



OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 824
Detroit, Michigan 48226

Phone: 313-224-3011
Fax 313-224-9400
WWW.DETROITMI.GOV

October 24, 2024

Honorable City Council

**RE: Plymouth Square Preservation Limited Dividend Housing Association, Limited Liability Company –
Payment in Lieu of Taxes (PILOT)**

Plymouth Square GP, LLC, has formed Plymouth Square Preservation Limited Dividend Housing Association (“LDHA”), Limited Liability Company in order to develop the Project known as Plymouth Square Village. The Project is an existing site with a 14-story high-rise building containing two hundred two (202) senior units and seventy-eight (78) family units located in nine (9) townhome apartment buildings in an area bounded by Plymouth on the north, Vaughan on the east, Orangelawn on the south and Fielding on the west.

The Project consists of a high-rise with one hundred eighty-five (185) 1 bed/1 bath and seventeen (17) 2 bed/1 bath units. The seventy-eight (78) townhomes contain seventy (70) 2 bed/2 bath and eight (8) 3 bed/1.5 bath units.

The Project will be financed through a Michigan State Housing Development Authority (“MSHDA”) Pass-Through Short Term Bond program for the amount of \$20,000,000. An FHA-insured 223(f) mortgage note in the amount of \$23,000,000 will be provided by Capital One National Association. The Huntington National Bank will make Capital Contributions of \$14,062,027 which includes the purchase of Low Income Housing Tax Credits. Additionally, the Sponsor has agreed to defer \$1,023,403 of the developer fee.

The income of individuals and area median income shall be determined by HUD in a manner consistent with determinations of lower-income families and area median gross income under Section 8 of the U.S. Housing Act of 1937 and Promulgated at 24 CFR 812. All two hundred eighty (280) 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 Plymouth Square GP, LLC (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 the rehabilitation of an existing housing project known as Plymouth Square Village consisting of two hundred eighty (280) units in ten (10) buildings located on a parcel 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 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 PILOT eligibility through the existence of 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 Sponsor first obtains 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 Plymouth Square Village 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

Plymouth Square Preservation Limited Dividend Housing Association, Limited Liability Company

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

S PLYMOUTH PT OF NE 1/4 SEC 34 T1S R10E DESC AS BEG N 89D 36M 26SEC W 365.90FT ALG N LINE OF SD SEC 34 ALSO BG THE CL OF PLYMOUTH RD (120.00FT WD); TH S 00D 33M 00SEC E 188.27FT; TH S 00D 33M 00SEC E 91.76FT ALG THE W LINE OF VAUGHN RD (62.86FT WD); TH N 89D 47M 03SEC W 133.00FT ALG THE N LINE OF LOT 208 OF "HARRY SLATKIN'S ROUGE PARK SUB. NO. 2", L71 OF PLATS P62 WCR FROM THE NE COR OF SD SEC 34; TH N 89D 47M 03SEC W 17.00FT; TH S 00D 33M 00SEC E 740.07FT ALG THE BOUNDARY LINE OF SD SUB.; TH N 89D 47M 03SEC W 647.58FT ALG THE N LINE OF "HARRY SLATKIN'S ROUGE PARK SUB.", L71 OF PLATS P46 WCR; TH N 00D 40M 00SEC W 381.66FT MEAS (382.00FT RECORD) ALG THE E LINE OF SD "HARRY SLATKIN'S ROUGE PARK SUB. NO. 2"; TH N 89D 20M 00SEC E 310.00FT; TH N 00D 40M 00SEC W 122.00FT; TH N 23D 34M 24SEC E 25.00FT; TH N 00D 40M 00SEC W 34.00FT; TH N 36D 46M 41SEC E 61.11FT; TH N 89D 20M 00SEC E 9.73FT; TH N 00D 40M 00SEC W 119.30FT; TH N 89D 20M 00SEC E 41.68FT; TH N 45D 23M 34SEC E 80.05FT; TH N 00D 23M 34SEC E 170.00FT; TH S 89D 36M 26SEC E 200.00FT ALG THE S LINE OF PLYMOUTH RD (120.00FT WD); TH S 00D 15M 34SEC W 220.29FT TO POB 405552 SQ FT (9.31 ACRES)

Tax Parcel No. Ward 22, item 005427.002

Property Address: 20201 Plymouth