



Rochester Hills

Master Report

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File Number: 2005-0259

File Number: 2005-0259 **File Type:** Ordinance **Status:** Held in Council
Version: 2 **Reference:** N/A **Controlling Body:** City Council
Regular Meeting
Requester: Planning/Development **Cost:** **Introduced:** 04/01/2005
File Name: Danish Village PILOT **Final Action:**

Title: Acceptance for First Reading - An Ordinance to add new Section 30-32 to Chapter 30, Community Development, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan to modify tax exemption provisions relating to Danish Village, and repeal conflicting ordinances

Notes: Version 1: Approved 04/06/05 to change ordinance (RES0110-2005)

Waiting for ordinance language from John Staran

Code Sections:

Indexes: Taxes

Sponsors:

Attachments: Agenda Summary - First Reading.pdf, Map aerial.pdf, Ordinance.pdf, Agenda Summary 040605.pdf, 040605 Resolution.pdf, Letter Great Lakes Capital 20050329.pdf, Tax Exempt Ord.pdf

Agenda Date:

Agenda Number:

Enactment Date:

Enactment Number: RES0110-2005

History of Legislative File

| Ver- sion: | Acting Body: | Date: | Action: | Sent To: | Due Date: | Return Date: | Result: |
|---------------|---|------------|-----------------------|----------|-----------|-----------------|---------|
| 1 | City Council Regular Meeting | 04/06/2005 | Adopted by Resolution | | | | Pass |
| | Notes: <i>Mr. Dan Casey, Economic Development Manager, introduced the following individuals appearing on behalf of Danish Village:</i> | | | | | | |
| | <i>Dr. Louis Prues, Vice President of Planning for Lutheran Social Services</i> | | | | | | |
| | <i>Mr. William Lutz, Housing for Lutheran Social Services</i> | | | | | | |
| | <i>Mr. Eric DeGroat, Attorney with Clark Hill PLC</i> | | | | | | |
| | <i>Mr. Edward Bobinchak of Great Lakes Capital Fund</i> | | | | | | |
| | Mr. Casey explained that Danish Village, a 150-unit senior affordable housing facility, was built fifteen years ago using Housing and Urban Development (HUD) funds. From its inception, the property taxes for Danish Village have been reimbursed to the City by the State of Michigan. However, at this time, Lutheran Social Services (LSS), owners of Danish Village, are seeking to terminate their tax exempt status in an effort to gain financing for renovations of the aging Danish Village apartments. LSS is requesting a Payment in Lieu of Taxes (PILOT) of 4% for a period of 45 years be paid to the City in place of the current | | | | | | |

property taxes.

Council members noted the following issues:

- * This would result in a substantial loss of property tax dollars to the City.
- * This would be a sacrifice for the community, but an investment for affordable housing for seniors.
- * If improvements are not made and Danish Village is unable to continue, the City will lose those property taxes as well as affordable senior housing.
- * According to SEMCOG there will be a need for affordable senior housing into the foreseeable future.

Aye: Hill, Barnett, Dalton, Duistermars, Holder, Raschke and Robbins

Text of Legislative File 2005-0259

..Title

Acceptance for First Reading - An Ordinance to add new Section 30-32 to Chapter 30, Community Development, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan to modify tax exemption provisions relating to Danish Village, and repeal conflicting ordinances

..Body

Resolved that an Ordinance to add new section 30-32 of Chapter 30, Community Development, of the Code of Ordinances of the City of Rochester Hills, Oakland County Michigan, to provide tax exemption provisions relating to Danish Village, and repeal conflicting ordinances is hereby accepted for **First Reading**.