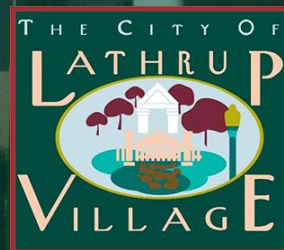


CITY HALL STUDY SESSION

ANNIE LATHRUP SCHOOL
MIXED USE PROJECT SITE PLAN

September 8, 2025



THE
SURNOW
COMPANY

CONFIDENTIAL

“Build Baby Build”

Governor Whitmer announces new investment to expand affordable housing across Michigan



State-Wide Affordable Housing Criss

Whitmer proposes \$2 billion boost to combat Michigan's crippling housing shortage

by Courtney Bennett | Fri, February 28th 2025 at 12:08 AM



Michigan agency wants developers to ask for help getting housing projects off the ground

Michigan Public | By [Tracy Samilton](#)
Published August 22, 2025 at 8:58 PM EDT



Crain's Content Studio

Unlocking Michigan's potential starts with housing

Michigan is scaling housing solutions to meet urgent statewide demand

By Amy Hovey, CEO and Executive Director, Michigan State Housing Development Authority

 Reprints  Share

Why These Programs Exist



Amy Hovey, CEO and
Executive Director, Michigan
State Housing Development
Authority (MSHDA)

"We definitely have a housing crisis still happening. MSHDA estimates the state is short by 140,000 housing units, a significant hurdle in addressing the crisis. The cost of building and rentals continues to rise. The difference between what Michigan families make and the cost of housing remains a significant gap." – *May 26, 2025*

Progress is Being Made ... Quickly

‘We are moving fast’: Whitmer gives update on 5-year housing goal

Published: Aug. 27, 2025, 8:55 a.m.

LOCAL NEWS

Whitmer awards \$4 million for 171-unit apartment complex in Grand Rapids

Gov. Whitmer Announces 96 New Jobs in Shelby Township, 56 Residential Units in Downtown Clawson

February 25, 2025

Gov. Whitmer Announces 140 New Housing Units in Hastings, Coldwater Redevelopment Projects

June 18, 2025

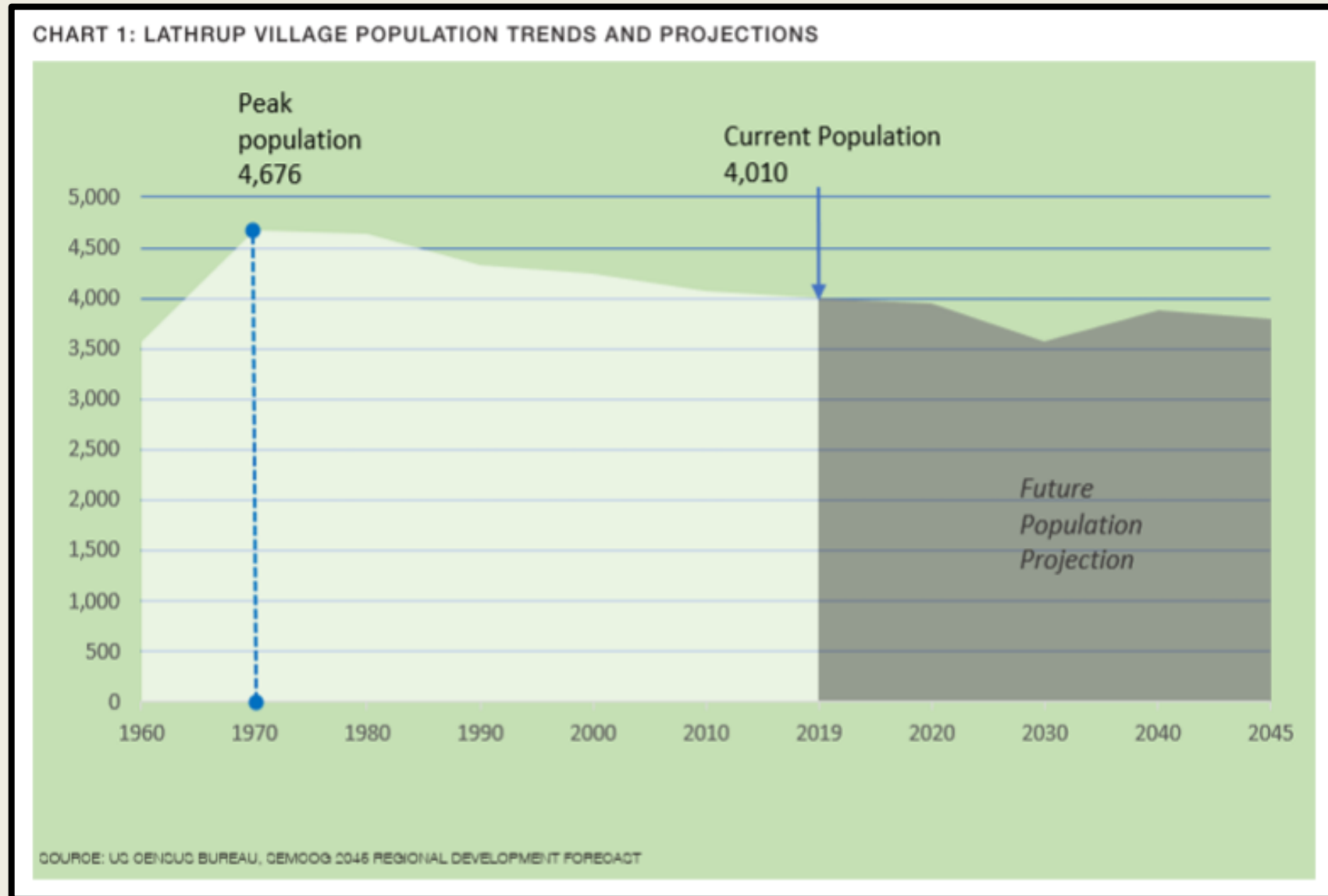
Gov. Whitmer Announces Funding for New Housing in U.P., Adding 22 Homes

MEDC Communications

Tuesday, May 20, 2025

Lathrup Village Population Statistics

- Lathrup Village's population peaked in 1970
- Current population down 15% from that peak
- Projected to keep trending downwards thru 2045
- The City's current tax revenue shortage is connected to the overall housing shortage and the lack of housing turnover



Lathrup Village Master Plan's Commentary on Attainable Housing

“ **Finding attainable housing can be a challenge in Lathrup Village and it can stress family finances.** Many people find themselves spending more on housing, leaving less of their income available for other household expenses.

Lathrup Village Master Plan, April 2021

”

Aging Housing Stock

92% of all apartment units in the Lathrup Village area were developed prior to 1989.

Year Opened	Projects	Units	Vacant Units	Vacancy Rate
Before 1970	5	2,068	100	4.8%
1970 to 1979	4	914	3	0.3%
1980 to 1989	5	1,064	22	2.1%
1990 to 1999	0	0	0	-
2000 to 2009	0	0	0	-
2010 to 2014	1	85	1	1.2%
2015	1	114	3	2.6%
2016	0	0	0	-
2017	1	103	3	2.9%
2018	0	0	0	-
2019	0	0	0	-
2020	0	0	0	-
2021	0	0	0	-
2022	0	0	0	-
2023	1	78	0	0.0%
2024*	0	0	0	-
Total	18	4,426	132	3.0%

Source: VSI Telephone Survey

New Development Lacking

Since 2018, there have been **ZERO** new housing developments in Lathrup Village and only one new housing development in the entire market radius

Year Opened	Projects	Units	Vacant Units	Vacancy Rate
Before 1970	5	2,068	100	4.8%
1970 to 1979	4	914	3	0.3%
1980 to 1989	5	1,064	22	2.1%
1990 to 1999	0	0	0	-
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2019	0	0	0	-
2020	0	0	0	-
2021	0	0	0	-
2022	0	0	0	-
2023	1	78	0	0.0%
2024*	0	0	0	-
Total	18	4,426	132	3.0%

Source: VSI Telephone Survey

High Demand for New Units

The only new housing unit is fully leased up and has a 0% vacancy rate – showcasing a high demand for housing.

Year Opened	Projects	Units	Vacant Units	Vacancy Rate
Before 1970	5	2,068	100	4.8%
1970 to 1979	4	914	3	0.3%
1980 to 1989	5	1,064	22	2.1%
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2024*	0	0	0	-
Total	18	4,426	132	3.0%

Source: VSI Telephone Survey

Big Picture

1.
Aging Housing
Stock

2.
Lacking New
Developments

3.
Clear Demand
for Housing

4.
Overall Vacancy
Rate = Shortage

Year Opened	Projects	Units	Vacant Units	Vacancy Rate
Before 1970	5	2,068	100	4.8%
1970 to 1979	4	914	3	0.3%
1980 to 1989	5	1,064	22	2.1%
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2022	0	0	0	-
2023	1	78	0	0.0%
2024*	0	0	0	-
Total	18	4,426	132	3.0%

Source: VSI Telephone Survey

Multi-Family Buildings Deep Dive

There are 4,426 total units in the Lathrup Village Proximity and 4,294 are occupied.

This represents a **97% occupancy rate** and showcases a low supply and high demand for housing

Map ID	Project Name	Project Type	QR	Year Built/ Renovated	Total Units	Vacant	Occupancy Rate	DTS
1	42 West	MRR	N	2015	114	3	97.4%	0.8
2	Keswick Manor Apts.	MRR	B	1981	50	1	98.0%	1.3
3	Cambridge Square	MRR	C+	1964 / 2017	104	3	97.1%	1.8
4	Spring Haven Apts.	MRR	N	2017	103	3	97.1%	1.3
5	Country Court North & South	MRR	C	1971 / 2009	176	0	100.0%	2.1
6	The Crossroads at Southfield	MRR	B+	1965 / 2023	588	23	96.1%	2.3
7	Arbor Lofts	MRR	A	2013	85	1	98.8%	1.9
8	The Loop on Greenfield	MRR	B+	1965 / 2017	717	55	92.3%	2.0
9	Lincoln Towers Apts.	MRR	B	1974 / 2000	480	0	100.0%	2.3
10	Chatsford Manor Apts.	MRR	B-	1976 / 2015	48	0	100.0%	2.6
11	Monticello Apts.	MRR	N	1988 / 2021	106	0	100.0%	3.3
12	Park Lane Apts.	MRR	N	1986 / 2010	184	0	100.0%	3.4
13	The Addison at Southfield	MRR	N	1988 / 2015	396	10	97.5%	3.6
14	Franklin River Apts.	MRR	N	1987 / 2010	328	11	96.6%	3.8
15	Radius at Ten Mile	MRR	N	1971 / 2010	210	3	98.6%	4.2
16	IVY Lofts	MRR	N	2023	78	0	100.0%	2.7
17	The Oxley	MRR	B+	1966 / 2017	346	6	98.3%	3.4
18	The Sapphire	MRR	B	1968 / 2023	313	13	95.8%	3.5

Project Type		Projects Surveyed	Total Units	Vacant	Occupancy Rate	U/C
MRR		18	4,426	132	97.0%	0

Benefits to a PILOT Program

Increase the number of available
workforce housing units in the City



Encourage expansion of the population
of the City



Facilitate the addition of attractive and
viable housing units in locations consistent
with the goals & objectives of the City's
Master Plan



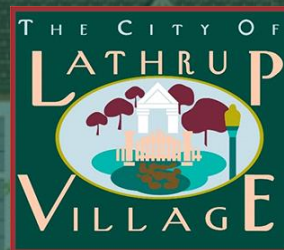
Protect and improve the health, safety and
general welfare of the City's residents,
business ownership, property owners &
community as a whole



DEAL OVERVIEW

ANNIE LATHRUP SCHOOL MIXED USE PROJECT SITE PLAN

September 2025



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PILOT Resolution: High Level Deal Terms

\$22,000

Current Real
Estate Taxes

4.5%

PILOT
Percentage

\$120,000

Minimum Yearly Real
Estate Taxes Collected

\$158,500

Year 1 Taxes Collected at
100% Occupancy

120% AMI

All units must be attainable
housing units priced up to
120% area median income

2026

Estimated date to begin
construction

2027

Estimated date for initial
increased tax payment

Oakland County PILOT Percentages

13 of the 19 PILOT Programs in Oakland County are 4% or lower

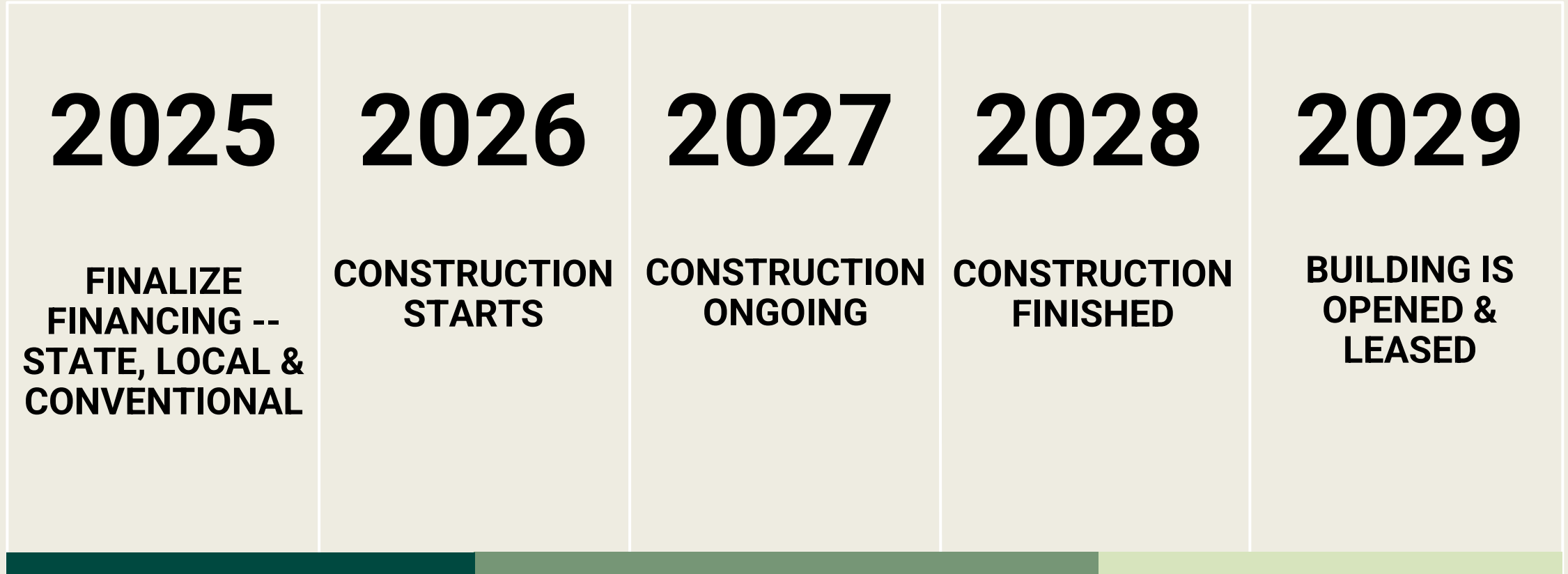
#	City	Facility Name	Address	Units	MSHDA Notice	PILOT Percentage
1	Township of Milford	Heritage Place @ Ridge Valley	700 Napa Valley Dr	130	10/4/2006; 06/27/2012	1%
2	City of Pontiac	Village of Oakland Woods I (Pres. Village)	420 S Opdyke	150	1/20/2022	3%
3	City of Birmingham	Baldwin House	200 S Chester St	130	6/21/1993	4%
4	City of Ferndale	Vester Flats Apartments	141 Vester Street	72	4/23/2025	4%
5	City of Ferndale	Devon Trace Apartments	1225 Orchard St	60	5/21/2010	4%
6	City of Hazel Park	Baldwin House	749 E Woodward Hts	125	6/19/1990; 12/22/2021	4%
7	City of Hazel Park	Hazelcrest Place	100 Hazelcrest	241	4/11/1979; 12/22/2021	4%
8	City of Pontiac	American House Oakland (Lakehaven)	1915 Baldwin Ave	161	12/07/2021 (06/26/2019)	4%
9	City of Pontiac	North Hill Farms I & II	550 W Kennett Rd	525	1/13/2022	4%
10	City of Pontiac	Phoenix Place	47251 Woodward	201	8/4/2010	4%
11	City of Pontiac	Crystal Lake Apartments	850 Golf	144	5/20/2020	4%
12	City of Pontiac	Spring Lk Village (Aub Hls Twnhs)	252 Carriage Circle Dr	250	1/6/2011	4%
13	City of Pontiac	Village of Oakland Woods II	440 S Opdyke	66	2/2/2006	4%
14	City of Ferndale	Raymond E. Shepherd House	410 Vester St	53	10/2/2024	4.5%
15	City of Pontiac	Winston Commons	69 Douglas St	54	07/20/2022 (11/16/2020)	6%
16	City of Pontiac	The Hamilton	5 Carter St	42	9/3/2019	6%
17	City of Pontiac	Carriage Place Apts.	255 Carriage Circle Dr	234	8/10/2021	6%
18	City of Pontiac	Newman Court Apts	630 Kettering	172	7/16/2018	7%
19	Village of Milford	South Hills II / MHT	101 Gwendolyn Blvd	120	12/13/2006	10%

Oakland County PILOT Percentages

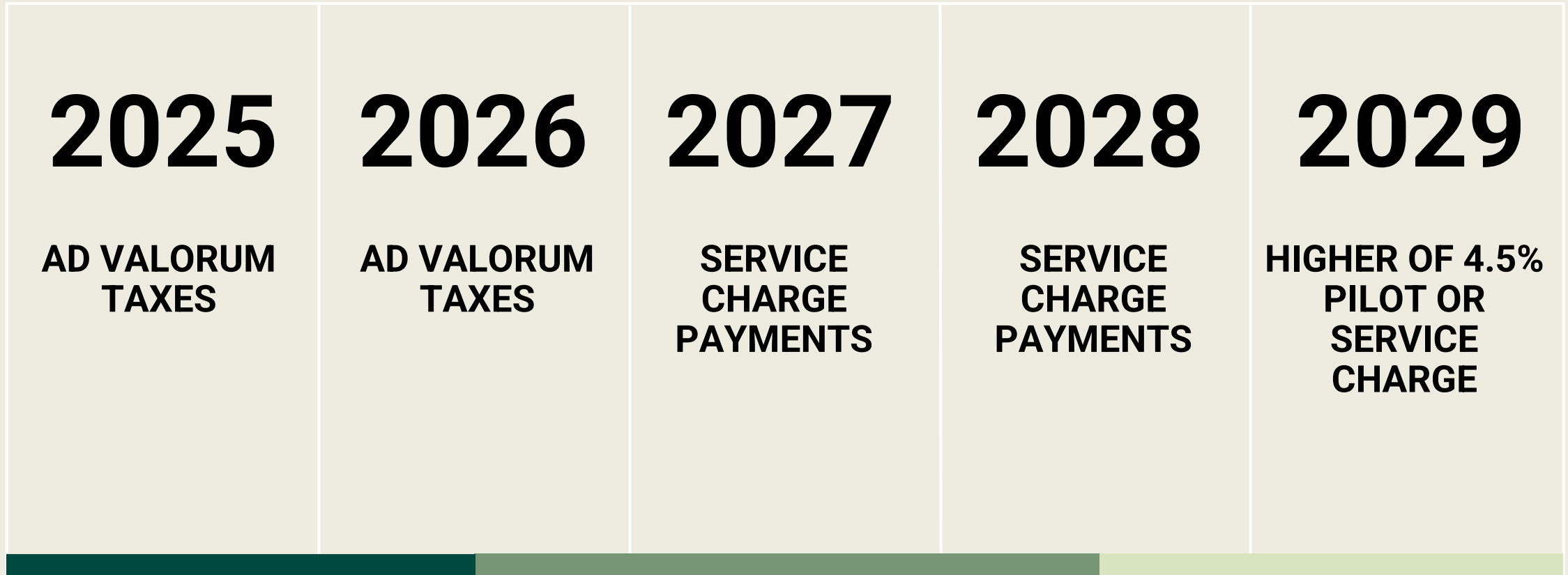
At 4.5% the proposed PILOT Program for Annie Lathrup School would be among the highest percentages of shelter rents captured in Oakland County

#	City	Facility Name	Address	Units	MSHDA Notice	PILOT Percentage
1	Township of Milford	Heritage Place @ Ridge Valley	700 Napa Valley Dr	130	10/4/2006; 06/27/2012	1%
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13	City of Pontiac	Village of Oakland Woods II	440 S Opdyke	66	2/2/2006	4%
14	City of Ferndale	Raymond E. Shepherd House	410 Vester St	53	10/2/2024	4.5%
15	Lathrup Village	Annie Lathrup School	20700 Southfield Road	145	TBD	4.5%
16	City of Pontiac	Winston Commons	69 Douglas St	54	07/20/2022 (11/16/2020)	6%
17	City of Pontiac	The Hamilton	5 Carter St	42	9/3/2019	6%
18	City of Pontiac	Carriage Place Apts.	255 Carriage Circle Dr	234	8/10/2021	6%
19	City of Pontiac	Newman Court Apts	630 Kettering	172	7/16/2018	7%
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Sample Timeline



Sample Timeline



PILOT Program

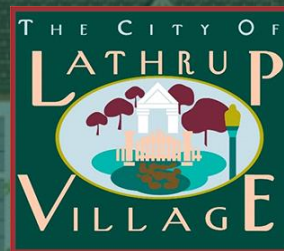
~Total Annual Rent	\$3,378,240																
~3% Growth Per Year																	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	TOTAL Payment	~City/DDA Revenue
Current Taxes	\$ 23,000	\$ 23,690	\$ 24,401	\$ 25,133	\$ 25,887	\$ 26,663	\$ 27,463	\$ 28,287	\$ 29,136	\$ 30,010	\$ 30,910	\$ 31,837	\$ 32,793	\$ 33,776	\$ 34,790	\$ 427,775	\$ 205,332.01
4% - PILOT	\$ 135,130	\$ 139,183	\$ 143,359	\$ 147,660	\$ 152,090	\$ 156,652	\$ 161,352	\$ 166,192	\$ 171,178	\$ 176,313	\$ 181,603	\$ 187,051	\$ 192,662	\$ 198,442	\$ 204,396	\$ 2,513,264	\$ 1,206,366.62
5% - PILOT	\$ 168,912	\$ 173,979	\$ 179,199	\$ 184,575	\$ 190,112	\$ 195,815	\$ 201,690	\$ 207,740	\$ 213,973	\$ 220,392	\$ 227,004	\$ 233,814	\$ 240,828	\$ 248,053	\$ 255,495	\$ 3,141,580	\$ 1,507,958.28
6% - PILOT	\$ 202,694	\$ 208,775	\$ 215,038	\$ 221,490	\$ 228,134	\$ 234,978	\$ 242,028	\$ 249,289	\$ 256,767	\$ 264,470	\$ 272,404	\$ 280,576	\$ 288,994	\$ 297,664	\$ 306,593	\$ 3,769,896	\$ 1,809,549.93
7% - PILOT	\$ 236,477	\$ 243,571	\$ 250,878	\$ 258,405	\$ 266,157	\$ 274,141	\$ 282,366	\$ 290,837	\$ 299,562	\$ 308,549	\$ 317,805	\$ 327,339	\$ 337,159	\$ 347,274	\$ 357,692	\$ 4,398,212	\$ 2,111,141.59
8% - PILOT	\$ 270,259	\$ 278,367	\$ 286,718	\$ 295,320	\$ 304,179	\$ 313,304	\$ 322,704	\$ 332,385	\$ 342,356	\$ 352,627	\$ 363,206	\$ 374,102	\$ 385,325	\$ 396,885	\$ 408,791	\$ 5,026,528	\$ 2,412,733.24
9% - PILOT	\$ 304,042	\$ 313,163	\$ 322,558	\$ 332,234	\$ 342,201	\$ 352,468	\$ 363,042	\$ 373,933	\$ 385,151	\$ 396,705	\$ 408,606	\$ 420,865	\$ 433,491	\$ 446,495	\$ 459,890	\$ 5,654,844	\$ 2,714,324.90
10% - PILOT	\$ 337,824	\$ 347,959	\$ 358,397	\$ 369,149	\$ 380,224	\$ 391,631	\$ 403,380	\$ 415,481	\$ 427,945	\$ 440,784	\$ 454,007	\$ 467,627	\$ 481,656	\$ 496,106	\$ 510,989	\$ 6,283,159	\$ 3,015,916.55
Minimum Payment	\$ 120,000	\$ 126,000	\$ 129,780	\$ 133,673	\$ 137,684	\$ 141,814	\$ 146,069	\$ 150,451	\$ 154,964	\$ 159,613	\$ 164,401	\$ 169,333	\$ 174,413	\$ 179,646	\$ 185,035	\$ 2,272,877	\$ 1,090,980.89
~Taxable Value Payment	\$ 670,000	\$ 690,100	\$ 710,803	\$ 732,127	\$ 754,091	\$ 776,714	\$ 800,015	\$ 824,015	\$ 848,736	\$ 874,198	\$ 900,424	\$ 927,437	\$ 955,260	\$ 983,918	\$ 1,013,435	\$ 12,461,272	\$ 5,981,410.71

**The applicant and the City have agreed to a 4.5% annual fee, as reflected in the payment and revenue projections outlined in the attached spreadsheet.*

COMMUNITY BENEFITS

ANNIE LATHRUP SCHOOL MIXED USE PROJECT SITE PLAN

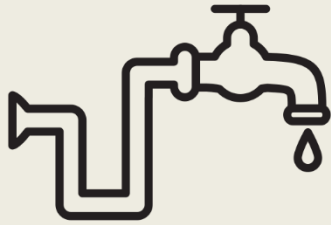
September 2025



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Potential Community Benefits

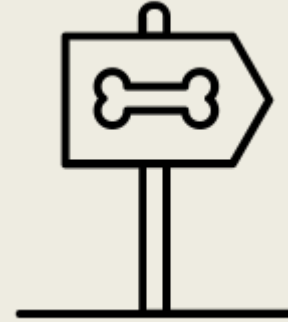
The Surnow Company is willing to invest into beautifying Annie Lathrup Park as part of our Community Benefits to the residents of Lathrup Village; examples include:



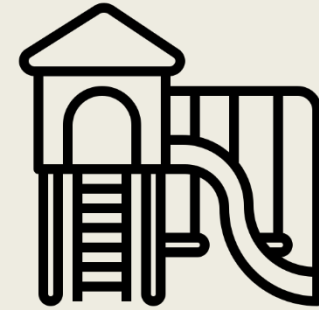
**Water Main
Repair**



**Walking Path
Enhancements**



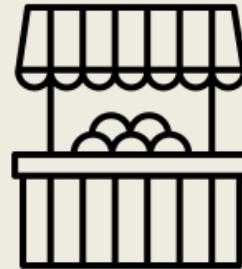
**Dog Park
Refurbishment**



**Children's
Playgrounds**



Landscaping



Farmers Market



Hosting Events

Current: Green Space Buffer Zone POV



**Walking Path
Enhancements**



Current: Green Space Buffer Zone POV



**Walking Path
Enhancements**



Project Summary

Project Qualifications

- Adaptive reuse of vacant or under-utilized buildings
- New mixed-use or multi-family residential developments
- Significant commercial renovations or expansions
- Affordable housing developments



Public Benefits

- Expansion of the City's tax base in the long term
- Improvement of blighted or vacant property
- Expanded provision of affordable housing units
- Creation or retention of permanent jobs

