

OSHTEMO CHARTER TOWNSHIP ORDINANCE NO. 620

Adopted: April 28, 2020

Effective: May 7, 2020

An Ordinance to provide for the hardship financing or deferral of the financial obligation to connect to the wastewater collection system of the Oshtemo Charter Township in situations where Property Owner(s) establish by objective evidence that it will constitute an undue financial hardship to pay or fully pay for the sewer system connection fees or the private plumbing expense to connect to the wastewater collection system as required by Oshtemo Charter Township Wastewater Service Ordinance No. 208.

THE CHARTER TOWNSHIP OF OSHTEMO

KALAMAZOO COUNTY, MICHIGAN

ORDAINS:

SECTION I. NAME. This Ordinance shall be known and cited as the Oshtemo Charter Township Public Sanitary Sewer Hardship Financing or Deferment Ordinance.

SECTION II. PURPOSE.

- A. To enact an Ordinance under Public Act 368 of 1978 Public Health Code (MCL 333.12756 et seq.) allowing for hardship financing or deferment of the sewer system connection fees and/or the private plumbing expense in cases where hardship prevents the Owners of the premises from paying for the public or private connections to the available sewer system.

- B. To establish a Hardship Advisory Review Committee (HARC) to review and recommend Property Owner(s) to be considered for hardship financing or deferment under this Ordinance.
- C. To establish procedures for the connection of premises to the sewer system by the Township for those who qualify for a hardship financing or deferment.

SECTION III. DEFINITIONS. For purposes of this Ordinance, the following words, terms and phrases when used in this Ordinance shall have the following meanings ascribed to them in this Section:

- 1. *Deferment:* the postponement of all or a part of the annual mortgage payment owed to the Township on an Installment Payment Mortgage Agreement for Sewer or a delay in connecting to the public sanitary sewer.
- 2. *Premise:* any lot, parcel, building site from which contains a building from which sanitary sewer originates for which sewer services are available and required by law to be served.
- 3. *Private Plumbing Expense:* the estimated cost of the installation of all necessary sewage disposal facilities on the property of the applicant or Property Owner(s) for hardship. It means and includes any person who has a legal, possessory interest in a lot, parcel or building site, which interest includes the legal obligation to assume the expenses of sewer connection expense charges.
- 4. *Property Owner(s) Hardship:* those Property Owner(s) falling below the income and asset limits set forth in Section IV of this Ordinance.
- 5. *Sewer System Connection Fees:* the connection fees charged by Oshtemo Charter Township.
- 6. *Sanitary Sewer System:* any municipally operated sewage collection system serving premises within Oshtemo Charter Township.

SECTION IV. QUALIFYING STANDARDS FOR HARDSHIP FINANCING OR HARDSHIP DEFERMENT. The standards for qualifying for hardship financing or hardship deferment shall be as follows:

- A. Application Limitations. Before submitting an application for hardship

financing or deferment, each Property Owner(s) must demonstrate that they do not qualify for assistance from the State of Michigan under the Deferment of Special Assessments on Homesteads Act at 225 of 1976 or under the USDA 504 Home Repair Program or the USDA 502 Home Repair Program. Any assistance received under the above-listed Programs will not count toward the asset limitations of the Township Hardship Programs or prohibit a Property Owner who otherwise qualifies for the Township Programs from access to the hardship financing or hardship deferment as set forth below.

B. Hardship Financing. Property Owner(s) in Oshtemo Charter Township may enter into an Installment Payment Mortgage Agreement to finance their connection fees as provided in the Wastewater Services Ordinance, No. 208. In addition to the Property Owner(s)' right to enter into an Installment Payment Mortgage Agreement under Ordinance No. 208, the following individuals may request that the Private Plumbing Expenses be paid for by the Township and added to the Installment Payment Mortgage Agreement and be financed upon the same terms and the same interest rate offered under Ordinance No. 208, provided the Property Owner(s) meet the following income and assets limitations:

1. Income Limitation. Property Owner(s) whose family income is at or below \$34,999.00, for the year at issue.
2. Asset Limitation. In addition to the Income Limitations requirements, an asset test considering all assets owned by the applicant, other than the applicant's house, vehicle, and household goods, will be used in determining whether relief should be granted. Property Owner(s) with assets in excess of \$20,000 may not be eligible for hardship financing.

C. Hardship Deferments. Property Owner(s) who enter into an Installment Payment Mortgage Agreement, pursuant to Ordinance No. 208, may qualify for a Deferment provided they meet the following Income and Asset limitations set forth below.

1. Income Limitation. Property Owner(s) whose family income is at or below \$49,999.00, for the year at issue.
2. Asset Limitation. In addition, to the Income Limitations requirements, an asset test considering all assets owned by the applicant, other than the applicant's house, vehicle, and household goods, will be used in determining whether relief should be granted. Property Owner(s) with assets in excess of \$20,000 may

not be eligible for a hardship deferment.

- D. Extraordinary Circumstances Warranting Deferment or Delay in Connection. Those Property Owner(s) who do not qualify under the above provisions may request consideration, based upon extraordinary circumstances, for deferment or delay in the connection to the public sanitary sewer system. The extraordinary circumstances which would be considered by the Hardship Advisory Review Committee would be items such as or similar to the following: death of a spouse; extraordinary medical expenses; recent home purchase (less than two years); bankruptcy; extreme debt impacting household disposable income, extreme difficulty in connecting to the public sanitary sewer system; etc. Those Property Owner(s) who believe they might qualify under the standards set forth herein may file an application as set forth in Section V below.
- E. Funding Limitation. The granting of hardship financing or deferment under this Ordinance is subject to availability of funds in the hardship revolving fund as set forth in Sec. IX below.

SECTION V. APPLICATION

- A. Property Owner(s) must complete an application, except for the signature, and return it to the Township Officers.
- B. All applications must be signed and witnessed by a Township employee and filed after January 1, but at least two weeks before the Hardship Advisory Review Committee's March meeting to be held the third week in March.
- C. All Property Owner(s) must submit their previous year's Federal Income Tax and State Income Tax returns.
- D. Applicants may be required to be present at the Hardship Advisory Review Committee meeting and may be called upon to appear on short notice.
- E. All questions set forth in the Application must be completed prior to the Hardship Advisory Review Committee meeting including notice to any mortgagee.
- F. All applicants signing the Application are admitting that everything contained in the Application is true to their best knowledge, information and belief.

- G. Any Property Owner(s) requesting hardship financing or deferment is subject to investigation by the Township to verify information submitted or statements made in regard to the request for deferment are accurate.
- H. The meeting of the Hardship Advisory Review Committee may be recorded. Minutes will be kept of all proceedings. All meetings held will comply with the Open Meetings Act.
- I. The Hardship Advisory Review Committee shall follow the policies and guidelines established under this Ordinance in granting or denying hardship financing or deferment.
- J. Property Owner(s) will be evaluated based upon the data submitted to the Hardship Advisory Review Committee. Testimony taken from the Property Owner(s) and information gathered from any source by the Township.
- K. Property Owner(s) shall meet the income and asset limitation set forth herein may be granted hardship financing, deferment, or partial deferment of their sanitary sewer fees or private plumbing expenses.
- L. The Hardship Advisory Review Committee's recommendations regarding sanitary sewer connection fees or private plumbing expense fees for deferment will be done on an annual basis.

SECTION VI. DETERMINATION OF ELIGIBILITY

- A. The Hardship Advisory Review Committee shall, within thirty (30) days of the close of its investigation, file with the Township Board its report and recommendation clearly stating whether any hardship financing or deferment for the sewer system connection fees or private plumbing expenses will be recommended.
- B. The Hardship Advisory Review Committee will not recommend hardship financing or a deferral unless the Property Owner(s) agree to enter into an Installment Payment Mortgage Agreement to connect to the available public sanitary sewer system.

- C. Upon receipt of the Hardship Advisory Review Committee's recommendation regarding any premises, the Township Board shall promptly determine, without the necessity of a public hearing, whether to accept the recommendation. No recommendation of hardship for any premises shall be rejected without good cause shown and until the Property Owner(s) have had an opportunity to answer the objections before the Township Board. A recommendation of hardship not rejected by the Township Board within thirty (30) calendar days of receipt thereof shall be deemed accepted and shall entitle the Owner thereof to be qualified for connection under the provisions of this division. Following Board approval, any premises not connected to the available sewage system shall connect to the public sanitary sewer system, whether the connection is made under the provisions of this article or otherwise.

SECTION VII. CONNECTION; COSTS; LIEN

- A. In the event an Owner is accepted for hardship financing or deferment, the Township will effectuate connection to the public sanitary sewer system. The Public Works Director will ascertain the sewer connection fees and/or private plumbing expense to connect the premises to the system. The Public Works Director will determine whether the physical connection is to be accomplished by a licensed sewer contractor or by the agencies and employees of the City. The Township reserves to itself the sole and exclusive right to make or alter its designation as made herein previous to the commencement of the physical connection. Prior to the connection, the Owner shall execute an Installment Payment Mortgage Agreement for Sewer with the Township for financing or possible deferred payment payable on or before death, or in any event, on the sale or transfer of the property.
- B. The Installment Payment Mortgage Agreement shall also include annual interest on the balance of such indebtedness to the Township at the rate set by the Board in Ordinance No. 208, commencing the date of the execution of documents of indebtedness.
- C. The Property Owner(s) shall also be responsible for costs of recording the Installment Payment Mortgage Agreement. Such costs shall be added to the amount due and owing upon the Installment Payment Mortgage Agreement to be executed by the Owner of the premises.

SECTION VIII. PHYSICAL CONNECTION. Upon execution of the documents in accordance with the provisions of Section VII, the Public Works Director will complete the physical connection of the premises to the public sanitary sewer system in accordance with all laws, ordinances, rules and regulations of the State, City and Township.

SECTION IX. HARDSHIP REVOLVING FUND; BOARD CONTROL. The monies necessary to implement the provisions of this Ordinance shall be drawn from the “hardship revolving fund” to be created and maintained by the Township Board. This fund shall be the sole source of Township monies to be used for hardship funding under this Ordinance. The Township Board may transfer funds between the general fund and the hardship revolving fund as necessary to implement the provisions of this Ordinance.

SECTION X. EFFECTIVE DATE. This Ordinance shall take effect upon publication after adoption in accordance with State law. All Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

DUSTY FARMER, CLERK
OSHTEMO CHARTER TOWNSHIP