

ORDINANCE NO. _____

AN ORDINANCE TO AMEND SECTION 30-32 TO CHAPTER 30, COMMUNITY DEVELOPMENT, ARTICLE II, TAX EXEMPT HOUSING, TO THE CODE OF ORDINANCES OF THE CITY OF ROCHESTER HILLS, OAKLAND COUNTY, MICHIGAN, TO PROVIDE SERVICE CHARGE IN LIEU OF TAXES AND AUTHORIZE PROVISIONS RELATING TO DV LIMITED DIVIDEND HOUSING ASSOCIATION, LIMITED PARTNERSHIP, (PARCEL NO. 70-15-08-376-016) ELIGIBLE UNDER THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, AND REPEAL CONFLICTING ORDINANCES.

THE CITY OF ROCHESTER HILLS ORDAINS:

Section 1. Section 30-32 shall be amended to Chapter 30, Community Development, Article II. Tax Exempt Housing, of the Code of Ordinances as follows:

Sec. 30-32. Danish Village.

- (a) *Generally.* On December 31 of the year in which a 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)), the housing development known as Danish Village (Parcel No. 70-15-08-376-016) 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 DV Limited Dividend Housing Association, Limited Partnership (a/k/a Danish Village), 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.* An annual service charge in lieu of taxes shall be charged, which shall be equal to seven percent of the annual shelter rents. If DV Limited Dividend Housing Association, Limited Partnership, fails to achieve 100 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 occupied by other than low income persons or families in an amount equal to the ad valorem taxes that would otherwise apply to the property (Parcel No. 70-15-08-376-016) in order that the service charge paid for that portion shall be equal to the full amount of taxes that would be paid on that portion of the development if the development was 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 Danish Village shall remain in effect 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).

(e) *Contractual Effect of Ordinance.* Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City and DV Limited Dividend Housing Association Limited Partnership 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 2. Severability. This ordinance and each article, section, subsection, paragraph, subparagraph, part, provision, sentence, word and portion thereof are declared to be severable, and if they or any of them are declared to be invalid or unenforceable for any reason by a court of competent jurisdiction, it is provided that the remainder of this ordinance shall not be affected thereby.

Section 3. Penalty. Any person who shall be convicted of violating this ordinance shall be deemed guilty of a misdemeanor and shall be punished by a fine not to exceed \$500.00, or by imprisonment not to exceed 90 days, or both, in the discretion of the court.

Section 4. Repeal, Effective Date, Adoption, and Rescission.

(1) Repeal. All regulatory provisions contained in other City ordinances, which are inconsistent with the provisions of this ordinance, are repealed.

(2) Effective Date. This ordinance shall become effective on _____, following its publication in the *Oakland Press* on _____, 2024.

(3) Adoption. This ordinance was adopted by the City Council of the City of Rochester Hills at a meeting thereof held on Monday, _____, 2024.

Bryan K. Barnett, Mayor
City of Rochester Hills

CERTIFICATE

I hereby certify that the foregoing ordinance was adopted by the City Council of the City of Rochester Hills at a meeting thereof on Monday, _____.

Leanne Scott, Clerk
City of Rochester Hills