rented to persons of low or moderate income; and**
 - C. If requested by the City, proof that the housing development units have not increased, decreased, or been altered in any form, unless the City has otherwise amended the provisions of this section.**
- (d) *Limitation on the payment of the annual service charge.* Notwithstanding Subsection (c), the service charge to be paid each year in lieu of taxes for the part of the housing development project that is tax exempt and occupied by other than low- or moderate-income persons shall be equal to the full amount of the taxes that would otherwise be due and payable on that portion of the housing development project if the project were not tax exempt.**
- (e) *Payment of annual service charge.* The service charge in lieu of taxes, as established under this section, shall be payable in the same manner as general property taxes are payable to the City, except that the annual payment shall be made on or before July 1 of the year following the year upon which such charge is calculated. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206 as Amended; MCL 211.1 et.seq.)**
- (f) *Contractual effect.* Notwithstanding the provisions of Section 15(a)(5) of the Act to the contrary, a contract between the City and the Sponsor with the Authority as third-party beneficiary under the contract, to provide tax exemption and accept payment in lieu of taxes as previously described, is effectuated by the enactment of this section.**

(g) *Duration.* This section shall remain in effect and shall not terminate for forty-five (45) years, commencing with and including tax year 2024, provided that the Sponsor complies with the requirements of the act and this section, and further provided that the housing development continues to be rented to low or moderate income persons at rents determined under the Low Income Housing Tax Credit Program, as the same maybe further amended or superseded, or there is an Authority-aided or Federally-aided mortgage on the housing development as provided in the act, or the Authority or HUD has an interest in the property; but in no event beyond December 31, 2070. If (a) the construction of the housing development project does not commence or the Sponsors fail to obtain a mortgage loan within two (2) years from the effective date of this ordinance, or (b) if transfer of title is not effectuated to Hillsdale Place Limited Dividend Housing Association Limited Liability Company within two (2) years from the effective date of this ordinance or (c) if the Sponsors change the scope or purpose of the forty (40) units of housing within the housing development project without the consent of the City, by and through its representatives, and in accordance with the requirements of the Lansing City charter, and the Sponsor or other responsible party does not cure the violation within ninety (90) days after written notice is given to the Sponsor, then this ordinance shall automatically expire, terminate and be of no further effect.

Section 2. All ordinances, resolutions or rules, ordinances, parts of ordinances, resolutions or rules, including the 10% Payment In Lieu of Taxes Agreement dated March 30, 2022, inconsistent with the provisions hereof are hereby repealed as they pertain to Hillsdale Place at the time this exemption commences.

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 valid.

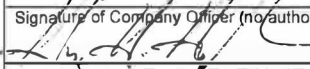
Section 4. This Ordinance shall take effect on the 30th day after enactment unless given immediate effect by the City Council.

Application for Obsolete Property Rehabilitation Exemption Certificate

Issued under authority of Public Act 146 of 2000, as amended.

This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

INSTRUCTIONS: File the completed application and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) See State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. A statement from the assessor of the local unit of government, describing the required obsolescence has been met for this building, is required with each application. Rehabilitation may commence after establishment of district.

Applicant (Company) Name (applicant must be the OWNER of the facility) Summit Street Development								
Company Mailing Address (Number and Street, P.O. Box, City, State, ZIP Code) 700 May Street								
Location of obsolete facility (Number and Street, City, State, ZIP Code) 700 May St.								
City, Township, Village (indicate which) Lansing		County Ingham						
Date of Commencement of Rehabilitation (mm/dd/yyyy) 10/1/2022	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 09/01/2023	School District where facility is located (include school code) Lansing Public School District:33020						
Estimated Cost of Rehabilitation \$11,900,000.00		Number of years exemption requested 12						
Attach legal description of obsolete property on separate sheet.								
Expected Project Outcomes (Check all that apply) <table border="0"><tr><td>☒ Increase commercial activity</td><td>☒ Retain employment</td><td>☒ Revitalize urban areas</td></tr><tr><td>☒ Create employment</td><td>☒ Prevent a loss of employment</td><td>☒ Increase number of residents in the community in which the facility is situated</td></tr></table>			☒ Increase commercial activity	☒ Retain employment	☒ Revitalize urban areas	☒ Create employment	☒ Prevent a loss of employment	☒ Increase number of residents in the community in which the facility is situated
☒ Increase commercial activity	☒ Retain employment	☒ Revitalize urban areas						
☒ Create employment	☒ Prevent a loss of employment	☒ Increase number of residents in the community in which the facility is situated						
Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment. 200								
☒ Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the box at left if you wish to be considered for this exclusion.								
APPLICANT CERTIFICATION								
The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy. The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate. It is further certified that the undersigned is familiar with the provisions of Public Act 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.								
Name of Company Officer (No authorized agents) Harry H. Hepler	Telephone Number (517) 881-0009	Fax Number						
Mailing Address 700 May St. Lansing, MI 48906	E-mail Address harry@hinclive.com							
Signature of Company Officer (no authorized agents) 	Title Managing Member							
LOCAL GOVERNMENT UNIT CLERK CERTIFICATION								
The Clerk must also complete Parts 1, 2 and 4 on page 2. Part 3 is to be completed by the Assessor.								
Signature	Date Application Received							
FOR STATE TAX COMMISSION USE								
Application Number	Date Received	LUCI Code						

LOCAL GOVERNMENT ACTION		
This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and Instruction items (a) through (f) on page 1, and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process.		
PART 1: ACTION TAKEN		
Action Date _____		
☐ Exemption Approved for _____ Years, ending December 30, _____ (not to exceed 12 years) ☐ Denied		
Date District Established _____	LUCI Code _____	School Code _____
PART 2: RESOLUTIONS (the following statements must be included in resolutions approving)		
A statement that the local unit is a Qualified Local Governmental Unit. A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as provided by section 3 of Public Act 146 of 2000. A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit. A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years. A statement that a public hearing was held on the application as provided by section 4(2) of Public Act 146 of 2000 including the date of the hearing. A statement that the applicant is not delinquent in any taxes related to the facility. If it exceeds 5% (see above), a statement that exceeding 5% will not have the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit. A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.	A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000. A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District. A statement that the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under Public Act 146 of 2000 to establish such a district. A statement that completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation is likely to result in. A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000. A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.	
PART 3: ASSESSOR RECOMMENDATIONS		
Provide the Taxable Value and State Equalized Value of the Obsolete Property, as provided in Public Act 146 of 2000, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC)		
Building Taxable Value	Building State Equalized Value	
\$ _____	\$ _____	
Name of Government Unit _____	Date of Action Application _____	Date of Statement of Obsolescence _____
PART 4: CLERK CERTIFICATION		
The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by Public Act of 2000 may be in jeopardy.		
Name of Clerk _____	Telephone Number _____	
Clerk Mailing Address _____		
Mailing Address _____		
Telephone Number _____	Fax Number _____	E-mail Address _____
Clerk Signature _____		Date _____

For faster service, email completed application and attachments to PTE@michigan.gov. An additional submission option is to mail the completed application and attachments to Michigan Department of Treasury, State Tax Commission, PO Box 30471, Lansing, MI 48909. If you have any questions, call 517-335-7491.

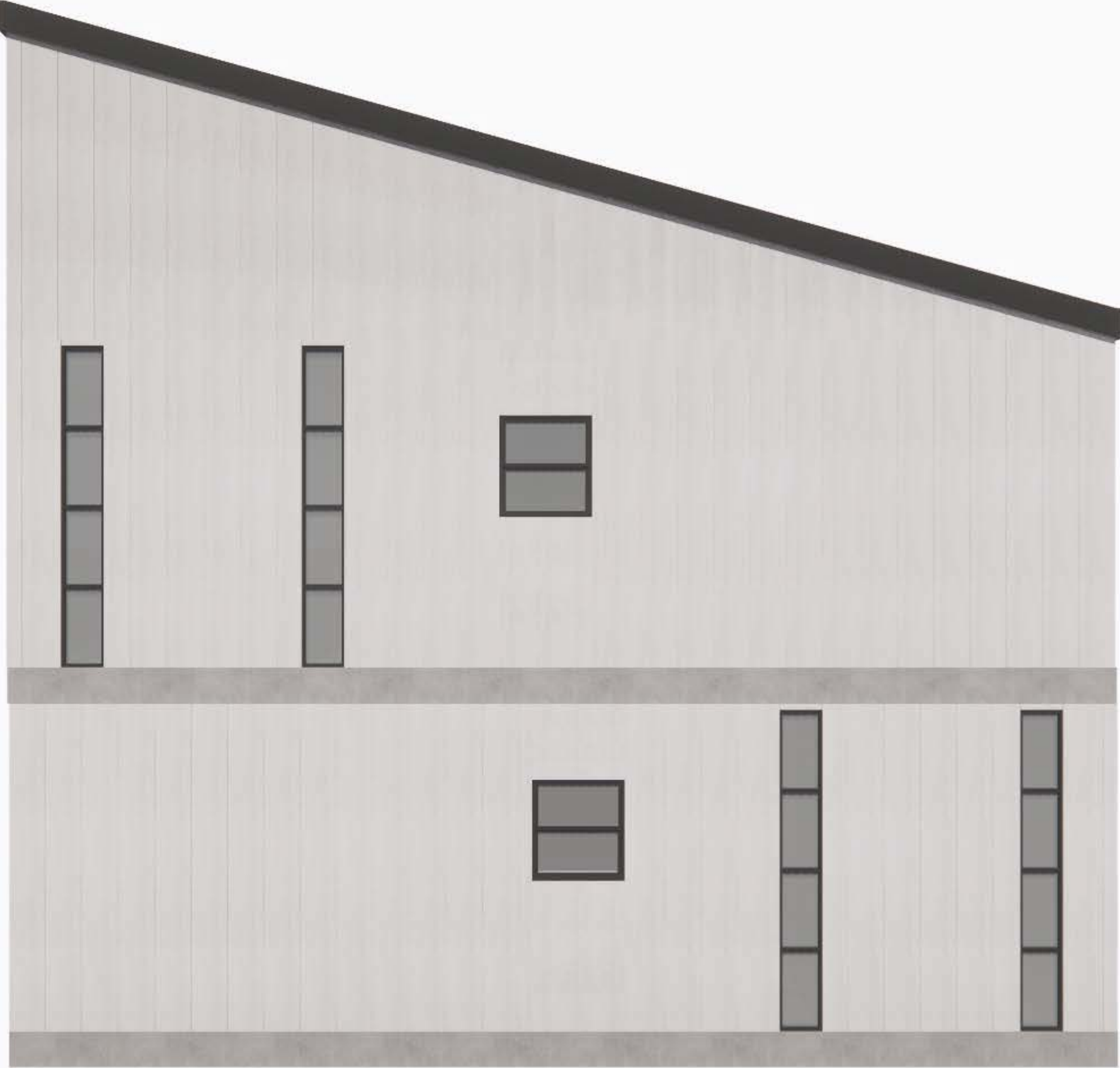




































BY THE COMMITTEE ON DEVELOPMENT AND PLANNING
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Resolution to Approve an Obsolete Property Rehabilitation Act Certificate
700 May Street

WHEREAS, pursuant to the Michigan Obsolete Property Rehabilitation Act, being Public Act 146 of 2000 (PA 146 of 2000), Summit Street Development, LLC has filed an application for an Obsolete Property Rehabilitation Exemption Certificate (OPRA Certificate) with the Lansing City Clerk, for a proposed obsolete facility at 700 May St., Lansing, Michigan (Obsolete Property); and

WHEREAS, Summit Street Development, LLC (the Applicant) owns the proposed Obsolete Property; and

WHEREAS, the proposed Obsolete Property is located within an Obsolete Property Rehabilitation District legally established by resolution adopted August 12, 2019, after a public hearing was held on July 22, 2019, as provided by section 3 of PA 146 of 2000; and

WHEREAS, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) does not exceed 5% of the total taxable value of the City of Lansing; and

WHEREAS, a public hearing was held on September 12, 2022 in order to provide an opportunity for the applicant, the City Assessor, a representative of the affected taxing units, the residents, and other taxpayers of the City of Lansing general public appear and be heard regarding the approval of the OPRA Certificate; and

WHEREAS, Summit Street Development, LLC has been certified in writing by the City of Lansing Treasurer to be not delinquent in any taxes related to the facility; and

WHEREAS, the application is for 12 years and under no circumstances or criteria will an extension of the exemption be considered; and

WHEREAS, the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000; and

WHEREAS, the applicant Summit Street Development, LLC has provided answers to all required questions under the application instructions to the City of Lansing; and

WHEREAS, the City of Lansing requires that rehabilitation of the facility shall be completed by September 1, 2023; and

WHEREAS, the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District; and

WHEREAS, the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in the City of Lansing eligible under Public Act 146 of 2000 to establish such a district; and

WHEREAS, completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, revitalize urban areas, create employment, retain employment, and increase the number of residents in the community in which the facility is situated; and

WHEREAS, the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council hereby grants an Obsolete Property Rehabilitation Exemption for the real property, excluding land, located in an Obsolete Property Rehabilitation District at property located at 700 May St., Lansing, Michigan, legally described as COM AT THE SW CORNER OF SECTION 10, TH N00D31'32"W 390.58 FT (RECORDED AS N00D35'41"W 392.72 FT) TO POB: TH N00D31'32"W 121.20 FT; TH N82D26'00"E 86.98 FT; NO 82D58'07"E 15.01 FT; S89D51'56"E 140.63 FT; S89D44'56"E 55.83FT; S00D28'26"W ALONG A BLDG WALL LINE 398.36 FT TO NORTH LINE OF MOTOR WHEEL LOFTS; TH N89D39'09"W 14.74 FT, S00D20'51"W 3.70 FT, N89D39'09"W 120.70 FT, N00D20'51"E 182.13 FT AND N89D39'09"W 50.84 FT; N00D20'51"E 84.23 FT; N89D39'09"W 108.50 FT TO POB, CONTAINING 1.83 ACRES, MORE OR LESS, SUBJECT TO ALL EASEMENTS AND RESTRICTIONS, IF ANY. SPLIT/COMBINED ON 02/01/2018 FROM 33-01-01-10-353-006. Parcel Number: 33-01-01-10-353-008

BE IT FINALLY RESOLVED that the City Clerk shall cause the Application for Obsolete Property Rehabilitation Certificate to be completed, including the "Clerk Certification" and shall file the completed application, together with a certified copy of this resolution with the State Tax Commission.

Development and Planning. Reviews economic development matters, E.D.C. projects and the five-year plan covering development goals, policies, services and overall direction; reviews all matters having to do with land use, including zoning, plats and historical designations; reviews proposed modifications to the Master Plan; reviews acquisition and disposition of public property; and reviews changes to the CDBG programming.

CURRENT BUDGET POLICIES FOR FY 2022/2023
ADOPTED 10/2021

BE IT FURTHER RESOLVED, the **Committee on Development and Planning** has established the following priorities:

1. \$80,000: (1) FTE Financial Empowerment Employee; RE: Focus on Small Business, Minority Businesses; Female Owned Businesses
2. \$215,000: Reactivation of the Façade Improvement Grant Program
3. \$50,000: Analysis of Facade Improvement Grant Program to include Return on Equity Report on Previous Façade Grants provided to small businesses
4. \$40,000: Initiate an RFP for Engagement of Stakeholders and Completion of Community Facilities Plan, including school and county buildings, complete with inventory of assets and goals/objectives for facilities, that will serve as the basis for community facility decisions into the future