

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL STUDY SESSION MEETING
CITY HALL – COMMUNITY ROOM
JANUARY 13, 2020 – 6:00PM

The Study Session meeting of the Farmington Hills City Council was called to order by Mayor Barnett at 6:00pm.

Council Members Present: Barnett, Boleware, Bridges, Knol, Massey, Newlin and Steckloff

Council Members Absent: None

Others Present: City Manager Boyer, City Clerk Smith, Assistant City Manager Mekjian, Director Schnackel, and City Attorney Joppich

AFFORDABLE HOUSING PILOT PROGRAM – FREEDOM SQUARE APARTMENTS

Matt Dingman, City Assessor, explained that the City Council adopted an ordinance in 1990 to allow for the development of Freedom Square Apartments and the owners to make payment in lieu of taxes (PILT) to provide low income housing under the State Housing and Development Authority Act of 1966. The Act requires an annual service charge for public services in order to be exempt from Ad Valorem property taxes. The PILT remains in effect as long as the loan from the MSHDA remains outstanding, which is set to be paid off in September of 2022.

Assessor Dingman stated that the owners of the complex approached the city with the intent of establishing a new loan with HUD for needed upgrades and repairs. He noted that the proposed amended language would allow for MSHDA or HUD loans and also extend the terms as follows:

- Years 1 through 10: Six (6) percent fee in lieu of taxes
- Years 11 through 20: Eight (8) percent fee in lieu of taxes
- Years 21 through 30 (or the expiration of the loan): Ten (10) percent fee in lieu of taxes

The proposed amendment has been reviewed by city staff and the city attorney's office.

In response to City Council, Mr. Dingman stated that the city was barely covering essential service costs under the terms of the previous ordinance, which is required per the Act and why it was suggested that the percentages are increased in the proposed amendment. He added that 20% of the units are required to be rented as low-incoming housing and the apartments currently have a 95-96% occupancy rate.

It was the consensus of City Council to include the proposed ordinance on the next regular session agenda for City Council consideration.

SPECIAL SERVICES DEPARTMENT UPDATE

City Manager Boyer explained that throughout the year various Departments will come before City Council at a study session meeting to provide a department update.

Ellen Schnackel, Director of Special Services; Bryan Farmer, Deputy Director and Jeff Hotchkiss, Facilities Supervisor, provided an overview of the following:

- Community Center Project (The Hawk)
- Recreational programs for youth and 50 and better
- Mayor's Youth Council
- Community Golf Course
- City facilities
- Arts and Culture
- Parks Division
- Marketing/Video Division

City Council members congratulated the department on their report and made the following comments/suggestions:

- The city's activities guide should better reflect the diversity of the community
- Suggested outreach to former members of the department due to the upcoming 25th Anniversary of the department
- A dog agility area for the city's dog park
- Senior fitness classes
- Rejuvenating the Farmington Community musicals if the expansion of The Hawk theatre would allow

Facilities Supervisor Hotchkiss reviewed the construction progress for the Community Center project.

Director Schnackel reviewed the proposed design concepts and uses for the building that focused on the first and second floors. Discussion was held on potential uses for the third floor. Director Schnackel indicated that the Economic Development Corporation is exploring the option of utilizing some space on as a business incubator but the Department is also engaged with other entities about options for that space.

In response to Council, Deputy Director Farmer noted that the department is looking at fitness programs that would be designed for all ages, including youth and they will be working with a fitness group.

City Manager Boyer explained that with most large projects of this nature, the city does not anticipate that it will be revenue neutral right away and the city budget reflects this; but that is the ultimate goal.

It was suggested that the city may need to be creative during non-peak times in order to generate additional revenue through possible partnerships.

Mayor Barnett suggested considering not only a business incubator for technology but also for culinary arts such as micro-distilleries and food growing operations.

Attorney Joppich cautioned that the city is still reviewing the possibility of utilizing the third floor for purposes that are generally commercial uses due to possible zoning/assessing conflicts.

ADJOURNMENT

The study session meeting adjourned at 6:58pm.

Respectfully submitted,



Pamela B. Smith, City Clerk