
ARTICLE II. TAX EXEMPT HOUSING*

***Cross references:** Finance, § 2-201 et seq.

State law references: General property tax act, MCL 211.1 et seq., MSA 7.1 et seq.; state housing development authority act, MCL 125.1401 et seq., MSA 16.114(1) et seq.

Sec. 30-26. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Act means the state housing development authority act, Public Act No. 346 of 1966 (MCL 125.1401 et seq., MSA 16.114(1) et seq.).

Annual shelter rent means the total collections during an agreed annual period from all occupants of a housing project representing rent or occupancy charges, exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants.

Authority means the state housing development authority.

Federally aided mortgage means any of the following:

- (1) A below-market interest rate mortgage insured, purchased or held by the Secretary of the Department of Housing and Urban Development;
- (2) A market interest rate mortgage insured by the Secretary of the Department of Housing and Urban Development and augmented by a program of rent supplements;
- (3) A mortgage receiving interest reduction payments provided by the Secretary of the Department of Housing and Urban Development;
- (4) A mortgage on a housing project to which the authority allocates low income housing credits under section 22b of Public Act No. 346 of 1966 (MCL 125.1422b, MSA 16.114(22b)); or
- (5) A mortgage receiving special benefits under other federal law designated specifically to develop low and moderate income housing, consistent with the act.

Housing development means a development that contains a significant element of housing for persons of low or moderate income and elements of other housing, commercial, recreational, industrial, communal and educational facilities which the authority determines improve the quality of the development as it relates to housing for persons of low or moderate income.

Housing for the elderly means housing occupied by a family in which the head of the household is 55 years of age or older.

Low income or moderate income persons and families means persons and families who cannot afford to pay the amounts at which private enterprise, without federally aided mortgages

or loans from the authority, is providing a substantial supply of decent, safe, and sanitary housing and who fall within income limitations set in the act or by the authority in its rules. Among low income or moderate income persons, preference shall be given to the elderly and those displaced by urban renewal, slum clearance or other governmental action.

Utilities means fuel, water, sanitary sewer service and electrical service, which are paid by the housing development.

(Code 1976, § 1-02.02)

Cross references: Definitions generally, § 1-2.

State law references: Definitions, MCL 125.1411, MSA 16.114(11).

Sec. 30-27. Purpose.

The act provides for tax exemptions for certain housing developments that are federally aided or state authority aided, and certain powers are allowed by the act to the city council as to whether the exemption should be allowed or whether a service charge in lieu of taxes should be charged and the amount of the charge. It is determined that it is a proper public purpose of the state and its political subdivisions to provide housing for low income persons, particularly older citizens who need a more supportive environment in their later years. A tax exemption and the setting of service fees in lieu of taxes for certain housing developments shall be provided.

(Code 1976, § 1-02.01)

Sec. 30-28. Class of housing developments.

It is 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, as provided in this article, shall be housing for the elderly, which is financed or assisted pursuant to the act.

(Code 1976, § 1-02.03)

Sec. 30-29. Rochester Retirement Residence (a/k/a Cliffview).

(a) *Generally.* On December 31 of the year in which construction is completed and in which the completed affidavit form certified by the authority has been filed with the city assessor, as provided in Section 15a(1) of the Act (MCL 124.145a(1), the housing development known as Cliffview (parcel #70-15-03-326-004) and the property on which it is located is determined to be a housing development qualifying for tax exemption and shall be exempt from all property taxes. This section is intended to evidence and constitute a contract between the city and Cliffview LDHALP, with the authority as third party beneficiary, to provide tax exemption and accept service charges in lieu of taxes, as set forth in this section.

(b) *Service charge imposed.* No annual service charge in lieu of taxes shall be charged, except that if Cliffview is sold to Cliffview Limited Dividend Housing Association Limited Partnership ("Cliffview LDHALP") and Cliffview LDHALP, or any successor or assign, fails to achieve 80 percent low income tenancy for any given tax year, a service charge shall be paid each year in lieu of taxes for that portion of the housing development in excess of 20 percent that is occupied by other than low income persons or families in order that the service charge paid for that portion shall be equal to the full amount of the taxes that would be paid on that portion of the development if the development was not tax exempt. For purposes of computing the service charge, if any,

the percentage of low income persons or families shall be determined as of December 31 of the preceding year.

(c) *Payment of service charge.* Any service charge in lieu of taxes shall be payable in the same manner as general property taxes are payable to the city, except that the annual payment shall be paid on or before December 1 of each year.

(d) *Duration.* The provisions for Cliffview shall remain in effect for as long as the federally aided or authority aided mortgage or advance or grant from the authority remains outstanding or the authority has any legal interest in the housing development, but not beyond the duration permitted under the Act, MCL 125.1415a(3).

(Ord. No. 483, § 1, 6-18-2003; Ord. No. 488, § 1, 10-1-2003)

Editor's note: Ord. No. 483, § 1, adopted June 18, 2003, repealed § 30-29, in its entirety and enacted new provisions to read as herein set out. Prior to amendment, § 30-29 pertained to Rochester Retirement Residence and derived from Code 1976, § 1-02.04; and Ord. No. 437, § 1(1-02.04), adopted Dec. 25, 1998.

Sec. 30-30. Mercy Bellbrook.

(a) *Generally.* On December 31 of the year in which construction is completed and in which the completed affidavit form, certified by the authority, has been filed with the city assessor, as provided in section 15a(1) of the act (MCL 125.1415a(1), MSA 16.114 (15a), (1)), the housing development identified as Mercy Bellbrook (parcels # 70-15-22-151-017 and 70-15-22-151-018) and the property on which it is located is determined to be a housing development qualifying for tax exemption and shall be exempt from all property taxes.

(b) *Service charge imposed.* An annual service charge in lieu of taxes shall be charged, which shall be equal to four percent of the annual shelter rents. If Mercy Bellbrook fails to achieve 80 percent low income tenancy for any given tax year, an additional service charge shall be paid each year in lieu of taxes for that portion of the housing development in excess of 20 percent that is occupied by other than low income persons or families in order that the service charge paid for that portion shall be equal to the full amount of the taxes that would be paid on that portion of the development if the development were not tax exempt. For purposes of computing the annual service charge, annual shelter rents and the percentage of low income persons or families shall be determined as of December 31 of the preceding year.

(c) *Payment of service charge.* The service charge in lieu of taxes shall be payable in the same manner as general property taxes are payable to the city, except that the annual payment shall be paid on or before December 1 of each year.

(d) *Duration.* Unless modified by an amending ordinance, the provisions for Mercy Bellbrook shall remain in effect for as long as the federally aided or authority aided mortgage or advance or grant from the authority remains outstanding, but not for more than 50 years.

(Code 1976, § 1-02.05; Ord. No. 437, § 1(1-02.05), 12-25-1998)

Sec. 30-31. Waltonwood.

(a) *Generally.* The housing developments known as Waltonwood (parcel # 70-15-07-476-008) and Waltonwood II (parcel # 70-15-07-476-007) and the property on which they are located are determined to be housing developments qualifying for tax

exemption and shall be exempt from all property taxes, commencing on December 31, 1990, and December 31, 1997, respectively.

(b) *Service charge imposed.* An annual service charge in lieu of taxes shall be charged, which shall be equal to four percent of the annual shelter rents. If Waltonwood or Waltonwood II fails to achieve 80 percent low income tenancy for any given tax year, an additional service charge shall be paid each year in lieu of taxes for that portion of the housing developments in excess of 20 percent that is occupied by other than low income persons or families in order that the service charge paid for that portion shall be equal to the full amount of the taxes that would be paid on that portion of the developments if the developments were not tax exempt. For purposes of computing the annual service charge, annual shelter rents and the percentage of low income persons or families shall be determined as of December 31 of the preceding year.

(c) *Payment of service charge.* The service charge in lieu of taxes shall be payable in the same manner as general property taxes are payable to the city, except that the annual payment shall be paid on or before December 1 of each year.

(d) *Duration.* Unless modified by an amending ordinance, the provisions for Waltonwood and Waltonwood II shall remain in effect for as long as the federally aided or authority aided mortgage or advance or grant from the authority remains outstanding, but not for more than 50 years.

(Code 1976, § 1-02.06; Ord. No. 437, § 1(1-02.06), 12-25-1998)