

**PROPOSED MINUTES OF THE VIRTUAL & IN-PERSON
REGULAR MEETING OF THE HIGHLAND PARK CITY COUNCIL**

June 17, 2024

Council convened at 7:00 p.m. with Council President Thomas presiding.

Present: Council Pro Tem Robinson, Councilwoman Manica, Councilman Ash-Shafii, and Council President Thomas (4).

Absent: Councilwoman Martin (1) excused.

A quorum being present, Council was declared in session.

APPROVAL OF AGENDA

Moved by Councilwoman Manica
Supported by Council President Thomas

To approve the agenda as presented with the removal of item VIIIc. Yeas (4), Nays (0), Absent (1) Martin.

APPROVAL OF MINUTES

Moved by Councilwoman Manica
Supported by Council President Thomas

To approve the minutes of the In-Person and Virtual Workshop Meeting held June 3, 2024. Yeas (4), Nays (0), Absent (1) Martin.

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Moved by Councilwoman Manica
Supported by Council President Thomas

To approve the minutes of the In-Person and Virtual Regular Meeting held June 3, 2024. Yeas (3), Nays (1) Ash-Shafii, Absent (1) Martin.

**ORDINANCE – FIRST READING
06-17-24 V**

The following ordinance was submitted as a first read.

**RESOLUTION TO APPROVE HIGHLAND PARK HOUSING COMMUNITY LIMITED
DIVIDEND HOUSING ASSOCIATION, LLC PAYMENT IN LIEU OF TAXES ("PILOT")
"TAX EXEMPTION ORDINANCE" (FIRST READING)**

Moved by Councilman Ash-Shafii
Supported by Councilwoman Manica

WHEREAS, the Highland Park Housing Commission ("HPHC") in partnership with MHT Housing has formed the Highland Park Housing Community Limited Dividend Housing Association, LLC to redevelop eight (8) existing scatter site buildings which include 160 units in the City of Highland Park. The project will result in the substantial rehabilitation of one hundred (100) one-bedroom apartments, nineteen (19) one-bed room townhomes and forty- one (41) two-bedroom townhomes.

WHEREAS, the transaction is an important component of HPHC's plan to convert public housing units under HUD's Streamline Voluntary Conversion Program. The conversion will allow the properties to receive over \$70,000 per unit of needed repairs and ensure that residents receive deeply subsidized rents for years to come, and no existing resident will be permanently displaced because of the rehabilitation, and residents will not experience a rent increase.

WHEREAS, a construction loan in the amount of \$18,380,435 and a permanent loan in the amount of \$7,493,009 will be provided by the Michigan State Housing Development Authority ("MSHDA"). The Richman Group Inc. will make capital contributions of \$13,110,294 which includes the purchase of Low-Income Housing Tax Credits. Additionally, the HPHC is providing a loan in the amount of \$13,900,000 and a Deferred Developer fee in the amount of \$448,153.

WHEREAS, rents for all units have been set at or below sixty percent (60 %) of the area median income, adjusted for family size. All 160 units will be subject to the PILOT based on Section 15a of the State Housing Development Authority Act of 1966, as amended.

WHEREAS, in order to make this endeavor economically viable, it is necessary for it to receive for it to receive the benefits of tax exemption under Section 15a of the State Housing Development Authority Act of 1966 (P.A. 346 as amended, MCL 125.1415A).

WHEREAS, adoption by Council of this PILOT ordinance and the establishment of a service charge of five percent of (5%) of the net shelter rent received will satisfy the requirements of the above-mentioned Public Act.

NOW, THEREFORE, BE IT RESOLVED that the City Council, through its first reading only, approves the above referenced Ordinance.

TAX EXEMPTION ORDINANCE

An Ordinance to provide for a service charge in lieu of taxes for housing projects for low-income persons and families to be financed with a federally aided or Authority-aided Mortgage Loan or an advance or grant from the Authority 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 HIGHLAND PARK ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the "City of Highland Park Tax Exemption Ordinance-HPHC Redevelopment."

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 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 persons and families of low income is a public necessity, and as the City 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* property taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that are constructed or rehabilitated with financing extended in reliance on such tax exemption.

The City acknowledges that the Sponsor (as defined below), subject to receipt of an allocation under the LIHTC Program by the Michigan State Housing Development Authority, plans to develop, own and operate a housing project identified as HPHC Redevelopment on certain properties (see below) principally located at 13725 John R Street in the City of Highland Park to serve persons and families of low income 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.

The properties located in the City of Highland Park, Wayne County, MI, are described for tax purposes as follows:

1. East 390 Ft, of Lot 110, Birthplace of Mass Production Urban Renewal Plat as recorded in Liber 87, Page 44 of Plats, Wayne County records and all of the vacated public alley between the North line of the East 390 feet of said Lot 110 and the South line of the East 390 Feet of Lot 69 (AKA 13725 John R Street)
2. Southerly 27.40 ft. of Lot 246 and all of Lots 247 & 248 Tuxedo Park Subdivision Of the S'y 53.33 acres of the N. ½ of ¼ Sec. 25, 10,000 A.T., Greenfield Twp., Now City of Highland Park, Wayne County MI (As recorded in Liber 15 of Plats, Page 37, Wayne County Records). (AKA 257 Tuxedo)
3. Lots 147, 148 and 149- Wright and Strassburg's Addition to Highland Park in 10,000 A.T. in T. 1.8, R. 11 E. City of Highland Park, Wayne County MI (As recorded in Liber 17, page 63 of Plats Wayne County Records) (NPD #1-22-21/22/23) AND S.33. Ft of Lot 54, Wright and Strassburg's Addition to Highland Park, in 10,000 A.T. T. 1 S. R. 11 E City of Highland Park, Wayne County, MI (As recorded in Liber, 17, Page 63 of Plats, Wayne County Records (NPD #1-21-19) (AKA 12810 Trumbull)
4. Lots 49 and W. 30 ft of 48, Blk 1 Grand Avenue Subdivision, being a Resubdivision of W.H. Davidson's Subdivision of Park Lot 2 in South part of ¼ Section 5, Ten Thousand Acre Tract, Greenfield Township, Wayne County Michigan, according to plat thereof as recorded in Liber 21 page 66 of Plats, Wayne County Records (AKA 260 W. Grand)
5. Lots 17, 18, 19, 20, 21 and 22 of Curry's Subdivision of Pallister's Subdivision of part of the quarter Section 4, Ten Thousand Acre Tract, Highland Park, Wayne County, Michigan, as recorded in Liber 24 Page 19 of Plats, Wayne County Records (AKA 37-53 E. Grand)
6. West 10 ft of Lot 48 and all of Lot 49, Block 2, Grand Avenue Subdivision, being a Resubdivision of W.H. Davidson's Subdivision of Park Lot 2 in South part of ¼ Section 5, Ten Thousand Acre Tract, Greenfield, Wayne County Michigan, according to the plat thereof as recorded in Liber 21 Page 66 of Plats, Wayne County Records. (AKA 13552-13558 Hamilton)
7. Lots 21 and 22 Ford's Sub No. 2 being the N. Part of Park Lot 4, ¼ Sec 5, 10,000 A Highland Park, Wayne County, Michigan, Liber 27, Page 11, Wayne County Record (NPD #2-

15-41). (AKA 13905, 13907, 13909, 1391 I Second Avenue)

8. Lots 26 and 27, Ford's Subdivision No. 2 being the N. Part of Park Lot 4, ¼ Sect.5, 10,000 A.T. Highland Park, Wayne County, Michigan Liber 27, Page 11, Wayne County Record. (AKA 13904, 13906, 13908, 13910 Third Avenue)

SECTION 3. Definitions.

- A. Authority means the Michigan State Housing Development Authority.
- B. Annual Shelter Rents means the total Contract Rents (as defined by the U.S. Department of Housing and Urban Development in regulations promulgated pursuant to Section 8 of the U.S. Housing Act of 1937, as amended) received in connection with the operation of a housing project during an agreed annual period, 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. Persons and Families of Low Income 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 Highland Park Housing Community Limited Dividend Housing Association, LLC 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 PHC Redevelopment is within the eligible class of housing projects set forth in this Section 4.

SECTION 5. Establishment of Annual Service Charge.

The housing project identified as HPHC Redevelopment and the properties on which it is or will be located shall be exempt from all *ad valorem* property taxes from and after the commencement of construction or rehabilitation. The City 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 develop 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. The annual service charge shall be equal to 5% 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 15a(7) of the Act to the contrary, a contract between the City 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 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 *[insert date service charge is payable]* 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.

The Ordinance shall remain in effect and shall not terminate so long as the housing project shall remain subject to income and use restrictions under Section 42 of the LIHTC program and a Mortgage Loan remains outstanding and unpaid; provided, however, that the duration of the exemption shall not exceed fifty (50) years.

It is further the intent of the Parties that in the event the housing project is sold, transferred, or refinanced by the Sponsor or a related entity of the Sponsor, this Ordinance shall remain in full force and effect and without further action by the Sponsor or the City to otherwise change, alter or amend this Ordinance.

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 12. Effective Date.

This Ordinance shall become effective on *[insert effective date]*, as provided in the City Charter. This shall serve as a first read Yeas (3), Nay (1) Robinson, Absent (1) Martin.

**TABLED ITEM
06-17-24 VI**

The following item was tabled at the June 3, 2024, meeting.

**RESOLUTION TO APPROVE SALE OF COMMERCIAL LOT AND STRUCTURE
LOCATED AT 12011 HAMILTON TO BOBBY D. LEWIS, SR., ON BEHALF OF AN ENTITY
TO BE FORMED LATER**

Moved by Councilman Ash-Shafii
Supported by Councilwoman Manica

To bring the item back from the table. Yeas (3), Nay (1) Robinson, Absent (1) Martin.

There was a discussion between Council members.

Moved by Councilman Ash-Shafii
Supported by Councilwoman Manica

To table the above item. Yeas (4), Nays (0), Absent (1) Martin.

**CITY CLERK
06-17-24 VII**

The following application was submitted for approval.

Moved by Councilwoman Manica
Supported by Council President Thomas

To approve the Fireworks License Application from Yellow Box Fireworks, LLC. Yeas (3), Nays (1) Robinson, Absent (1) Martin.

**COMMUNITY DEVELOPMENT
06-17-24 VIII a**

The following resolution was submitted for approval.

**RESOLUTION TO SELL VACANT RESIDENTIAL LOT AT 82 AVALON TO THE AVALON
VILLAGE, INC., A MICHIGAN NON-PROFIT CORPORATION**

Moved by Councilwoman Manica
Supported by Council President Thomas

To table to the July 1, 2024 Workshop Meeting. Yeas (4), Nays (0), Absent (1) Martin.

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06-17-24 VIII b

The following resolution was submitted for approval.

RESOLUTION TO SELL VACANT RESIDENTIAL LOT AT 22 DORIS TO MATTHEW LOPEZ FOR \$500

Moved by Councilman Ash-Shafii

**** Item dies, No Support ****

FINANCE

06-17-24 IX a

The following resolution was submitted for approval.

RESOLUTION TO AMEND THE OPERATING BUDGET AS PRESENTED BY THE FINANCE DEPARTMENT AND MAYOR GLENDA MCDONALD FOR THE FISCAL YEAR 2023/2024

Moved by Councilwoman Manica
Supported by Council President Thomas

WHEREAS, the City of Highland Park is required by the State of Michigan to periodically amend the annual operating budget to accurately reflect current operations; and

WHEREAS, the Finance Department has reviewed the current fund expenditures for the year ending June 30, 2024, and would like to submit to the Highland Park City Council proposed budget amendments; (see attached detail);

NOW, THEREFORE, BE IT RESOLVED that the Highland Park City Council adopts the amended General Fund and other fund budgets as presented by the finance department and Mayor Glenda McDonald.

BE IT FINALLY RESOLVED that a copy of this resolution becomes a part of the official records of the City of Highland Park. Yeas (2) Thomas and Manica, Nays (2) Robinson and Ash-Shafii, Absent (1) Martin.

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06-17-24 IX b

The following resolution was submitted for approval.

RESOLUTION TO APPROVE THE PROPOSED BUDGET FOR THE PERIOD JULY 1, 2024 TO JUNE 30, 2025 AS PRESENTED BY MAYOR GLENDA MCDONALD

Moved by Councilwoman Manica
Supported by Council President Thomas

WHEREAS, the City of Highland Park is required by the State of Michigan to submit an annual operating budget to accurately reflect current operations; and

WHEREAS, the Mayor of the City of Highland Park submitted a proposed Budget for the year 2024-2025 to the members of Highland Park City Council on April 15, 2024;

WHEREAS, members of the Highland Park City Council held a Public Hearing on May 20, 2024, to review and discuss the proposed Annual Budget for the year 2024-2025; and

WHEREAS, the City of Highland Park shall cause to be levied and collected the general property tax on all real and personal property within the City on the 2024 tax roll an allocated millage of 19.2502 mills for general operations, 2.8874 for rubbish, 22.0000 for pension judgment (12.8700 summer, 9.1300 winter), 2.0026 for Bond Judgment and 0.3338 for an Emergency Loan (millage rates adjusted for Headlee and annual debt schedules); and

WHEREAS, estimated total revenues and expenditures by fund are:

Fund	Revenue	Expenditures
General (101)	\$13,445,850	\$13,445,850
Major Roads (202)	\$1,170,651	\$1,494,651
Local Roads (203)	\$782,651	\$782,651
Federal Grants (234)	\$225,000	\$225,000
CDBG (252)	\$50,000	\$50,000
Forfeiture (267)	\$4,000	\$4,000
Pension Judgment (230)	\$3,402,000	\$3,402,000
Emergency Loan (301)	\$133,900	\$133,900
Bond Judgment (351)	\$442,530	\$442,530
Building Department (211)	\$195,000	\$195,000
JAG (214)	\$14,395	\$14,395
MIDC (260)	\$134,606	\$134,606
FIA Building (280)	\$120,000	\$120,000
Water & Sewer (592)	\$10,516,851	\$10,515,574
ERS (741)	\$620,075	\$358,075
P&F (742)	\$630,133	\$329,633
MERS (743)	\$2,432,825	\$1,756,825
TIFA (248)	\$55,500	\$13,500

NOW, THEREFORE, BE IT RESOLVED that the Highland Park City Council adopts the Proposed Budget for the year 2024-2025 on an activity/department basis as presented by Mayor Glenda McDonald

BE IT FINALLY RESOLVED that a copy of this resolution becomes a part of the official records of the City of Highland Park. Yeas (3), Nays (1) Robinson, Absent (1) Martin.

TREASURER’S OFFICE
06-17-24 X

The following resolution was submitted for approval.

**A RESOLUTION TO APPROVE THREE-YEAR ASSESSMENT CONTRACT WITH WCA
ASSESSING**

Moved by Councilwoman Manica
Supported by Council President Thomas

WHEREAS, the City of Highland Park entered into an initial contract with WCA Assessing to provide assessing services to the City; and

WHEREAS, the current contract with WCA Assessing and the City of Highland Park expires on June 15, 2024; and

WHEREAS, the City wishes to enter into a contract with WCA Assessing for a three-year contract with WCA Assessing. Yeas (3), Nays (1) Ash-Shafii, Absent (1) Martin.

Council Pro Tem Robinson stated the Financial Director is supposed to be our City Assessor.

ADJOURNMENT

Meeting adjourned by President Thomas at 9:21 p.m.

CERTIFICATE

I hereby certify that the attached is a copy of the minutes of the In-Person and Virtual Regular Meeting held the 17th day of June 2024 and that said minutes are available for public inspection at the address designated on the posted public notice.



Cidia Wicker-Brown, Deputy City Clerk