



OFFICE OF THE CHIEF FINANCIAL OFFICER
Office of the Assessor

Coleman A. Young Municipal Center Phone 313•224•3011
2 Woodward Avenue, Suite 824 Fax 313•224•9400
Detroit, Michigan 48226 www.detroitmi.gov

July 11, 2023

Honorable City Council

RE: 7850-9%-2 Limited Dividend Housing Association LLC – Payment in Lieu of Taxes (PILOT) - Amended

On September 28, 2021, a request for a PILOT Resolution to your Honorable Body was approved for 7850%-9%-2 LDHA LLC. At this time Ginosko Development Company and the Assessments Division are requesting approval for the change to the legal description and unit configuration.

In order to make this development economically feasible, it is necessary for it to receive the benefits of tax exemption under Section 15a of the State Housing Development Authority Act of 1996, (P.A. 346, as amended, MCLA 125.1415A).

Adoption of the resolution by your Honorable Body will therefore satisfy the requirements of Public Act 346 and City Ordinance 9-90, as amended, by establishing a service charge of four percent (4%) of the annual net shelter rent obtained from this housing project.

Respectfully submitted,

Alvin Hornh
Deputy CFO/Assessor

Attachment
JB/jb



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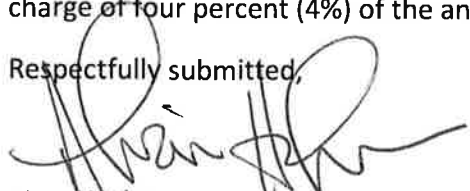
Honorable City Council

RE: 7850-9%-2 Limited Dividend Housing Association LLC – Payment in Lieu of Taxes (PILOT) – Amended

Ginosko Development Company has formed 7850-9%-2 Limited Dividend Housing Association LLC (the “LDHA”) in order to develop the Project known as 7850 East Jefferson 9% Phase 2. The LDHA owns forty-four (44) condominium units in Building C of the 7850 East Jefferson Condominium, a low-income new modular construction development structured as one hundred fifty (150) separate condominium units. The 9% Phase 2 consists of forty-four (44) units within a 4-story building of affordable housing for low-income residents. The site is bounded by East Jefferson on the north, Burns on the east, the Detroit River on the south and Baldwin on the west. The Project will include seventeen (17) studio, fourteen (14) 1 bedroom/1 bath and thirteen (13) 2 bedroom/1 bath apartments. A taxable bond construction and permanent mortgage loan in the amount of \$850,145 will be provided by the Michigan State Housing Development Authority (“MSHDA”). Raymond James Tax Credit Funds, Inc. will make Capital Contributions of \$8,448,123 which includes the purchase of Low Income Housing Tax Credits. A City of Detroit HOME Loan in the amount of \$810,219, a FHLBank Indianapolis AHP Sponsor grant in the amount of \$250,000 and an equity bridge loan from Fifth Third Bank in the amount of up to \$7,676,860 will be provided. Additionally, the Sponsor has agreed to defer \$250,381 of the developer fee.

Rents for all units have been set at or below thirty percent (30%) to sixty percent (60%) of the area median income (AMI), adjusted for family size. Residents in eleven (11) units will receive rental assistance in the form of a Housing Assistance Payment Contract administered by the Detroit Housing Commission which requires households to contribute only thirty percent (30%) of AMI towards the rent. All forty-four (44) units will be subject to the PILOT based on Section 15a of the State Housing Development Authority Act of 1966, as amended. In order to make this development economically feasible, it is necessary for it to receive the benefits of tax exemption under Section 15a of the State Housing Development Authority Act of 1966 (P.A. 346 as amended, MCL 125.1415A). Adoption of the resolution by your Honorable Body will therefore satisfy the requirements of Public Act 346 and City Ordinance 9-90, as amended, by establishing a service charge of four percent (4%) of the annual net shelter rent obtained from this housing project.

Respectfully submitted,


Alvin Horhn
Deputy CFO/Assessor
Attachment
JB/jb



BY COUNCIL MEMBER _____

WHEREAS, pursuant to the provisions of the Michigan State Housing Development Act, Act 346 of the Public Acts of 1966, as amended, being MCL 125.1401 se seq. (the “Act”), a request for exemption from property taxes has been received on behalf of Ginosko Development Company the “Sponsor”); and

WHEREAS, a housing project as defined in the Act is eligible for exemption from property taxes under Section 15a of the Act (MCL 125.1415a) if the Michigan State Housing Development Authority (“MSHDA”) provides funding for the housing project, or if the housing project is funded with a federally-aided mortgage as determined by MSHDA; and

WHEREAS, Section 15a of the Act (MCL 125.1415a) provides that the local legislative body may establish by ordinance the service charge to be paid in lieu of taxes, commonly known as a PILOT; and

WHEREAS, the City of Detroit has adopted Ordinance 9-90, as amended, being Sections 18-9-10 through 18-9-16 of the Detroit City Code to provide for the exemption from property taxes of eligible housing projects and to provide for the amount of the PILOT for said housing projects to be established by resolutions of the Detroit City Council after review and report by the Board of Assessors; and

WHEREAS, the Sponsor is constructing a housing project to be known as 7850 East Jefferson as forty-four (44) condominium units in Building C of the 7850 East Jefferson Condominium, consisting of forty-four (44) units in the apartment building located on a parcel of property owned by 7850-9%-2 Limited Dividend Housing Association LLC as described in Exhibit A to this resolution, with all units for low and moderate income housing (the “Project”); and

WHEREAS, the purpose of the Project is to serve low to moderate income persons as defined by Section 15a(7) of the Act, being MCL 125.1415a(7); and

WHEREAS, MSHDA has provided notice to the Sponsor that it intends to approve federal-aided financing for the Project, provided that the Detroit City Council adopts a resolution establishing the PILOT for the Project; and

WHEREAS, pursuant to Section 15a of the Act, being MCL 125.1415a(1), the tax exemption is not effective until the Sponsors first obtain MSHDA certification that the housing project is eligible for exemption, and files an affidavit, as so certified by MSHDA, with the Board of Assessors; and

WHEREAS, pursuant to Section 18-9-13(G) of the Detroit City Code, the tax exemption shall be effective on adoption, with the tax exemption and PILOT payment to occur only upon bona fide use and physical occupancy by persons and families eligible to move into the project, in accordance with the Act, which must occur as of December 31 of the year preceding the tax year in which the exemption is to begin;



NOW, THEREFORE, BE IT

RESOLVED, that in accordance with City Code Section 18-9-13, the Project known as 7850 East Jefferson as described above is entitled to be exempt from taxation but subject to the provisions of a service charge of four percent (4%) for payment in lieu of taxes as set forth in Act No. 346 of the Public Acts of 1966, as amended, being MCL 125.1401, et seq.; and be it further

RESOLVED, that arrangements to have collections of a payment in lieu of taxes from the Sponsor be established upon occupancy for future years with respect to the same be prepared by the Office of the Chief Financial Officer; and be it further

RESOLVED, that specific legal description for the Project shall be as set forth in the certification from MSHDA; and be it further

RESOLVED, that in accordance with Section 15a(3) of the Act, MCL 125.1415a(3), the exemption from taxation shall remain in effect for as long as the MSHDA-aided or Federally-aided financing is in effect, but not longer than fifty (50) years, and shall terminate upon the determination by the Board of Assessors that the Project is no longer eligible for the exemptions; and be it further

RESOLVED, that the City Clerk furnish the Office of the Chief Financial Officer – Office of the Assessor two certified copies of this resolution; and be it further

RESOLVED, that this resolution is adopted with a waiver of reconsideration.



EXHIBIT A

7850-9%-2 Limited Dividend Housing Association LLC

The following real property situated in Detroit, Wayne County, Michigan:

Units 76, 94, 97, 101, 102, 103, 104, 108, 109, 112, 113, 115, 116, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149 and 150 of 7850 East Jefferson Condominium, according to the Master Deed as recorded at Liber 56967, Page 300, Wayne County Records and any amendments thereto and designated as Wayne County Subdivision Plan No. 1177, together with an undivided percentage interest in general common elements and an undivided interest in limited common elements as set forth in the above Master Deed, and as described in Act 59 of the Public Acts of 1978, as amended.

17000017.076, 7850 E. Jefferson Unit 76, S JEFFERSON UNIT 76 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.094, 7850 E. Jefferson Unit 94, S JEFFERSON UNIT 94 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.097, 7850 E. Jefferson Unit 97, S JEFFERSON UNIT 97 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.101, 7850 E. Jefferson Unit 101, S JEFFERSON UNIT 101 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.102, 7850 E. Jefferson Unit 102, S JEFFERSON UNIT 102 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.103, 7850 E. Jefferson Unit 103, S JEFFERSON UNIT 103 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.104, 7850 E. Jefferson Unit 104, S JEFFERSON UNIT 104 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.108, 7850 E. Jefferson Unit 108, S JEFFERSON UNIT 108 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.109, 7850 E. Jefferson Unit 109, S JEFFERSON UNIT 109 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10



EXHIBIT A

7850-9%-2 Limited Dividend Housing Association LLC (cont)

17000017.112, 7850 E. Jefferson Unit 112, S JEFFERSON UNIT 112 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.113, 7850 E. Jefferson Unit 113, S JEFFERSON UNIT 113 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.115, 7850 E. Jefferson Unit 115, S JEFFERSON UNIT 115 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.116, 7850 E. Jefferson Unit 116, S JEFFERSON UNIT 116 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.120, 7850 E. Jefferson Unit 120, S JEFFERSON UNIT 120 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.121, 7850 E. Jefferson Unit 121, S JEFFERSON UNIT 121 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.122, 7850 E. Jefferson Unit 122, S JEFFERSON UNIT 122 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.123, 7850 E. Jefferson Unit 123, S JEFFERSON UNIT 123 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.124, 7850 E. Jefferson Unit 124, S JEFFERSON UNIT 124 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.125, 7850 E. Jefferson Unit 125, S JEFFERSON UNIT 125 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.126, 7850 E. Jefferson Unit 126, S JEFFERSON UNIT 126 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.127, 7850 E. Jefferson Unit 127, S JEFFERSON UNIT 127 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10



EXHIBIT A

7850-9%-2 Limited Dividend Housing Association LLC (cont)

17000017.128, 7850 E. Jefferson Unit 128, S JEFFERSON UNIT 128 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.129, 7850 E. Jefferson Unit 129, S JEFFERSON UNIT 129 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.130, 7850 E. Jefferson Unit 130, S JEFFERSON UNIT 130 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.131, 7850 E. Jefferson Unit 131, S JEFFERSON UNIT 131 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.132, 7850 E. Jefferson Unit 132, S JEFFERSON UNIT 132 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.133, 7850 E. Jefferson Unit 133, S JEFFERSON UNIT 133 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.134, 7850 E. Jefferson Unit 134, S JEFFERSON UNIT 134 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.135, 7850 E. Jefferson Unit 135, S JEFFERSON UNIT 135 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.136, 7850 E. Jefferson Unit 136, S JEFFERSON UNIT 136 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.137, 7850 E. Jefferson Unit 137, S JEFFERSON UNIT 137 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.138, 7850 E. Jefferson Unit 138, S JEFFERSON UNIT 138 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.139, 7850 E. Jefferson Unit 139, S JEFFERSON UNIT 139 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10



EXHIBIT A

7850-9%-2 Limited Dividend Housing Association LLC (cont)

17000017.140, 7850 E. Jefferson Unit 140, S JEFFERSON UNIT 140 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.141, 7850 E. Jefferson Unit 141, S JEFFERSON UNIT 141 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.142, 7850 E. Jefferson Unit 142, S JEFFERSON UNIT 142 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.143, 7850 E. Jefferson Unit 143, S JEFFERSON UNIT 143 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.144, 7850 E. Jefferson Unit 144, S JEFFERSON UNIT 144 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.145, 7850 E. Jefferson Unit 145, S JEFFERSON UNIT 145 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.146, 7850 E. Jefferson Unit 146, S JEFFERSON UNIT 146 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.147, 7850 E. Jefferson Unit 147, S JEFFERSON UNIT 147 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.148, 7850 E. Jefferson Unit 148, S JEFFERSON UNIT 148 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.194, 7850 E. Jefferson Unit 149, S JEFFERSON UNIT 149 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10

17000017.150, 7850 E. Jefferson Unit 150, S JEFFERSON UNIT 150 WAYNE COUNTY CONDOMINIUM PLAN NO 1177 "7850 EAST JEFFERSON" RECORDED L56967 P300, WCR 17/10