



OFFICE OF THE CHIEF FINANCIAL OFFICER  
**Office of the Assessor**

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Detroit, Michigan 48226 www.detroitmi.gov

March 21, 2024

Honorable City Council

**RE: Field Street III Limited Dividend Housing Association, LLC – Payment in Lieu of Taxes (PILOT)**

Church of the Messiah Housing Corporation has formed Field Street III Limited Dividend Housing Association, LLC in order to develop an existing apartment building and scattered site Project in the Island View Village neighborhood. The Project includes forty-four (44) townhomes and one 5-unit apartment building known as Hamilton House. The area is bounded by St. Paul on the north, Sheridan on the east, East Lafayette on the south and East Grand Boulevard on the west. The preservation and rehabilitation Project will include fourteen (14) two-bed, one-bath and thirty (30) three bed, one-bath townhomes in addition to an apartment building consisting of one (1) one-bed, one-bath and four (4) two-bed, one-bath units with supportive available free parking. No resident will be permanently displaced as a result of the rehabilitation. A rent subsidy reserve is being established to protect the existing tenants against an increase in rent for an estimated 5-year period.

A construction loan in the amount of \$6,530,332, permanent loan in the amount of \$2,844,718 and a \$1,448,201 Mortgage Resource Fund loan will be provided by the Michigan State Housing Development Authority ("MSHDA"). National Equity Fund Inc. will make Capital Contributions of \$4,688,158 which includes the purchase of Low Income Housing Tax Credits. The City of Detroit will provide a \$240,000 HOME loan and \$582,626 in Affordable Housing Development Program (AHDP) funds. Additionally, the Sponsor is providing a Seller Loan in the amount of \$534,015 and a Developer Note in the amount of \$161,637. Rents for all units have been set at or below sixty percent (60%) of the area median income, adjusted for family size. Additionally, eight (8) units will be covered by Section 8 Project Based Vouchers provided by the Detroit Housing Commission. All forty-nine (49) 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 Church of the Messiah Housing Corporation (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 proposing to undertake the rehabilitation of forty-nine (49) townhome and apartment units with supportive parking located on eighteen (18) parcels of property owned or to be acquired by the Sponsor as described by street address and tax parcel in Exhibit A to this resolution, with all forty-nine (49) 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 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 Field Street III 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**

### **Field Street III Limited Dividend Housing Association, LLC**

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

**PARCEL 1:**

Lot 57 and the East 120 feet of Lot 56, Moses W. Fields 2nd Subdivision, as recorded in Liber 10, Page 10 of Plats, Wayne County Records.

Tax Parcel No. Ward 15, item 007487-8

Property Address: 1005 Field

**PARCEL 2:**

Lots 60, 61 and 64, Moses W. Fields 2nd Subdivision, as recorded in Liber 10, Page 10 of Plats, Wayne County Records.

Tax Parcel No. Ward 15, item 007484-6

Property Address: 1023 Field

**PARCEL 3:**

Lot 65 and 68, Moses W. Fields 2nd Subdivision, as recorded in Liber 10, Page 10 of Plats, Wayne County Records.

Tax Parcel No. Ward 15, item 007482-3

Property Address: 1045 Field

**PARCEL 4:**

Lot 69, Moses W. Fields 2nd Subdivision, as recorded in Liber 10, Page 10 of Plats, Wayne County Records.

Tax Parcel No. Ward 15, item 007481

Property Address: 1065 Field

**PARCEL 5:**

Lot 72 and 73, Moses W. Fields 2nd Subdivision, as recorded in Liber 10, Page 10 of Plats, Wayne County Records.

Tax Parcel No. Ward 15, item 007479-80

Property Address: 1083 Field

**PARCEL 6:**

North 25 feet of Lot 62 and all of Lot 63, Moses W. Fields 2nd Subdivision, as recorded in Liber 10, Page 10 of Plats, Wayne County Records.

Tax Parcel No. Ward 15, item 007534

Property Address: 240 E. Grand Blvd.



## **EXHIBIT A (contd)**

### **Field Street III Limited Dividend Housing Association, LLC**

**PARCEL 7:**

North 10 feet of Lot 2, and all of Lot 3, Moses W. Fields Subdivision, as recorded in Liber 8, Page 37 of Plats, Wayne County Records.

Tax Parcel No. Ward 17, item 013513

Property Address: 1014 Field

**PARCEL 8:**

North 10 feet of Lot 11 and all of Lots 12 and 13, Moses W. Fields Subdivision, as recorded in Liber 8, Page 37 of Plats, Wayne County Records.

Tax Parcel No. Ward 17, item 013520-1

Property Address: 1070 Field

**PARCEL 9:**

Lots 15 and 16, Moses W. Fields Subdivision, as recorded in Liber 8, Page 37 of Plats, Wayne County Records.

Tax Parcel No. Ward 17, item 013523-4

Property Address: 1090 Field

**PARCEL 10:**

Lots 17 through 19, Moses W. Fields Subdivision, as recorded in Liber 8, Page 37 of Plats, Wayne County Records.

Tax Parcel No. Ward 17, item 013525-7

Property Address: 1100 Field

**PARCEL 11:**

Lots 134 and 135, Moses W. Field Subdivision, as recorded in Liber 8, Page 37 of Plats, Wayne County Records.

Tax Parcel No. Ward 17, item 013536-7

Property Address: 1448 Field

**PARCEL 12:**

Lots 136 and 137, Moses W. Fields Subdivision, as recorded in Liber 8, Page 37 of Plats, Wayne County Records.

Tax Parcel No. Ward 17, item 013538

Property Address: 1458 Field



## **EXHIBIT A (contd)**

### **Field Street III Limited Dividend Housing Association, LLC**

**PARCEL 13:**

Lots 138 and 139, Moses W. Fields Subdivision, as recorded in Liber 8, Page 37 of Plats, Wayne County Records.

Tax Parcel No. Ward 17, item 013539-40

Property Address: 1470 Field

**PARCEL 14:**

Lot 98 and the North 25 feet of Lot 99, Moses W. Fields 2nd Subdivision, as recorded in Liber 10, Page 10 of Plats, Wayne County Records.

Tax Parcel No. Ward 15, item 007472

Property Address: 1481 Field

**PARCEL 15:**

Lot 97, Moses W. Fields 2nd Subdivision, as recorded in Liber 10, Page 10 of Plats, Wayne County Records.

Tax Parcel No. Ward 15, item 007471

Property Address: 1491 Field

**PARCEL 16:**

Lot 58, Moses W. Fields 2nd Subdivision, as recorded in Liber 10, Page 10 of Plats, Wayne County Records.

Tax Parcel No. Ward 15, item 007531

Property Address: 232 E. Grand Blvd.

**PARCEL 17:**

Lot 59, Moses W. Fields 2nd Subdivision, as recorded in Liber 10, Page 10 of Plats, Wayne County Records.

Tax Parcel No. Ward 15, item 007532

Property Address: 236 E. Grand Blvd.

**PARCEL 18:**

South 25 feet of Lot 62, Moses W. Fields 2nd Subdivision, as recorded in Liber 10, Page 10 of Plats, Wayne County Records.

Tax Parcel No. Ward 15, item 007533

Property Address: 238 E. Grand Blvd.