

# Memo

**To:** City Council

**From:** Bryan Myrkle, Community Development Director

**Date:** November 4, 2020

**Re:** Request for rezone – Olde School Village site

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For the past several weeks, I have been working with representatives of PK Development, from Okemos; and Charhian Development, located here in Charlotte, on a proposal that would continue the residential development started at the Olde School Village site approximately 10 years ago.

PK Development has extended an offer to Charhian to purchase the site for the development of a mixed-income housing project. The purchase offer is contingent upon the approval of several items that the City of Charlotte must consider.

These include:

- Rezoning the site to accommodate the new proposal
- Approving a revised site plan
- Authorizing a Payment In Lieu of Taxes (PILOT - tax abatement)

If approved, this new development would be taxed and financed in the same manner previously used to incentivize the development of Sugar Mill Apartments and the Edmond Senior Apartments. The primary difference is that those proposals were specifically for senior housing, and this development would be for family housing.

Due to the way this incentive program works, all local approvals will need to be in place in time for the developer to apply to the Michigan State Housing Development Authority for low-income tax credits by February 1.

Because of the relatively short timeline to accomplish several technical tasks, the City Council and Planning Commission will need to tackle these approval items concurrently. If any one of them – rezoning, site plan approval or tax abatement – is rejected or significantly delayed, it is likely this particular proposal would be abandoned.

To that end, I am requesting the City Council approve a first reading to set a public hearing for December 1 before the Planning Commission on the request to rezone these parcels from PD – Planned Development District to RM2 – Multifamily Residential District. As in other rezoning matters, the City Council takes final action on a rezoning after receiving a recommendation from the Planning Commission. This would likely occur at the December 14 City Council meeting.

At that same December 1 Planning Commission meeting, I will also be asking the Commission to review and potentially approve a new site plan for the development. This review and approval is within the Commission's own authority, and does not require any action from the City Council.

During this same time period, we will be requesting that the City Council review and approve the tax abatement, or Payment In Lieu Of Taxes, as proposed by the developer. This action is entirely within the authority of the City Council and is accomplished via ordinance revision. In support of that request, I will be asking the developer to make a presentation to the Council regarding its plans for the site, the need for this kind of income-based housing in the community and the need for a tax incentive to make the project work financially. In order to stay on track, I am planning for that to occur at the second Council meeting of November or first meeting in December.

For your meeting on November 9, we are asking only for the procedural first-reading vote to set the necessary public hearing on rezoning. Presentations on project details and requests will occur at subsequent meetings.