CITY OF BURTON
LEGISLATIVE COMMITTEE MEETING MINUTES
MAY 7, 1998, 10:00 A.M., COUNCIL CHAMBERS

The Meeting was called to order by Charles Cross, Chairman, at 10:00 A.M.

MEMBERS PRESENT: Centilli, Cox and Cross.

MEMBERS ABSENT: None.

OTHERS PRESENT: D. Lowthian, City Assessor; J. Major DPW Director; J. Morgan, Senior Citizens Director and C. Ladd, Deputy City Clerk.

PURPOSE OF THE MEETING: DISCUSSION AND POSSIBLE RECOMMENDATIONS CONCERNING THE FOLLOWING ITEMS:
1. Proposed Belsay Gardens Senior Housing

PRESENTATION:

Mr. Lowthian stated the Heritage Company is planning to construct a 56 unit Senior Housing development. All units will be rented to low income seniors. They are requesting a PILOT (Payment In Lieu of Taxes) Ordinance from the City. The property would be tax exempt, but they would pay a service fee in lieu of that. Last week the Committee asked that Jean Morgan be present at this meeting to answer any questions regarding the need for Senior housing.

Mrs. Morgan commented there is a need for additional senior housing, especially for the subsidized housing. We have multiple seniors on a waiting list at Burton Place. There is also a need for housing for the disabled seniors. She noted there is one woman who has been on the list for three years at Burton Place. She can't afford housing that is non-subsidized, and may end up in a home unless she gets disabled housing.

Mrs. Morgan said she hopes the residents realize that senior housing is a full circle thing of our community. It is important for the seniors to stay independent and they are the best neighbors a person can have. She said she hopes the Council will approve the proposed development, because there is definitely a need for it.

Mr. Duesenberry was present representing the Heritage Company. He explained these are private lenders and investors involved in the proposal.

AUDIENCE PARTICIPATION:

Linda Burris-Croley, 6223 Crabtree Lane, explained that the residents, to her knowledge, do not have a problem with the proposed senior housing, but if there is a second phase to the project, they definitely oppose it.

Mr. Cross said there is nothing proposed to the Committee by the Heritage Company, other than the senior housing development. If, in the future, other housing is proposed, we will address this at another meeting. We are here today to address the proposal before us.

Mrs. Croley said she thought she understood there would be two phases to the project and it would be a joint project.

John Stapish, 5160 E. Atherton Rd., asked where the Seniors now reside that would benefit from this type of housing. He was advised they are presently living in their homes. He asked why do the taxpayers have to subsidize them for housing. What benefit to the taxpayers receive from this development. He said he has a problem with the approval of a tax abatement. Many of the people who may reside in the development, will come from different areas. It won't be just Burton residents getting into the complex. Mr. Stapish said a new complex is opening at the corner of Genesee and Richfield Roads. He noted that he once asked for the Senior Citizens van to take him to the doctor and was refused.

Mrs. Morgan said the new senior development at the Genesee and Richfield Road site received three times the quantity of people that it will hold and many of those on the list are Burton residents.

Pauline Dargel, 6119 Hugh, inquired about the statement by Mr. Duesenberry that this is private investors and lenders. She asked for Mr. Duesenberry to elaborate on this issue. She said Gina Causey has applied to the Flint Housing Commission under Section 8. She said according to her sources, there will be people from other communities in Genesee County who will also qualify to live in the new development. She noted that under the Fair Housing Act, the residents cannot be limited to only senior citizens.

Mr. Lowthian explained that with the previous development, First Centrum had 40% of their project committed to senior citizens and 60% market rate apartments. The Heritage company is committing 100% of their development to senior citizens housing. He explained there are $12,000,000.00 available to the State of Michigan, with $6,000,000.00 available March 1st and the other $6,000,000.00 available July 15th.

Mr. Duesenberry explained his comment regarding the private lenders and investors. He said as private lenders, there is a requirement for a market study before the tax credits are given. This market study is then scrutinized by MSHDA. He said if they are going to invest in this development, they want to be certain there is a market need for it.

Mr. Centilli asked if anyone with a hardship case move into the development.

Mr. Duesenberry stated that if they are allocated the tax credits, this development is completely devoted to senior housing, with 6 units for the physically disabled.

Marian Noblin, 6159 Sandy Lane, inquired why the previous project was turned down and why in a year's time, there is a need for another senior development.

Mr. Cross explained the previous proposal was turned down by MSHDA. When a proposal is brought to the City, it's the obligation of the Council to hear what the project is regarding.

Mr. Duesenberry stated they don't want to put a facility in an area that is not good. Our market study shows there is a need for the 56 units.

Mr. Centilli confirmed with Mr. Duesenberry that they were only purchasing the 10 acres. Mr. Duesenberry confirmed the 10 acre purchase.

Larry Petrella, 1081 Howe Rd., asked if the same PILOT Ordinance would be used with this project as the previous one. He also asked about the time line when this would be submitted to the State. He asked if copies of the PILOT Ordinance would be made available to the public.

Mr. Cross said they were using the previous PILOT Ordinance as basis for starting, and making revisions that would be agreeable to both Heritage Company and the City, and reviewed by both legal counsels. Copies of the PILOT Ordinance would not be given to the public until after the City Attorney reviewed the Ordinance and all changes were finalized by both parties.

Mr. Lowthian said the Heritage Company will be given points for having a PILOT Ordinance in place and for their readiness to process the application.

COMMITTEE DISCUSSION:

Mr. Cox stated when housing dollars are used, they can't just target Burton residents, everybody in the County would have the same opportunity of getting into the complex. He asked how many people are serviced by the van which is run from the Senior Citizens Center.

Mrs. Morgan replied about 25 people and 90% of them are without any other form of transportation.

Mr. Cross questioned why MSHDA turned down the previous proposal when the location was much closer to the shopping center.

Mrs. Morgan replied there are quite a few senior complexes located away from service areas. We could have a schedule with Your Ride to get the seniors where they need to go. Mrs. Morgan stated there are many residents who would like to stay within the City of Burton, but can't because of the limited housing.

Mr. Cross said it would be more of a country atmosphere for the Belsay Road location.

Mr. Cox asked what zoning would be required. Also, does the legal description only consist of the 10 acres?

Mr. Major advised it would be a multi-family type zoning.

Mr. Lowthian stated the survey was done and they are getting the legal description and sending it to me as to what 10 acres the property is located. The exact legal description has to be included in the PILOT Ordinance to be accepted. Council cannot approve the PILOT Ordinance until the exact 10 acres is pinpointed.

Mr. Cox asked for the change to be made in the PILOT Ordinance to include the 6 units for physically impaired residents. He also asked to have the 10 year intervals changed to 5 year intervals. By doing so, it would give the Council more flexibility. He asked Mr. Duesenberry, once they exceed the mortgage and MSHDA is no longer involved, what about the upkeep on the property.

Mr. Duesenberry replied that the Heritage Company will enter into a 30 year agreement with MSHDA and there will be a recorded document. The upkeep is monitored and if there are any down units, the investors are subject to full taxes, because the units are not available. This is a way of making the investors maintain the property.

The Committee reviewed the draft of the PILOT Ordinance with Mr. Lowthian and asked him to make the changes and send it to the Heritage Company for their review, as well as to the City Attorney.

Mr. Cross said he would not be setting another meeting until Mr. Lowthian receives a copy of the correct legal description of the property being considered.

Mr. Duesenberry stated they could get the ordinance reviewed by their legal counsel within 24 hours and he would check to see if a legal description has been ordered on the property. If it hasn't, he would do that today.

Mr. Lowthian said he would make the necessary changes and fax them to Mr. Duesenberry and he should have them by tomorrow, and then he would wait to get the legal description.

COMMITTEE RECOMMENDATIONS:

The Committee reviewed and concurred with changes made in the draft of the PILOT Ordinance. Mr. Lowthian will make the necessary changes and present them to the City Attorney for his review and also send a copy to the Heritage Company for their legal counsel to review. A new draft will be given to the Committee for their review at the next meeting.

Meeting Adjourned at 11:24 A.M.

Cheryl M. Ladd, CMC/AAE
Deputy City Clerk

CML