

07/27/05

ORDINANCE NO. _____

AN ORDINANCE TO ADD NEW SECTION 30-32 TO CHAPTER 30, COMMUNITY DEVELOPMENT, OF THE CODE OF ORDINANCES OF THE CITY OF ROCHESTER HILLS, OAKLAND COUNTY, MICHIGAN, TO MODIFY TAX EXEMPTION PROVISIONS RELATING TO DANISH VILLAGE, AND REPEAL CONFLICTING ORDINANCES.

THE CITY OF ROCHESTER HILLS ORDAINS:

Section 1. Section 30-32 shall be added to Chapter 30 of the Code of Ordinances shall be adopted, 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. 70-15-08-376-002) 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 Lutheran Social Services of Michigan, owner of 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 four percent of the annual shelter rents. If Danish Village 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 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.* 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).

Section 2. Severability. This ordinance and each article, section, subsection, paragraph, subparagraph, part, provision, sentence, word and portion thereof are hereby 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 hereby 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 hereby repealed.

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

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

(4) Rescission. The purpose of this ordinance is in part to assist Lutheran Social Services in securing financing for renovations of Danish Village from the Michigan State Housing Development Authority (MSHDA). If the funding has not been approved by MSHDA by June 30, 2006, the City Council of Rochester Hills may revisit the ordinance and rescind the same.

Pat Somerville, 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 Wednesday, _____.

Jane Leslie, Clerk
City of Rochester Hills