

BLACKMAN CHARTER TOWNSHIP  
COUNTY OF JACKSON, STATE OF MICHIGAN

ORDINANCE NO. 130  
**BLACKMAN TOWNSHIP TAX EXEMPTION ORDINANCE –  
PARK FOREST APARTMENTS 2017**

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 AN AUTHORITY-AIDED OR FEDERALLY-AIDED MORTGAGE LOAN OR AN ADVANCE OR GRANT FROM THE AUTHORITY 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").

WHEREAS, Blackman Charter Township has received an offer from FHC Fifteen Park Forest Limited Dividend Housing Association Limited Partnership, a partnership organized under the laws of the State of Michigan and in accordance with Chapter 7 of the State Housing Development Authority Act of 1966, as amended, to acquire and rehabilitate a housing development a portion of which is set aside for elderly persons of low income, which offer is subject to the offeror's receipt of a mortgage loan from the Michigan State Housing Development Authority and/or a HUD insured mortgage loan; and

WHEREAS, the offer provides that it may be accepted by the enactment of a tax exemption ordinance providing for the payment of a service charge in lieu of property taxes;

NOW THEREFORE, BLACKMAN CHARTER TOWNSHIP ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the "Blackman Township Tax Exemption Ordinance – Park Forest Apartments 2017."

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. Blackman Charter 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 Blackman Charter 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 are constructed or rehabilitated with financing extended in reliance on such tax exemption.

Blackman Charter Township acknowledges that the Sponsor (as defined below) has offered, subject to receipt of a Mortgage Loan from the Michigan State Housing Development Authority, or a federally-aided mortgage loan, to acquire and rehabilitate, own and operate a housing project identified as Park Forest on certain property located at Airport and Springport roads with the attached legal description in Blackman Charter Township to serve low income persons and families, and that the Sponsor has offered to pay Blackman Charter 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.

As used in this Ordinance:

- A. Act means the State Housing Development Authority Act, Public Act 346 of 1966, as amended. (MCL 125.1401, et seq; MSA 16.114(1), et seq.).
- B. Annual Shelter Rent means the total collections during an agreed annual period from or paid on behalf of all occupants of a housing development representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants.
- C. Authority means the Michigan State Housing Development Authority.
- D. Disabled means any person or family whose head, spouse, or sole member is a Person with disabilities as defined in 24 C.F.R. §5.403.
- E. Elderly means any a person who is sixty-two (62) years of age or older, or a family with the head of the household being sixty-two (62) years of age or older, or a Disabled as defined in Subparagraph D above to the extent that such person(s) is eligible under federal law and regulations to live in a residential development, such as Park Forest Apartments, which is assisted under Section 8.
- F. Housing Development means the housing project identified as Park Forest Apartments located at Airport and Springport roads, with the attached legal description.
- G. Mortgage Loan means 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 the housing project, and secured by a mortgage on the housing project.
- H. Set Aside Portion means that portion of the Housing Development that is set aside for Elderly persons and families of low and medium income.

- I. Sponsor means FHC Fifteen Park Forest Limited Dividend Housing Association Limited Partnership, and any entity that receives or assumes a Mortgage Loan.
- J. 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 developments for persons and families of low and moderate income of which a portion is set aside for Elderly persons and families of low and moderate income which projects are financed with a Mortgage Loan by the Authority or another federally-aided mortgage. It is further determined that Park Forest is of this class.

SECTION 5. Establishment of Annual Service Charge.

Park Forest Apartments and the property on which it is located shall be exempt from all *ad valorem* property taxes from and after the acquisition of the Housing Development. Blackman Charter 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, Blackman Charter 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, the annual service charge for the Set Aside Portion of the Housing Development shall be equal to four percent (4%) of the difference between Annual Shelter Rents actually collected and Utilities for the Set Aside Portion of the Housing Development. The annual service charge for the remainder of the Housing Development shall be equal to the amount that would be charged in the event that portion of the Housing Development was subject to *ad valorem* real estate taxation.

SECTION 6. Contractual Effect of Ordinance.

Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between Blackman 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. 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 Blackman Charter 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 June 1 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 8.        Duration.

This Ordinance shall remain in effect and shall not terminate so long as a Mortgage Loan remains outstanding and unpaid, or the Authority or HUD has any interest in the property provided that acquisition of the Housing Development commences within two (2) years of the effective date of this ordinance.

SECTION 9.        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 10.       Inconsistent Ordinances.

All ordinances or parts of ordinances inconsistent or in conflict herewith shall be repealed as of the date of the acquisition of the Housing Development.

SECTION 11.       Effective Date.

This ordinance shall become effective thirty (30) days from the date of its adoption.

MEMBERS PRESENT: Supervisor Jancek, Clerk Sercombe, Treasurer Preston and Trustees:  
Ambs, Pack, Thomas and Williams

MEMBERS ABSENT: None

AYES: 7

NAYS: 0

Adopted:       12/18/2017

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Shelly Sercombe, Clerk

Exhibit A

Land in Blackman Charter Township, Jackson County, Michigan and described as follows,  
to-wit:

That part of the Southwest 1/4 of Section 20, Town 2 South, Range 1 West, Blackman Township, Jackson County, Michigan, described as: Beginning on the South line of Section 20 at a point 153.39 feet, North 88° 31' 17" West of the South 1/4 corner of Section 20, Town 2 South, Range 1 West, said point being the intersection of centerline of Springport Road and the centerline of County Farm Road; thence North 88° 31' 17" West, 1130.00 feet on the South line of Section 20; thence North 01° 28' 43" East, 850.00 feet; thence North 73° 28' 43" East, 742.90 feet to the centerline of Springport Road; thence along the centerline of Springport Road, Southeasterly 1164.11 feet on a 1°30' curve to the right with a radius of 3819.71 feet, a central angle of 17° 27' 42", and a long chord that bears South 19° 56' 03" East, 1159.62 feet to the point of beginning. Containing 21.681 acres. Subject to the use of the Easterly 60 feet thereof for use as Springport Road, the South 60 feet thereof for use as County Farm Road, and other easements of record, if any. Together with a 15 foot easement for surface water drainage commencing at the Northeast corner of the above described property and running Northwesterly adjacent to Airport Road through the Southwest 1/4 of said Section 20, Town 2 South, Range 1 West.