

**ORDINANCE NO. 24**  
**Lawrence Township**

**TOWNSHIP OF LAWRENCE TAX EXEMPTION ORDINANCE**

An ordinance amending Ordinance No. 24 of the Lawrence Township Compiled Ordinances, originally adopted January 29, 2013, authorizing payment of an annual service charge in lieu of taxes for residential units serving low income or moderate income persons in accordance with the state housing development authority, Act 346 of the Public Acts of Michigan of 1966, as amended, and matters related thereto.

**THE TOWNSHIP OF LAWRENCE ORDAINS:**

**Section 1. Purpose.** This Ordinance authorizes and approves an annual service charge in lieu of taxes for residential housing developments that: (a) serve Low Income or Moderate Income Persons (as defined in the State Housing Development Authority Act, Act 346 of the Public Acts of Michigan of 1966, as amended, and this Ordinance); (b) are financed or assisted by USDA-RD or the Authority in accordance with Act 346; (c) are located within the Township; and (d) comply with this Ordinance.

**Section 2. Title.** This Ordinance shall be known and cited as the "Township of Lawrence Tax Exemption Ordinance."

**Section 3. Preamble.** It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for low income citizens and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with Act 346. The Township is authorized by Act 346 and this Ordinance to establish or change the annual service charge to be paid in lieu of taxes by any and all classes of housing exempt from taxation under Act 346 at any amount it chooses not to exceed the taxes that would be paid but for Act 346. It is further acknowledged that housing for low income persons and families is a public necessity, and as the Township will be benefitted and improved by such housing, the encouragement of the same by providing certain real-estate tax exemptions for such housing 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 period contemplated in this Ordinance are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

The Township acknowledges that the Woda Lawrence Downs Limited Dividend Housing Association Limited Partnership (the "Sponsor" as defined in Section 4 of this Ordinance) has committed to rehabilitate, own and operate a housing development identified as "Lawrence Downs Apartments" on certain property located 599 South Paw Street, within the Township of Lawrence, Michigan, which is legally described in Section 4.G. of this Ordinance, to serve Low Income or Moderate Income Persons, and that the Sponsor has offered to pay and will pay to the Township, on account of the Housing Development, an annual service charge for public services in lieu of all taxes.

**Section 4. Definitions.** The terms used within this Ordinance shall have the following meanings:

A. "Act" means the State Housing Development Authority Act, being Act 346 of the Public Acts of Michigan of 1966, as amended.

B. "Annual Shelter Rents" means the total actual collections during each calendar year from all occupants of a housing development representing rents or occupancy charges, which rental amounts shall be exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants.

C. "Authority" means the Michigan State Housing Development Authority.

D. "Class" means the Housing Development known as Lawrence Downs Apartments for Low Income or Moderate Income Persons.

E. "Federally-Aided Mortgage" means any of the following:

(i) A mortgage insured, purchased, or held by the Secretary of the Department of Housing and Urban Development ("HUD") or United States Department of Agriculture – Rural Development ("USDA-RD");

(ii) A mortgage receiving interest credit reduction payments provided by the HUD or USDA – RD;

(iii) A Housing Development to which the Authority allocates low income housing tax credits under Section 22b of the Act; or

(iv) A mortgage receiving special benefits under other federal law designated specifically to develop low and moderate-income housing, consistent with the Act.

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 to improve the quality of the development as it relates to housing for persons of low income. For the purposes of this Ordinance, "Housing Development" means Lawrence Downs Apartments located on the property legally described as:

Situated in the Township of Lawrence, Van Buren County, Michigan:

Beginning at a point found by commencing at the Northwest corner of Section 15, Town 3 South, Range 15 West and running thence South 00°14'30" West, 297.00 feet along the West line of said Section to the point of beginning of this description; thence South 89°36'11" East, 841.50 feet; thence South 00°14'30" West, 225.76

feet; thence North 89°42'10" West parallel with the South line of the Northwest quarter of the Northwest quarter of said Section 15, 608.50 feet; thence North 00°14'30" East, 176.82 feet parallel with said West line of Section 15; thence North 89°36'11" West parallel with said North line 233.00 feet to the West line of said Section; thence North 00°14'30" East along said Section line, 50.00 feet to the point of beginning.

Van Buren County ID: 80-44-455-007-00

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Beginning at a point found by commencing at the Northwest corner of Section 15, Town 3 South, Range 15 West and running thence South 00°14'30" West, 347.00 feet from the Northwest corner of said Section to the point of beginning of this description; thence South 89°36'11" East parallel with the North line of said Section 233.00 feet; thence South 00°14'30" West, 176.82 feet; thence North 89°42'10" West parallel with the South line of the Northwest quarter of the Northwest quarter of said Section 15, 233.00 feet to the West line of said Section; thence North 00°14'30" East along said West line, 177.23 feet to the point of beginning, except Paw Paw Street right of way.

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G. "Low Income or Moderate Income Persons" means persons and families eligible to move into the Housing Development and as defined in the Act, as amended.

H. "Sponsor" means person(s) or entities which have applied to the Authority for the Tax Credits to finance a Housing Development. For the purposes of this Ordinance, the Sponsor is Woda Lawrence Downs Limited Dividend Housing Association Limited Partnership.

I. "Tax Credits" means the low income housing tax credits made available by the Authority to the Sponsor for rehabilitation of the Housing Development by the Sponsor in accordance with the Low Income Housing Tax Credit Program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.

J. "USDA-RD" means the United States Department of Agriculture, Rural Services Division.

K. "Utilities" means fuel, water, sanitary sewer service and/or electrical service, which are paid by the Housing Development.

**Section 5. Class of Housing Development.** This Ordinance shall apply only to the Housing Development to the extent that the Housing Development provides housing for Low Income and Moderate Income Persons and is financed or assisted by USDA-RD or the Authority pursuant to the Act.

**Section 6. Establishment of Annual Service Charge.**

A. The Township acknowledges that the Sponsor and USDA-RD and/or the Authority 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 ad valorem property taxes and payment of an annual service charge in lieu of taxes in an amount established in accordance with this Section. In consideration of the Sponsor's offer to rehabilitate, own and operate the Housing Development, the Township agrees to accept payment of an annual service charge for public services in lieu of all ad valorem property taxes that would otherwise be assessed to the Housing Development under Michigan law.

(1) Subject to the receipt by the Township of the "Notification of Exemption" (or such other similar notification) by the Sponsor and/or the Authority, the annual service charge shall be equal to Nineteen Thousand Dollars Two Hundred and No/100 (\$19,200.00) Dollars plus the legal and other expenses of the Township relative to the preparation of this Ordinance and the exemption provided herein and any future extensions or modification thereof; said costs to include but, not be limited to, the cost for attorney review, publication costs and the cost of special meetings, if any. In addition to such costs and expenses, in the event the Township, Village or School District should adopt a special assessment from and after the date of this agreement, the Housing Development shall pay the special assessment in addition to the annual service charge.

(2) Each year, but no later than January 31<sup>st</sup>, the Sponsor shall provide the Township Assessor with documentation regarding the low income status of the individuals or families residing in the Development. In no event shall the documentation reveal any confidential or private information about the residents that is prohibited from release pursuant to either applicable state or federal law.

B. The Housing Development, and the property on which it shall be constructed, shall be exempt from all property taxes beginning in the calendar year from and after the completion of rehabilitation of the Housing Development by the Sponsor under the terms of this Ordinance. The exemption shall begin when the Sponsor shall have received certificates of occupancy from the Village.

**Section 7. Limitation on the Payment of Annual Service Charge.** Notwithstanding Section 6, if any portion of the Housing Development is occupied by other than Low Income and Moderate Income Persons, the full amount of the taxes that would be paid on those units of the Housing Development if the Housing Development were not tax exempt shall be added to the service charge in lieu of taxes.

**Section 8. Contractual Effect of Ordinance.** Notwithstanding the provisions of Section 15(a)(5) of the Act to the contrary, and subject to the terms of this Ordinance including, but not limited to Section 11 herein, this Ordinance constitutes a contract between the Township and the Sponsor and the Housing Development to provide an exemption from ad valorem property taxes and to accept the payment of an annual service charge in lieu of such taxes, as previously described in this Ordinance. It is expressly recognized that the Authority and USDA-RD are third party beneficiaries to this Ordinance.

**Section 9. Payment of Service Charge.** The service charge in lieu of taxes shall be payable to the Township in the same manner as ad valorem property taxes are payable, except that the annual payment shall be paid on or before January 31 of each year for the previous calendar year.

**Section 10. Duration.** This Ordinance shall remain in effect and shall not terminate so long as the Housing Development remains subject to a Federally Aided Mortgage and so long as the housing development submits the required annual notification of exemption pursuant to M.C.L. 125.1415a(1), as amended, but in any event not more than eighteen (18) years from the date of completion of the rehabilitation.

**Section 11. 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 12. 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 13. Publication; Effective Date.** This Ordinance shall become effective the day following its publication or the day following publication of a summary of its provisions in a newspaper of general circulation in the Township.

Motion offered by Thompson and supported by Reynolds.

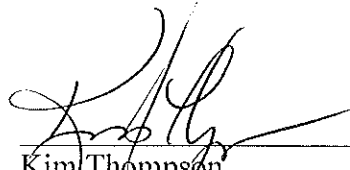
Roll Call Vote: Yes: Barrett, Stroud, Tinker, Reynolds, Thompson

No: \_\_\_\_\_

ORDINANCE DECLARED ADOPTED:

I hereby certify the foregoing constitutes a true and complete copy of the ordinance adopted by the Lawrence Township Board of Trustees, County of Van Buren, Michigan, at a regular meeting held on the 12th day of March, 2015.

Date: 3/12/15

  
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Kim Thompson,  
Lawrence Township Clerk