



CITY OF PONTIAC
OFFICE OF THE EMERGENCY MANAGER
LOUIS H. SCHIMMEL

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Pontiac, Michigan 48342
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Dated: June 24, 2013

ORDER NO. S-288

RE: Adopt ordinance to establish guidelines for Rehabilitation Agreements for condemned structures.

TO: Sherikia Hawkins, City Clerk
Joseph M. Sobota, Director, Department of Community Development
Charles Smith, Project Manager Wade Trim

The Local Financial Stability and Choice Act (Act 436 of 2012/MCL 141.15411, et. seq.) in Section 10 empowers an Emergency Manager to issue orders to the appropriate local elected and appointed officials and employees, agents, and contractors of the local government a Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local elected and appointed officials and employees, agents, and contractors of the local government to whom they are issued.

Section 12(1) of the Act provides that “[a]n emergency manager may take 1 or more of the following additional actions with respect to a local government that is in receivership, notwithstanding any charter provision to the contrary: (dd) [e]xercise solely, for and on behalf of the local government, all other authority and responsibilities of the chief administrative officer and governing body concerning the adoption, amendment, and enforcement of ordinances....”

WHEREAS, Emergency Manager Schimmel introduced the attached ordinance at a public meeting on June 17, 2013; and,

WHEREAS, the proposed ordinance was distributed to each member of the Council and the Mayor by the Clerk; and,

WHEREAS, a summary of the proposed ordinance and time and place of consideration by the Emergency Manager was published in the Oakland Press on June 21, 2013; and,

WHEREAS, the Emergency Manager at a public meeting on June 24, 2013 announced that he is amending the proposed ordinance and adopting the proposed ordinance as amended.

It is hereby ordered:

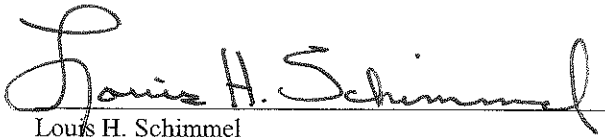
1. That the attached Ordinance No. 2295, an ordinance to establish guidelines for Rehabilitation Agreements for condemned structures, is adopted.

2. That the City Clerk shall take all actions required under the law to reflect the attached ordinance changes on the City books and records, including publication of the adopted ordinance.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (**Public Act 442 of 1976, MCL 15.231, et. seq.**).

This order is effective as indicated and is necessary to carry out the duties and responsibilities required of the Emergency Manager as set forth in the Local Financial Stability and Choice Act (Act 436 of 2012/MCL 141.15411, et. seq.) and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Louis H. Schimmel
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council

Ordinance No. 2295

An ordinance to authorize Rehabilitation Agreements for condemned structures.

The City of Pontiac ordains:

Section 1. Amendments.

The Code of Ordinances shall be amended to include the following:

1. Purpose

The purpose of this ordinance is to develop a method to allow for the lawful rehabilitation of condemned buildings that have been ordered demolished by the Pontiac Board of Appeals. Further, this ordinance is intended to discourage property speculators from acquiring condemned properties for the express purpose of creating substandard dwellings for human occupancy.

2. Condemned Buildings Ineligible for Permits

Any property with a registered demolition order as recorded by the Oakland County Register of Deeds is not eligible to receive a building, mechanical, plumbing, electrical or occupancy permit or a certificate of compliance unless the property owner enters into a Rehabilitation Agreement with the City prior to the issuance of any permit.

3. Rehabilitation Agreements

The Community Development Director may enter into a Rehabilitation Agreement with a property owner to rehabilitate condemned buildings. A Rehabilitation Agreement must include the following:

(a) Payment of Demolition Bond.

- a. The property owner must post a cash bond in the amount equal to the cost of the demolition as determined by the Community Development Director, which will be based on the average square foot demolition cost for the most recent demolition bid received and awarded by the City.
- b. For structures requiring a bond of more than \$15,000, a cash bond shall be secured for \$15,000 and a cash or surety bond approved by the City, for the remainder shall be secured by the property owner and submitted to the City.
- c. The bond is fully refunded to the owner, without interest, upon the issuance of a certificate of compliance for the subject property
- d. If the property owner fails to adhere to the terms of the Rehabilitation Agreement the City may retain the cash portion of the demolition bond to pay for demolition costs and/or cover legal costs required to affect compliance with the terms of the surety bond.

(b) Cost Recovery for Demolition Expenses

- a. The Property owner shall reimburse the City for all utility disconnection costs that were incurred in conjunction with demolition activities before the City issues any construction permits.
- b. The Property owner shall reimburse the City for all asbestos/lead assessment or abatement costs that were incurred in conjunction with demolition activities before the City issues any construction permits.
- c. The Property owner shall reimburse the City for all costs incurred for the hearing officer and board of appeals meetings.
- d. The Property owner shall also pay an administrative fee to be determined by the City Council upon adoption of the annual budget. Such fee shall not be waived. Until June 30, 2015, such administrative fee shall be \$250.00.

(c) Team Inspection Required.

- a. The Property Owner(s) shall apply to obtain a property maintenance inspection of the premises/structure(s) from the City of Pontiac Department of Community Development prior to the execution of the Rehabilitation Agreement which will result in the issuance of a property maintenance inspection report that will specify all of the improvements and/or repairs required to bring the premises/structure(s) into compliance with the applicable building code(s) and municipal ordinances, the report which shall be incorporated into the Rehabilitation Agreement. The property owner shall pay the appropriate fee for the property maintenance inspection.

(d) Permit Application.

- a. Property Owner(s) shall make application to the City for all required building permits within seven (7) days after execution of the Rehabilitation Agreement and all other necessary permits within (30) days.

(e) Schedule of Rehabilitation.

- a. Property Owner(s) shall rehabilitate and/or repair said structure(s) in a lawful manner in compliance with the Rehabilitation Agreement during the one hundred eighty (180) day period after making proper application and obtaining the requisite permits from the City.

(f) Inspections.

- a. Property Owner(s) shall allow the City to conduct any and all necessary inspections at a mutually agreed upon time between the parties.
- b. Property owner shall be responsible for calling the Building Safety Division to schedule all necessary inspections.

(g) Property maintenance.

- a. The exterior of the premises shall be kept free of all debris and trash.
- b. Lawn and grass must be maintained in conformance with Chapter 122- Article III.
- c. Sidewalks adjacent to the property shall be kept free of all snow and ice in accordance with the Code of Ordinances.

(h) Other terms.

- a. Recognition by the property owner that the owner will adhere to the provisions of this Ordinance.
- b. By execution of a Rehabilitation Agreement the property owner waives all his rights to appeal.
- c. Such other information that the Director of Community Develop determines is required to be included.

4. Termination of Rehabilitation Agreement

- a. At the expiration of the one hundred eighty (180) day period, if the building subject to the terms of the Rehabilitation Agreement has not been rehabilitated or repaired as required by Section 2 above, with a Certificate of Occupancy or Compliance having been issued for the structure(s) the City may immediately proceed with demolition and use the demolition bond to pay for the demolition. After all demolition costs have been paid, and if there is any balance, such balance shall be returned to the property owner without interest. There shall not be any extensions of this Rehabilitation Agreement permitted.
- b. If a Rehabilitation Agreement has been fulfilled by the Property Owner, and a Certificate of Occupancy or Compliance has been issued, the Director of Community Development shall request the Board of Appeals to lift the decision and order of demolition and remove such decision and order from the record of the Oakland County Register of Deeds.

Section 2. Severability.

If any section, clause, or provision of this Ordinance shall be declared to be unconstitutional, void, illegal, or ineffective by any Court of competent jurisdiction, such section, clause, or provision declared to be unconstitutional, void, or illegal shall thereby cease to be a part of this Ordinance, but the remainder of this Ordinance shall stand and be in full force and effect.

Section 3. Saving Clause.

A prosecution which is pending on the effective date of this ordinance and which arose from a violation of an ordinance repealed by this ordinance, or a prosecution which is started within one (1) year after the effective date of this ordinance arising from a violation of an ordinance

repealed by this ordinance and which was committed prior to the effective date of this ordinance, shall be tried and determined exactly as if the ordinance had not been repealed.

Section 4. Repealer

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 5. Publication

The Clerk shall publish this Ordinance in a newspaper of general circulation.

Section 6. Effective Date

This Ordinance shall be effective ten days after date of adoption.