

BIG CREEK TOWNSHIP ORDINANCE NO. 13

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

The township of Big Creek, Oscoda County, Michigan ordains:

Section 1. 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 116.114 (1) et. seq.). The Township of Big Creek 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 therefor is valid public purpose; further, that the continuance of the provisions of the 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.

Section 2. 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) Shelter Rents are as defined by the Farmers Home Administration.
- (D) Contract Rents are as defined by the U.S. Department of Housing and Urban Development in regulations promulgated pursuant to Section 8 of the U.S. Housing Act of 1937, as amended by the Housing and Community Development Act of 1974.
- (E) FmHA means the Farmers Home Administration of the U.S. Department of Agriculture.
- (F) 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.
- (G) HUD means the Department of Housing and Urban Development of the United States Government.
- (H) This ordinance shall apply to Elderly, Family or Handicapped projects.
- (I) Mortgage Loan means a loan to be made by the Authority to the Sponsor for the construction and permanent financing of the Housing Development.
- (J) Utilities mean fuel, water, sanitary sewer service and/or electrical service which are paid by the Development.
- (K) Sponsor means persons or entities which have applied to either the Authority for a Mortgage Loan to finance a Housing Development, or to another government entity for a federally aided loan (as defined by the Act).

### Section 3. 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 multiple dwellings, constructed after this ordinance takes affect, for persons of low income, which are financed as assisted by the Authority or which are federally-aided, as defined in the Act.

### Section 4. Establishment of Annual Service Charge

The Housing Developments for persons of low income and the property on which they shall be constructed shall be exempt from all property taxes from and after the commencement of construction. The Township, acknowledging that the Sponsor and the Authority and/or HUD and/or Farmers Home Administration have established the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of the Ordinance and the qualification of the Housing Developments for exemption from all property taxes and a payment in lieu of taxes as established herein, will accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge for Farmers Home Administration projects shall be a percentage of the Shelter Rents. For Authority or HUD projects the annual service charge shall be a percentage of the difference between Contract Rents actually collected and Utilities. The percentages shall be established by the Township Board in their resolution granting tax exempt status to an individual project.

### Section 5. Resolution/Contractual Effect

A Resolution of the Board of Trustees of the Township of Big Creek granting tax exempt status, as provided herein, shall be adopted for each Housing Development qualified under the terms and provisions of this 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 Authority and/or HUD and/or FmHA as third party beneficiary thereunder, to provide tax exemption and accept payments in lieu thereof as previously described will be effectuated by the enactment of such a Resolution by the Township Board of Trustees.

### Section 6. 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 of Big Creek except that the annual payment shall be paid on or before March 15th of the year following the year upon which the charge is calculated.

### Section 7. Duration

The tax exempt status of a Housing Development approved for such status by the Township Board of Big Creek Township shall remain in effect for a period to be established in the resolution granting tax exempt status, but in no case shall it remain longer than the Mortgage Loan for such Housing Development remains outstanding and unpaid.

### Section 8. Severability

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

Section 9.

All ordinances or parts of ordinances inconsistent with the provisions hereof are hereby repealed.

Section 10

This Ordinance shall take effect twenty (20) days from the date of publication of said ordinance.

This Ordinance was made and passed by the Big Creek Township Board of the County of Oscoda, State of Michigan, on this 16th day of November, 1987.

*Frances Galer*

Frances Galer, Township Clerk

I, Frances Galer, Clerk of the Township of Big Creek, Oscoda County, State of Michigan, do hereby certify that the above Ordinance was published in the Oscoda County Herald, a newspaper of general circulation in the Township of Big Creek, on the 20th day of October, 1987

*Frances Galer*

Frances Galer, Township Clerk