



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

November 7, 2023

Honorable City Council

RE: Meyers Senior Limited Dividend Housing Association, Limited Partnership – Payment in Lieu of Taxes (PILOT)

Wallick Development Company, LLC and Presbyterian Villages of Michigan (PVM) have formed Meyers Senior Limited Dividend Housing Association, Limited Partnership in order to develop the Project known as Meyers Senior Apartments. The Project is the adaptive reuse of two existing former Lewis College of Business school buildings for affordable senior (55+) occupancy that will consist of thirty-two (32) units located in an area bounded by Santa Clara Street on the north, Manor Avenue on the east, Santa Maria Avenue on the south and Meyers Road on the west.

The Project will include two (2) studio, twenty-six (26) 1-bed, 1-bath and four (4) 2-bed, 2-bath units. Tenants will be provided with free parking in addition to amenities such as a community room, fitness and laundry room.

Security Bank will provide a permanent loan of up to \$1,000,000. Merchants Capital Investments, LLC will make capital contributions of \$7,133,687 which includes the purchase of Low Income Housing Tax Credits. The City of Detroit will provide a \$500,000 HOME loan. PVM will provide a Sponsor Loan in the amount of \$450,000. FHLB Indianapolis will provide \$500,000 in AHP Funds. Additionally, the Sponsors have agreed to defer \$210,625 of the developer fee.

Rents for all units have been set at or below eighty percent (80%) of the area median income ("AMI"), adjusted for family size, with rents on average being below sixty percent (60%) of the AMI. Additionally, five (5) units will be covered by Section 8 Project Based Vouchers provided by the Detroit Housing Commission. All thirty-two (32) 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 Wallick Development Company, LLC and Presbyterian Villages of Michigan (the “Sponsors”); 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 Sponsors are rehabilitating two (2) school buildings to be known as the Meyers Senior Apartments, consisting of thirty-two (32) units in a two-story and three-story building with supportive parking located on one parcel of property owned or to be acquired by the Sponsors as described by street address and tax parcel in Exhibit A to this resolution, with all thirty-two (32) 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 Sponsors that it intends to approve federal-aided financing for the Project in the form of Low Income Housing Tax Credits, 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 Meyers Senior Apartments 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 Sponsors 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

Meyers Senior Limited Dividend Housing Association, Limited Partnership

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

E MEYERS PT OF SE ¼ SEC 8 T 1 S R 11 E, DESC AS COMM AT THE E LINE OF MEYERS (76 FT WD) & N LINE OF SANTA MARIA AVE (50 FT WD) TH N 2D 51M 36S W 251.13 FT TO POB; TH N 2D 51M 36S W 388.41 FT TH N 87D 5M 56S E 223.55 FT TH S 2D 41M 58S E 388.57 FT TH S 87D 8M 24S W 222.46 FT TO POB 86,835 SQFT (1.99 AC)

Tax Parcel No. Ward 16, item 046187.003

Property Address: 17370 Meyers