

ORDINANCE NO 17

AN ORDINANCE TO PROVIDE A TAX EXEMPTION FOR MULTI-FAMILY HOUSING UNITS

The Township of Plainfield ORDAINS:

Section 1.

This Ordinance shall hereafter be known and cited as the “Township Tax Exemption Ordinance.”

Section 2. Preamble

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCLA 125.1401 et seq; MSA 16.114(1) et seq). The Township is authorized by said Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under the Act at any amount it chooses not to exceed the taxes that would be paid but for the Act. It is further acknowledged that such housing for persons of low income is a public necessity, and as the Township will be benefited and improved by such housing, the encouragement of the same by providing certain real estate tax exemption therefore is a valid public purpose; further, that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of taxes during the periods hereinafter contemplated are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance thereon.

The Township acknowledges that Hale Homestead Limited Partnership, a Michigan limited partnership (referred to herein as “Sponsor”) has offered, subject to receipt of a Mortgage Loan from the FmHA, to erect, own and operate a housing development identified as Hale Homestead on certain property located in the Township of Plainfield, Iosco County, Michigan and more particularly described as follows, to-wit:

That part of the Northeast ¼ of Section 22, T23N, R5E, Plainfield Township, Iosco County, Michigan, further described as:

Commencing at the Northeast corner of said Section 22; thence South 1°47' East along East section line 574 feet; thence South 89°38' West 260 feet to the point of beginning; thence continuing South 89°38' West 139.0 feet; thence South 1°47' East 100 feet; thence South 89°38' West 340 feet; thence South 1°47' East 272.5 feet; thence North 89°38' East 479 feet; thence North 1°47' West 372.5 feet to the point of beginning.

to serve persons of low and moderate income, and that the Sponsor has offered to pay the Township on account of said Development an annual service charge for public services in lieu of all taxes on said Housing Development.

Section 3. Definitions

- a) Authority means the Michigan State Housing Development Authority
- b) Act means the State Housing Development Authority Act, being Public Act 346 of 1966, of the State of Michigan, as amended.
- c) Housing Development means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the Authority determines improve the quality of the development as it relates to housing for persons of low income.
- d) FmHA means the Farmers Home Administration, U. S. Department of Agriculture, United States Government.
- e) Mortgage Loan means a loan to be made or insured by the FmHA to the Sponsor for the construction and permanent financing of the Housing Development.
- f) Sponsor means persons or entities which have applied for a federally aided Mortgage Loan to finance a Housing Development and is qualified to receive a tax exemption under the Act as determined by the Authority.

Section 4. Class of Housing Developments

It is hereby determined that the class of Housing Developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be a development which is for persons of low income and which is financed or assisted pursuant to the Act. It is further determined that the Hale Homestead is of this class.

Section 5. Establishment of Annual Service Charge

The Housing Development identified as Hale Homestead and the property on which it shall be constructed shall be exempt from all property taxes from and after the commencement of construction. The Township, acknowledging that the Sponsor and FmHA have established the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of this Ordinance and the qualification of the housing Development for exemption from all property taxes and a payment in lieu of taxes as established herein, and in consideration of the Sponsor's offer, subject to receipt of a Mortgage Loan from or insured by FmHA, to construct, own and operate said Housing Development, hereby agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge shall be \$500 per year.

Section 6. Contractual Effect of Ordinance

Notwithstanding, the provisions of Section 15(a)(5) of the Act, to the contrary, a contract between the Township and the Sponsor with the FmHA as third party beneficiary thereunder, to provide tax exemption and accept payments in lieu thereof as previously described, is effected by enactment of this Ordinance.

Section 7. Payment of Service Charge

The service charge in lieu of taxes as determined hereunder shall be payable in the same manner as general property taxes are payable to the Township except that the annual payment shall be paid on or before July 1st of each year for the preceding year.

Section 8. Duration

This Ordinance shall remain in effect for a period of 11 years from and after commencement of construction of the Housing Development and shall not terminate during that period so long as the Mortgage Loan remains outstanding and unpaid or FmHA has any interest in the property; provided that construction of the Housing Development commences within two years from the effective date of this Ordinance.

Section 9. Severability

The various sections and provisions of this Ordinance shall be deemed to be severable, and should any section or provision of this Ordinance be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of the Ordinance as a whole or any section or provision hereof other than the section or provision so declared to be unconstitutional or invalid.

Section 10. Effective Date

This Ordinance was made and passed by the Board of Trustees of the Township of Plainfield, Iosco County, Michigan on this 21st day of May, 1982.

Date Ordinance shall take effect: the 3rd day of June, 1982.

(Signed Donna D. Chrivia)
Supervisor

(Signed Elizabeth M. Timmer)
Supervisor