

City of Flint, Michigan

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



Meeting Agenda - Final

Monday, September 24, 2018

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

SPECIAL ORDER

180476 Special Order/City-Wide Advisory Committee (CWAC)

A Special Order as requested by Councilperson Fields to discuss the City-Wide Advisory Committee (CWAC).

ORDINANCES

180484 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). [NOTE: The PILOT is for Avon Park Limited Dividend Housing Association, LLC which will pay six percent of annual rents (minus gas, electricity, heat and other utilities) in lieu of taxes.]

180485 Amendment/Ordinance/Chapter 46 (Utilities)/Article II (Disputed Water Supply and Sewage Disposal Billing; Inspection; Consumer Hearing; Adjustment of Bill)/Division 1 (Generally)

An ordinance to amend the Flint City Code of Ordinances by amending Chapter 46 (Utilities), Article II (Water Supply and Sewage Disposal System), Division 1 (Generally), by amending Section 46-17 (Disputed Water Supply and Sewage Disposal Billing; Inspection; Consumer Hearing; Adjustment of Bill).

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.]

- 170446** Discussion Item/Ordinance Amendment/Landlord Protection/Water Bills
- Discussion Item proposed by Councilperson Galloway: She would like to add a discussion item to the Legislative Agenda to talk about an ordinance amendment to protect landlords from tenants who steal or don't pay for water. [Referral Action Date: 8/9/2017 @ Governmental Operations 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.]
- 180238** Copy/Current Leak Adjustment Ordinance
- A referral from Councilperson Mays to LEGAL: re, he would like a copy of the current leak adjustment ordinance. [Referral Action Date: 5/9/2018 @ Legislative 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.]
- 180434** Discussion/Water Theft/Ordinance
- A discussion item as requested by Councilperson Worthing to discuss water theft and the Water Theft Ordinance. [Referral Action Date: 8/22/2018 @ Legislative Committee Meeting.]

NEW BUSINESS

ADJOURNMENT

180484

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 (X), which shall read in its entirety as follows:

(X) THE CITY ACKNOWLEDGES THAT AVON PARK LIMITED DIVIDEND HOUSING ASSOCIATION, LLC (THE "SPONSOR") HAS 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 "AVON PARK APARTMENTS" (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.

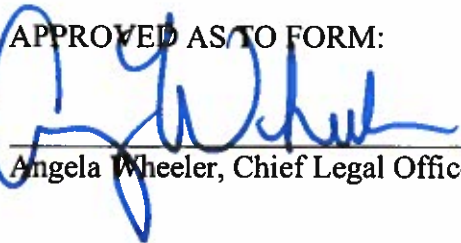
THE CITY ACKNOWLEDGES THAT THE SPONSOR SHALL BE AFFORDED TAX BENEFITS OF PAYING A SERVICE CHARGE IN LIEU OF AD VALOREM TAXES (BUT

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 SIX PERCENT (6%) 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 _____, 2018 A.D.

Dr. Karen W. Weaver, Mayor

APPROVED AS TO FORM:


Angela Wheeler, Chief Legal Officer

Avon Park Apartments (1210 Lapeer Rd, Flint, MI) tax comparisons

- 1) Current taxable value: \$0
 2) PILOT estimation \$21,600.00 **DIFFERENCE BETWEEN PILOT AND TAXES: \$37,286.12 per year**

Based on the Schedule of Rents provided by Communities First, Inc., at 100% occupancy, given its rental rates for households at 30%, 40%, and 60% of AMI, the total annual rent potential for the 56 units is \$359,331.

3) Estimated project ad valorem taxable value:

	Two Bedroom	Three Bedroom
Market Rent	\$700	\$759
Number of Units	42	14
	\$29,400	\$10,626

Monthly Income	\$40,026
Yearly Income	\$480,312
Vacancy/Loss (15%)	(\$72,047)
Potential Gross Income	\$408,265
Expenses(45%)	(\$183,719)
Net Operating Income	\$224,546
Cap Rate of 13%	\$1,727,276
SEV/TV	863,638
Potential Taxes	\$58,886

ORDINANCE AMENDMENT STAFF REVIEW

Date: *September 4, 2018*

Agenda Item Title:

ORDINANCE AMENDMENT 18-4.1(x): TO APPROVE THE PILOT PROJECT FOR AVON PARK APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION

Prepared By:

Planning and Development Department, Division of Community and Economic Development

Background/Summary of Proposed Action:

18-4.1(x): The Avon Park Apartments housing development (1210 Lapeer Rd, Flint, MI) provides 56 affordable units to the City of Flint. It was constructed as a low-income housing tax credit (LIHTC) project in 1995 and per 18-4.1(g), a 4% PILOT was awarded at that time. In 2013, the Michigan State Housing Development Authority (MSHDA) foreclosed on the property (which was under the ownership of the Court Street Village Nonprofit Housing Corporation at that time). Since the 2013 foreclosure, MSHDA has invested over \$200,000 in improvements to the property. In 2017, Communities First, Inc. agreed to purchase the property from MSHDA to preserve an important affordable housing resource to the residents of Flint.

- Quantitatively, the apartments provide sorely-needed affordable housing (2 and 3 bedroom units) to residents whose incomes are 80% or less of the area median income for the area.
- Qualitatively, the property has had significant improvements put in place within the last five (5) years, including a new roof, new furnaces, new water heaters, upgraded security systems, and fencing at the property. The developer/partnership has worked to establish long term sustainability of the development through local control of the property, budgeted updates to the property, and the use of LIHTC credits.
- 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 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 service charge in lieu of taxes due to low market rents and the need for continued capital improvements;
 - MSHDA's allocation of Low Income Housing Tax Credits was tied to the city giving this tax benefit;
 - The ownership partnership (Avon Park Limited Dividend Housing Association, LLC) 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:

The prior PILOT that was awarded on this property was to a different ownership entity than that of which is currently requesting this PILOT. A six (6) 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 56 units of affordable housing must be preserved and this PILOT is the key component to allowing the housing development to be financially viable. The 6% PILOT estimation is \$37,286.12. It is important to note that the property has a current taxable value of \$0 as it was owned by MSHDA. The PILOT will add the property back to the tax rolls and provide additional tax revenue to the City. Therefore it is recommended that Council approve a 6% PILOT service charge for the Avon Park Limited Dividend Housing Association, LLC for the Avon Park Apartments.

Budgeted Expenditure: Yes No N/A Please explain, if no: PILOT

Pre-encumbered: Yes No N/A Requisition #: N/A

Reviewed and Approved By: S. S. [Signature] **Date:** 9/11/18

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

Staff Recommendation: Staff recommends approval of this resolution.

APPROVAL

RESOLUTION REVIEW FORM

FROM:
 CED
 Division

DATE September 11, 2018
NO. 18-6437
 Law Office Login #

RESOLUTION NAME: RESOLUTION TO APPROVE 6% PILOT FOR AVON PARK APARTMENTS

Date in: 9/11/18

1. RESOLUTION REVIEW - CED PROGRAM MANAGER

The attached RESOLUTION is approved by a Program Manager in the Division. By signing, the Program Manager approves this resolution to be processed for signatures.

By: Sarah Quellmalz  DATE: 9/11/18
Program Manager (Date)

Date in: 9/11/18

2. RESOLUTION REVIEW - DEPT OF PLANNING AND DEV DIRECTOR

The attached RESOLUTION is approved by the DPD Director. By signing, the DPD Director approved this resolution to be processed for signatures.

By: Suzanne Wilcox  DATE: 9/11/18
Director (Date)

Date in:

3. RESOLUTION REVIEW - LEGAL

The attached RESOLUTION is submitted to the Legal Department for Approval as to **FORM ONLY**

The Legal Department has reviewed the RESOLUTION as to Form on 9/12/18 and by signing this form approves as to **FORM ONLY** (Date)


By: Angela Wheeler  DATE: 9/12/18
Chief Legal Officer

Date in:

4. RESOLUTION REVIEW - FINANCE

The attached RESOLUTION is submitted to the FINANCE Department for approval as to **FINANCE COMPLIANCE:**

The Finance Department reviewed this RESOLUTION, on 9/13/18 and by signing this form approves as to **FINANCE COMPLIANCE.** (Date)

By: Hughey Newsome  DATE: 9/13/18
Chief Financial Officer

180485

ORDINANCE NO. _____

An Ordinance to amend the Flint City Code of Ordinances by amending Chapter 46, Utilities; Article III, Rates and Charges; Division 1, Water.

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

Sec. 1. An Ordinance to amend the Flint City Code of Ordinances by amending Chapter 46, Utilities; Article II Water Supply and Sewage Disposal System; Division 1, Generally; by the amending Section 46-17, Disputed Water Supply And Sewage Disposal Billing; Inspection; Consumer Hearing; Adjustment of Bill, which shall read in its entirety as follows:

§ 46-17 DISPUTED WATER SUPPLY AND SEWAGE DISPOSAL BILLING; INSPECTION; CONSUMER HEARING; ADJUSTMENT OF BILL

(a) Any consumer may apply for and be granted a hearing as to any amount appearing on his or her water bill which he or she feels to be unusually large. ~~Upon receipt by the City of a request for an adjustment, wherein it appears that an inspection of the plumbing system at the consumer's property is appropriate, the Department of Building and Safety Inspections or the Department of Water Supply may inspect the property prior to the City considering whether or not to grant an adjustment. If it appears from the inspection that the plumbing system is defective, in need of replacement or repair, the appropriate notices shall be given to the consumer and the property owner who shall thereafter correct all~~

~~deficiencies noted before any billing adjustment is made.~~

(b) The City Administrator or such other person as the City Administrator may designate shall act as referee at the time of the hearing and shall render a decision as to the validity of the billing of the disputed amount based on evidence presented by the consumer and the results of the investigation conducted by the Department of Water Supply or Building and Safety Inspections Division.

BILLING ADJUSTMENTS WILL COVER NO MORE THAN TWO (2) CONSECUTIVE MONTHLY BILLS. ONLY ONE (1) FINANCIAL ADJUSTMENT ASSOCIATED TO BILLED USAGE WILL BE ALLOWED PER 12 MONTH PERIOD PER PREMISE.

(c) The referee may approve an adjustment in the consumer's water bill providing **ALL OF THE FOLLOWING CONDITIONS ARE MET:**

- 1) **CONSUMER NOTIFIES THE CITY OF FLINT CUSTOMER SERVICE CENTER OF AN EXCESSIVE UTILITY BILL THAT MAY BE RELATED TO A LEAK WITHIN 30 DAYS OF THE DATE OF THE WATER BILL SUSPECTED OF INDICATING A WATER LEAK, OR WITHIN 30 DAYS OF WHEN THE CUSTOMER SERVICE CENTER NOTIFIED THE CONSUMER OF THE SUSPECTED PROBLEM, WHICHEVER CAME FIRST.**
- 2) **WATER CONSUMPTION EXCEEDS THE**

CUSTOMER'S AVERAGE MONTHLY USAGE BY AT LEAST TWICE THE AMOUNT,

- 3) AND PLUMBER'S RECEIPT OR OTHER PROOF CONFIRMS THE LEAK WAS REPAIRED. ~~it is shown to his or her satisfaction from investigation by the Department of Water Supply or Building and Safety Inspections Division that a leak occurred due to the nonnegligence of the consumer, in plumbing of the consumer which resulted in an unusually large bill without the knowledge of the consumer, and where the consumer took immediate steps to repair the plumbing defect causing this leak.~~ The basis of this adjustment shall be 50% of the excess to be absorbed by the customer, 50% by the City.

- (d) BILLING ADJUSTMENTS WILL NOT BE GRANTED FOR USAGE ABOVE THE CUSTOMER'S AVERAGE MONTHLY CONSUMPTION DUE TO SEASONAL USAGE, A LEAK CAUSED BY A THIRD PARTY FROM WHOM THE CONSUMER IS ABLE TO RECOVER THEIR COSTS, OR THE METER AT SAID PREMISE HAS BEEN ACCESSED, TAMPERED WITH, OR TURNED ON/OFF BY ANYONE OTHER THAN A CITY OF FLINT EMPLOYEE AND THAT ACTION RESULTS IN LOSS OF WATER.

Dr. Karen W. Weaver, Mayor

Inez M. Brown, City Clerk

APPROVED AS TO FORM:



Angela Wheeler, Chief Legal Officer

FOR THE CITY:

Draft 9.7.2018