



Legislation Text

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Resolution to Approve a Payment in Lieu of Taxes (PILOT) for Ann Arbor Limited Dividend Housing Association Limited Partnership at 2625 Burton Road for Burton Commons Apartments

On July 16, 2007, City Council approved \$1,300,000 in AAHTF and HOME funds for Ann Arbor Limited Dividend Housing Association Limited Partnership, a subsidiary of Simpson Housing Solutions to construct 120 units of affordable rental housing at 2625 Burton Road, known as Burton Commons Apartments. All units will be occupied by households at 50% of the Area Median Income or less, with 20 units set-aside as permanent supportive housing in partnership with Michigan Ability Partners and POWER.

Ann Arbor LDHA, LP has received Low Income Housing Tax Credits (LIHTC) from MSHDA. The City currently has a PILOT ordinance (Chapter 19, Section 1:651 of the Code of the City of Ann Arbor) that applies to all affordable housing projects that meet the requirements of the ordinance. Our ordinance technically would include the Burton Commons Apartments. However, MSHDA requires a separate PILOT resolution specific to the project for tax credit projects.

The Office of Community Development recommends that City Council approve a PILOT for Ann Arbor Limited Dividend Housing Association Limited Partnership at Burton Commons Apartments at 2625 Burton Road.

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Reviewed by: Mary Jo Callan, Community Development Director

Damon Thompson, Acting Community Services Area Administrator

Whereas, Ann Arbor Limited Dividend Housing Association, a subsidiary of Simpson Housing Solutions has applied for \$1,300,000 in AAHTF and HOME funds for the construction of 120 units at Burton Commons Apartments at 2625 Burton Road for a mixture of very low-income and permanent supportive housing units; and

Whereas, The Ann Arbor City Council hereby determines that the Burton Commons Apartments will be qualified for, and should be granted Payment in Lieu of Taxes (PILOT), the exemption from all property taxes, as provided in the State Housing Development Authority Act and pursuant to Chapter 19, Section 1:651 of the Code of the City of Ann Arbor;

RESOLVED, That pursuant to Section 15(a) of the State Housing Development Authority Act and Chapter 19, Section 1:651 of the Code of the City of Ann Arbor, the City Council hereby approves an exemption from all property taxes for the Ann Arbor Limited Dividend Housing Association, for the term of the Michigan State Housing Development Authority mortgage loan, not to exceed fifty years, subject to the Michigan State Housing Development Authority's approval of the loan for the project and receipt of the "Notification to Local Assessor of Exemption" from the Michigan State Housing Development Authority for said parcel;

RESOLVED, That notwithstanding the provisions of Section 15(a)(5) of the State Housing Development Authority Act to the contrary, a contract to provide tax exemption and accept payment in lieu of taxes, as previously described, between the City of Ann Arbor and the Ann Arbor Limited Dividend Housing Association and its successors and assigns, with the Michigan State Housing Development Authority as third party beneficiary under this contract, is effectuated by adoption of this resolution, on the following parcels of property:

Lots 14, 15, 16, 17, 18, 19, 20, 21, 22 and the South 4 feet of Lot 23, Supervisor's Plat Number One, according to the Plat as recorded in Liber 9, Page 49 of Plats, Washtenaw County Records.

RESOLVED, That pursuant to Chapter 19, Section 1:651 of the Code of the City of Ann Arbor, the project shall pay a service charge equal to One Dollar (\$1.00) for the assisted units as provided by the Michigan State Housing Development Authority Act; and

RESOLVED, That the City Administrator is authorized to take necessary administrative actions to implement this resolution.