



Legislation Text

File #: 13-0686, **Version:** 1

Resolution to Amend an Approved Payment in Lieu of Taxes (PILOT) for Ann Arbor Limited Dividend Housing Association Limited Partnership at 2805 Burton Road for Burton Commons Apartments On July 7, 2008 (R-08-285) Council approved a PILOT for Burton Commons Apartments. In 2007, Council approved the site plan for Burton Commons apartment complex (R-262-6-07). This approval was amended to reduce the number of units to 80, amend height and elevations, and amendments to parking, landscaping, and grading (Administrative Amendment December 28, 2011). Due to the nationwide housing financial crisis, the developers were not able to secure all of the financing needed to build Burton Commons in 2007.

Attached for Council approval is a resolution requesting two changes to the PILOT resolution that was approved for the project in 2011. First, although the owner will continue to be the Ann Arbor Limited Dividend Housing Association Limited Partnership, the development partner of MHT Housing has been replaced by Highridge Costa Housing Partners (HCHP) (<http://www.housingpartners.com>). This company has evolved from a core of principals and senior management that have been working on affordable housing stock since 1994. This Company has developed or invested in 275 affordable rental properties comprising approximately 27,000 affordable housing units. Affiliates of HCHP are the general and limited partners of the Ann Arbor Limited Dividend Housing Association Limited Partnership. Attached is a copy of City Ordinance, Chapter 19 - Tax Exemptions for Housing Projects.

The second change is the proposed income set-aside mix of housing units for the site. While the total number of units remains at 80, they will now be targeted for a mixture of Extremely low (30% of Area Median Income) to Low Income (60% of Area Median Income), with no units set aside for supportive housing services.

The PILOT will not take effect until the financing is secured, the buildings are constructed and the units are occupied by qualified renters.

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Reviewed By: Sumedh Bahl, Community Services Administrator and Mary Jo Callan, Community Development Director

Approved By: Steven D. Powers, City Administrator

Whereas, Ann Arbor Limited Dividend Housing Association Limited Partnership will be applying for Low Income Housing Tax Credits from the Michigan State Housing Development Authority for the construction of 80 units at Burton Commons Apartments at 2805 Burton Road for a mixture of Extremely Low to Low Income 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, 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, 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 Limited Partnership, for the term of the Michigan State Housing Development Authority Regulatory Agreement, not to exceed fifty years, subject to approval of the Low Income Housing Tax Credits for the project and receipt of adequate documentation and evidence of secured credits and receipt of the "Notification to Local Assessor of Exemption" from the Michigan State Housing Development Authority for said parcel;

RESOLVED, 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 Limited Partnership, is effectuated by adoption of this resolution; and its successors and assigns, 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, 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 be authorized to take necessary administrative actions to implement this resolution.