

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

August 19, 2024

Council convened at 7:02 p.m. with Council President Thomas presiding.

Present: Council Pro Tem Robinson, Councilwoman Manica, Councilwoman Martin, Councilman Ash-Shafii, and Council President Thomas (5).

Absent: (0).

A quorum being present, Council was declared in session.

APPROVAL OF AGENDA

Moved by Councilwoman Manica
Supported by Council Pro Tem Robinson

To approve the agenda as presented with the removal of items VI b & c and item VIIa. Yeas (4), Nays (1) Martin, Absent (0).

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 July 15, 2024. Yeas (5), Nays (0), Absent (0).

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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 July 15, 2024. Yeas (5), Nays (0), Absent (0).

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Moved by Councilwoman Manica
Supported by Council President Thomas

To approve the minutes of the In-Person and Virtual Special Meeting held July 26, 2024. Yeas (2) Thomas and Manica, Nays (3) Robinson, Martin and Ash-Shafii, Absent (0).

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Moved by Councilwoman Martin
Supported by Council President Thomas

To approve the minutes of the In-Person and Virtual Special Meeting held August 13, 2024.
Yeas (4), Nays (1) Robinson, Absent (0).

BID OPENING
08-19-24 V

The Clerk stated this was the place and time to open bids received for 2023 Water Main and Service Line Replacement Project Contract No. WD-2023-01 Grant No. ARP 7633-01.

Four (4) Bids were received

Bidigare Contractors, Inc.
938 S. Mill St
Plymouth, MI 48170
Phase 1 - \$6,945,430.00
Phase 2 - \$6,440,643.00
TOTAL BID - \$13,386,073.00

LGC Global, Inc.
7310 Woodward Ave. Ste. 500
Detroit, MI 48202
Phase 1 - \$4,771,288.38
Phase 2 - \$4,012,261.02
TOTAL BID - \$8,783,550.01

Bricco Excavating, LLC.
21201 Meyers Rd.
Pak Park, MI 48237
Phase 1 - \$6,790,295.00
Phase 2 - \$8,399,462.00
TOTAL BID - \$15,189,757.00

Major Contracting Group, Inc.
12222 Greenfield Rd
Detroit, MI 48227
Phase 1 - \$5,752,377.00
Phase 2 - \$6,813,055.00
TOTAL BID - \$12,565,432.00

Moved by Councilman Ash-Shafii
Supported by Councilwoman Manica

To refer to the Water Department for a recommendation. Yeas (5), Nays (0), Absent (0).

COMMUNITY DEVELOPMENT
08-19-24 VI

The following ordinance was submitted approval.

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

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 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'yly 53.33 acres of the N. ½ of¼ 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 of¼ 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, Liber27, 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, initially, not exceed a term of twenty (20) 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. Yeas (4), Nays (1) Robinson, Absent (0).

**RECREATION
08-19-24 VII a**

The following resolution was submitted for approval.

RESOLUTION TO ACCEPT THE CMF DNR SPARKS GRANT

Moved by Councilwoman Manica
Supported by Councilman Ash-Shafii

WHEREAS, the Michigan Department of Natural Resources (the "Department") has authority to issue grants for the development of public outdoor recreation facilities under sections 602 and 603 of section 9901 of the Social Security Act of Public Law No. 117-2, known as the American Rescue Plan Act of 2021 (ARPA), signed into law on March 11, 2021, as the Coronavirus State and Local Fiscal Recovery Funds (SLFRF); and

WHEREAS, the State of Michigan was awarded \$6.54 billion dollars under the Fiscal Recovery Fund, and in section 451 of Public Act 53 of 2022, the State of Michigan Legislature appropriated funds to the Department for an ARPA grant to the Council of Michigan Foundations (CMF) in the amount of \$27,500,000 (the "Grant"); and

WHEREAS, in consideration of receiving the Grant, CMF has been tasked with providing technical assistance and distribution of ARPA funding to support the expansion of access to healthy indoor and outdoor recreation opportunities in communities experiencing significant levels of health, social and economic disparities and with little or no previous parks and recreation investment with the intent of advancing transformative change for Michigan's historically under-resourced and underrepresented communities (the "Project"); and

WHEREAS, CMF entered into a Spark Partnership Agreement (the "Partnership Agreement with the Department in order to receive the Grant; and

WHEREAS, this innovative partnership will help ensure community voice is centered in this work to advance equitable and transformative change for Michigan's historically under- resourced and underrepresented communities; and

WHEREAS, the Partnership Agreement expressly requires that all Spark Partnership Subrecipients assume certain specific risks and responsibilities by entering a Subrecipient Grant Agreement with Grantee (CMF) in consideration of their funding; and

WHEREAS, Subrecipient has agreed to contract for, manage, and implement certain portions of the Project and CMF has committed to provide a portion of the Grant funding to the Subrecipient for those portions of the Project, subject to certain conditions being met and final Department approval. Yeas (5), Nays (0), Absent (0).

**SENIOR
08-19-24 VIII**

The following resolution was submitted for approval.

**RESOLUTION REVIEWING AND APPROVING DETROIT AREA AGENCY ON
AGING PROPOSED FY 2025 ANNUAL IMPLEMENTATION PLAN**

Moved by Council Pro Tem Robinson
Supported by Councilman Ash-Shafii

WHEREAS, the DAAA, Detroit Area Agency on Aging, is a non-profit organization responsible for planning, coordinating, developing, and finding services for older adults in Region 1-A, which includes the City of Highland Park, **and**,

WHEREAS, the DAAA has submitted its proposed FY 2025 plan to provide services to the senior citizens and adults with disabilities in the City, **and**,

WHEREAS, that Plan was devolved with the input of the DAAA BOARD of Directors, it's Advisory Council, and Long Range Planning Committee; including a public meeting where the public from throughout Region 1-A gave input, written and oral testimony used in preparing the propose plan, **and**,

WHEREAS, the plan will be funded for a 1-year period based on the availability of the Federal and State funds. This plan does not request or need funding from the City of Highland Park **and**,

WHEREAS, the funding will be used to fund and enhance the delivery of service and address the needs of Wayne County residents in the 1-A Region which include Detroit, Grosse Pointe, Grosse Pointe Park, Grosse Pointe Shores, Grosse Pointe Woods, Hamtramck, Harper Woods and Highland Park Seniors, Adults with Disability and their care. This plan does not request or need funding from the City of Highland Park **and**,

NOW, THEREFORE, BE IT RESOLVED, that the City of Highland Park review and approves the DAAA Proposed FY 2025 Implementation Plan as submitted without revisions. Yeas (5), Nays (0), Absent (0).

OUTSIDE COMMUNICATION 08-19-24 X

The following communication was received from community leaders, pastors and residents of Highland Park.

Dear Members of the Highland Park City Council,

We, the undersigned community leaders, pastors, and residents of Highland Park, write to you with a unified voice to express our deep concern and earnest request that each council member uphold the duties and responsibilities entrusted to you by the citizens of our community. We believe that the effectiveness and integrity of our city government rely on the diligent and respectful conduct of its elected officials.

Firstly, we want to acknowledge and commend those council members who are diligently carrying out their responsibilities as outlined in the city's charter. Your commitment to serving our community, your preparation for council meetings, and your respectful and professional conduct do not go unnoticed. You set a commendable example for all.

However, we also recognize that there are areas where improvement is needed. We respectfully ask that all council members:

1. Diligently Prepare for Council Meetings: Review and understand all agenda items prior to each public meeting. This preparation is essential for informed discussion and decision-making that benefits our entire community.
2. Display Appropriate Decorum: Maintain a professional and respectful demeanor during public meetings. Your conduct sets the tone for civil discourse and demonstrates respect for the democratic process.
3. Show Common Courtesy and Respect: Treat fellow council members, city staff, and the public with courtesy and respect. Constructive dialogue and collaboration are foundational to addressing the needs and concerns of our city effectively.

4. Prioritize the City's Best Interests: Make decisions based on what is best for the city, rather than personal agendas or individual interests. Your commitment to serving the common good is paramount to fostering trust and progress within our community.

We believe that adherence to these principles will enhance the council's ability to govern effectively, foster public trust, and promote a positive, forward-thinking environment in Highland Park. We urge you to consider our request seriously and act in the best interests of the residents you serve.

Thank you for your attention to this important matter. We remain hopeful that, together, we can work towards a more prosperous and harmonious future for all citizens of Highland Park.

Moved by Councilman Ash-Shafii
Supported by Councilwoman Martin

To receive and file. Yeas (5), Nays (0), Absent (0).

ADJOURNMENT

Moved by Councilman Ash-Shafii
Supported by Councilwoman Manica

To adjourn the meeting, motion carried, meeting adjourned at 9:03 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 19th day of August 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