

PILOT Implementation Training

Payment In Lieu of Taxes Program for Affordable Housing

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*"My PILOT application is
approved...
now how do I get my
property off the tax
roll?"*

What determines if a project can implement PILOT for the 2026 Tax Year?

By Nov' 1

- ✓ **Administrative Approval (or by Council, if applicable)**
- ✓ **Recordation of Affordability Agreement, if applicable**
- ✓ **Change in ownership, if applicable**
- ✓ **Submit MSHDA Affidavit to certify exemption**
- ✓ **Satisfy Investment Threshold (if applicable)**
- ✓ **Packet to Office of the Assessor**

By Dec '31

- ✓ **Bona fide occupancy**
- ✓ **Certificate of Compliance (CoC) or Occupancy (CoO)**

PILOT Implementation Steps

1. **Submit PILOT Application in Neighborly**
2. **Complete applicable additional steps, (Affordability Agreement, Tenant Retention Plan)**
3. **Receive Administrative Approval**
4. **Request MSHDA Certification of Exemption**
5. **Submit Packet to Office of the Assessor before November 1!**

MSDHA Affidavit for Certification of Exemption

- All projects must have a certified exemption from MSHDA before PILOT can go into effect called "Notification to Local Assessor of Exemption"
- There is one affidavit for government-aided project and another for "workforce" or non-government-aided projects. See detroitmi.gov/PILOT
- MSHDA will only certify exemptions for approved projects.
- If you were already an active PILOT, no additional certification is needed!

MSHDA Affidavit for Certification of Exemption

1. **Complete the Affidavit for your project type.**
 1. "Name of Housing Development" should be the "Project Name" in Neighborly
 2. "Housing development is owned by" should be "PILOT Ownership Entity" in Neighborly
 3. School District Name and Code are "Detroit City School District" "82010"
2. **Document must be signed and notarized**

MSHDA Affidavit for Certification of Exemption cont'd

Attach supporting documents:

1.Fast Track Projects (aka "workforce")

- **Administrative Approval letter from City of Detroit**
- **Recorded deed in the name of PILOT ownership entity**
- **Recorded Affordability Agreement**

2.Government Aided Projects

- **Recorded Mortgage**
- **Mortgage Note**
- **Administrative Approval letter from City of Detroit**
- **Organizational Documents, including all amendments and certificates**
- **Evidence of Federal Aid; i.e., HUD, Tax Credits, HAP**
- **Regulatory Agreement (if applicable)**
- **Mortgage Statement dated within the last 60 days**

MSHDA Affidavit for Certification of Exemption cont'd

Submit to MSHDA

**Email signed/notarized affidavit and supporting documents to
Diana Bitely BitelyD@michigan.gov**

**You will receive a certified copy of your exemption back from
MSHDA.**

Packet Submission to Office of the Assessor

- All projects must submit a packet to the Office of the Assessor by November 1 if they want PILOT to go into effect the next year.
- Submit via Packet smartsheet at detroitmi.gov/PILOT
- Specific requirements differ based on project type, timing, and what was already provided in your application

TIP: check your administrative approval letter for a custom list of requirements.

Submit Packet

The "packet" may include:

- **MSHDA exemption**
- **Recorded affordability covenant**
- **Deed/Proof of ownership by PILOT entity**
- **Proof of investment**
- **BSEED Certificate of Compliance**
- **Evidence of bona fide occupancy**
- **DBLA 5/50 Waiver**

Packet Components

✓ MSHDA Exemption

- Submit certified copy, if available. If not received back by end of October, submit a copy of the affidavit you sent)

✓ Recorded affordability covenant

- Recorded affordability agreement (If fast track aka workforce)
- Recorded deed/mortgage/loan/grant from MSHDA or HUD

✓ Deed/proof of ownership of PILOT ownership entity

Packet Components Cont'd

Investment threshold is:

- \$5,000/unit for occupied rehab
- \$15,000/unit for short-term vacant or long-term vacant rehab

✓ Proof of investment can be include one of the following:

1. 3rd Party Cost Certification
2. Certificate of Acceptance (CoA)
3. Investment summary (see detroitmi.gov/PILOT) with attached invoices at or above investment threshold amount

Tip: NOT NEEDED If the project type New construction, or if rehab was "construction complete" at the time of the application.

Packet Components Cont'd

- ✓ **Certificate of Compliance (CoC)/Certificate of Occupancy (CoO)**
 - BSEED CoC for all parcels with residential units, if rehab; or
 - BSEED CoO for all parcels with residential units, if new construction
- ✓ **Evidence of bona fide occupancy**
 - One de-identified lease showing address and date, or
 - Deidentified rent roll

Tip: If you do not have either or both by November 1, submit packet without these items and provide them by December 31.

Tip: Temporary CoC suffices!

Tip: If project won't have occupancy or BSEED certification by December 31, it is not eligible for PILOT in the following tax year.

Packet Components Cont'd

DLBA 5/50 Waiver

- ✓ **Projects that include parcel(s) purchased from Detroit Land Bank Authority (DLBA) in the last 5 years require a 5/50 waiver. Include this in your packet, if not previously provided.**

TIP: To request a wavier, Contact the DLBA project manager involved in the sale, or Projects@detroitlandbank.org). Be sure to let them know the year that you intend to start your PILOT (as listed on approval letter).

Additional Checks for All Parcels

- ✓ **Taxpayer name must be the PILOT Ownership Entity**

TIP! Search BS&A by Parcel to see the listed taxpayer name. If it is wrong, you are either missing a PTA or need to get assessor to update, feel free to include PTAs in packet

- ✓ **No delinquent property taxes (\$0 with Wayne County Treasurer)**