

David Whitaker, Esq.
Director
Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Senior City Planner
Janese Chapman
Deputy Director

John Alexander
LaKisha Barclift, Esq.
M. Rory Bolger, Ph.D., AICP
Elizabeth Cabot, Esq.
Tasha Cowen
Richard Drumb
George Etheridge
Deborah Goldstein

City of Detroit

CITY COUNCIL

LEGISLATIVE POLICY DIVISION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-4946 Fax: (313) 224-4336

Christopher Gulock, AICP
Derrick Headd
Marcel Hurt, Esq.
Kimani Jeffrey
Anne Marie Langan
Jamie Murphy
Carolyn Nelson
Kim Newby
Analine Powers, Ph.D.
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TO: Janeé Ayers, Chairperson
Budget, Audit & Finance Standing Committee

FROM: David D. Whitaker, Director
Legislative Policy Division Staff

DATE: June 14, 2019

RE: Special Assessment Districts Petitions

The Legislative Policy Division was requested to provide a report regarding the concerns raised before City Council on June 4th and 11th alleging the petitions circulated by the designated neighborhood improvement organization (DNIO) for the proposed Special Assessment District (SAD) for University District were defective and not in compliance with the requirements as set forth in the City's SAD ordinance. LPD has obtained copies for several of the petitions for review and has determined the validity of the allegations. A sample has been attached for your review.

The SAD ordinance under Subdivision B, *Petition*, sets forth the requirements for the petitions. Pursuant to Sec. 18-12-125, the ordinance a DNIO may sponsor a petition for a SAD. The petitions shall be prepared in accordance with the following provisions:

Section 18-12-126 Form of petition; information to be provided with petition.

(a) The administering department shall prepare a form of petition to be used to initiate a SAD described in this division and shall make the form available upon request to any certified DNIO. The form of petition shall provide for the inclusion of all of the following information at the top of each sheet:

- (1) The name and address of the DNIO associated with the petition and contact information for one or more DNIO representatives.
- (2) A description of the geographic boundaries of the proposed SAD.

(3) A description of the services to be funded by special assessment.

(4) A preliminary estimate of the assessed cost for the services described in paragraph (a)(3). The estimate shall be based in part on the DNIO's acquisition of three (3) estimates of the costs of providing the Services to be paid by special assessment. Such estimates shall be from contractors licensed to conduct business in the City of Detroit under all applicable laws.

(5) The estimated tax parcel share for the services to be provided within the proposed SAD. The petition shall state that the estimated tax parcel share may change after a record owner signs the petition and that any such change shall not impact the validity of the petition, although a hearing may be required pursuant to section 18-12-134(b) during the term of a SAD as a result of such a change.

(6) The proposed term of the SAD.

(b) The remainder of each sheet of the petition shall contain a table with columns for tax parcel, record owner, record owner's signature, and the date of such signature. The petition form may contain blank underlined spaces for rows of data for each column, or the petition may be prepared with the data for tax parcel and record owner pre-printed on the petition form and blank underlined spaces for the signature and date.

(c) Each sheet of the petition shall have below the table of signatures a place for certification by the person collecting the signatures of the record owners on that sheet, including the printed and signed name of the collector and the date of certification.

(d) To prepare the form of petition described in subsection (a) for circulation, a DNIO may request from the board of assessors or any other applicable City agency or department, as needed, the following information:

(1) A listing of all tax parcels, with ward and item numbers, within the geographic boundaries of the proposed SAD, the record owner of each tax parcel, and the area in square feet of each tax parcel.

(2) Identification of each tax parcel that would be exempt from assessment pursuant to section 18-12-136.

(e) The DNIO shall be responsible for circulating the petition to the record owners within the proposed SAD and submitting the completed petition to the city clerk in accordance with the following section. Prior to circulating an unsigned petition, a DNIO shall submit it to the administering department for approval as to its form and content. If the administering department denies the form and content of the unsigned petition, it shall specify any deficiencies. The DNIO shall then have the opportunity to cure any such deficiencies and resubmit the unsigned petition for approval.

The petitions as drafted fail to meet five of the six criteria set forth in Sec. 18-12-126(a). The petitions do not describe the geographic boundaries or the services to be funded, identify the preliminary estimate of the assessed cost of services or the estimated tax parcel share for services nor does it state the proposed term of the SAD. The Assessor's Office, as the administering department, needs to recreate the form petition itself so that it comports with the SAD ordinance before it can be utilized by any DNIO to create a SAD.

Additional allegations were made that some of the signatures were not valid because the petitions were not signed, *i.e.* certified, by the petition circulator. LPD, in a previous report, erroneously indicated no such a requirement existed under the Detroit City Code. That requirement can be found in Sec. 18-12-126(c). Therefore, given the defective nature of the petitions submitted for City Council's consideration, your Honorable Body should not vote on this matter until such time that the defects are cured.¹

If there are any additional questions or concerns, please advise.

¹ LPD was informed that the DNIO is withdrawing its petition for creation of the SAD, indicating its intention to redo the petition process so that all concerns with the petitions can be addressed. So, before the DNIO reengages the community members, the Assessor's Office should recreate the petitions in accordance with the SAD ordinance.

(1)

City of Detroit
Petition to Authorize an Election to Create a Special Assessment District
Name of Potential Special Assessment District: University District

*To Be Completed By Signature For Certification. I Certify Each Owner Of Record Whose Signature Appears In This Petition Appeared Before Me And Signed Their Name In Presence

Print Name
Signature
Date

Parcel ID	Property Address	Owner Name	Signature	Date
02003401	17100 FAIRFIELD	[REDACTED]	[REDACTED]	
02003402	17114 FAIRFIELD	[REDACTED]	[REDACTED]	
02003587.0001	17121 FAIRFIELD	[REDACTED]	[REDACTED]	
02003403	17126 FAIRFIELD	[REDACTED]	[REDACTED]	
02003587.0002	17127 FAIRFIELD	[REDACTED]	[REDACTED]	
02003587.0001	17135 FAIRFIELD	[REDACTED]	[REDACTED]	
02003404	17136 FAIRFIELD	[REDACTED]	[REDACTED]	
02003586	17145 FAIRFIELD	[REDACTED]	[REDACTED]	
02003405	17146 FAIRFIELD	[REDACTED]	[REDACTED]	
02003406	17158 FAIRFIELD	[REDACTED]	[REDACTED]	
02003585	17161 FAIRFIELD	[REDACTED]	[REDACTED]	
02003407	17166 FAIRFIELD	[REDACTED]	[REDACTED]	
02003584	17167 FAIRFIELD	[REDACTED]	[REDACTED]	
02003408	17174 FAIRFIELD	[REDACTED]	[REDACTED]	
02003583	17175 FAIRFIELD	[REDACTED]	[REDACTED]	
02003409	17186 FAIRFIELD	[REDACTED]	[REDACTED]	
	17100 FAIRFIELD ST X	[REDACTED]	[REDACTED]	
	17114 FAIRFIELD	[REDACTED]	[REDACTED]	
	17121 FAIRFIELD	[REDACTED]	[REDACTED]	
	17126 FAIRFIELD STREET	[REDACTED]	[REDACTED]	
	1329 COACH HOUSE LN	[REDACTED]	[REDACTED]	
	1329 COACH HOUSE LN	[REDACTED]	[REDACTED]	
	17136 FAIRFIELD	[REDACTED]	[REDACTED]	
	17145 FAIRFIELD ST	[REDACTED]	[REDACTED]	
	17146 FAIRFIELD ST	[REDACTED]	[REDACTED]	
	210 HENRY	[REDACTED]	[REDACTED]	
	17161 FAIRFIELD ST	[REDACTED]	[REDACTED]	
	17166 FAIRFIELD ST	[REDACTED]	[REDACTED]	
	17167 FAIRFIELD ST	[REDACTED]	[REDACTED]	
	17174 FAIRFIELD ST	[REDACTED]	[REDACTED]	
	17175 FAIRFIELD ST	[REDACTED]	[REDACTED]	
	17186 FAIRFIELD ST	[REDACTED]	[REDACTED]	