



City of Rochester Hills  
AGENDA SUMMARY  
NON-FINANCIAL ITEMS

1000 Rochester Hills Dr.  
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[www.rochesterhills.org](http://www.rochesterhills.org)

Legislative File No: 2024-0066

**TO:** Mayor and City Council Members  
**FROM:** Laurie A. Taylor  
**DATE:** February 12, 2024  
**SUBJECT:** Chapter 30 – Community Development Ordinance Amendment First Reading

**REQUEST:**

The Rochester Hills City Council is requested to accept for First Reading, amendment to Chapter 30-Community Development, Article II, Tax Exempt Housing, to add Section 30-33 – Avon Towers Preservation Limited Dividend Housing Association Limited Partnership (a/k/a) Avon Towers.

**BACKGROUND:**

Avon Towers provides low-income housing serving senior and adult disabled residents. On January 8, 2024, Rochester Hills City Council approved the establishment of a 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 Avon Towers a tax exemption for which a service charge shall be paid in lieu of such taxes pending evidence of certification by the Michigan State Development Housing Authority (MSDHA) that Avon Towers is tax exempt under its programs.

An annual service charge in lieu of taxes shall be charged, which shall be equal to 6.75% of annual shelter rents. Avon Towers must maintain an occupancy rate of 100 percent low-income tenancy for any given tax year in order to receive tax exemption. If Avon Towers 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 add Section 30-33 – Avon Towers Preservation Limited Dividend Housing Association Limited Partnership (a/k/a) Avon Towers.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		

Mayor		
Deputy Clerk		

Contract Reviewed by City Attorney     Yes     N/A