CITY OF BERKLEY PUBLIC NOTICE
WORK SESSION CITY COUNCIL MEETING
MONDAY, JULY 20, 2026 - 5:30 PM
CITY HALL
248-658-3300

CALL 41ST COUNCIL TO ORDER

APPROVAL OF AGENDA

PUBLIC COMMENT(S)

Comments are invited on each Agenda item when that item comes up for consideration. Matters not listed on the Agenda may be addressed at this time. Please state your name and residential city. Each speaker's remarks are a matter of public record, and the Council will not engage in a back-and-forth discussion. Any person speaking at a City Council Meeting may be called to order by the Mayor or any Council Member for failure to be germane to the business of the City or for disruptive or disorderly behavior which prevents the Council from conducting its business. There is a three-minute limit per speaker.

ORDER OF BUSINESS

1) MSHDA Housing Tax Increment Financing Program.

ADJOURN

Note: The City Of Berkley Will Provide Necessary Reasonable Auxiliary Aids And Services, Such As Signers For The Hearing Impaired And Verbal Representations Of Printed Materials Being Considered At The Meeting, To Individuals With Disabilities At The Meeting Upon Four Working Days' Notice To The City. Individuals With Disabilities Requiring Auxiliary Aids Or Services Should Contact The City By Writing Or Calling: Victoria Mitchell, ADA Contact, Berkley City Hall, 3338 Coolidge Highway, Berkley, MI 48072 (1-248-658-3310).

Note: Official Minutes Of City Council Meetings And Supporting Documents For Council Packets Are Available For Public Review In The City Clerk'S Office During Normal Working Hours. Anyone Wishing To Submit Correspondence To The Council Before The Meeting May Send An Email To Comment@Berkleymi.Gov By Noon On The Day Of The Meeting. Emails Sent Prior To The Deadline Will Be A Part Of The Meeting Record But Will Not Be Read During The Council Meeting.

MSHDA Housing Tax Increment Financing (TIF) Program

Date

Presented by: Crystal VanVleck, City Manager
Kristen Kapelanski, Community Development Director
Brad Hanson, Senior Business Development Representative/Brownfield Coordinator

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History and Background

- Public Act 381 of 1996 - Brownfield Redevelopment Financing Act
    - Created a system for communities to redevelop contaminated, blighted, obsolete, or underused properties by using TIF
    - Authorized local jurisdictions to create Brownfield Redevelopment Authorities (BRAs), adopt brownfield plans, and capture the increase in property tax revenue generated by redevelopment to reimburse eligible cleanup and site-preparation costs

History and Background

- Public Act 90 of 2023 amended Public Act 381
  - Expanded brownfield eligibility for housing projects
  - Allowed more housing-related costs to be reimbursed through TIF
  - Encouraged redevelopment of obsolete or blighted sites into housing
  - Housing TIF regulated by MSHDA

Why did the state expand brownfield to housing?

Initial Shortage – 2022: Housing Deficit of approximately 190,000 units

Progress Made – 2024: 50,000 units built or renovated, reducing the shortage of around 141,000 units

Goals: Michigan increased its housing goal by 53%, aiming to build or renovate 115,000 units by 2027

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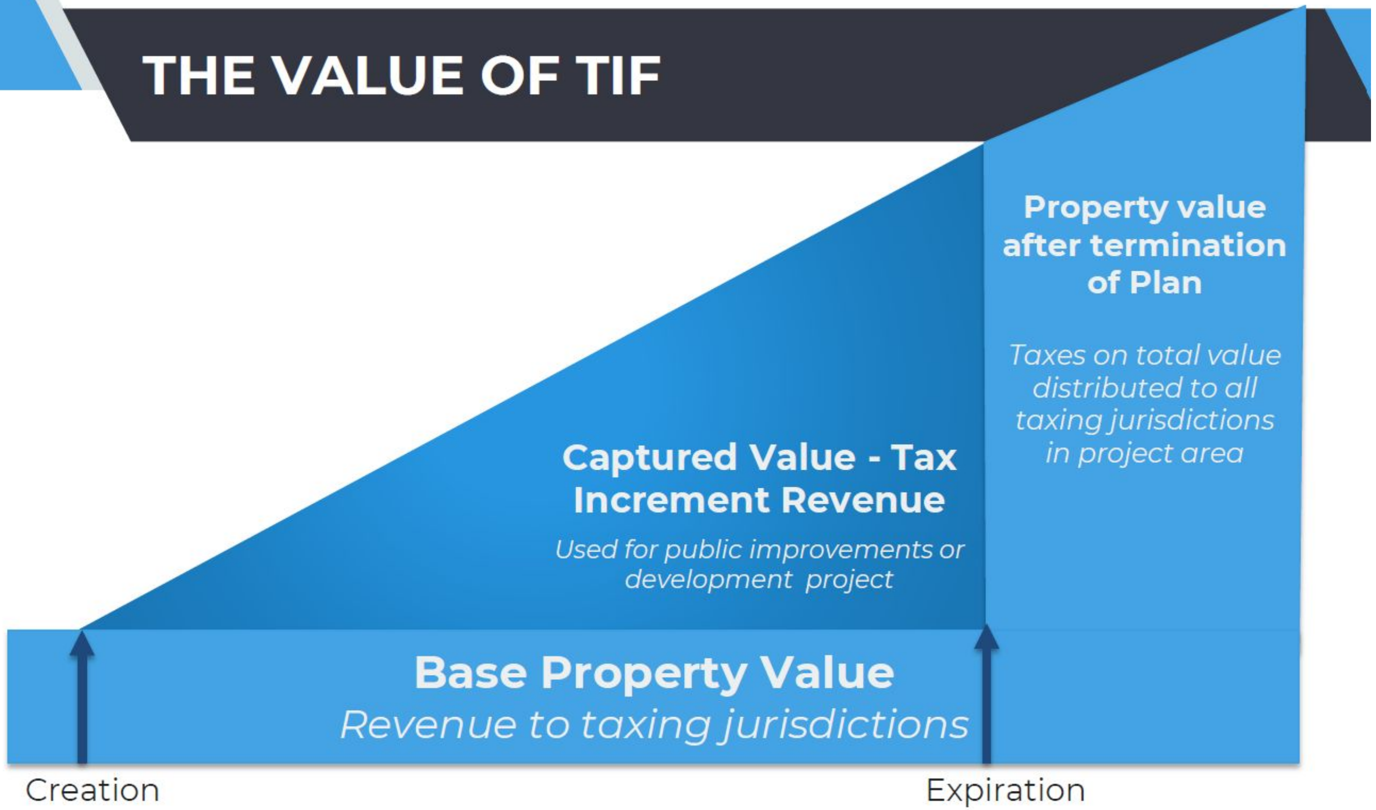
THE VALUE OF TIF



Reimbursable Housing Development Activities

- Reimbursement for qualified rehabilitation of rental units
- Costs of demolition and renovation of existing buildings or site preparation
- Reimbursement to fill a financing gap
- Infrastructure for public use and safety improvements necessary for housing project
  - Water/sewer connectivity
  - Sidewalks/driveways/parking areas
  - ‘Green’ site features

Fiscal Impact of Brownfield TIF

Captures increment, not existing revenue

No loss in tax revenue

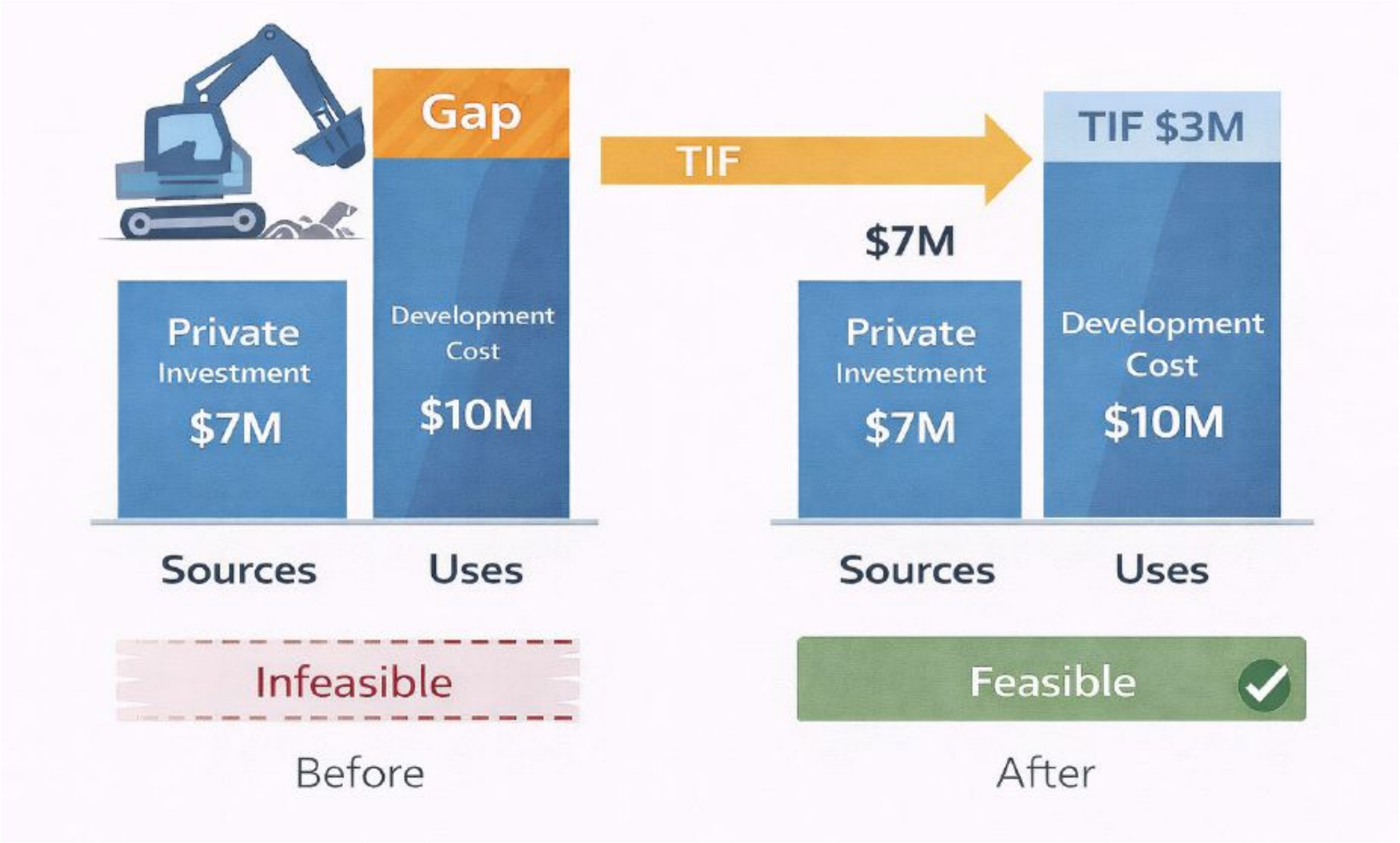
Can enable infrastructure improvements

Incorporate capital improvements

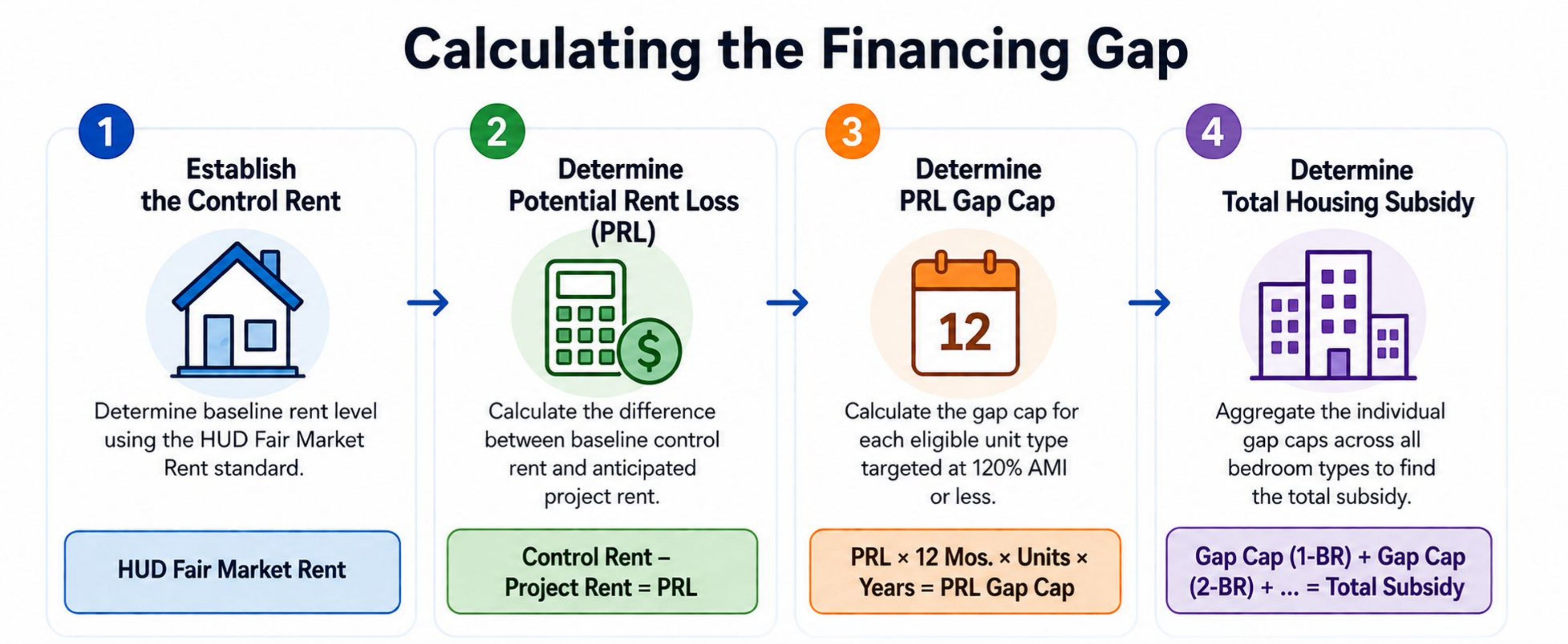
Schools held harmless

School districts are made whole by the State.

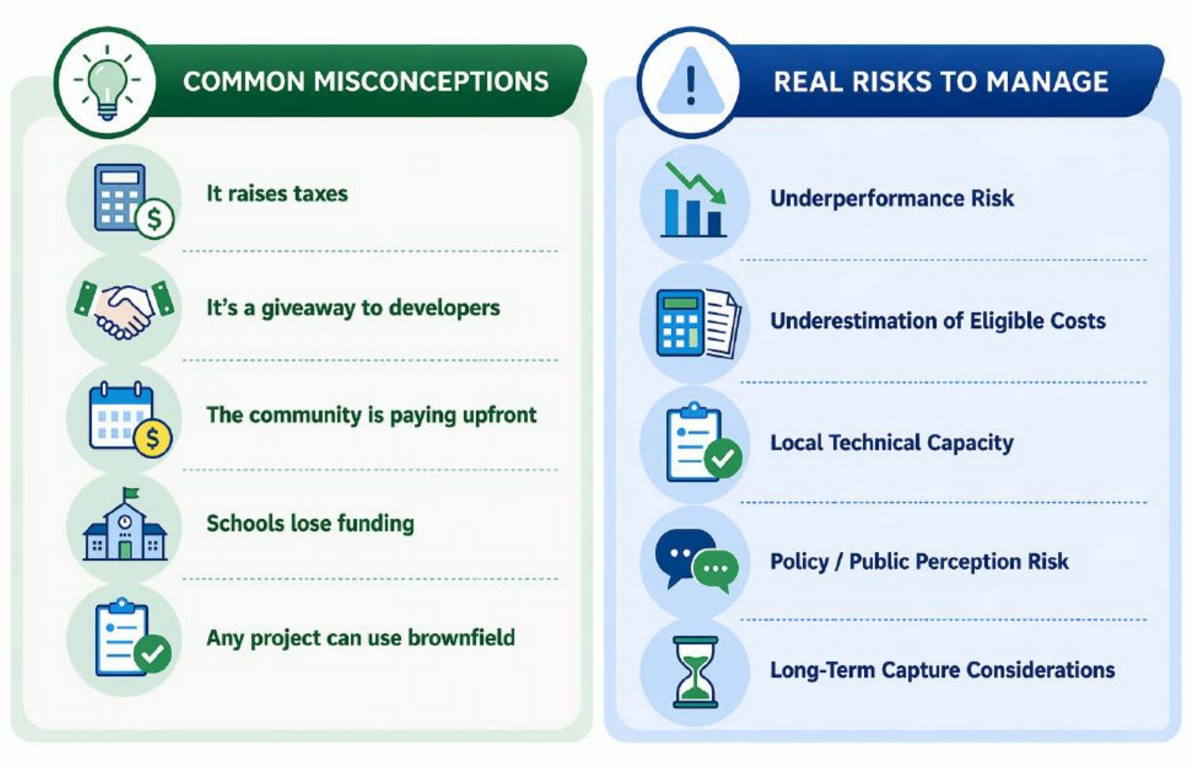
The Financial Gap Problem Brownfield Solves



Calculating the Financing Gap



Key Risks and Misconceptions



MSHDA Data on Housing TIFS (through November 2024)

- 29 Notices received from local BRAs
- Average years of tax capture approved - 22.9 years
- Average tax capture - $6.9 million per project
  - Average total project cost - $22 million
- Average project size - 88 units
- Average number of units at or below 120% AMI - 51%

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Oakland County BRA (OCBRA) Process

- The Applicant shall seek approval from City Council for the proposed Brownfield Plan in the form of a resolution.
- The project will be placed on an upcoming OCBRA meeting agenda.
- If the OCBRA approves the Plan, the Brownfield Plan with resolutions (OCBRA & City) will be placed onto the Oakland County Economic Development & Infrastructure Committee (ED&I) and Finance agendas for consideration.
- If both EDI and Finance committees approve the project, the County will schedule and publish a notice for the Public Hearing and forward the recommendation to the Board of Commissioners.
- Subsequent to holding the Public Hearing, the Board of Commissioners will review the project and approve or deny the Brownfield Plan.
- If the project is seeking State school tax capture the applicants must submit a 381 Work Plan (that meets the State approved format requirements) and includes the County approved Brownfield Plan and all related resolutions to the applicable State agencies (MSF, MSHDA, and EGLE as appropriate) for approval

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Questions?