



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2024-0246

TO: Mayor and City Council Members
FROM: Laurie A. Taylor, Director of Assessing
DATE: July 15, 2024
SUBJECT: Chapter 30 – Community Development Ordinance Amendment First Reading

REQUEST:

The Rochester Hills City Council is requested to accept for First Reading, amendments to Chapter 30-Community Development, Article II, Tax Exempt Housing, to amend Section 30-32-Danish Village.

BACKGROUND:

DV Limited Dividend Housing Association, Limited Partnership (LDHA, LP) a/k/a Danish Village provides low-income housing serving senior and adult disabled residents. On March 18, 2024, Rochester Hills City Council approved the amendments to the Payment in Lieu of Taxes (PILOT) agreement and authorized the City Attorney to draft an ordinance amendment to the Code of Ordinances, Community Development, Article II, Tax Exempt Housing, providing DV LDHA, LP a tax exemption for which a service charge shall be paid in lieu of such taxes pending evidence of certification by the authority that DV LDHA, LP is tax exempt under its programs.

An annual service charge in lieu of taxes shall be charged, which shall be equal to 7.0% of annual shelter rents. DV LDHA, LP must maintain an occupancy rate of 100 percent low-income tenancy for any given tax year in order to receive tax exemption. If Danish Village fails to achieve 100% low-income tenancy for any given tax year, an additional service charge shall be paid each year in lieu of taxes for that portion of the housing development occupied by other than low-income persons or families in an amount equal to the ad valorem taxes that would otherwise apply to the property in order that the service charge paid for that portion shall be equal to the full amount of taxes that would be paid on that portion of the development if the development was not tax exempt.

RECOMMENDATION:

The Rochester Hills City Council is recommended to accept for First Reading, amendment to Chapter 30-Community Development, Article II, Tax Exempt Housing, to amend Section 30-32-Danish Village.

| APPROVALS: | SIGNATURE | DATE |
|---------------------|-----------|------|
| Department Review | | |
| Department Director | | |
| Mayor | | |
| Deputy Clerk | | |

Contract Reviewed by City Attorney Yes N/A