



Dr. Karen W. Weaver
Mayor

CITY OF FLINT
DEPARTMENT OF PLANNING AND DEVELOPMENT
Division of Community and Economic Development



Sylvester Jones, Jr.
City Administrator

PILOT (Payment in lieu of taxes) Application

In order to assist the development of housing to serve persons of low and moderate income, an approved PILOT shows that the applicant has agreed to pay the City of Flint an annual service charge (between 4 and 10% of annual rents exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants, including the portion of rent payable under any governmental subsidy, up for negotiation) for public services in lieu of all ad valorem taxes. Only housing developments with 51% affordable units are eligible to apply.

Statutorily, City Ordinance Section 18-4.3 refers to a number of questions for housing developments asking for a PILOT. All of those questions must be addressed in the project narrative.

- a) This project's financing includes a Low Income Housing Tax Credit (LIHTC) allocation
- b) This project's location is in an economically depressed urban renewal project area
- c) This project is not economically feasible absent the City's allowing a PILOT
- d) MSHDA will not grant a LIHTC absent the City providing this tax benefit
- e) The partnership will not have any employees (this must not be a business enterprise looking for a tax abatement, which is a separate application)
- f) The developer of this project has requested this PILOT during the planning stage of the project, prior to the start of construction or renovation.

Assumptions from the City of Flint:

- Because of the competitive nature of LIHTC applications, MSHDA wants to see approved PILOT documentation as part of a successful application, and a current standard practice is to not grant a LIHTC allocation without a PILOT or some other city support (HOME funds, etc.).
- The entirety of the city of Flint is an economically depressed urban renewal project area.
- While a housing development partnership entity does not have any employees, it is worth noting if this development will create any new part or full-time jobs.
- While historically PILOTs have been in place in perpetuity as long as there was a government loan on the project, as of February 2017, the City reserves the right to a 30 year sunset.

Timeline:

- Proposal packets must be submitted in full to Emily Doerr, HOME/Housing Program Manager, Community and Economic Development Division, by the 7th of the month. She will oversee the review of every applicable department / division in the city who will initial their support on checklist.
- An internal monthly PILOT review meeting with the City Administrator will occur during the last week of every month. This meeting will lead to Administrative approval within one week.
- If the application has administrative approval, the ordinance amendment will be an agenda item on the Government Operations Committee Meeting agenda on the Wednesday prior to the first Council meeting (2nd Monday) of the month. The Developer must be in attendance at both of these meetings.
- In total, the process will take approximately two months.



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PILOT APPLICATION PACKET REQUIREMENTS

Check if attached

Page

1. CONSTRUCTION and OPERATING PRO FORMAS	<input type="checkbox"/>	_____
2. SCHEDULE OF RENTS / INCOME LIMITS OF TENANTS	<input type="checkbox"/>	_____
3. PILOT ESTIMATION – Financial comparison table		
A. Calculation of service charge as a % of gross rent (exclusive of water or other utilities paid) – at 4%, 5%, 6%, and 7%	<input type="checkbox"/>	_____
B. Comparison of current taxable value of the property, requested PILOT fee, and calculated ad valorem taxes	<input type="checkbox"/>	_____
4. IMPACT – Project Narrative		
A. Quantitative Impact – housing market data to show demand	<input type="checkbox"/>	_____
B. Qualitative Impact – long term win-win for developer and city	<input type="checkbox"/>	_____
C. Site Plan Approval and any required Variance approval	<input type="checkbox"/>	_____
D. Copy of residential lease (commercial too if applicable)	<input type="checkbox"/>	_____
5. Priorities (extra points awarded) from Master Plan		
A. Mixed Income – unit % market rate, 80% AMI, 50% AMI, etc.	<input type="checkbox"/>	_____
B. Mixed Use (but PILOT only for housing not commercial SF)	<input type="checkbox"/>	_____
C. Energy Efficiency	<input type="checkbox"/>	_____
D. Internal amenities (ex: security)	<input type="checkbox"/>	_____
E. External amenities (ex: proximity to transit)	<input type="checkbox"/>	_____
F. Neighborhood / Block Club Engagement – full list of outreach	<input type="checkbox"/>	_____