



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

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

October 19, 2022

Honorable City Council

**RE: Trumbull Crossing Detroit 2020 Limited Dividend Housing Association LP – Payment in Lieu of Taxes (PILOT) - Amended**

On October 18, 2022, a request for a PILOT Resolution was presented to your Honorable Body. At this time Quadrant Investments, LLC and the Office of the Assessor is requesting approval for the change stating that the planned rehabilitation will not result in any permanent tenant displacement or rent increases.

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



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**RE: Trumbull Crossing Detroit 2020 Limited Dividend Housing Association LP – Payment in Lieu of Taxes (PILOT) - Amended**

Quadrant Investments III, LLC has formed Trumbull Crossing Detroit 2020 Limited Dividend Housing Association Limited Partnership in order to develop the Project known as Trumbull Crossing. The Project is an existing two hundred forty-five (245) unit affordable housing complex consisting of one hundred fifty-seven (157) units in a midrise building and eighty-eight (88) units within eleven (11) townhouse buildings in an area bounded by Elijah McCoy on the north, Lodge Freeway on the east, Edsel Ford Freeway on the south and Trumbull on the west. The rehabilitation Project will include one hundred thirty-seven (137) 1-bed/1-bath, twenty (20) 2-bed/1-bath, sixty-eight (68) 2-bed/1.5-bath, fourteen (14) 3-bed/2-bath and six (6) 4-bed/2-bath affordable housing units. The planned rehabilitation will not result in any permanent tenant displacement or rent increases.

A tax-exempt bond construction loan in the amount of \$18,911,710, a tax-exempt bond permanent mortgage loan in the amount of \$13,597,350 and gap funding in the form of a Mortgage Resource Fund loan in the amount of \$5,826,681 will be provided by the Michigan State Housing Development Authority. Cinnaire will make Capital Contributions of \$13,192,612 which includes the purchase of Low Income Housing Tax Credits. In addition to providing a seller's note in the amount of \$1,250,000 the Sponsor has agreed to defer \$1,054,271 of the developer fee.

Rents for all units have been set at or below sixty percent (60%) of the area median income, adjusted for family size. All two hundred forty-five (245) 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 Quadrant Investments III, 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 to undertake the rehabilitation of an existing complex to be known as Trumbull Crossing consisting of the rehabilitation of two hundred forty-five (245) units in one 11-story building and eleven townhouse buildings located on one parcel of property to be owned 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 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 Trumbull Crossing 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

### Trumbull Crossing Detroit 2020 Limited Dividend Housing Association LP

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

E TRUMBULL 147 & 148 & PT OF LOTS 149 THRU 151 WOODBRIDGES SUB OF OL 112, 113 & 115 L9 P93 PLATS, WCR 1 THRU 13 20 THRU 48 & PT OF LOTS 17 THRU 19 HODGES BROS SUB L6 P81 PLATS, WCR PT OF OL 111 WOODBRIDGE FARM L1 P146 & 147 PLATS, WCR PT OF LOTS 1 & 2 HAUG & GORTONS RE-SUB L12 P80 PLATS, WCR 5 THRU 15 PT OF 16 PT OF 1 THRU 4 G W MCALLISTERS SUB L9 P36 PLATS, WCR 1 THRU 12 HERBERT BOWENS SUB L10 P19 PLATS, WCR PT OF OL 39 & 40 PLAT OF PT OF PC 24 LYG N OF CHICAGO RD L30 P447 DEEDS, WCR PT OF LOTS 1, 36 & 37 COLLINS B HUBBARDS SUB L9 P81 PLATS, WCR ALSO 31 & 32 PT OF LOTS 28, 29, 30 & 33 SUB OF BAKER FARM L365 P498 PLAT ON P502 DEEDS, WCR ALSO VAC STANLEY AVE 60 FT WD VAC LINCOLN AVE 70 FT WD VAC BROOKLYN AVE 60 FT WD VAC HUDSON AVE 60 FT WD & VAC ALLEYS ADJ DESC AS BEG AT NW COR OF LOT 13 HODGES BROS SUB TH S 23D 3M 27S E 584.88 FT ALG E LINE OF TRUMBULL TH N 51D 40M 40S E 128.61 FT TH N 23D 03M 26S W 33.70 FT TH N 67D 03M 12S E 18 FT TH 44D 40M 02S E 120.72 FT ALG NLYLINE OF FORD FWY SERVICE DR TH N 66D 56M 34S E 12.36 FT TO A PTE ON W LINE OF LINCOLN AVE TH N 41D 27M 16S E 77.53 FT TO E LINE OF LINCOLN AVE TH N 44D 35M 25S E 111.07 FT TO W LINE OF 20 FT ALLEY TH N 39D 02M 00S E 22.65 FT TO E LINE OF SD ALLEY TH N 44D 38M 48S E 156.10 FT TO A PTE ON S LINE OF LOT 6 LORENZO L PULFORDS SUB 144.34 FT ELY OF CORNER OF LOT 6 TH N 67D 03M 11S E 66.50 FT TO ELY LINE OF BROOKLYN AVE TH S 23D 02M 56S E ALG E LINE OF BROOKLYN AVE 15 FT TO S LINE OF HUDSON AVE 60 FT WD TH N 43D 28M 54S E 135.29 FT TJ N 23D 28M 41S W 883.24 FT TO A PTE ON SLY LINE OF MCCOY DR TH S 26D 09M 06S W ALG SLY LINE OF MCCOY DR 745.33 FT TO A PTE OF CURVATURE TH 249.94 FT ALG ARC OF CURVE CONCAVE N RAD 464 FT CH BG S 41D 34M 59S W 246.93 FT TO A PTE ON ELY LINE OF TRUMBULL AVE TH S 23D 03M 27S E ALG SD E LINE 3.10 FT TO POB 6/--544,977 SQ FT

Tax Parcel No. Ward 06, item 006024-41

Property Address: 1201 Elijah McCoy Drive