

**WORK SESSION AGENDA
WYOMING CITY COUNCIL MEETING
CITY COUNCIL CHAMBERS**

Monday, March 11, 2013, 7:00 P.M.

- 1) Call to Order**
- 2) Student Recognition**
- 3) Public Comment on Agenda Items (3 minute limit per person)**
- 4) Street Budget Update**
- 5) Ordinance 3-13: An Ordinance to Amend Division 3 of Article IV of Chapter 2
of the Code of the City of Wyoming (Housing)**
- 6) Any Other Matters**
- 7) Acknowledgement of Visitors/Public Comment (3 minute limit per person)**
- 8) Closed Session to Discuss Labor Contract Negotiations**

ORDINANCE NO. _____

AN ORDINANCE TO AMEND DIVISION 3 OF
ARTICLE IV OF CHAPTER 2 OF THE CODE
OF THE CITY OF WYOMING

THE CITY OF WYOMING ORDAINS:

Section 1. That Division 3 of Article IV of Chapter 2 of the Code of the City of Wyoming is hereby amended to read as follows:

DIVISION 3. PROPERTY TAX EXEMPTION

Sec. 2-281. Public Purpose.

Pursuant to Section 15a of Public Act 346 of 1966 as amended, MCL 125.1415a, the City may encourage the development or rehabilitation of low and moderate income housing by providing a service charge in lieu of property taxes. The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by classes of housing exempt from taxation under the Act at an amount it chooses, not to exceed the taxes that would be paid. The City hereby finds that such housing for persons of low and moderate income is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for such housing is a valid public purpose; further, that the continuance of the provisions of this ordinance for tax exemption and the service charge in lieu of taxes during the period contemplated in this ordinance are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption. The City also finds that development of such housing should further related public purposes such as new urbanism housing models and mixed use development to enhance the downtown area of the City

Sec. 2-282. Definitions.

As used in this division, the following definitions shall apply:

Act means the State Housing Development Authority Act, being Public Act 346 of 1966 of the State of Michigan, as amended.

Annual shelter rent means the total collections during an agreed annual period from all occupants of a housing development representing rent or occupancy charges, exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants.

Authority means the Michigan State Housing Development Authority.

Contract rents are as defined by the U.S. Department of Housing and Urban Development in regulations promulgated pursuant to the U.S. Housing Act of 1937, as amended.

Elderly means a single person who is 55 years of age or older or a household in which at least one member is 55 years of age or older and all other members are 50 years of age or older.

Housing development means a development which contains a significant element of housing for persons of low or moderate income and such elements of other housing, commercial, recreational, industrial, communal and educational facilities as the authority determines improve

the quality of the development as it relates to housing for persons of low or moderate income. Housing Development may include rehabilitation of existing housing as authorized by the Act.

Low income persons or families as used herein shall have the same meaning as provided in section 15(a)(7) of the act.

Mortgage loan means a loan to be made by the authority to the sponsor for the construction and/or permanent financing of the housing development.

Utilities means fuel, water, sanitary sewer service and/or electrical service, which are paid by the housing development.

Sponsor means person(s) or entities, which have applied, to the authority for a mortgage loan to finance a housing development.

Sec. 2-283. Annual Service Charge in Lieu of Property Taxes.

The annual service charge in lieu of property taxes shall apply as follows:

(1) Tax exemption. The tax exemption provided for in subsection (1) of Section 15a of Act 346 of 1966, as amended, shall not apply to any class of housing project within in the City except for multiple family apartment projects for low and moderate income persons or families as defined herein.

(2) Duration. The property tax exemption hereunder shall remain in effect and shall not terminate so long as the mortgage loan remains outstanding and unpaid or the Authority has any interest in the property but not for more than fifty (50) years.

(3) Establishment. The establishment of a specific tax exemption shall be by ordinance providing for the tax exemption and payment in lieu of taxes for a specific project within the City.

(4) Limitation. For any portion of a housing development occupied by persons other than low and moderate income persons or families or elderly persons as defined herein, the service charge to be paid each year in lieu of taxes shall be equal to the full amount of the taxes which would have been paid on that portion of the housing development if the housing development was not tax exempt.

(5) Contractual effect. Notwithstanding the provisions of section 15a(5) 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 division and establishment of the housing development.

(6) Existing exemptions. The provisions of this division shall not operate to change the terms and conditions of any tax exemption for any housing development having a tax exemption pursuant to Article IV as of the effective date of this ordinance.

Sec. 2-284. Establishment and Payment of Annual Service Charge.

Establishment and payment of the annual service charge shall be as follows:

(1) The amount shall be established in a specific ordinance authorizing a project; the annual service charge may be up to 10% of the annual shelter rents.

(2) The annual service charge in lieu of taxes for the preceding calendar year shall be payable in the same manner as general property taxes are payable to the City, including, without limitation, administrative fees, late payment penalties, and interest as authorized by law. The annual payment shall be paid on or before June 30 of each year.

(3) Not later than March 1 of each year, commencing with the year for which the exemption is granted, the sponsor shall file the following with the City Treasurer's office:

(A) A report which states:

- (1) the number of tenants occupying units as of December 31 of the previous year
- (2) the number of units and rentals charged for all units during the preceding calendar year
- (3) the number of units and rentals charged for all units not rented to low income or elderly persons or families during the preceding calendar year
- (4) the amount and source of any other revenues generated by operation of the housing development
- (5) whether the original authority aided financing utilized to construct the housing development is still outstanding and the number of years remaining on that financing
- (6) such other information as is reasonably requested by the City in writing

Section 2. This ordinance shall be in full force and effect on the _____ day of _____, 2013.

I hereby certify that the above-entitled Ordinance was adopted by the City of Wyoming at a _____ session of the City Council held on the _____ day of _____, 2013.

Heidi A. Isakson
Wyoming City Clerk

Ordinance No. _____