

COUNCIL COMMUNICATION

From: The City Manager

Subject: Enactment of Ordinance for Housing Tax Exemption

Manager's Recommendation:

I recommend that the ordinance for Low Income Housing Tax Exemption be enacted. This will create a new PILOT for scattered site single family housing.

Justification:

Habitat for Humanity will acquire five residences that it will repair and rehabilitate. It will then transfer them to: "Saginaw Shelter for the Homeless Non Profit Housing Corporation", an entity created by the City Rescue Mission of Saginaw. That new organization proposes to use the following single family homes for transitional housing:

1. 1519 Delaware;
2. 1625 Johnson;
3. 416 S. 7th;
4. 515 S. 11th; and
5. 429 S. 10th.

The plan is to use these houses for shelter for single mothers with dependent children until such time as they are able to acquire a house under the Habitat for Humanity program or locate housing through other means. The program has notified the residents of the various areas involved and sought their support for this proposed PILOT ordinance.

Enacting a Payment in Lieu of Taxes ("PILOT") Ordinance would reduce the tax burden on the properties, allow for the renovation of these properties and make the program economically viable. The duration of the PILOT will be 40 years, and the service fee will be 8% of shelter rents.

Council Action:

This Council Communication is for explanation of the ordinance and requires no separate approval.