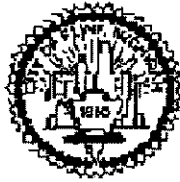


City of Flint, Michigan

*Third Floor, City Hall
1101 S. Saginaw Street
Flint, Michigan 48502
www.cityofflint.com*



Meeting Agenda - Final

Wednesday, April 3, 2019

5:00 PM

Committee Room

LEGISLATIVE COMMITTEE

Eva L. Worthing, Chairperson, Ward 9

*Eric Mays, Ward 1
Santino J. Guerra, Ward 3
Jerri Winfrey-Carter, Ward 5
Monica Galloway, Ward 7*

*Maurice D. Davis, Ward 2
Kate Fields, Ward 4
Herbert J. Winfrey, Ward 6
Allan Griggs, Ward 8*

Inez M. Brown, City Clerk

ROLL CALL

ADDITIONS/CHANGES TO AGENDA

Council shall vote on any changes/additions to the agenda.

SPECIAL ORDER

190032 Special Order/COF Purchasing Ordinance/Emergency Purchases

A Special Order as requested by 1st Ward Councilperson Eric Mays to allow for a council discussion regarding the emergency purchases (Ord. No. 3865, Sec. 18-21.9).

ORDINANCES

190012 Amendment/Ordinance/Article VI/Chapter 35 (Personnel)/Section 35-112.13 (Adoption-Job Description & Qualifications)/Ombudsperson

An ordinance to amend the Flint City Code of Ordinances by amending Article VI, Chapter 35 (Personnel); Section 35-112.13 (Adoption - Job Description and Qualifications), to add Ombudsperson.

190129 Amendment/Ordinance/Chapter 18 (Taxation; Funds; Purchasing)/Article I (In General)/Section 18-4.1 (Service Charge in Lieu of Taxes for Housing Facilities for Certain Persons)

An ordinance to amend the Code of the City of Flint by amending Chapter 18, (Taxation; Funds; Purchasing); Article I, (In General); Section 18-4.1, (Service Charge in Lieu of Taxes for Housing Facilities for Certain Persons) shall be amended by adding subsection (BB). [NOTE: The PILOT is for Shiloh Commons II, MHT Limited Dividend Housing Association, LLC, and MHT Housing, Inc. The annual service charge for the class of persons of low and moderate income shall be equal to four (4) percent of the annual shelter rents, exclusive of charges for gas, electricity, heat or other utilities.]

RESOLUTIONS

180590 Approval/City of Flint Statement of Policy/Anti-Bullying

Resolution resolving that the Flint City Council agrees to adopt the Anti-Bullying Policy, as requested by Human Resources.

180591 Approval/City of Flint Statement of Policy/Harassment and Discrimination in the Work Place/Complaint Procedure

Resolution resolving that the Flint City Council agrees to adopt the Harassment and Discrimination in the Work Place Policy, and Complaint Procedure, as

requested by Human Resources. [NOTE: Policy last adopted on April 22, 2015.]

- 190011** Approval/City of Flint Statement of Policy/Alcohol & Drug Free Workplace & Testing Policy

Resolution resolving that the Flint City Council agrees to adopt the Alcohol & Drug Free Workplace & Testing Policy, as requested by Human Resources.

OLD, OUTSTANDING DISCUSSION ITEMS

- 170028** Referral/Tax Breaks/Home-Based Businesses

Referral by Councilperson Mays to ADMIN, re: He would like to know if the current Administration has considered or is working toward offering tax breaks to city residents with home-based businesses, as well as asks that the City Council consider creating specific legislation in this regard. [Referral Action Date: 1/09/2017 @ City Council Meeting.]

- 170386** Ordinance Drafts/Water Bills

Referral by Councilperson Mays to MAYOR/ADM/LAW/: He would like two ordinances drafted for the council to review: 1. water lien relief, and 2. a limit on how far the city can go back in trying to collect past due water bills that have been estimated. [Referral Action Date: 7/6/2017 @ Finance Committee Meeting.]

- 180017** Discussion Item/Home Business Ordinance

Discussion item proposed by Councilperson Mays, re: He would like a discussion of the Home Business Ordinance on the next Legislative Agenda. [Referral Action Date: 1/3/2018 @ Governmental Operations Committee Meeting.]

- 180304** Referral/CWAC/Ordinance/Discussion

Referral by Councilperson FIELDS to LEGAL/PLANNING & DEVELOPMENT, re: She would like a copy of the CWAC Ordinance and to have a discussion item about the CWAC on the Legislative Agenda. [Referral Action Date: 6/20/2018 @ Grants Committee Meeting.]

- 180443** Discussion Item/Ordinance Amendment/Blight Infractions

Discussion Item as requested by Councilperson Mays, re: He would like to discuss the possibility of amending the City Code with regard to blight infractions in order to include a \$500 fine and possible jail time. [Referral Action Date: 8/27/2018 @ City Council Meeting.]

- 180533** Referral/Lobbyists/Fee

A referral as requested by Councilperson Fields to LEGAL: She would like to legislation to require lobbyists to pay fees, as referenced in the new City of Flint Charter. [Referral Action Date: 10/3/2018 @ Finance Committee Meeting.]

180534 Discussion Item/Parking on Lots

A discussion item as requested by Councilperson Mays: He would like to discuss parking on lots. [Referral Action Date: 10/3/2018 @ Finance Committee Meeting.]

180576 Discussion Item/Recreational Marihuana

A discussion item as requested by Councilperson Mays, re: He would like to discuss recreational marihuana. [Referral Action Date: 11/7/2018 @ Legislative Committee Meeting.]

190033 Discussion Item/CWAC Ordinance

Discussion Item as requested by Councilperson Mays, re: He would like to discuss the proposed changes to the City Wide Advisory [Council] Committee ordinance (Ord. No. 180523.2). [Referral Action Date: 2/04/2019 @ City Council Meeting.]

NEW BUSINESS

ADJOURNMENT

ORDINANCE NO. _____

An Ordinance to amend the Flint City Code of Ordinances by adopting Article VI Chapter 35, Personnel; Section 35-112.14, Adoption-Job Description and Qualifications-Ombudsperson.

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF FLINT:

Sec. 112. That Section 35-112 of the Code of the City of Flint shall be amended as follows.

ARTICLE VI. PERSONNEL CODE

§ 35-112.14 ADOPTION – JOB DESCRIPTION AND QUALIFICATIONS OMBUDSPERSON

Pursuant to the provisions of Flint City Charter 1-501(B), the job description and qualifications are hereby adopted by reference AND ATTACHED HERETO.

Sec. 2. This ordinance shall become effective this ____ day of _____ 2019.

Adopted this ____ day of

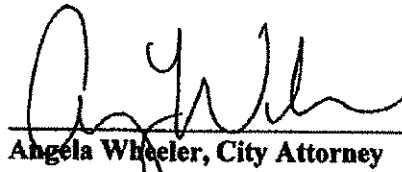
_____, A.D., 2019.

Karen W. Weaver, Mayor

Inez M. Brown, City Clerk

190012

APPROVED AS TO FORM:


Angela Wheeler, City Attorney

S:\Ordinance Files\Principal Officers Job Descriptions\Ombudsperson
35-112.14.docx

City of Flint
Position Description

OMBUDSPERSON

GENERAL STATEMENT OF DUTIES

Receives and initiates investigations of complaints, concerns, reports and issues arising under the ethics provisions of the City of Flint Charter, from any person against public servants and City of Flint agencies for failure to adequately perform services as required by the City of Flint Charter, ordinances, regulations and policies; and for dereliction of duty and/or misconduct in office by public servants.

SALARY

\$70,817.7600

SUPERVISION RECEIVED

The Ombudsperson is an at-will position appointed by and serving at the will of the City of Flint Ethics and Accountability Board.

SUPERVISION EXERCISED

Exercises supervision over professional and clerical staff of the Ombudsperson's office.

ESSENTIAL DUTIES AND RESPONSIBILITIES

1. Establish rules for receiving and processing complaints, conducting investigations, hearings, and reporting findings;
2. Provide an informal internal avenue for resolution of complaints, and attempts to resolve issues in lieu of formal proceedings;
3. Must possess a high level of integrity;
4. Handles all inquiries, complaints, investigations, etc. in a professional and confidential manner;
5. Works to promote a relationship of trust and cooperation;
6. May subpoena witnesses, administer oaths, take testimony, and require production of evidence relevant to a matter under investigation;
7. May delegate in writing to a member of his/her staff the power to administer oaths and take testimony;
8. Provides an annual public report on complaints received and actions taken by the Ombudsperson's office.

MINIMUM ENTRANCE REQUIREMENTS

- A. Bachelor's Degree from an accredited college or university in Public Administration, Dispute Resolution, Psychology, Social Work, Human Services, or related field. Master's Degree preferred;
- B. Five years of experience in municipal or state government;
- C. Ability and willingness to work with both legislative and executive branches of government;
- D. Knowledge of pertinent laws and regulations;
- E. Five years of experience in counseling and/or alternative dispute resolution (examples: Mediation, Negotiations);
- F. Demonstrated investigative and analytical skills;
- G. Demonstrated ability to manage multiple tasks, in a professional and timely manner;
- H. Strong professional, civic or community service background;
- I. Demonstrated ability to supervise the staff of the office of the Ombudsperson; and
- K. Computer literate with excellent written and oral communication skills.

NECESSARY SPECIAL REQUIREMENTS

- A. Must pass a required criminal background check;
- B. Must pass a required drug test;

- C. No person shall be eligible to appointment to the office of Ombudsperson who has held any elective City office within two (2) years prior to the time of appointment;
- D. Upon acceptance of the position of Ombudsperson, the Ombudsperson cannot hold any office of trust or profit other than that of Ombudsperson or engage in any occupation for profit outside the duties of the Ombudsperson; and
- E. Upon acceptance of this position, the Ombudsperson, must operate and perform her/his duties in accordance with the United States Ombudsman Association Governmental Ombudsman Standards, and the City of Flint Personnel Rules policies and regulations.

PHYSICAL DEMANDS

While performing the duties of this job, the employee is frequently required to sit and talk or hear. The employee is occasionally required to walk; use hands to finger, handle or feel objects, tools or controls; and reach with hands and arms. The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision and the ability to adjust focus. The noise level in the work environment is usually quiet.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

APPLICATION PROCESS

You must meet the minimum entrance requirements and attach supporting documentation to be considered for employment. A formal application packet, including (1) a resume, (2) a writing sample (of at least 2 pages in length), and (3) an application must be completed and submitted electronically through the City of Flint's website for consideration. Please be sure to complete the application in full. Writing samples and resumes may be uploaded with your application, but will not be accepted in lieu of a fully completed application and will not be considered for qualifying credit. Such statements as: "see resume" or "see attachment", will not be accepted. Failure to supply required documentation (i.e. transcripts, driver's license, etc.) will result in disqualification for consideration. **Applications are available at www.cityofflint.com.** Phone calls, letters of interest, or other contacts will not be accepted or considered as a formal application or in compliance with the application process.

ALL questions regarding the position of Ombudsperson and/or the submission of an application, MUST be directed solely to the Human Resources and Labor Relations Department (HRLR). The HRLR Department can be reached by email at hr@cityofflint.com.

190129

ORDINANCE NO. _____

An ordinance to amend the Code of the City of Flint by amending Chapter 18, Taxation; Funds; Purchasing; Article I, In General; Section 18-4.1, Service Charge in Lieu of Taxes for Housing Facilities for Certain Persons.

IT IS HEREBY ORDAINED BY PEOPLE OF THE CITY OF FLINT:

Sec. 1. That the provisions of Chapter 18, Taxation; Funds; Purchasing; Article I, In General; Section 18-4.1, Service Charge in Lieu of Taxes for Housing Facilities for Certain Persons, shall be amended by adding subsection (BB), which shall read in its entirety as follows:

(BB) THE CITY ACKNOWLEDGES THAT **SHILOH COMMONS II, MHT LIMITED DIVIDEND HOUSING ASSOCIATION, LLC, AND MHT HOUSING, INC.** (THE "SPONSORS") HAVE OFFERED, SUBJECT TO RECEIPT OF AN AUTHORITY-AIDED OR FEDERALLY-AIDED MORTGAGE LOAN AND/OR ALLOCATION OF LOW INCOME HOUSING TAX CREDITS FROM THE MICHIGAN STATE HOUSING AND DEVELOPMENT AUTHORITY ("MSHDA"), TO OWN AND OPERATE A HOUSING PROJECT IDENTIFIED AS "SHILOH COMMONS" (THE "PROJECT") ON CERTAIN PROPERTY LOCATED IN THE CITY TO SERVE PERSONS AND FAMILIES OF LOW INCOME, AND THAT THE SPONSOR HAS OFFERED TO PAY THE CITY ON ACCOUNT OF THIS HOUSING DEVELOPMENT AN ANNUAL SERVICE CHARGE FOR PUBLIC SERVICES IN LIEU OF AD VALOREM TAXES.

THE CITY ACKNOWLEDGES THAT THE SPONSOR SHALL BE AFFORDED TAX

BENEFITS OF PAYING A SERVICE CHARGE IN LIEU OF AD VALOREM TAXES (BUT NOT IN LIEU OF PAYMENT OF SPECIAL ASSESSMENTS INCLUDING, BUT NOT LIMITED TO, THE STREET LIGHTING SPECIAL ASSESSMENT). THE CITY FURTHER ACKNOWLEDGES THAT THE SPONSOR FITS WITHIN THE CLASS AS DESCRIBED IN §18-4.3 BELOW. THE ANNUAL SERVICE CHARGE FOR THE CLASS OF PERSONS OF LOW AND MODERATE INCOME SHALL BE EQUAL TO FOUR PERCENT (4%) OF THE ANNUAL SHELTER RENTS, EXCLUSIVE OF CHARGES FOR GAS, ELECTRICITY, HEAT, OR OTHER UTILITIES FURNISHED TO THE OCCUPANTS, INCLUDING THE PORTION OF RENT PAYABLE UNDER ANY GOVERNMENTAL SUBSIDY. NOTWITHSTANDING THE FOREGOING, THE ANNUAL SERVICE CHARGE SHALL NOT EXCEED AD VALOREM PROPERTY TAXES THAT WOULD BE ASSESSED OR PAID ABSENT THIS TAX EXEMPTION.

Sec. 2. This ordinance shall become effective immediately upon publication.

Adopted this _____ day of

_____, 2019 A.D.

Dr. Karen W. Weaver, Mayor

APPROVED AS TO FORM:

Angela Wheeler, Chief Legal Officer

ORDINANCE REVIEW FORM

FROM: Planning and Development
Department

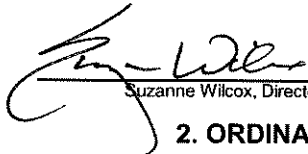
NO. 19- 8041
Law Office Login #

ORDINANCE NAME: **ORDINANCE AMENDMENT 18-4.1(BB): TO APPROVE THE 4% PILOT FOR THE SHILOH COMMONS DEVELOPMENT, A PARTNERSHIP BETWEEN MHT HOUSING, INC., MHT LIMITED DIVIDEND HOUSING CORPORATION, LLC, AND SHILOH COMMONS II TO PRESERVE AFFORDABLE HOUSING UNITS IN THE SHILOH COMMONS DEVELOPMENT.**

1. ORDINANCE REVIEW - DEPARTMENT DIRECTOR

The attached ORDINANCE is approved by the Director of the affected Department. By signing, the Director approves this ordinance to be processed for signatures and fully executed.

By: Director

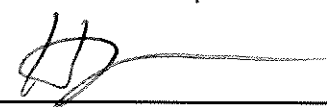

Suzanne Wilcox, Director, P&D

DATE: 3/19/19

2. ORDINANCE REVIEW-FINANCE DEPARTMENT

The attached ORDINANCE is submitted to the Finance Department for approval. By signing, the Finance Department approves this ordinance to be processed for signatures and fully executed.

By:

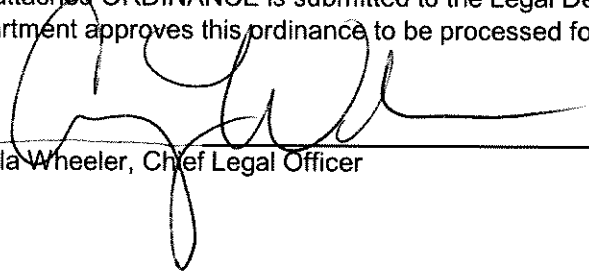

Hughey Newsome, Chief Financial Officer

DATE: 3/26/19

3. ORDINANCE REVIEW - LAW DEPARTMENT

The attached ORDINANCE is submitted to the Legal Department for approval. By signing, the Legal Department approves this ordinance to be processed for signatures and fully executed.

By:


Angela Wheeler, Chief Legal Officer

DATE: 3/25/19

ORDINANCE AMENDMENT STAFF REVIEW

Date: *MARCH 18, 2019*

Agenda Item Title:

ORDINANCE AMENDMENT 18-4.1(BB): TO APPROVE THE 4% PILOT FOR THE SHILOH COMMONS DEVELOPMENT, A PARTNERSHIP BETWEEN MHT HOUSING, INC., MHT LIMITED DIVIDEND HOUSING CORPORATION, LLC, AND SHILOH COMMONS II TO PRESERVE AFFORDABLE HOUSING UNITS IN THE SHILOH COMMONS DEVELOPMENT.

Prepared By:

Planning and Development Department, Division of Community and Economic Development

Background/Summary of Proposed Action:

18-4.1(BB): The Shiloh Commons Apartments housing development will provides 125 total housing units to the City of Flint, of which will 60 will be deeply subsidized assisted units. This is an existing complex that is now under new ownership and management. The rehab project is projected to be completed by June of 2020.

- Quantitatively, the apartments provide much needed, safe and affordable housing to residents of the area whose incomes are 60% or less of the area median income for the area that will also be near public transportation and walkable routes to jobs and services.
- Qualitatively, the property will be improved through over \$4 million of facility and site improvements, a property realizing decline, vacancy, and financial concerns over the last several years. The developer/partnership will work to establish long-term sustainability of the development through local control of the property, the use of LIHTC credits, and the incorporation of recognized energy efficient building practices.
- Statutorily, Section 18-4.3 refers to a number of questions for housing developments asking for a PILOT. All of those questions are addressed and their answers meet the threshold of being eligible for a PILOT.
 - This project's financing includes an application for a Low Income Housing Tax Credit allocation from MSHDA;
 - This project's location is in an economically depressed urban renewal project area (entire City of Flint);
 - This project is not economically feasible absent the City's allowing a 4% service charge in lieu of taxes due to low market rents and the desire to maintain all units as affordable to 60% or less AMI;
 - MSHDA's allocation of Low Income Housing Tax Credits are tied to the city giving this tax benefit;
 - The partnership will not have any employees;
 - The developer of this project originally requested this PILOT during the planning stage of the project, prior to the start of construction or renovation.

Special Consideration:

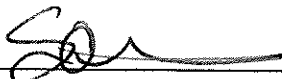
A four (4) percent PILOT is being requested to allow for the long-term sustainability of the property and prevent the property from falling into a situation where it would not be sustainable.

Financial Implications:

The community needs to maintain and improve the 125 units of housing and this PILOT is one of the key components to allowing the housing development to be financially viable, as well as to undergo a comp an estimation of \$36,000.00 per year from the PILOT. Therefore, it is recommended that Council approve a 4% PILOT service charge for the Shiloh Commons project.

Budgeted Expenditure: Yes ____ No X **Please explain, if no:** PILOT, no budget amount to requisition

Pre-encumbered: Yes ____ No x **Requisition #:** N/A

Reviewed and Approved By:  **Date:** 3/18/19

Other Implications: No other implications are known at this time.

Staff Recommendation: Staff recommends approval of this resolution.

APPROVAL

(SEE APPROVAL ROUTING SHEET ATTACHED)

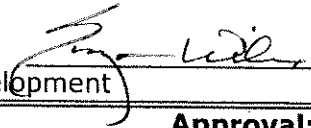

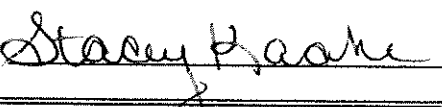
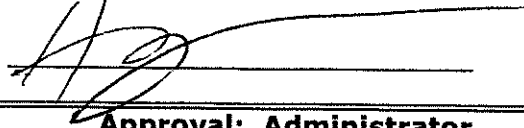

FROM: Sarah Quellmalz
REQUESTOR

DATE: 2/28/19
DATE REQUIRED: 3/7/19

DEPARTMENT: Community and Economic Development

DOCUMENT REQUIRING APPROVAL: SHILOH COMMONS

The below signed Department has reviewed and approved the attached PILOT application as presented. Through its approval, the Department is approving that a PILOT Ordinance will be prepared and routed.

Approval: CED		
The attached document is approved by the Director of the Department. By signing, the Director acknowledges that they are aware of and authorizes this document to be approved and an ordinance resolution to be prepared and routed.		
By: Suzanne Wilcox Director, Planning & Development		DATE: 2/28/19
Approval: Zoning		
The attached document is approved by the Director of the Department. By signing, the Director acknowledges that they are aware of and authorizes this document to be approved and an ordinance resolution to be prepared and routed.		
By: Andrew Aamodt Zoning		DATE: 3/6/19
Approval: Assesor		
The attached document is approved by the Director of the Department. By signing, the Director acknowledges that they are aware of and authorizes this document to be approved and an ordinance resolution to be prepared and routed.		
By: Stacey Bassi Assessor		DATE: 3/6/19
Approval: Finance		
The attached document is approved by the Director of the Department. By signing, the Director acknowledges that they are aware of and authorizes this document to be approved and an ordinance resolution to be prepared and routed.		
By: Hughey Newsome Chief Financial Officer		DATE: 3/6/19
Approval: Administrator		
The attached document is approved by the Director of the Department. By signing, the Director acknowledges that they are aware of and authorizes this document to be approved and an ordinance resolution to be prepared and routed.		
By: Steve Branch City Adminstrator		DATE: 3/14/2019

Shiloh Commons, 3209 Buick St

1) Potential taxable value:	\$134,506	
2)Current PILOT Payment Average	\$22,000	
3) 4% PILOT estimation with increased Rents	\$36,000	DIFFERENCE BETWEEN PILOT AND TAXES:
		\$98,506 per year

Based on the Market Rents , at 100% occupancy, the total annual rent potential for the 125 units is \$930,420

3) Estimated project ad valorem taxable value:

Market Rent	Two Bedroom	Three Bedroom
Number of Units	\$650	\$750
	76	49
	\$49,400	\$36,750

Monthly Income	\$86,150
Yearly Income	\$1,033,800
Vacancy/Loss (10%)	(\$103,380)
Potential Gross Income	\$930,420
Expenses(45%)	(\$418,689)
Net Operating Income	\$511,731
Cap Rate of 13%	\$3,936,392
SEV/TV	1,968,196
Potential Taxes	\$134,506



PAYMENT IN LIEU OF TAXES (PILOT) APPLICATION
CITY OF FLINT

APPLICANT INFORMATION

ENTITY NAME	Shiloh Commons II/MHT Limited Dividend Housing Association, LLC
REPRESENTATIVES NAME	T. Van Fox
ADDRESS	32600 Telegraph Road, Bingham Farms, MI 48025
TELEPHONE NUMBER	248-833-0550
E-MAIL ADDRESS	vanfox@mhthousing.net

GUARANTORS INFORMATION

ENTITY NAME	MHT Housing, Inc.
ENTITY PRINCIPAL	T. Van Fox
ADDRESS	32600 Telegraph Road, Bingham Farms, MI 48025
TELEPHONE NUMBER	248-833-0550
E-MAIL ADDRESS	vanfox@mhthousing.net

PROJECT INFORMATION

PROJECT NAME	Shiloh Commons
ADDRESS OF PROJECT	3209 Buick Street, Flint, MI 48505
PARCEL ID	40-01-202-034
LEGAL DESCRIPTION	Situated in the City of Flint, County of Genesee, State of Michigan, to-wit: All of the following parcel of land being part of the Hillcrest Subdivision, City of Flint, Genesee County, Michigan, according to the recorded plat thereof, as recorded in Book 4 of Plats, Page 23, Genesee County Records, described as: Lots 6 through 16 inclusive; also the East 9.03 feet of Lots 79 and 80 and Lots 81 through 114 inclusive; also the East 9.03 feet of the North 41.56 feet of Lot 202 and the East 9.03 feet of Lot 203; also the North portions of Lots 204,206,208,210,212,214,216, 218, 220, 222 measuring 41.55 feet on the West line of Lot 204 and measuring 40.86 feet on the East line of Lot 222; also all of Lots 205, 207, 209,

	211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237; also Lots 224 through 236 inclusive; including all of the vacated alleys and streets adjacent thereto; described as follows: Beginning at the intersection of the South line of Pasadena Avenue 60' wide and the West line on Buick Street 60' wide as shown on said Plat also being the Northeast corner of said Lot 16; thence South 00 degrees 02 minutes 26 seconds West 712.37 feet along the West line of said Buick Street; thence South 89 degrees 54 minutes 10 seconds West 279.53 feet; thence North 00 degrees 04 minutes 35 seconds West 88.44 feet; thence South 89 degrees 54 minutes 43 seconds West 469.32 feet; thence North 00 degrees 02 minutes 26 seconds East 553.44 feet to a point on the South line of Pasadena Avenue; thence North 83 degrees 58 minutes 07 seconds East 501.85 feet; thence continuing along the South line of Pasadena Avenue North 85 degrees 39 minutes 49 seconds East 250.73 feet to the point of beginning.
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DEVELOPMENT TEAM

APPLICANT PRIMARY POINT OF CONTACT	Donna McMillan, MHT Housing, Inc. 248-833-0558
ARCHITECTURAL FIRM	Jeffrey Graham, KEM-TEC 586-772-2222
CONSTRUCTION PROJECT MANAGER	Chad Joseph, MHT Construction Management 248-833-0553
GENERAL CONTRACTOR FOR PROJECT	MHT Construction Management 248-833-0553

Applicant is to attach items a-l as required in the narrative portion of the application.

- a. Background information
- b. Project description
- c. Project marketing/target market
- d. Ownership description/tax information
- e. Detailed development pro forma
- f. Operating pro forma
- g. Schedule of rents/income levels
- h. Housing market data supporting demand
- i. Proposed project timeline
- j. Conflicts of interest
- k. Application bonus point items
- l. MSHDA application for LIHTC credits



An affordable non-profit housing corporation serving Michigan's housing needs

PILOT Request Background Narrative

MHT Housing, Inc. (MHT) is pleased to partner with investors, the Michigan State Housing Development Authority (MSHDA) and the Department of Housing and Urban Development (HUD) to preserve a critical affordable housing community in the City of Flint called Shiloh Commons at 3209 Buick Street. MHT has over 28 years of affordable housing development experience in the State of Michigan and serves as the general partner or managing member of over 6,500 elderly and family units. MHT has been successful in obtaining multiple funding sources for preservation, adaptive reuse, and new construction projects, that include HOME and NSP funding, Brownfield and Historic tax credits, HUD221(d)4 and Fannie Mae loans.

MHT is a 501(c) (3) nonprofit corporation whose mission is to provide & develop affordable housing. MHT has been recognized for providing services within the communities they serve including a nationally a recognized Summer Workforce program for teens, after school tutoring. Other services include after school meals, backpacks for kids, eviction diversion program, a gun buy-back program, vacant land clean up, police department support and coordination with Meals on Wheels, Gleaners and coordination with numerous organizations that benefit the community surrounding each MHT property. A full list of properties owned by MHT is attached.

MHT properties are managed by MHT's owner captive management agent, MHT Management, LLC. Rehabilitations are typically managed by MHT Construction, LLC. MHT's affiliated management and construction companies' employees have decades of experience in the affordable housing industry and are both MSHDA approved companies.

The entity created to own the property is Shiloh Commons II/MHT Limited Dividend Housing Association, LLC. Shiloh MHT GP, Inc. will be the managing member of the LDHA and a .01% owner. The GP entity is solely owned and is an affiliated entity of MHT.

CREA Shiloh Commons, LLC will be the 99.989% investment member. CREA has also created a "Special Limited Partner" named CREA SLP, LLC which will own a 0.001% interest. CREA was established in 2001 and has since raised and closed over \$5 billion in LIHTC equity in 46 states, representing more than 43,000 affordable units. In the past 24 months, MHT and CREA have worked together on four LIHTC developments in Michigan resulting in the creation and or preservation of 273 affordable housing units.



An affordable non-profit housing corporation serving Michigan's housing needs

PILOT Proposed Project Narrative

MHT Housing, Inc. (MHT) intends to submit an application for Low Income Housing Tax Credits (LIHTC), Tax Exempt Bond Financing and Housing Trust Fund (HTF) dollars from the Michigan State Housing Development Authority (MSHDA) in order to restructure the debt and perform an approximate \$4.7 million rehabilitation at Shiloh Commons located at 3209 Buick Street in northern Flint, MI. The most unique characteristic of this transaction will be the transfer of nearly \$670,000 of annual Section 8 budget authority from a property in Ohio which recently opted out of the federal program. The transfer of this Section 8 budget authority will allow MHT to deeply subsidize 60 of the 125 units. The remaining units will continue to be income restricted at 60% of Area Median Income (AMI). MHT has presented the plan to both HUD and MSHDA and received their support and encouragement to apply for the necessary funds. It should be noted that MHT intends to invest approximately \$1.38 million in the form of a seller note and defer over 45% of fees at closing. However, even with the financial support of HUD, MSHDA and the new owner, **the transaction is only feasible if the City of Flint is willing to allow the current 4% Payment in Lieu of Taxes (PILOT) agreement to continue for the term of the new (35 year) MSHDA financing.** It is important to note that because of the increase in rent potential resulting from addition of Section 8, **the actual PILOT payment is expect to increase from \$21,411 paid in 2018 to an estimated new amount of \$35,819.** The calculation of future PILOT is attached to this narrative.

BACKGROUND

The property was originally financed in 1999 by MSHDA with a 1% loan that is risk-share guaranteed by HUD and HOME from the City of Flint. As part of that transaction, under Ordinance No. 3396, the City of Flint agreed to a 4% Payment in Lieu of Taxes Agreement (or annual service charge) for Shiloh Commons. In order to receive the favorable 1% financing from MSHDA, the partnership needed to deeply restrict the rental rates at the property.

For many years, Shiloh Commons struggled financially due in great part to regulatory requirements which kept rental income extremely low without the benefit of a federal or state subsidy program. With insufficient income and rising utility costs, physical needs grew and the development began to show signs of deferred maintenance. While the original general partner did initially advance funds and took no distributions, the property eventually reached the end of its initial LIHTC compliance period and the owners became uninterested in contributing additional funds or working on a long term preservation solution. Instead, the partnership began considering foreclosure or a deed in lieu of foreclosure as a mode of exit.

Around that same time, the investor partner approached MHT, an experienced housing developer with more 6,500 units. During negotiations that followed, the property's physical condition continued to deteriorate and vacancy began to plague the site. So much so that the property scored a 45c (a failing grade) on its December 8, 2017 REAC inspection. With HUD and MSHDA's permission and understanding that MHT was entering into a problem asset, MHT agreed to enter as the 99.99% limited partner effective February 1, 2018. Immediately, MHT began working with HUD, MSHDA, ownership, City of Flint personnel and Continental



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Management to address the property's physical needs and seek long-term financial resources as well as positively impacting the surrounding neighborhood. The success of this new collaborative effort is acutely evident in MHT and Continental's ability to drastically improve the property's REAC score from 45c in 2017 to 91c effective December 2018. While the property currently has no deferred maintenance, the reserves are depleted and there is no remaining funds for future physical needs.

PROPERTY DISCRIPTION (Architectural Renderings)

Shiloh Commons is located on the west side of Buick Street, south of E. Pasadena and west of N. Saginaw Street, in the City of Flint. It was built in 1999 and has 15 residential buildings containing 125 townhouse residences, one community building and a playground area. Municipal records indicate that the site area is 19.864 acres. The buildings are constructed of wood frame with brick veneer and vinyl exterior siding. A unique feature of the complex is that all units are accessed from a private front patio or attached 2-car garage with an electric door opener. The buildings do not contain basements but do have utility rooms with laundry hookups, a gas forced air furnace and a water heater. Central air conditioning is provided by exterior, ground level condensers. The property is accessed from a single drive from Buick Street and includes paved drives throughout the site allowing direct access to the townhomes' garages.

There are 76 (1,165 square feet) two-bedroom, 2.5 bathrooms townhouse units and 49 (1,388 square feet) three-bedroom 2.5 bathrooms townhouse units. The ground floor of each townhome includes a kitchen (with electric stove, refrigerator, dishwasher, and garbage disposal), a living room with dining area, a half bathroom, utility/laundry room and storage area. The upper floor includes two or three bedrooms with standard or walking closets, two full bathrooms and a hallway closet. Floor plans of each townhome configuration and an aerial site photo are attached to this narrative. **It is important to note that no changes to the footprint of the buildings or reconfiguration of the units are anticipated.**

TARGET MARKET

As noted above, the property was financed by MSHDA with a 1% loan that is risk-share guaranteed by HUD. As a condition of those financing terms, rents and incomes were originally restricted to an Area Median Income (AMI) mix of 30%, 40% and 50% AMI. In 2018, MSHDA relieved the deep targeting requirements by changing the restriction to 60% AMI and provided protection for existing residents. Because of the original AMI targeting requirement most residents' continue to occupy the property with incomes between 30% and 50% of AMI. Shiloh Commons currently has no project based rental subsidy and residents are responsible for 100% of that restricted rent and therefore rents remain significantly lower than market.

MHT's proposed preservation transaction will allow the property to continue to serve a mix of family incomes. This transaction assumes 41 units will be restricted to families with incomes at 30% AMI as required under the Housing Trust Fund program. The new Section 8 contract will provide assistance to those 41 families. As the subsidy contract will actually cover 60, an additional 19 families will benefit from the deep subsidy. Section 8 subsidy calculates the rent portion paid by the family to equal 30% of their income



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minus a utility allowance. The remaining 65 units not covered under the section 8 program will have income and rents restricted to 60% of AMI. And while restricted to 60% of AMI, the actual initial rents charged the non-section 8 units will be the same as those charged in 2018 and significantly less than the maximum available. Further, MHT will commit that future increases to existing residents will be limited to 5%. Details of the schedule of rents and income limits is included in this submission.

ECONOMIC IMPACT

Preservation and Rehabilitation and Energy Efficiency Improvement

LIHTC, Tax Exempt Bond Financing and HTF dollars from MSHDA will be used to perform a significant rehabilitation of the property. Hard construction costs are expect to exceed \$4,701,119 or \$37,609 per unit. The proposed rehabilitation will focus on improving energy efficiency and replacing major physical components that are about to exhaust their useful life. Specifically, the transaction will result in the repair and/or replacement of certain building systems including HVAC, parking lot, site signage, landscaping, common area LED lighting and flooring, and in-unit upgrades of Energy Star appliances, kitchen and bathroom cabinets, sink, faucet, countertops, flooring, LED lighting, Energy Star windows, door walls. Further, the development will upgrade community space, playground equipment and other amenities for the residents.

NEW Federal Section 8 Project based Subsidy

A most unique and both qualitatively and quantitatively impactful characteristic of this transaction will be the transfer of nearly \$670,000 of annual Section 8 budget authority (exceeding \$14,000,000 over the contracts 20 year term) from a property in Ohio which recently opted out of the federal program. The transfer of this Section 8 budget authority will allow MHT to deeply subsidize 60 of the 125 units.

Increased PILOT Payment for the City of Flint

As noted above, because of the increase in rent potential resulting from addition of Section 8 AND energy saving improvements, the actual PILOT payment is expect to increase from \$21,411 paid in 2018 for 2017 to an estimated new amount of \$35,819.

ENVIRONMENTAL IMPACT

As a requirement for MSHDA financing and the application for LIHTCs, a Phase I Environmental Site Assessment has been ordered to current ASTM 1527 and MSHDA standards. Documentation related to the status of that report is attached to this narrative. And while no environmental concerns are known to date, it is understood that MHT will address any recommendations outlined in the final report including any necessary mitigation. Additionally, as outlined above, energy efficiency improvements will be a major focus of the rehabilitation.



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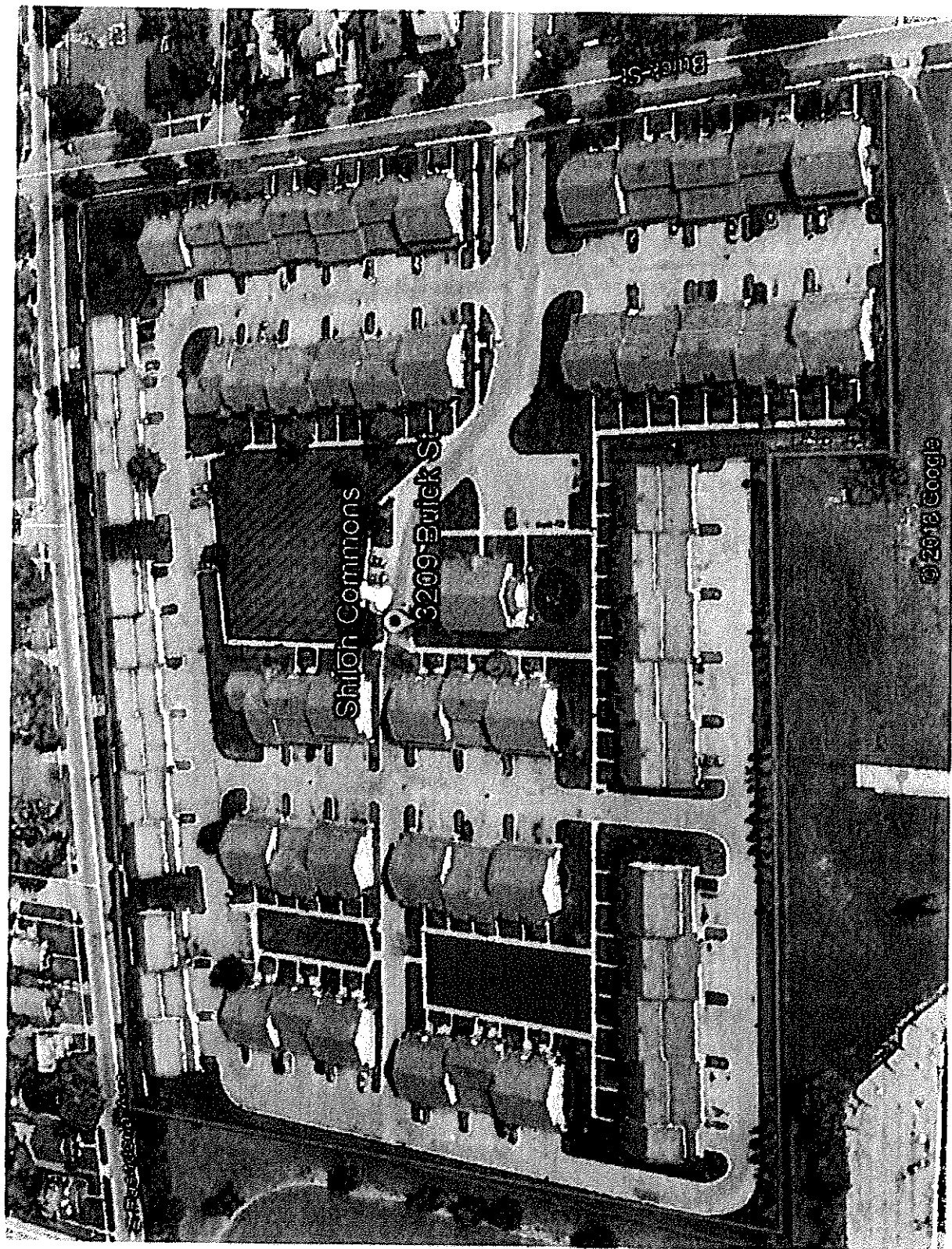
INFRASTRUCTURE IMPACT

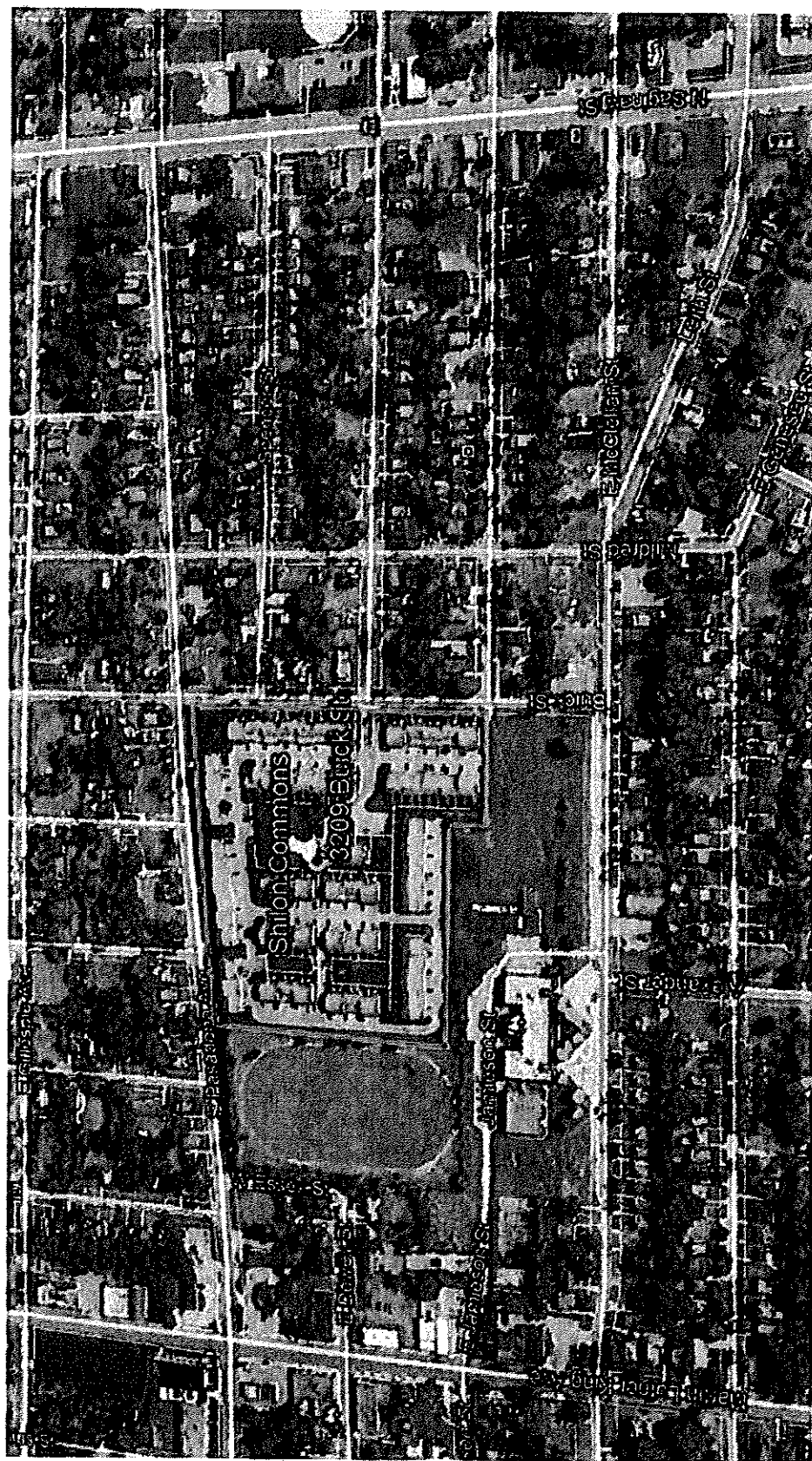
With the exception of improved energy efficiency the rehabilitation is expected to have little impact on the City's transportation and utility infrastructure.

IMPACT ON CITY SERVICES

Safety of residents is considered a top priority for MHT Management; therefore, there are measures in place to ensure the wellbeing of residents. MHT Management's Director of Security, Daran Carey, is a former sergeant of the Detroit Police. Due to this, he has a direct connection with the City of Flint Police Department. Sgt. Carey monitors and patrols Shiloh Commons and addresses any crime related activity immediately with proper authorities. In addition, he does crime prevention training for staff and residents. For example, Sgt. Carey runs biannual Apartment Watch meetings with residents. Since MHT has taken over management of Shiloh Commons, crime has significantly diminished. It is expected that this focus will continue to improve safety and security for residents after the renovations are complete resulting in reduced calls to Flint Police and Fire Departments.

As this is an existing development, there is no expectation that other City services will be impacted.







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Marketing

The following information is being submitted as part of our Affirmative Fair Housing Marketing Plan required by MSHDA.

The intent of this document is to define the target population within the market least likely to apply for residence, identify concrete and credible outreach efforts, defines method of implementation, marketing budget, and previous experience of MHT Management.

TARGET POPULATION:

The Census Tract for the property reflects 84.9% of the area population is of African American population. Our goal for the Affirmative Fair Housing Marketing Plan is to focus on the segment of the market least likely to apply for housing because of location and other factors. Our Marketing efforts will outreach to the hearing impaired and the disabled. In targeting the population identified as least likely to apply for housing at Shiloh Commons, the target population will reflect the following potential residents: Asians, American Indians, Caucasian, Multi-racial and residents of Hispanic Origin. In addition, it is our goal to have 19 (15%) apartments to target those least likely to apply at the property and 4 (3%) occupied with hearing impaired and disabled residents.

OUTREACH EFFORTS:

Marketing and Outreach will be ongoing and will continue through the lease up program to maintain stabilized occupancy in the mid 90's. Examples of Outreach Log and Marketing Contact Record are included. These logs are submitted weekly to the Regional Manager. The Community Manager is given a goal to outreach to at least 3-5 organizations and businesses each week. Networking and developing relationships in the community will raise awareness of the new community.

Telephone Contact: We will begin creating and establishing a contact list for the marketing outreach. As information is gathered it will give us the opportunity to explain the purpose for calling and provide initial information about the community. We can explain the rental rate schedule and special features, as well as review the pricing of the rent restricted units for lower income tenants.



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Direct Mail:

- Create a Tri-Folded Brochure.
- Create Black ink on colored paper fliers and color fliers, which will be produced and distributed to other Family rental communities, grocery stores, pharmacies, restaurants, area businesses, Museums, Medical Centers, etc.
- Monthly mailing to local businesses

Media and outreach: MHT Management's approach toward media advertising to attract members of the target market will center on the newspaper, flyer, internet advertisement, and brochure mailings. Internet advertisement includes www.RentLink.com which is a nationwide source of advertisement.

A brochure will be used for the property. The brochure indicates location, community amenities, floor plans, contact information, and all necessary descriptions. The brochure and all advertising will contain the Equal Housing Opportunity logo as well as wheelchair logo noting the property as having barrier free units.

The community outreach of the Affirmative Marketing Plan will center on personal contacts, written correspondence with business and industry, governmental agencies, influential members of the target market, and disabled population of the community. Business cards and brochures will be provided. A Contact List of these organizations will be updated and added to as agencies change and as management becomes aware of other agencies as a resource in reaching our target market. The Contact List includes organization name, address, and phone numbers for contact purposes.

The Affirmative Marketing Plan will be in place for the life of the mortgage and constructed to accomplish marketing of the property to a target population that is least likely to reside at this community. If, after marketing efforts have begun, it is perceived that this goal can be better achieved by advertising with different or additional agencies or individuals, this plan will be flexible enough to be changed and /or expanded.

METHODS:

The office staff will pay particular attention to serving the target population when they contact the Leasing Office. The staff is aware of MHT Management's commitment to renting housing units to target market least likely to rent. The Regional Manager knows and understands Affirmative Marketing and has received the specifics as they apply to this community. All Applicants must meet the Resident Selection Criteria to qualify as resident and the Criteria are made available to all applicants.



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All Marketing efforts, including the Affirmative Fair Housing Marketing Plan are carried out on site under the direction of the Community Manager by the office staff. The President of MHT Management will be ultimately responsible for overseeing the Affirmative Fair Marketing Plan. MHT Management in partnership with Continental Management has classes designed and provides in house training on Fair Housing, Leasing, Customer Service, and Tax Credit. In addition, we provide monthly manager meetings to keep our community managers current on changes in the industry. Our executive and site employees are encouraged and attend continuing education class provided by HUD, MSHDA, Detroit Metropolitan Apartment Association, IREM and private institutions.

All employees are to complete MHT Management's Fair Housing Training Class within 90 days of hire. This course objective includes:

- Review all of Groups "protected" under federal and state housing law.
- Understand why it is important to document pricing changes and any work with prospective residents and current residents
- Define "handicap" according to the Fair Housing Act.
- Understand the "handicap" requirements of the law and we are required to make reasonable accommodations in rules, policies, practices, or services and allow reasonable modifications on existing premises. This includes physical or mental impairment.
- Explain the meaning of "family" in the familial status protection of the fair housing law.
- Discuss the use of occupancy limits and how they are defined.
- Discuss occupancy standard considerations that are not protected under the fair housing laws.
- Discuss type of language is acceptable and unacceptable in the preparation of our advertising.
- Discuss why "steering" is illegal
- The importance of proper documentation, particularly with changes of pricing, specials and prospect visits and what is offered.
- Understand how important it is to be consistent.

Outside training is also encouraged and paid for by MHT Management. Additional Information is obtained from outside training of Federal, State and local fair housing and regulations is distributed to employees on a regular basis. Additionally, once approved, the Affirmative Fair Housing Marketing Plans are located on site. Additional housing discrimination disclaimer clauses are included and utilized on all collateral materials, applications, and leases. Handicap logos are also used in advertisements. Equal opportunity housing slogan or logo are displayed at sites and included in advertising. Our practice includes documenting community contacts, daily traffic records, and any other record keeping materials be maintained for inspection. A copy of the AFHM Plan is kept on-site. All fair housing required signs are posted in designated locations.



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Ownership and Tax Information

Shiloh Commons is located at 3209 Buick Street, Flint MI. Its tax parcel ID # is 40-01-202-034. The legal description is attached to this narrative. As noted in earlier narratives, the property is currently subject to a PILOT agreement with the City of Flint as noted in the attached copy of Ordinance No. 3396 dated March 14, 1999 and signed by then Mayor of Flint, Stanley Woodrow.

MHT Housing wholly owned entity, Shiloh LP, LLC, is current 99.99% owner of the property called **Shiloh Commons Limited Dividend Housing Association Limited Partnership, a Michigan Limited Partnership**. Pania Development Corporation is the .01% General Partner of the ownership entity. Pania Developments' principal, Cullen Dubose has agreed to transfer its .01% to an MHT wholly owned entity named Shiloh GP, LLC. This transfer of interest is in the process of gaining appropriate permissions and signature. Once that transaction is approved by all parties the ownership of the property will be sold to **Shiloh Commons II/MHT Limited Dividend Housing Association, LLC, a Michigan limited liability company**, whose general partner will be Shiloh MHT GP, Inc. Shiloh MHT GP Inc. is wholly owned by MHT a 501 (c)(3) nonprofit. A copy of the letter of intent is attached to this narrative.

The new preservation transaction will be subject to liens and regulatory restrictions by MSHDA imposed as it relates to the use of LIHTCs, MSHDA tax exempt bond financing and MSHDA Housing Trust Fund dollars. No other liens are anticipated.

As this property has been subject to a service charge in lieu of taxes or PILOT since 1999, the current assessed value of the property is not known.

LEGAL DESCRIPTION

Situated in the City of Flint, County of Genesee, State of Michigan, to-wit:

All of the following parcel of land being part of the Hillcrest Subdivision, City of Flint, Genesee County, Michigan, according to the recorded plat thereof, as recorded in Book 4 of Plats, Page 23, Genesee County Records, described as: Lots 6 through 16 inclusive; also the East 9.03 feet of Lots 79 and 80 and Lots 81 through 114 inclusive; also the East 9.03 feet of the North 41.56 feet of Lot 202 and the East 9.03 feet of Lot 203; also the North portions of Lots 204, 206, 208, 210, 212, 214, 216, 218, 220, 222 measuring 41.55 feet on the West line of Lot 204 and measuring 40.86 feet on the East line of Lot 222; also all of Lots 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237; also Lots 224 through 236 inclusive; including all of the vacated alleys and streets adjacent thereto; described as follows: Beginning at the intersection of the South line of Pasadena Avenue 60' wide and the West line on Buick Street 60' wide as shown on said Plat also being the Northeast corner of said Lot 16; thence South 00 degrees 02 minutes 26 seconds West 712.37 feet along the West line of said Buick Street; thence South 89 degrees 54 minutes 10 seconds West 279.53 feet; thence North 00 degrees 04 minutes 35 seconds West 88.44 feet; thence South 89 degrees 54 minutes 43 seconds West 469.32 feet; thence North 00 degrees 02 minutes 26 seconds East 553.44 feet to a point on the South line of Pasadena Avenue; thence North 83 degrees 58 minutes 07 seconds East 501.85 feet; thence continuing along the South line of Pasadena Avenue North 85 degrees 39 minutes 49 seconds East 250.73 feet to the point of beginning.



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Development Pro Forma

Attached is the projected redevelopment pro forma for Shiloh Commons along with a trade payment breakdown detailing the scope of the proposed renovation. The pro forma uses standard formulas and assumptions recommended by MSHDA as part of their LIHTC and direct lending programs.

This preservation transaction incorporates a number of funding sources. A description of the permanent sources include the following:

- First Mortgage Loan of \$3,920,381 will be provided by MSHDA. This permanent loan contemplates a 35-year amortization Tax Exempt Bond Mortgage with an interest rate of 5.2%.
- A Second MSHDA "Housing Trust Fund" mortgage will also be needed in the amount of \$3,902,555 repayable out of 50% of cash flow.
- MHT will use its own nonprofit funds to assist financing with a cash flow note of \$1,376,960 which assumes a 45-year term accruing interest at around 3%.
- Income from operations in the amount of \$355,414 will serve to pay budgeted taxes and insurance.
- Transfer of existing remaining tax and insurance reserves of around \$96,209 will assist in funding new reserves.
- LIHTC equity proceeds will be provided by CREA in the approximate amount of \$3,621,415 based on \$0.90/LIHTC pricing.
- Owner Equity equaling \$200
- And finally, deferred development fee in the amount of \$634,670.

Development Shiloh Commons 2019**Permanent Financing** MSHDA Tax Exempt Bond Financing - Monthly Debt Service 5.2% for 35 years**GAP Financing** MSHDA Housing Trust Funds - 1% interest payable out of 50% cash flow**Construction Financing** Tax Exempt Bond Financing 5.2%, Interest Only

Date 01/16/2019

TOTAL DEVELOPMENT COSTS

	<u>Total</u>
Acquisition	
Land	459,714
Existing Buildings	5,000,286
Subtotal	5,460,000
Construction/Rehabilitation	
Structures and Onsite Improvements	3,969,750
General Requirements, Overhead, Builder Profit	579,867
Permits, Bond Premium, Tap Fees, Cost Cert.	151,500
Construction Contingency (10% of Estimated Construction Contract)	470,112
Subtotal	5,171,229
Fees	
Architect, Engineer, Legal and Other Professional Fees	
Subtotal	1,460,391
Project Reserves	
Tax and Insurance and other Project Escrows	
Subtotal	825,168
Financing Costs	
Construction Financing	455,414
Permanent Financing	389,582
Investor and LIHTC Related Costs	146,020
Subtotal	991,016
TOTAL DEVELOPMENT COSTS	TOTAL 13,907,804

TOTAL DEVELOPMENT SOURCES

MSHDA Permanent Mortgage	3,920,381
Equity Contribution from Tax Credit Syndication	3,621,415
MSHDA Housing Trust Funds	3,902,555
Income from Operations	355,414
Transferred Reserves:	
General Partner Note	96,209
Owner Equity	1,376,960
Deferred Developer Fee	200
	634,670
Total Permanent Sources	13,907,804
MSHDA CONSTRUCTION LOAN	7,232,058

CONSTRUCTION COST TRADE PAYMENT BREAKDOWN



Michigan State Housing
Development Authority

DATE:	12/18/2018
DEVELOPMENT NO:	960
PROJECT NAME:	Shiloh Commons
CITY / COUNTY:	Flint / Genesee
MORTGAGOR:	
CONTRACTOR:	MHT Construction, LLC

LINE	TRADE ITEM	COST	LINE	TRADE ITEM	COST
1	Site Environmental Mitigation		27	Specialties	75,000
2	Earth Work		28	Special Equipment	-
3	Roads / Walks	245,000	29	Appliances	179,000
4	Site Utilities		30	Cabinets	531,000
5	Site Improvements	42,000	31	Blinds / Drapes	37,500
6	Landscaping	62,500	32	Special Construction	-
7	Site Irrigation		33	Elevators	-
8	Special Site Construction		34	Plumbing / Domestic Hot Water	187,500
	Total Site Work	349,500	35	Fire Protection	-
9	Building Concrete	27,150	36	HVAC	502,000
10	Masonry	50,000	37	Electrical	185,000
11	Metals	21,500	38	Low Voltage Electrical	-
12	Rough Carpentry	-	39	Architectural Environmental Mitigation	
13	Finish Carpentry	-		Total Structures	3,620,250
14	Insulation	82,000	40	Community Building	-
15	Roofing	344,000	41	Accessory Buildings	
16	Siding	357,000	42	Off-Site Improvements	
17	Caulking (Exterior) Sealants	34,000	43	Site Security	-
18	Doors / Hardware	312,500	44	General Requirements @ 6%	238,185
19	Windows	187,600	45	Builder's Overhead @ 2%	84,159
20	Glass	-	46	Builder's Profit @ 6%	257,526
21	Drywall	10,000	47	Building Permits	67,500
22	Ceramic Tile / Quarry Tile	-	48	Bond Premium	77,500
23	Acoustical Ceilings	-	49	Tap Fees	-
24	Resilient Flooring	312,500	50	Cost Certification Expense	6,500
25	Carpets	10,000		Total Construction	4,701,119
26	Painting / Decorating	175,000			

COMMENTS:

Total construction costs shown have been approved by MSHDA. The line item breakdown of costs is subject to revision, prior to disbursement of construction draws, after review of subcontractor and supplier contracts and approval by MSHDA. The total construction contract may not be increased or decreased.

MHT Construction, LLC.

Shiloh Commons LDHA LP

Contractor (please print)

Sponsor / Mortgagor (please print)

MSHDA Representative (please print)

Signature

Signature

Signature



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Shiloh Commons Projected Operating Pro Forma

Attached is the projected operating pro forma for Shiloh Commons along with cash flow projections using standard formulas and inflation factors recommended by MSHDA as part of their LIHTC and direct lending programs. Operating projections are based on actual 2018 operating expenses and projected income with the addition of 60 units of Section 8 and current rents for non section 8 assisted units.

Development Shiloh Commons 2019
 Financing Tax Exempt
 MSHDA No. 960
 Step Application
 Date 12/27/2018
 Type Preservation - Subsidized

Mortgage Assumptions:
 Debt Coverage Ratio 1.45
 Mortgage Interest Rate 5.200%
 Pay Rate 5.200%
 Mortgage Term 35 years
 Income from Operations Yes

Instructions

Total Development Income Potential

	Per Unit	Total
Annual Rental Income	9,155	1,144,344
Annual Non-Rental Income	18	2,200
Total Project Revenue	9,172	1,146,544

Total Development Expenses

Vacancy Loss	7.00% of annual rent potential	641	80,104
Management Fee	527 per unit per year	527	65,875
Administration		1,087	135,909
Project-paid Fuel		67	8,330
Common Electricity		154	19,300
Water and Sewer		1,120	140,000
Operating and Maintenance		1,678	209,802
Real Estate Taxes		0	
Payment in Lieu of Taxes (PILOT)	4.00% Applied to: All Units	287	35,864
Insurance		300	37,500
Replacement Reserve	300 per unit per year	300	37,500
Other: Workers Comp and Emp Health		187	23,339
Other:		0	

Initial Inflation Factor	Beginning in Year	Future Inflation Factor
1.0%	6	2.0%
1.0%	6	2.0%
Future Vacancy		
	6	6.5%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	6	3.0%
4.0%	6	3.0%
5.0%	6	5.0%
3.0%	1	3.0%
5.0%	1	5.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%

% of
Revenue

Total Expenses	69.21%	6,348	793,523
Base Net Operating Income		2,824	353,021
Part A Mortgage Payment	21.23%	1,948	243,462
Part A Mortgage		31,363	3,920,381
Non MSHDA Financing Mortgage Payment		0	
Non MSHDA Financing Type:		0	
Base Project Cash Flow (excludes ODR)	9.56%	876	109,558

Override

Cash Flow Projections

Development Shash Corporation 2014

Financing Tax Exempt

MSHDA No. 5600

Site Application

Date: 12/27/2013

Type: Preservation - Standalone

Income	1.0%	0	2.0%
Annual Rental Income	1.0%	0	2.0%
Annual Non-Rental Income	1.0%	0	2.0%

Total Project Revenue

Expenses	1.0%	0	2.0%
Vacancy Loss	1.0%	0	2.0%
Management Fee	1.0%	0	2.0%
Administration	1.0%	0	2.0%
Project Start Fuel	1.0%	0	2.0%
Common Electricity	1.0%	0	2.0%
Water and Sewer	1.0%	0	2.0%
Operating and Maintenance	1.0%	0	2.0%
Real Estate Taxes	1.0%	0	2.0%
Payment in Lieu of Taxes (PILOT)	1.0%	0	2.0%
Insurance	1.0%	0	2.0%
Replacement Reserve	1.0%	0	2.0%
Other: Workers Comp and Emp Health	1.0%	0	2.0%
Other:	1.0%	0	2.0%

Subtotal: Operating Expenses

Debt Service	1.0%	0	2.0%
Debt Service Part A	1.0%	0	2.0%
Debt Service Conventional/Other Financing	1.0%	0	2.0%

Total Expenses

Cash Flow(Deficit)	1.0%	0	2.0%
Cash Flow Per Unit	1.0%	0	2.0%
Debt Coverage Ratio on Part A Loan	1.0%	0	2.0%
Debt Coverage Ratio on Conventional/Other Financing	1.0%	0	2.0%

Interest Rate on Reserves

Operating Deficit Reserve (ODR) Analysis	1.0%	0	2.0%
Maintained Debt Coverage Ratio (Plant Debt)	1.0%	0	2.0%
Maintained Operating Reserve (No Plant Debt)	1.0%	0	2.0%
Initial Balance	1.0%	0	2.0%

Total Annual Draw to achieve 1.0 DCR	1.0%	0	2.0%
Total Annual Deposit to achieve Maintained DCR	1.0%	0	2.0%
Total 1.0 DCR and Maintained DCR	1.0%	0	2.0%
Interest	1.0%	0	2.0%
Ending Balance at Maintained DCR	1.0%	0	2.0%
Maintained Cash Flow Per Unit	1.0%	0	2.0%
Maintained Debt Coverage Ratio on Part A Loan	1.0%	0	2.0%
Maintained Debt Coverage Ratio on Conventional/Other	1.0%	0	2.0%
Standard ODR	1.0%	0	2.0%
Non-standard ODR	1.0%	0	2.0%

Operating Assurance Reserve Analysis

Required in Year	1.0%	0	2.0%
Initial Balance	1.0%	0	2.0%
Initial Deposit	1.0%	0	2.0%
Ending Balance	1.0%	0	2.0%

Deferred Developer Fee Analysis

Initial Balance	1.0%	0	2.0%
Draw Fee Paid	1.0%	0	2.0%
Ending Balance	1.0%	0	2.0%
Repayment in Yr.	1.0%	0	2.0%

MSHDA Preservation Financing

Interest Rate on Subordinate Financing	1.0%	0	2.0%
Principal Amount of all MSHDA Sub Funds	1.0%	0	2.0%
Current Yr's	1.0%	0	2.0%
Accrued Int	1.0%	0	2.0%
Subtotal	1.0%	0	2.0%
Annual Payment Due	1.0%	0	2.0%
Year End Balance	1.0%	0	2.0%

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[illegible]

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Total Project Revenue																				
Income																				
Annual Rental Income	1,341,044	1,367,965	1,395,222	1,423,122	1,451,509	1,480,621	1,510,234	1,540,436	1,571,247	1,602,671	1,634,708	1,667,359	1,700,625	1,734,506	1,769,002	1,804,114	1,839,842	1,876,187	1,913,150	1,950,731
Annual Non-Rental Income	2,578	2,530	2,632	2,736	2,791	2,846	2,902	2,961	3,021	3,081	3,141	3,202	3,263	3,325	3,387	3,450	3,513	3,577	3,641	3,705
Total Project Revenue	1,343,622	1,370,495	1,397,855	1,425,858	1,454,300	1,483,468	1,513,137	1,543,400	1,574,268	1,605,753	1,637,849	1,670,561	1,703,888	1,737,831	1,772,389	1,807,564	1,843,355	1,879,764	1,916,791	1,954,436
Expenses																				
Vacancy Loss	87,148	88,011	90,686	92,503	94,353	96,240	98,165	100,126	102,131	104,174	106,253	108,368	110,519	112,706	114,929	117,188	119,473	121,784	124,121	126,484
Management Fee	88,530	91,186	93,992	96,748	99,542	102,631	105,710	108,881	112,148	115,512	118,974	122,534	126,194	129,954	133,814	137,674	141,534	145,394	149,254	153,114
Administration	188,130	189,650	192,774	195,587	200,575	211,742	218,090	224,637	231,376	238,317	245,460	252,804	260,349	268,094	275,939	283,884	291,929	299,974	308,019	316,064
Project Paid Fee	11,196	11,531	11,877	12,233	12,600	13,067	13,534	14,001	14,468	14,935	15,402	15,869	16,336	16,803	17,270	17,737	18,204	18,671	19,138	19,605
Common Electricity	26,959	27,268	28,691	29,400	30,343	31,254	32,191	33,157	34,152	35,176	36,229	37,311	38,422	39,563	40,734	41,935	43,166	44,427	45,718	47,039
Water and Sewer	228,645	239,448	251,420	263,391	277,190	291,950	306,602	320,883	335,927	350,773	365,460	380,000	394,400	408,660	422,780	436,760	450,600	464,310	477,890	491,340
Operating and Maintenance	281,956	290,415	299,127	308,101	317,344	326,855	336,631	346,671	357,174	367,989	379,130	390,604	402,411	414,550	426,921	439,524	452,359	465,426	478,725	492,256
Real Estate Taxes	50,507	40,008	40,505	40,998	41,484	41,964	42,435	42,900	43,354	43,798	44,232	44,656	45,070	45,484	45,888	46,292	46,696	47,099	47,503	47,907
Insurance	50,507	51,999	53,466	55,070	56,722	58,424	60,176	61,982	63,841	65,756	67,724	69,746	71,822	73,954	76,142	78,386	80,686	83,041	85,351	87,716
Replacement Reserve	50,397	51,909	53,466	55,070	56,722	58,424	60,176	61,982	63,841	65,756	67,724	69,746	71,822	73,954	76,142	78,386	80,686	83,041	85,351	87,716
Other Workers Comp and Emp Health	30,366	32,407	33,276	34,274	35,302	36,361	37,452	38,576	39,733	40,925	42,152	43,414	44,711	46,044	47,412	48,815	50,254	51,728	53,237	54,781
Other:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	1,371,171	1,393,822	1,416,473	1,439,124	1,461,775	1,484,426	1,507,077	1,529,728	1,552,379	1,575,030	1,597,681	1,620,332	1,642,983	1,665,634	1,688,285	1,710,936	1,733,587	1,756,238	1,778,889	1,801,540
Debt Service	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462
Debt Service Conventional/Other Financing	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462
Total Expenses	1,371,171	1,393,822	1,416,473	1,439,124	1,461,775	1,484,426	1,507,077	1,529,728	1,552,379	1,575,030	1,597,681	1,620,332	1,642,983	1,665,634	1,688,285	1,710,936	1,733,587	1,756,238	1,778,889	1,801,540
Cash Flow/(Deficit)	-29,549	-23,857	-21,251	-16,342	-11,433	-6,524	-1,615	3,304	8,266	13,227	18,189	23,151	28,113	33,075	38,037	42,999	47,961	52,923	57,885	62,847
Cash Flow Per Unit	-1.76	-1.49	-1.33	-1.02	-0.70	-0.40	0.21	0.50	0.79	1.08	1.37	1.66	1.95	2.24	2.53	2.82	3.11	3.40	3.69	3.98
Debt Coverage Ratio on Part A Loan	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22
Debt Coverage Ratio on Conventional/Other Financing	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22
Interest Rate on Reserves	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Operating Deficit Reserve (ODR) Analysis																				
Maintained Debt Coverage Ratio (Hard Debt)	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22
Maintained Operating Reserve (No Hard Debt)	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462	243,462
Initial Balance	172,586	172,586	172,586	172,586	172,586	172,586	172,586	172,586	172,586	172,586	172,586	172,586	172,586	172,586	172,586	172,586	172,586	172,586	172,586	172,586
Total Annual Draw to achieve 1.0 DCR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Annual Deposit to achieve Maintained DCR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total 1.0 DCR and Maintained DCR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	6,956	7,167	7,380	7,604	7,833	8,067	8,306	8,550	8,799	9,053	9,312	9,576	9,845	10,119	10,398	10,682	10,971	11,265	11,564	11,868
Ending Balance at Maintained DCR	238,902	245,069	251,451	258,069	264,932	272,050	279,423	287,051	294,934	303,072	311,475	320,142	329,074	338,271	347,732	357,458	367,449	377,705	388,226	399,012
Maintained Cash Flow Per Unit	1.76	1.83	1.90	1.97	2.04	2.11	2.18	2.25	2.32	2.39	2.46	2.53	2.60	2.67	2.74	2.81	2.88	2.95	3.02	3.09
Maintained Debt Coverage Ratio on Part A Loan	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22
Maintained Debt Coverage Ratio on Conventional/Other Financing	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22
Standard ODR	14,221	14,221	14,221	14,221	14,221	14,221	14,221	14,221	14,221	14,221	14,221	14,221	14,221	14,221	14,221	14,221	14,221	14,221	14,221	14,221
Non-standard ODR	159,369	159,369	159,369	159,369	159,369	159,369	159,369	159,369	159,369	159,369	159,369	159,369	159,369	159,369	159,369	159,369	159,369	159,369	159,369	159,369
Operating Assurance Reserve Analysis																				
Required in Year	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882
Initial Balance	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882
Initial Balance	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882
Initial Balance	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882
Initial Balance	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882
Initial Balance	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882
Initial Balance	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882
Initial Balance	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882
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Initial Balance	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882
Initial Balance	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882
Initial Balance	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,882	343,					



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Schedule of Rents and Income Limits

This proposed preservation transaction assumes 41 units will be restricted to families with incomes at 30% AMI as required under the Housing Trust Fund program. The new Section 8 contract will provide assistance to those 41 families AND an additional 19 families, for 60 units in total. Section 8 subsidy calculates the rent portion paid by the family to equal 30% of their income minus a utility allowance. The remaining 65 units not covered under the section 8 program will have income and rents restricted to 60% of AMI. And while restricted to 60% of AMI, the actual initial rents charged the non-section 8 units will be the same as those charged in 2018 and significantly less than the maximum available. Further, MHT will commit that future increases to existing residents will be limited to 5%.



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Project Timeline

Closing with all sources including the MSHDA loan, HTF and Equity is expected July 1, 2019. The first expenditure will happen concurrent with that closing. Construction will begin immediately after closing on the transaction and will be completed no later than 12 months following the construction start date. Attached is the proposed timeline included in the MSHDA LIHTC application.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY



Low-Income Housing Tax Credit Application 2019-2020 Qualified Allocation Plan

12/01/19 12:01:11 PM

Project Stage	Estimated/Actual Date
PRE-DEVELOPMENT	
Ownership Entity Formation	1/15/2019
Zoning Approval	2/15/2019
Site Plan Approval	2/15/2019
Site Control Established	2/15/2019
Tax Abatement Approval	2/15/2019
FINANCING COMMITMENT/APPROVALS	
Construction Financing	6/1/2019
Permanent Financing	6/1/2019
Secondary Financing	6/1/2019
Grant/Subsidy Financing	
Equity Financing	6/1/2019
CLOSING AND DISBURSEMENTS	
Initial Subsidy Layering Review	7/1/2019
Acquisition of Land/Building(s)*	7/1/2019
Construction Financing Disbursement	7/1/2019
Permanent Financing Disbursement	10/1/2020
Secondary Financing Disbursement	7/1/2019
Grant/Subsidy Financing Disbursement	
Initial Equity Disbursement	7/1/2019
CONSTRUCTION/REHABILITATION	
Building Permit Issued	6/15/2019
Final Plans and Specifications	5/1/2019
Construction Start	7/1/2019
50% Completion	12/31/2019
Construction Completion	6/30/2020
POST-CONSTRUCTION	
Temporary/Final Certificates of Occupancy Issued	7/1/2019
Placed in Service Date*	6/30/2020
Begin Lease-Up	7/1/2019
Substantial Rent-Up	7/1/2019
Completion of Cost Certification by CPA	8/30/2020
Final Subsidy Layering Review	9/30/2020
8609 Request Submitted	10/30/2020

*For an occupied building, the placed in service date is the date of acquisition. Therefore, acquisition credit cannot be allocated to an occupied building in a year following the year in which the building was purchased. For new construction and rehabilitation, credit cannot be allocated to any building in a year after the building is placed in service.



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Potential Conflicts of Interest

There are no known potential conflicts of interest with any individual related to the applicant or the guarantor with any City of Flint Personnel or Members to Flint's City Council.



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Potential Bonus Point Narrative

The quantitative and qualitative impact of this transaction will be huge for the residents, the surrounding neighborhood and the City of Flint.

Preservation and Rehabilitation and Energy Efficiency Improvement

Low Income Housing Tax Credits (LIHTC), Tax Exempt Bond Financing and Housing Trust Fund (HTF) dollars from the Michigan State Housing Development Authority (MSHDA) will be used to perform a significant rehabilitation of the property. Hard construction costs are expected to exceed \$4,701,119 or \$37,609 per unit. The proposed rehabilitation will focus on improving energy efficiency and replacing major physical components that are about to exhaust their useful life. Specifically, the transaction will result in the repair and/or replacement of certain building systems including HVAC, parking lot, site signage, landscaping, common area LED lighting and flooring, and in-unit upgrades of Energy Star appliances, kitchen and bathroom cabinets, sink, faucet, countertops, flooring, LED lighting, Energy Star windows, door walls. Further, the development will upgrade community space, playground equipment and other amenities for the residents.

NEW Federal Section 8 Project based Subsidy

A most unique and both qualitatively and quantitatively impactful characteristic of this transaction will be the transfer of nearly \$670,000 of annual Section 8 budget authority (exceeding \$14,000,000 over the contract's 20 year term) from a property in Ohio, which recently opted out of the federal program. The transfer of this Section 8 budget authority will allow MHT to deeply subsidize 60 of the 125 units.

Increased PILOT Payment for the City of Flint

It is important to note that because of the increase in rent potential resulting from addition of Section 8, the actual PILOT payment is expected to increase from \$21,411 paid in 2018 to an estimated new amount of \$36,727.

External Amenities

Shiloh Commons is nestled into a quaint neighborhood just north of Downtown Flint, with a walk score of 48. Located within a quarter of a mile, residents of Shiloh Commons have access to three nearby public transportation bus stations off of Saginaw Street, with the addition of three other public transportation bus stops off of Martin Luther King Ave, approximately a half mile from the property. These bus stations give residents of Shiloh Commons easy access to education and employment, in addition to recreational and social activities and is in close proximity to municipal buildings and health care facilities within the City of Flint and outside of the City limits.



An affordable non-profit housing corporation serving Michigan's housing needs

Shiloh Commons is within approximately one mile of multiple recreational areas, social facilities, parks, commercial, educational, health and municipal facilities. Recreation and parks facilities in close proximity include but are not limited to Hardenbrook Park, Bassett Park, Haskell Community Center, Iroquois Park, Max Brandon Park, Berston Field House, Oak Park, Oak Knoll Park, Hilborn Park, Flint Park Lake and Creative Expressions Dance. Each park and recreational facility offers a multitude of activities, giving the community opportunities to participate in any activity that sparks their individual interest.

The neighborhood has a strong sense of community and religious affiliation with multiple religious communities in close proximity including Holy Trinity Missionary Baptist Church, Old Zion Missionary Baptist Church, Shiloh Missionary Baptist Church, Deliverance Church of God, Mt. Moriah Missionary Baptist Church, Oman Temple No. 72, Pentecostal Tabernacle Church, and Bethlehem Temple Church. With a plethora of places of worship in the community, residents have the ability to remain included in their social circles and religious communities. Doyle-Ryder Elementary School, Summerfield School, Flex High School, Emanuel School are within approximately one-mile of Shiloh Commons, giving residents children access to quality educational opportunities. Additionally, Shiloh Commons is two miles North of the University of Michigan Flint and Mott Community College, and approximately 2.5 miles North of Kettering University, giving many opportunities for high quality continuing education for all in the community.

Jobs Created

Based on projects of similar size and scope, it is estimated that 75 temporary construction related jobs will be generated and 6 full time positions will be created. These jobs serve the preservation of Parkview Place as high-quality housing for seniors in the greater downtown Detroit area for the long term.

MHT's Outreach Commitment to the Community

MHT is a 501(c) (3) nonprofit corporation whose mission is to provide & develop affordable housing. MHT has been recognized for providing services within the communities they serve including a nationally a recognized Summer Workforce program for teens, after school tutoring. Other services include after school meals, backpacks for kids, eviction diversion program, a gun buy-back program, vacant land clean up, police department support and coordination with Meals on Wheels, Gleaners and coordination with numerous organizations that benefit the community surrounding each MHT property.

And finally it should be noted that MHT over \$1.37 of its own nonprofit funds to fill the transactions remaining gap.

180590

RESOLUTION NO.: _____

PRESENTED: 11-20-18

ADOPTED: _____

RESOLUTION TO ADOPT THE ANTI-BULLYING POLICY

BY THE MAYOR:


WHEREAS, The City of Flint intends to protect the rights of public servants and employees by adopting policies and procedures regarding bullying.

WHEREAS, The City has prepared an Anti-Bullying Policy. The policy is attached.

WHEREAS, Mayor, Karen W. Weaver recommends adopting the Anti-Bullying Policy.


THEREFORE, BE IT RESOLVED that the Flint City Council agrees to adopt the Anti-Bullying Policy.

APPROVED AS TO FORM:



Angela Wheeler, Chief Legal Officer

FOR THE CITY OF FLINT:



Dr. Karen W. Weaver, Mayor

APPROVED AS TO FINANCE:



Hughey Newsome, Chief Financial Officer

APPROVED BY CITY COUNCIL:

Herbert Winfrey, City Council President

Resolution Routing

TO: Resolution Signatories
FROM: **Law Department**
SUBJECT: RESOLUTION FOR APPROVAL

This RESOLUTION has been forwarded to you for your respective review and approval.

Date recorded:

11/15/2018

18-16470

All documents should be reviewed within three working days after receipt by your office.

Anti-Bullying Policy

The attached resolution is submitted to the Legal Dept. for approval as to form only:

Review and Approval:	IN	OUT	<u>Approval</u>
1. City Attorney (Form Only):		11/15/2018	
2. Finance		11/15/2018	
3. City Administrator			

Please call Jennifer at ex. 2082



City of Flint

Policy: Anti-Bullying Policy	Original Date:
Issued by the City of Flint Legal Department and the Human Resources & Labor Relations Department	Revision Date:

Disclaimer: No statements in this policy are intended or set forth as contractual commitments or obligations of the City to any individual employee or group of employees or to establish an exception to the employment-at-will doctrine beyond that specified in contracts or pertinent collective bargaining agreements. If there are differences between the various collective bargaining agreements and this policy, the pertinent collective bargaining agreement takes precedence.

INTRODUCTION

The following is the City of Flint's policy prohibiting bullying of City public servants¹, employees or job applicants. The Complaint/Report Procedure described in this policy should be utilized to report bullying. The City will take appropriate action to prevent bullying and will protect the rights of public servants and employees who file complaints.

PURPOSE

The City of Flint ("City") considers workplace bullying unacceptable and will not tolerate it under any circumstances. This policy shall apply to all public servants, employees, contractors, interns, externs, and volunteers. Any employee found in violation of this policy will be disciplined, up to and including discharge.

A. Work Place Bullying Defined

The City defines bullying as persistent, malicious, unwelcome, severe and pervasive mistreatment that harms, intimidates, offends, degrades or humiliates an employee, whether verbal, physical or otherwise, at the place of work and/or in the course of employment.

The City promotes a healthy workplace culture where all employees are able to work in an environment free of bullying behavior.

The City encourages all public servants and employees to report any instance of bullying behavior. Any reports of this type will be treated seriously, investigated promptly and impartially. The complaint and procedure policy will be followed as found in this policy.

B. Work Place Bullying Behavior

The City considers the following types of behavior as workplace bullying. Please note, this list is not meant to be exhaustive and is only offered by way of example:

1. Exclusion or social isolation;
2. Excessive monitoring or micro-managing;
3. Personal attacks (angry outbursts, excessive profanity, or name-calling);
4. Encouragement of others to turn against the targeted employee;
5. Sabotage of a co-worker's work product or undermining of an employee's work performance;
6. Stalking;

¹ Public Servants: All persons employed or otherwise engaged by the Corporation of the City of Flint to conduct business on its behalf including but not limited to elected officials, appointed employees, members of boards and commissions, classified employees, contractual employees, and volunteers. Flint City Charter §1-405

7. Unwelcome touching or uncontested-to touching;
8. Invasion of another's person's personal space;
9. Unreasonable interference with an employee's ability to do his or her work (i.e., overloading of emails);
10. Repeated infliction of verbal abuse, such as the use of derogatory remarks, insults and epithets; and
11. Conduct a reasonable person would find hostile, offensive, and unrelated to the employer's legitimate business interests

C. Complaint/Report Procedure

The following procedure shall be utilized by the City public servants and employees for the processing of complaints relating to bullying in the work place. This procedure shall apply only to those complaints directed against a person who at the time of the filing of the complaint is a City of Flint employee or public servant. The procedure may be utilized with regard to complaints covering administrators, supervisory personnel and co-employees. While the procedure itself is not directly applicable to complaints involving non-employees of the City of Flint, any bullying from such individuals in the City of Flint work place should be brought to the attention of the employee's supervisor and/or the Human Resources Director.

1. City of Flint Fact Finding Procedure

- i. An employee, regardless of position, who feels he or she is being or has been subjected to bullying is expected to notify the Human Resources Director or his/her supervisor (or a higher level supervisor if the immediate supervisor is the offending party) immediately by issuing their complaint in writing or verbally. All complaints will be forwarded to the Human Resources Director is the offending party. If the Human Resources Director is believed to have violated the City's Anti-Bullying Policy, the employee should immediately file a written or verbal complaint with the City Attorney.
- ii. The written complaint must provide the following:
 - a. The dates and times the instances of bullying have occurred;
 - b. The identity of the perpetrators;
 - c. Any known witnesses;
 - d. The nature of the conduct amounting to bullying; and
 - e. A request for an investigation.
- iii. If a verbal complaint is made then the person who took the complaint must reduce the complaint to writing and provide the requirements listed under Section E(1)(ii)

The Human Resources/Labor Relations Director then assigns an investigator to the complaint. Information received during the complaint process will be treated as confidentially as may be permitted under the circumstances, giving due regard to an employee's right to be apprised of and respond to allegations made against him or her.

2. Investigation Process

- i. During the investigation a statement of public servants and/or employees or others with any possible knowledge of the situation are obtained through interviews. The statement may be reduced to writing for signature by the maker of the statement recorded or transcribed at the discretion of the investigator.
- ii. The complainant and the accused employee may be accompanied at the time of the statement by his or her union steward. Other persons may not be allowed at the time the statement is made.
- iii. Any physical and/or documentary evidence is collected or secured.
- iv. Upon completion of the investigation, a summary report of the findings and the investigator's recommendation is prepared and submitted to the Human Resources Director.
- v. The Human Resources Director in consultation with the City Administrator will issue the final determination as to whether the City's Anti-Bullying Policy has been violated.
- vi. If it is found the Policy has been violated, the Human Resources and Labor Relations Director in consultation with the City Administrator will determine what amount of disciplinary action is appropriate, and initiate implementation of discipline.

Although confidentiality will be maintained to the extent practicable throughout the investigation process, notification to the accused may occur at any step of this investigation process.

At any stage in the process an investigation may be discontinued or held in abeyance due to conflicting or insufficient evidence, improper motivation or lack of jurisdiction as determined by the investigator. The Human Resources Director, in consultation with the City Administrator, shall have final authority to determine whether an investigation proceeds or is discontinued. If the Human Resources Director is the subject of such investigation, final authority shall rest with the City Attorney.

3. Unsubstantiated Complaints

- i. If, as a result of the investigation, it is determined no violation of the policy has occurred, or there is insufficient information from which to make a determination whether a violation has occurred: The complainant and alleged bully shall be notified of the finding and the reason(s) therefore.

D. False Allegations

- i. If after an investigation the City of Flint finds clear and convincing evidence a complainant knowingly made false complaints, the complainant may be subject to disciplinary action up to and including termination.

DRAFT

180591

RESOLUTION NO.: _____

PRESENTED: 11-22-18

ADOPTED: _____

**RESOLUTION TO ADOPT HARASSMENT AND DISCRIMINATION IN THE WORK
PLACE POLICY AND COMPLAINT PROCEDURE**

BY THE MAYOR:

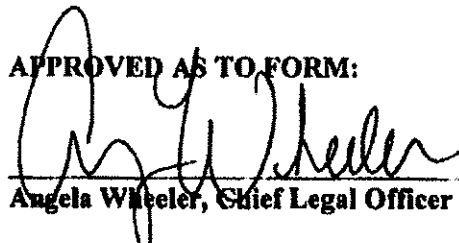
WHEREAS, The City of Flint intends to protect the rights of public servants and employees by adopting policies and procedures regarding discrimination and harassment.

WHEREAS, The City has prepared a Harassment and Discrimination in the Work Place Policy and Complaint Procedure. The policy is attached.

WHEREAS, Mayor, Karen W. Weaver recommends adopting the Harassment and Discrimination in the Work Place Policy and Complaint Procedure.

THEREFORE, BE IT RESOLVED that the Flint City Council agrees to adopt the Harassment and Discrimination in the Work Place Policy and Complaint Procedure.

APPROVED AS TO FORM:



Angela Wheeler, Chief Legal Officer

FOR THE CITY OF FLINT:



Dr. Karen W. Weaver, Mayor

APPROVED AS TO FINANCE:



Hughey Newsome, Chief Financial Officer

APPROVED BY CITY COUNCIL:

Herbert Winfrey, City Council President

Resolution Routing

TO: Resolution Signatories
FROM: Law Department
SUBJECT: RESOLUTION FOR APPROVAL

This RESOLUTION has been forwarded to you for your respective review and approval.

Date recorded: 11/15/2018

18-6469

All documents should be reviewed within three working days after receipt by your office.

Harassment and Discrimination Policy

The attached resolution is submitted to the Legal Dept. for approval as to form only:

Review and Approval:	IN	OUT	<u>Approval</u>
1. City Attorney (Form Only):		11/15/2018	
2. Finance		11/15/2018	
3. City Administrator			

Please call Jennifer at ex. 2082



City of Flint

Policy: Harassment and Discrimination in the Work Place Policy and Complaint Procedure	Original Date:
Issued by the City of Flint Legal Department and the Human Resources & Labor Relations Department	Revision Date:

Disclaimer: No statements in this policy are intended or set forth as contractual commitments or obligations of the City to any individual employee or group of employees or to establish an exception to the employment-at-will doctrine beyond that specified in contracts or pertinent collective bargaining agreements. If there are differences between the various collective bargaining agreements and this policy, the pertinent collective bargaining agreement takes precedence.

INTRODUCTION

The following is the City of Flint's policy prohibiting discrimination and harassment of City public servants¹, employees or job applicants on any basis protected by federal, state or local law. The Complaint/Report Procedure described in this policy should be utilized to report discrimination and harassment. The City will take appropriate action to prevent discrimination and harassment and will protect the rights of public servants and employees who file complaints.

PURPOSE

Because the City of Flint ("the City") is an equal opportunity employer, it is the policy of the City that public servants, officials, employees and applicants shall receive consideration and treatment consistent with all equal employment opportunity laws in all terms and all conditions of work. This includes a workplace free of discriminatory and harassing conduct as those terms are defined. The City does not discriminate against anyone on the basis of race, color, religion, ancestry, national origin, place of birth, sex, sexual orientation, gender identity, gender expression, familial status, age, or non-disqualifying physical or mental disability, or any basis protected by federal, state, or local law.

The City strives to provide a work environment which promotes respect and in which each employee has the opportunity to develop to his or her full potential. Discrimination and harassment are strictly prohibited, not only because they violate the law, but also because they are contrary to the City's interest in attracting, retaining and promoting the most talented, effective and dedicated employees.

The City has an Internal Complaint/Report Procedure to address and resolve complaints of discrimination and harassment. The City will take appropriate action to prevent discrimination and harassment and to protect the rights of public servants who file complaints.

A. Discrimination is Prohibited

¹ Public Servants: All persons employed or otherwise engaged by the Corporation of the City of Flint to conduct business on its behalf including but not limited to elected officials, appointed employees, members of boards and commissions, classified employees, contractual employees, and volunteers. Flint City Charter §1-405

The City requires all applicants, public servants, and employees be treated as individuals, on the basis of their own qualifications, skills, abilities, conduct and performance. Discrimination on account of any status protected by law, including but not limited to those identified in the first paragraph above, is prohibited. This Policy applies to all employment practices, including recruitment, hiring, evaluation, promotion, transfer, discipline and termination, as well as to all forms of compensation and benefits.

All personnel working for the City, including public servants, contractors, students, interns, externs and volunteers are required to comply with this Policy, including the Complaint/Report procedure. All personnel must behave in a non-discriminatory and business-like manner in all dealings with co-workers and all non-employees of the City contracted in the course of employment. The Policy also prohibits discrimination and harassment by persons doing business with the City, including vendors.

B. Harassment is Prohibited

Additionally, this Policy prohibits harassment, both in the workplace and in other work-related activities, such as business trips and business-related meetings and social events. No employee should have to tolerate harassment of the type described in this Policy and the City takes allegations of harassment seriously. The City will promptly investigate all reports and complaints of prohibited harassment. If it is determined inappropriate conduct has occurred, the City will take corrective and remedial action appropriate to the situation. If any public servant or employee engages in harassment prohibited by this Policy, they will be subject to disciplinary action, up to and including discharge.

C. Sexual Harassment is Prohibited

Sexual harassment in the workplace or in other work-related settings is illegal and is prohibited by this Policy. Sexual harassment is typically defined as unwelcome sexual advances, unwelcome requests for sexual favors, or other unwelcome verbal or physical conduct of a sexual nature, when:

- Submission to that conduct is made explicitly or implicitly a term or condition of employment; or
- Submission to or rejection of that conduct is used as a basis for employment decisions; or
- The conduct has the effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

For the purpose of this Policy "unwelcome" means "unwanted." An employee should never assume any such conduct is welcomed by others.

Under the definition given above, sexual harassment includes a direct or implied request by a supervisor for sexual favors in exchange for favorable job action (such as a favorable review, a salary increase or promotion) or in exchange for avoiding unfavorable job action (such as demotion, discipline or discharge). Any such requests are strictly prohibited and will result in disciplinary action or discharge. If any supervisor or manager makes any such direct or implied request, it must be reported as described in the policy. The City will take actions appropriate to fully investigate allegations of harassment.

The legal definition of sexual harassment also includes other types of conduct. While it is not possible to describe all circumstances which may constitute sexual harassment, the following are examples of conduct which, if unwelcome, may constitute sexual harassment depending upon the totality of the circumstances, including the severity and pervasiveness of the conduct:

- Sexual advances and propositions, with or without physical contact;
- Making or threatening reprisal for a negative response to sexual advances;
- Sexual epithets and jokes and written or oral remarks about a person's sex life, body or sexual activities, sexual deficiencies or prowess;
- Displaying or circulating obscene or sexually suggestive objects, pictures, cartoons, internet materials or screen-savers;
- Gossip or questions about someone's sexual experiences, gender identification, or orientation or talking about sexual experiences;
- Assaults, pinching, hugging, kissing or touching of an offensive or sexual nature or rubbing up against the body or impeding or blocking movement;
- Leering, wolf whistles, catcalls, sexual slurs or gestures, or sexually suggestive, insulting or degrading comments;
- Sexually suggestive or obscene letters, notes, e-mails or invitations; and
- Repeated flirtation, requests for dates and the like by anyone to someone who has indicated such attentions are not welcome.

Whether such conduct is deemed to be illegal or not, unwelcome and offensive conduct of these types by any individual toward anyone is prohibited by this Policy. Anyone found to be in violation of this policy is subject to disciplinary action up to and including termination and any other penalties recognized by Federal, State and Local law.

D. Other Types of Harassment are Prohibited

Not all harassment is sexual. This Policy also prohibits verbal or physical harassment of any person because of his or her race, color, religion, ancestry, national origin, place of birth, sex, sexual orientation, gender identity, gender expression, familial status, age, disability, height, weight, marital status, or protected status or exercise of legal rights, including the right to report violations of this Policy, where such conduct is unwelcome and has the effect

of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment. Whether any such conduct is deemed to be illegal or not, conduct such as that described below is prohibited:

- Epithets, slurs, ridicule, insults, or threatening, intimidating or hostile acts, including those that purport to be "jokes" or "pranks," made to or about someone because of his or her membership in a protected class or exercise of legal rights;
- Stereotyping or offensive comments, cartoons, pictures or objects that denigrate or insult members of a protected class or those who exercise legal rights; and
- Demeaning, hostile or derogatory remarks directed at someone because of his or her protected class status or exercise of legal rights.

These are just some examples of conduct which may constitute harassment, depending upon the totality of circumstances, including the severity and pervasiveness of the conduct.

E. Complaint/Report Procedure

The following procedure shall be utilized by the City public servants and employees for the processing of complaints relating to discrimination and harassment. This procedure shall apply only to those complaints directed against a person who at the time of the filing of the complaint is a City of Flint employee or public servant. The procedure may be utilized with regard to complaints covering administrators, supervisory personnel and co-employees. While the procedure itself is not directly applicable to complaints involving non-employees of the City of Flint, any discrimination or harassment from such individuals in the City of Flint work place should be brought to the attention of the employee's supervisor and/or the Human Resources Director.

1. City of Flint Fact Finding Procedure

- i. An employee, regardless of position, who feels he or she is being or has been subjected to illegal discrimination or harassment by another person on the basis of their race, color, sex, religion, ancestry, national origin, place of birth, sex, sexual orientation, gender identity, gender expression, familial status, age, disability height, weight, marital status, is expected to notify the Human Resources Director or his/her supervisor (or a higher level supervisor if the immediate supervisor is the offending party) immediately by issuing their complaint in writing or verbally. All complaints will be forwarded to the Human Resources Director unless the Human Resources Director is the offending party. If the Human Resources Director is believed to have violated the City's No Harassment and Discrimination in the Work Place Policy, the employee should immediately file a written or verbal complaint with the City Attorney.

ii. The written complaint must provide the following:

- a. The dates and times the instances of discrimination or harassment have occurred;
- b. The identity of the perpetrators;
- c. Any known witnesses;
- d. The nature of the conduct amounting to the discrimination or harassment; and
- e. A request for an investigation

iii. If a verbal complaint is made then the person who took the complaint must reduce the complaint to writing and provide the requirements listed under Section E(1)(ii).

The Human Resources/Labor Relations Director then assigns an investigator to the complaint. Information received during the complaint process will be treated as confidentially as may be permitted under the circumstances, giving due regard to an employee's right to be apprised of and respond to allegations made against him or her.

2. Investigation Process

i. During the investigation a statement of public servants and/or employees or others with any possible knowledge of the situation are obtained through interviews. The statement may be reduced to writing for signature by the maker of the statement recorded or transcribed at the discretion of the investigator.

ii. The complainant and the accused employee may be accompanied at the time of the statement by his or her union steward. Other persons may not be allowed at the time the statement is made.

iii. Any physical and/or documentary evidence is collected or secured.

iv. Upon completion of the investigation, a summary report of the findings and the investigator's recommendation is prepared and submitted to the Human Resources Director.

v. The Human Resources Director in consultation with the City Administrator will issue the final determination as to whether the City's No Harassment and Discrimination in the Work Place Policy has been violated.

- vi. If it is found the Policy has been violated, the Human Resources and Labor Relations Director in consultation with the City Administrator will determine what amount of disciplinary action is appropriate, and initiate implementation of discipline.

Although confidentiality will be maintained to the extent practicable throughout the investigation process, notification to the accused may occur at any step of this investigation process.

At any stage in the process an investigation may be discontinued or held in abeyance due to conflicting or insufficient evidence, improper motivation or lack of jurisdiction as determined by the investigator. The Human Resources Director, in consultation with the City Administrator, shall have final authority to determine whether an investigation proceeds or is discontinued. If the Human Resources Director is the subject of such investigation, final authority shall rest with the City Attorney.

3. Unsubstantiated Complaints

- i. If, as a result of the investigation, it is determined no violation of the policy has occurred, or there is insufficient information from which to make a determination whether a violation has occurred: The complainant and alleged harasser shall be notified of the finding and the reason(s) therefore.

F. Federal, State and Local Laws

Federal, state and local laws prohibit illegal discrimination, harassment and retaliation. It is the policy of the City to comply with all state and federal laws which prohibit illegal harassment and discrimination in the workplace, including the Elliott-Larson Civil Rights Act and Title VII of the 1964 Civil Rights Act.

G. False allegations

If at an investigation the City of Flint finds clear and convincing evidence a complainant knowingly made false complaints, the complainant may be subject to disciplinary action up to and including termination.

RESOLUTION NO. 190011

(Resolution to Adopt the Alcohol & Drug Free Workplace and Testing Policy) is being prepared by the Administration for the 2/20/2019 Legislative Committee agenda. Policy attached.

CITY OF FLINT

ALCOHOL & DRUG FREE WORKPLACE AND TESTING POLICY

1. PURPOSE

The City of Flint recognizes the importance of a drug and alcohol free workplace. The abuse of drugs, alcohol or other chemical substances by an employee endangers the safety of the public, the employee, and other City employees. The City recognizes it is in its best interest, as well as the best interest of its employees and the public, to prevent and eliminate drug, alcohol and/or substance abuse in the work place. Any employee found using, possessing, selling, distributing or being under the influence of an illegal chemical substance and/or alcohol during working hours, while on City property, or while using City equipment will be subject to discipline up to and including termination of employment.

2. APPLICATION

This policy applies to all employees as well as all applicants for employment once they have received a conditional offer of employment.

Nothing in this policy shall conflict with the Collective Bargaining Agreements of any employees. If a provision of this policy conflicts, the Collective Bargaining Agreement prevails.

Because of Federal law requirements, any employee who is convicted of manufacturing, distributing, dispensing, possessing, or use of controlled substances in the workplace must report that fact within five days of the conviction to the Director of Human Resources and Labor Relations. If your job relates to, or is funded by a Federal grant or contract, the City is required to notify the Federal Government of your conviction within ten (10) days.

3. APPLICANT PRE-EMPLOYMENT TESTING

All applicants will undergo drug and/or alcohol testing following a conditional offer of employment, but prior to final hiring and assignment. Refusal to undergo a test, or a positive test, will result in the City withdrawing its conditional offer of employment. In addition, adulteration of a specimen or a drug or alcohol test will be considered as a refusal to undergo a test.

4. FOR CAUSE TESTING

Drug and/or alcohol testing may be conducted on any employee at any time the City has reasonable suspicion there is cause to believe an employee may be under the influence of drugs or alcohol, including, but not limited to, the following circumstances:

- a. Observation of drugs or alcohol on or about the employee's person or in the employee's vicinity;
- b. Observation of conduct on the part of the employee that suggests that the employee is impaired or is under the influence of drugs or alcohol;

- c. Receipt of a report of drug or alcohol use by an employee while at work;
- d. Information that an employee has tampered with drug or alcohol testing at any time;
- e. Negative job performance patterns by the employee; or
- f. Excessive or unexplained absenteeism or tardiness.

The supervisor will verbally inform the employee of the reason for the test. Additionally, a written record of the situation leading to the drug or alcohol test will be created and signed by the supervisor(s) within 24 hours of the event. A copy of the report will be forwarded to the Human Resources and Labor Relations Department.

5. POST-ACCIDENT TESTING

Post-Accident drug and or alcohol testing may be conducted on an employee where there has been damage to City property or equipment while the employee was at work or the employee or another person has sustained an injury while at work. The post-accident test will be administered while the employee is still on duty or as close as possible. No employee required to take a post-accident alcohol or drug test may use any alcohol or drugs of any kind following the accident until the employee undergoes the post-accident testing.

6. RANDOM TESTING

The City of Flint will randomly test employees for compliance with its drug-free workplace policy. As used in this policy, "random testing," means a method of selection of employees for testing, performed by an outside third party. The selection will result in an equal probability that any employee from a group of employees will be tested. Furthermore, the City of Flint has no discretion to waive the selection of an employee selected by this random selection method.

The City may, at various times, randomly select members of the following employment groups, at its discretion, for unannounced random testing for drugs or alcohol:

- a. Police officers
- b. Firefighters
- c. Safety-Sensitive Employees: Persons engaged in activities that directly affect the safety of the public.
- d. Employees whose work requires possession of a CDL.

7. SCHEDULED PERIODIC TESTING

The City of Flint reserves the right to conduct periodic testing on a regularly scheduled basis for employees in designated departments, classifications or workgroups.

8. RETURN TO DUTY TESTING

When an employee has a confirmed positive test result, or has been sent to a drug dependency program at the request of the City of Flint as a condition of continued

employment, the employee will be required to be tested at least six (6) times in the first twelve (12) months following the employee's return to active duty. Return to Duty tests must be conducted under direct supervision.

9. SUBSTANCES COVERED BY DRUG AND ALCOHOL TESTING

Employees will be tested for their use of commonly abused controlled substances, which include amphetamines, barbiturates, benzodiazepines, opiates, cannabinoids*, cocaine, methadone, methaqualone, phencyclidine (PCP), propoxyphene and chemical derivatives of these substances.

Employees must advise testing lab employees of all prescription drugs taken in the past month before the test and be prepared to show proof of such prescriptions to testing lab personnel.

** Despite Michigan law, marijuana for medical or recreational use is a Drug Enforcement Administration listed Schedule I controlled substance and therefore is prohibited.*

10. MARIJUANA USE PROHIBITED

The State of Michigan has enacted legislation allowing for the recreational and medical use of marijuana. Despite Michigan law, marijuana for medical or recreational use is a Drug Enforcement Administration listed Schedule I controlled substance. Therefore, the marijuana use remains prohibited when engaged in activities governed by Federal law specifically, the U.S. Department of Transportation (DOT) Drug and alcohol testing regulations.

The City of Flint, as an employer, is required to ensure the safety and protection of the citizens served by its employees. Therefore, the enactment of the Medical Marijuana Act (MMA) and recreational marijuana usage legislation does not override existing policies concerning the following:

- The City of Flint Alcohol & Controlled Substance Testing Policies and Procedures for Employers with Commercial Driver's License (CDL) or City policies affiliated with DOT Federal Transit Administration Regulations;
- Negligent entrustment of City vehicles;
- Driving while impaired or yielding positive test results post-accident, including the operation of City vehicles or a private vehicle while conducting City business;
- Any employee engaged in conduct or action prohibited by the MMA;
- Smoking marijuana in public;
- Possession of marijuana at schools or correctional facilities;
- Operating a vehicle under the influence of marijuana;
- Selling marijuana during hours of employment, at any City work site and/or on City property;
- Being in possession of marijuana while on City premises or on duty; and
- Working while under the influence of marijuana.

11. TESTING METHODS AND PROCEDURES

All testing will be conducted by a licensed independent medical laboratory, which will follow testing standards established by the state or federal government. Testing will be conducted on a urine sample provided by the employee to the testing laboratory under procedures established by the laboratory to ensure privacy of the employee, while protecting against tampering/alteration of the test results.

Employees will be considered to be engaged at work for the time spent in taking any tests and will be compensated for such time at their regular rate.

The City of Flint will pay for the cost of the testing, including the confirmation of any positive test result by gas chromatography. The testing lab will retain samples in accordance with state law, so an employee may request a retest of the sample at his or her own expense if the employee disagrees with the test result.

12. REFUSAL TO UNDERGO TESTING

Employees who refuse to submit to a test are subject to disciplinary action, up to and including immediate discharge.

13. POSITIVE TEST

If an employee tests positive on an initial screening test, the employee will be temporarily suspended while the confirmation test is being conducted. On receipt of the confirmation test, the employee will be subject to disciplinary action, up to and including discharge. Discipline selected by the City of Flint will depend on a variety of factors, including, but not limited to, the prior work record of the employee, the length of prior employment, the prior accident and attendance record of the employee, the circumstances that led to the testing, and the proposals by the employee to address the problem.

14. RIGHT TO EXPLAIN TEST RESULTS

All employees and applicants have the right to meet with the testing laboratory personnel, and with the City of Flint, to explain their test results. These discussions should be considered confidential, except information disclosed in such tests will be communicated to personnel within the City of Flint Human Resources and Labor Relations department or within the lab who need to know such information to make proper decisions regarding the test results or regarding the employment of the individual.

15. RIGHT TO REVIEW RECORDS

Employees have a right to obtain copies of all test results from the testing laboratory, or from the City of Flint. When an employee disagrees with the test results, the individual may request the testing laboratory repeat the test. Such repeat testing will be at the expense of the individual, unless the repeat test overturns the original report of the lab, in which case the City of Flint will reimburse the employee for the costs incurred for the retest.

16. CONFIDENTIALITY REQUIREMENTS

All records concerning test results will be kept in medical files that are maintained separately from the personnel file of the employee.

Testing laboratories may conduct testing only for substances included on the disclosure list provided to the individual, and may not conduct general testing related to the medical conditions of the individual that are unrelated to drug use.

17. RETESTING

Employees may request a retest of their positive test results within five (5) working days after notification by the City of Flint of such positive test result. This retest is at the expense of the individual, unless the original test result is called into question by the retest.

Where the employee or applicant believes the positive test result was affected by taking lawful or prescribed substances, the individual may be suspended without pay pending receipt of confirming information to substantiate the claims of the individual. Normally, the individual will be provided no more than five (5) business days in which to provide this additional information.

Once City of Flint has determined whether there is evidence to indicate the test results are incorrect, the City of Flint will advise the individual of its decision.

18. TREATMENT, TERMINATION AND REHIRE

Employees who test positive for any drug(s) listed on the disclosure list have two (2) choices. One, the employee may agree to enter an authorized treatment program approved by the City of Flint, and agree to subsequent retesting for a period of two (2) years after returning from treatment. Or two, the employee will be terminated immediately and will not be considered for rehire until he or she can show he or she has remained drug-free for a period of two years or more.

19. RESPONSIBILITIES OF INDIVIDUALS

In order to comply with the provisions of this policy, each employee assumes the following responsibilities:

- a. *Working under the Influence of Performance Impairing Medication:* Employees who have been prescribed legal medications that might affect the safe performance of their duties are required to notify their supervisors prior to performing any hazardous or dangerous tasks.
- b. *Reporting to Work or Working While Impaired:* Employees may not report to work and may not continue to work while impaired by any restricted substance identified in this policy.
- c. *Reporting Violations:* The services provided by certain employees are performed, at times, under hazardous and dangerous conditions. Thus,

employees are encouraged to come forward and report any violation of this policy to management. This information may be instrumental in the prevention of serious accidents and injuries on the job.

Any questions concerning this policy, its interpretation or application should be directed to the Human Resources and Labor Relations Department.

Policy Enacted: 2004

Policy Revision: November 20, 2006

Policy Revision: December 4, 2018