



# Rochester Hills Agenda Report

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**File Number: 2005-0259**

**File Number:** 2005-0259      **File Type:** Ordinance      **Status:** Held in Council  
**Version:** 4      **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:** Request for Letter of Support for Federal Appropriation Request for Danish Village

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

Waiting for ordinance language from John Staran

Version 3: Approved 8/24/06 - RES0110-2005

**Code Sections:**

**Indexes:** Taxes

**Sponsors:**

**Attachments:** AgendaSummary - Second Reading.pdf, 080305  
Agenda Summary - First Reading.pdf, Agenda  
Summary Dan.pdf, Map aerial.pdf, Ordinance.pdf,  
Agenda Summary 040605.pdf, 040605  
Resolution.pdf, Letter Great Lakes Capital  
20050329.pdf, Tax Exempt Ord.pdf, 0259  
Resolution.pdf, First Reading Resolution.pdf

**Agenda Date:**

**Agenda Number:**

**Enactment Date:**

**Enactment Number:**

## 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
	<b>Notes:</b> <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>						
	<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</i>						

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

2 City Council Regular Meeting 08/03/2005 Accepted for First Reading by Resolution Pass

Notes: **Mr. Dan Casey**, Economic Development Manager, explained that Lutheran Social Services of Michigan (LSSM) was seeking tax exemption status for their senior housing facility Danish Village. Currently, Danish Village is tax exempt and the City is reimbursed by the State. LSSM is seeking credits from MSHDA to improve the facility and, if approved, would pay the City a PILOT (payment in lieu of taxes) in place of the State reimbursements. Mr. Casey noted that Council has approved similar programs for other senior housing facilities in the City. He stressed that the PILOT would not be initiated until the City Treasurer has received notification from MSHDA that the credits have been awarded to LSSM.

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

3 City Council Regular Meeting 08/24/2005 Accepted for Second Reading and Adoption by Resolution Pass

Notes:

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

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### Text of Legislative File 2005-0259

..Title

Request for Letter of Support for Federal Appropriation Request for Danish Village

..Body

**Whereas**, Lutheran Social Services of Michigan owns and operates Danish Village, located at 2566 Walton Blvd., and

**Whereas**, Danish Village was constructed in 1980 as a Section 202 housing project and contains 150 senior apartment units, of which more than 90% serve low income seniors, and

**Whereas**, Danish Village has committed to achieve a minimum low income tenancy of 80% over the next 45 years, and

**Whereas**, Danish Village is seeking to upgrade its building and facilities, including adding air conditioning units and updating kitchen areas, and

*Whereas*, the City Council of Rochester Hills is committed to providing affordable housing options to its senior population.

*Resolved* that the Rochester Hills City Council hereby respectfully requests that Congressman Joe Knollenberg of the 9th District support Lutheran Social Services of Michigan's (LSSM) federal funding request of \$750,000 through the FY 2007 Department of Housing and Urban Development (HUD) Economic Development Initiatives account for renovation costs to Danish Village Apartments in Rochester Hills, Michigan.