



AGENDA

COMMITTEE OF THE WHOLE WORKSESSION

TUESDAY, OCTOBER 3, 2023

5:30 PM

CITY HALL LARGE CONFERENCE ROOM #119

1. Mayor's Office:
 - a. Police Employment Retainer Program presentation.
 - b. [Annex Housing](#) PILOT agreement discussion.

2. Mayor's Office / Finance Department:
 - a. Police and Fire Department millage projections discussion.

PUBLIC COMMENT.

The City of Kentwood does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. The Human Resources Director, 4900 Breton Ave., SE has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Information concerning the provisions of the American with Disabilities Act, and the rights provided thereunder, are available from the ADA coordinator.



MEMORANDUM

TO: City Commission
FROM: Shay P. Gallagher, Deputy City Administrator
Jeff Sluggett, City Attorney
DATE: October 3, 2023
RE: Annex Housing PILOT Agreement Discussion & TEFRA Hearing

Requested Action: PILOT agreement and TEFRA hearing review.

Background: Community Housing Resource Partners Nonprofit Housing Corporation and The Annex Group have requested the City of Kentwood enter into a Payment in Lieu of Taxes (PILOT) agreement for a housing development (Union at Silver Station) located at 5844 Division Ave SE. The proposed development would provide 152 apartment units with a mix of 1-, 2-, and 3-bedroom units. The request is for a 6% PILOT. PILOT revenues for this development are estimated to total \$153,767 for *all* taxing jurisdictions.

The City Commission has previously discussed this development at the September 19th Committee of the Whole meeting and again at the September 26th City Commission Work Session. Annex Housing requests the city hold a Tax Equity and Fiscal Responsibility Act (TEFRA) hearing. This hearing is a required hearing related to tax laws. Annex Housing is asking the City Commission to support and affirm this project; in doing so, this will allow Annex Housing and its nonprofit partner access to bond financing.

Additionally, Annex Housing is seeking approval for the draft PILOT agreement for thirty years. It should be noted that the Michigan State Housing Development Authority (MSHDA) will only verify affordability standards for ten years as part of the Missing Middle program; city staff, namely the treasurer and assessor office, will be required to verify affordability for the remaining twenty years. This places an additional burden on city staff.

Lastly, a major topic of discussion related to the proposed housing development is the likelihood of increased calls for service from our police and fire departments. Any development, market rate or less than market rate, would generate additional calls for emergency service. At this time, the Kentwood Police Department is currently less than fully staffed, with an unknown date to be fully staffed. It is anticipated a new, multi-family development would place a greater burden on the city's police department, as illustrated in the review of calls for the city's most recent multi-family development, City Line Apartments.

To date, September 28, 2023, city staff has yet to receive references for similar developments completed by Annex throughout their portfolio so staff may better understand Annex, their developments and their impact on the community.

At this time staff is not in full support of the proposed development given above information; however, the determination to move forward with the approval of the PILOT and the TEFRA Hearing is a City Commission decision.

Please feel free to contact Shay P. Gallagher if you have questions regarding this request.