



**CHARTER TOWNSHIP OF MONROE
MONROE COUNTY, MICHIGAN**

NOTICE OF ORDINANCE ADOPTION

TO: THE RESIDENTS AND PROPERTY OWNERS OF THE CHARTER TOWNSHIP OF MONROE,
MONROE COUNTY, MICHIGAN, AND ANY OTHER INTERESTED PERSONS:

PLEASE TAKE NOTICE that the following is a summary of Ordinance 143 which was adopted by the Township Board of the Charter Township of Monroe at a regular meeting held December 21, 2021.

TAX EXEMPTION ORDINANCE NUMBER 143

An Ordinance to provide for a service charge in lieu of taxes for a housing project for low income persons and families to be financed with a federally-aided Mortgage Loan pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, *et seq*) (the "Act"). This Ordinance amends and replaces Monroe Charter Township Ordinance No. 126 as of the Effective Date, as such is defined in Section 5.

THE MONROE CHARTER TOWNSHIP ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the "Monroe Charter Township Tax Exemption Ordinance-Charring Square Apartments."

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 low income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The Township is authorized by this 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 this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families is a public necessity, and as the Township will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The Township acknowledges that the Sponsor (as defined below) has offered, subject to receipt of an allocation under the LIHTC Program by the Michigan State Housing Development Authority, to acquire and rehabilitate, own and operate a housing project identified as Charring Square Apartments on certain property located at 6123 Greenwycke Lane in the Township, more particularly described on the attached **Exhibit A**, to serve low income persons and families, and that the Sponsor has offered to pay the Township on account of this housing project an annual service charge for public services in lieu of all *ad valorem* property taxes.

SECTION 3. Definitions.

A. Annual Shelter Rent means the total collections during an agreed annual period from or paid on behalf of all occupants of a housing project representing rent or occupancy charges, exclusive of Utilities.

B. Authority means the Michigan State Housing Development Authority.

C. LIHTC Program means the Low Income Housing Tax Credit program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.

D. Low Income Persons and Families means persons and families eligible to move into a housing project.

E. Mortgage Loan means a loan that is Federally-Aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project, and secured by a mortgage on the housing project.

F. Sponsor means Charring Square Preservation Limited Dividend Housing Association, LLC, a Michigan limited liability company, or a lender providing a Mortgage Loan to Sponsor, including its lender's successors and or assigns in connection with Mortgage Loan securitization and transfer of the housing project.

G. Utilities means charges for gas, electric, water, sanitary sewer and other utilities furnished to the occupants that are paid by the housing project.

SECTION 4. Class of Housing Projects.

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low Income Persons and Families that are financed with a Mortgage Loan. It is further determined that Charring Square Apartments is of this class.

SECTION 5. Establishment of Annual Service Charge.

The housing project identified as Charring Square Apartments and the property on which it is located shall be exempt from all *ad valorem* property taxes from and after the Sponsor's

acquisition of the property, provided that Sponsor provides to the Township proof of commencement of critical repairs as detailed in Sponsor's third-party report before December 31, 2022 ("Effective Date"). The Township acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the qualification of the housing project for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Ordinance. Therefore, in consideration of the Sponsor's offer to rehabilitate and operate the housing project, the Township agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. Subject to receipt of a Mortgage Loan, the annual service charge shall be equal to 4.0% of the Annual Shelter Rents actually collected by the housing project during each operating year.

SECTION 6. Contractual Effect of Ordinance.

Notwithstanding the provisions of section 15a(5) of the Act to the contrary, a contract between the Township and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

SECTION 7. Limitation on the Payment of Annual Service Charge.

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

SECTION 8. Payment of Service Charge.

The annual service charge in lieu of taxes as determined under this Ordinance shall be payable in the same manner as general property taxes are payable to the Township and distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The annual payment for each operating year shall be paid on or before July 1st of the following year. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206, as amended; MCL 211.1, *et seq*).

SECTION 9. Duration.

This Ordinance shall remain in effect and shall not terminate for a period of 18 years, provided that Sponsor's Mortgage Loan remains outstanding and unpaid and the housing project remains subject to income and rent restrictions under the LIHTC Program.

SECTION 10. 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 this Ordinance as a whole or any section or provision of this Ordinance, other than the section or provision so declared to be unconstitutional or invalid.

SECTION 11. Inconsistent Ordinances.

All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this Ordinance are repealed to the extent of such inconsistency or conflict.

Section 12. Effective Date.

This Ordinance shall become effective immediately on final publication after adoption.

PLEASE TAKE FURTHER NOTICE that the full text Ordinance 143 is on file in the Office of the Township Clerk at the address set forth below and has also been posted at the Township's website www.monroechartertownship.org.

This Ordinance was enacted at a Regular Board Meeting of the Monroe Charter Township Board held on the 21st day of December, 2021, (6) Board members being present and (6) six voting in favor thereof



Christina Smith, Clerk

Monroe Charter Township

Attested:



Alan Barron, Supervisor

Monroe Charter Township