

**Official Proceedings
Pontiac City Council
148th Session of the Tenth Council**

Call to order

A Study Session of the City Council of Pontiac, Michigan was called to order electronically on Tuesday, April 21, 2020 at 6:00 p.m. by Council President Kermit Williams.

Roll Call

Members Present: Cater, Miller, Pietila, Taylor-Burks, Waterman, and Williams.

Mayor Waterman was present.

Clerk announced a quorum.

Amendments to the Agenda

20-147 **Motion to amend the agenda to add resolution to authorize the Mayor to extend agreement with North Bay Drywall, Inc. from April 1, 2020 through November 1, 2020 at a cost of \$9,810 per month, and further purchasing maintenance equipment that will be owned by the City and used to maintain the Phoenix Center at a cost not to exceed \$10,000; for a total cost not to exceed \$78,670. Moved by Councilperson Taylor-Burks and second by Councilperson Pietila.**

Ayes: Pietila, Taylor-Burks and Waterman

No: Miller, Williams and Carter

Motion Failed.

20-148 **Motion to amend agenda to add an Emergency Resolution to Authorize the Mayor to extend agreement with North Bay Drywall, Inc. from April 21, 2020 through November 1, 2020 at a cost of \$9,810 per month, and further purchasing maintenance equipment that will be owned by the City and used to maintain the Phoenix Center at a cost not to exceed \$10,000; for a total cost not to exceed \$78,670. Moved by Councilperson Taylor-Burks and second by Councilperson Pietila.**

Ayes: Pietila, Taylor-Burks and Waterman

No: Williams, Carter and Miller

Motion Failed.

Approval of the Agenda

20-149 **Approve the agenda as is. Moved by Councilperson Carter and second by Councilperson Miller.**

Ayes: Taylor-Burks, Waterman, Williams, Carter, Miller and Pietila

No: None

Motion Carried.

April 21, 2020 Approved Minutes

Approval of the Minutes

The minutes were not approved. The Clerk will submit the April 14, 2020 corrected minutes for approval at the April 28, 2020 meeting.

Public Comment

Four individuals submitted a public comment that was read by the City Clerk.

Discussion

Status of John Balint's position in the Department of Public Works (DPW).
He is serving as the City Engineer.

Suspend the rules

20-150 **Suspend the rules to vote.** Move by Councilperson Taylor-Burks and second by Councilperson Waterman.

Ayes: Williams, Carter, Miller, Pietila, Taylor-Burks and Waterman

No: None

Motion Carried.

Ordinance

Planning

20-151 **Adoption of an Ordinance the "City of Pontiac Tax Exemption Ordinance" for Glenwood Senior Apartments located at 191 N. Glenwood Avenue PIN 64-14-21-302-001. (Second reading) This is the Wallick Communities' request for a PILOT for Glenwood Plaza.** Moved by Councilperson Taylor-Burks and second by Councilperson Pietila.

Ayes: Williams, Pietila, Taylor-Burks and Waterman

No: Carter and Miller

Ordinance Adopted.

***Ordinance attached as Exhibit A**

Communication from the Mayor

Bring back next week the DPW report on the effect of Snow Ordinance Changes on DPW Budget and Operations.

Prepared by Dan Ringo, Interim DPW Director.

Adjournment

Council President Kermit Williams adjourned the meeting at 8:06 p.m.

GARLAND S DOYLE
INTERIM CITY CLERK

CITY OF PONTIAC

ORDINANCE NO. _____

TAX EXEMPTION ORDINANCE FOR GLENWOOD SENIOR APARTMENTS

ADOPTED: _____

An Ordinance to provide for a service charge in lieu of taxes for a housing project for low income persons and families to be financed with a federally-aided Mortgage Loan pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, *et seq*) (the "Act").

THE CITY OF PONTIAC ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the "City of Pontiac Tax Exemption Ordinance for Glenwood Senior Apartments."

SECTION 2. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The City of Pontiac is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families is a public necessity, and as the City of Pontiac will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The City of Pontiac acknowledges that the Sponsor (as defined below) has offered, subject to receipt of an allocation under the LIHTC Program by the Michigan State Housing Development Authority, to construct, own and operate a 106-unit housing project identified as Glenwood Senior Apartments on certain property located at 191 N Glenwood Avenue, parcel identification number 64-14-14-21-302-001, in the City of Pontiac to serve low income persons and families, and that the Sponsor has offered to pay the City on account of this housing project an annual service charge for public services in lieu of all *ad valorem* property taxes.

SECTION 3. Definitions. All terms in this Ordinance shall be defined as set forth in the Act, except as follows:

- A. Authority means the Michigan State Housing Development Authority.
- B. Annual Shelter Rent means the total collections during an agreed annual period from or paid on behalf of all occupants of a housing project representing rent or occupancy charges, exclusive of Utilities.
- C. LIHTC Program means the Low Income Housing Tax Credit program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.
- D. Low Income Persons and Families means persons and families eligible to move into a housing project.
- E. Mortgage Loan means a loan that is Federally-Aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project, and secured by a mortgage on the housing project.
- F. Sponsor means Wallick Communities, Pontiac Housing Commission and any entity that receives or assumes a Mortgage Loan.
- G. Utilities means charges for gas, electric, water, sanitary sewer and other utilities furnished to the occupants that are paid by the housing project.

SECTION 4. Class of Housing Projects

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low Income Persons and Families that are financed with a Mortgage Loan. It is further determined that Glenwood Senior Apartments is of this class.

SECTION 5. Establishment of Annual Service Charge

The housing project identified as Glenwood Senior Apartments and the property on which it will be located shall be exempt from all *ad valorem* property taxes from and after the commencement of construction or rehabilitation. The City of Pontiac acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the qualification of the housing project for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Ordinance. Therefore, in consideration of the Sponsor's offer to construct and operate the housing project, the City agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. Subject to receipt of a Mortgage Loan, the annual service charge shall be equal to 4% of the Annual Shelter Rents actually collected by the housing project during each operating year.

SECTION 6. Contractual Effect of Ordinance.

Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City of Pontiac and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

SECTION 7. Limitation on the Payment of Annual Service Charge.

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

SECTION 8. Payment of Service Charge.

The annual service charge in lieu of taxes as determined under this Ordinance shall be payable in the same manner as general property taxes are payable to the City/Township and distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The annual payment for each operating year shall be paid on or before June 30th of the following year. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206, as amended; MCL 211.1, *et seq.*).

SECTION 9. Duration.

This Ordinance shall remain in effect and shall not terminate so long as a Mortgage Loan remains outstanding and unpaid and the housing project remains subject to income and rent restrictions under the LIHTC Program, but not to exceed 30 years commencing upon the final unit being placed in service for LIHTC purposes.

SECTION 10. Severability.

The various sections and provisions of this Ordinance shall be deemed to be severable, and should any section or provision of this Ordinance be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of this Ordinance as a whole or any section or provision of this Ordinance, other than the section or provision so declared to be unconstitutional or invalid.

SECTION 11. Inconsistent Ordinances.

All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this Ordinance are repealed to the extent of such inconsistency or conflict.

Section 13. Effective Date.

This Ordinance shall become effective on _____ as provided in the City of Pontiac Charter.

, Mayor

, Clerk

Date Proposed: _____

Date Enacted: _____

Date published as enacted: _____

Effective date: _____