



STATE OF MICHIGAN

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MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

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May 16, 2017

Q/A for RFP: Benefits of PILOTs for Affordable Housing

1. PILOTs in Michigan are often provided in conjunction with Low Income Housing Tax Credits and lending programs, is it the intent of the study to consider only the effect of PILOTs or should PILOTs be considered within the context of complementary low income housing programs?

It is assumed that this question is asking whether MSHDA is solely interested in the direct benefits of PILOTs to local communities (e.g., receiving PILOT payments for previously-vacant land) or also the benefits of enabling the creation/rehabilitation of affordable housing in the first place (such as attracting new residents to a community). MSHDA is interested in both. Please note that there already exists a great deal of existing research about the impacts of affordable housing in general, but little about the impacts of PILOTs specifically.

2. Item C.2.a The estimated number of PILOTs outstanding for MSHDA-financed properties. This suggests narrowing the focus. Can local jurisdictions offer PILOTs to (and should the analysis consider) developments that do not have/use MSHDA financing?

The primary focus of the study should be affordable housing in Michigan through MSHDA's LIHTC and direct lending programs. If bidders believe that expanding this focus would enhance the ability to answer the research questions, please discuss this in your proposals.

3. Should the study consider the effect of "subsidy layering"?

MSHDA staff has not considered including subsidy layering in the PILOT study, as it appears to be a minor consideration. But, if bidders have reasons to believe it is important to the study, the Authority is open to considering the inclusion of this analysis.

4. Should the effects of PILOTs on municipalities be separately considered from their effect on school districts and special districts?

Yes. MSHDA is primarily interested in the effects of PILOTs on the municipalities that decide whether or not to approve them. However, if the bidder feels that including school districts and special districts is germane to the analysis, they can recommend the addition of these elements in their proposals.

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5. Do effects on school enrollments consider the implication for new capital investment and increments in school spending versus per student increments in revenue?

MSHDA has not considered including these implications. However, if a bidder believes that they could be useful in understanding the research questions, please discuss it in your proposals.

6. Should effects be separately considered for municipalities which elect to exempt certain classes of housing projects from PILOT eligibility?

MSHDA has not considered including an analysis of municipalities that elect to exempt certain classes of housing. However, if bidders believe that this could be useful in understanding the research questions, please discuss it in your proposals.

7. Can you please provide additional detail on what type of data you have on existing PILOTS to support the analysis defined in the descriptive elements portion under section IV. C. of the RFP? In particular, do you have an electronic file with a listing of all of the current PILOTS with data about them, do you simply have the forms the pilots have filled out, etc.? Also, do you have a feel for approximately how many existing MSHDA Pilots are out there?

MSHDA staff estimates that roughly 250 PILOTS have been granted for projects receiving funds through the Authority's 9% LIHTC and direct lending program since 2012. The Authority can compile a list of the properties that have received these PILOTS since 2012 (or possibly before), but does not have a compiled source with any further detail. It is anticipated that MSHDA will work closely with the chosen contractor to determine the best way to obtain this data, and the Authority will provide any data it can compile from internal sources.