

**CITY COMMISSION
CITY OF WALKER
KENT COUNTY, MICHIGAN**

Ordinance No. 22-664

At a regular meeting of the City Commission for the City of Walker held at City Hall on February 28, 2022, and commencing at 7:00 p.m., the following Ordinance was offered for adoption by Commissioner Chase and was seconded by Commissioner Gilbert:

**ORDINANCE TO AMEND CHAPTER 78, ARTICLE III ENTITLED
“PROPERTY TAX EXEMPTION FOR SENIOR CITIZEN HOUSING
PROJECT” OF THE CODE OF ORDINANCES FOR THE CITY OF
WALKER.**

THE CITY OF WALKER (the “CITY”) ORDAINS:

Section 1. Amendment of Article III. Chapter 78, Article III of the Code of Ordinances for the City of Walker entitled “Property Tax Exemption for Senior Citizen Housing Project” is amended and reads in its entirety as follows:

Article III – COVENTRY WOODS APARTMENTS PAYMENT IN LIEU OF TAXES.

Sec. 78-96. Purpose.

It is a proper public purpose of the City to support housing for its persons and families of low and moderate income, the elderly, and the disabled, and to encourage the development and rehabilitation of such housing by permitting a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act, PA 346 of 1966 (MCL 125.1401 *et seq.*), as amended.

Sec. 78-97. Definitions.

- (a) Words and phrases not defined in this Article will be defined pursuant to the State Housing Development Authority Act, PA 346 of 1966 (MCL 125.1401 *et seq.*), as amended, unless the context clearly indicates or requires otherwise.
- (b) For the purpose of this Article, the following definitions will apply unless the context clearly indicates or requires otherwise:
 - i. “Act” means the State Housing Development Authority Act, PA 346 of 1966 (MCL 125.1401 *et seq.*), as amended.
 - ii. “Development” means the real property and housing project located in the City of Walker, Kent County, Michigan commonly known as Coventry Woods Apartments, located at 3550 Remembrance Rd NW, Walker, MI

49534 (PPN 41-13-17-451-011), and legally described as: Part of the West 50 acres of the Southeast 1/4 of Section 17, Town 7 North, Range 12 West, City of Walker, Kent County, Michigan, described as: Beginning on the North-South 1/4 line North 3°24'44" West, 1356.36 feet from the South 1/4 corner; thence North 3°24'44" West, 1112.58 feet along the North-South 1/4 line to the Southwesterly line of Remembrance Road (99.50 feet wide); thence South 45°21 '50" East 827.43 feet along said road; thence South 44°38'10 West 743.76 feet to the place of beginning.

- iii. "Owner" means the individual or entity who owns the Development in fee simple.
- iv. "Shelter rents" means the total collections during an agreed annual period from or on behalf of all occupants of a housing project representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, water, sanitary sewer, or other utilities furnished to the occupants. The term "shelter rents" will be interpreted in accordance with the Act and applicable federal law.

Sec. 78-98 Service Charge.

- (a) As set forth in this Article, the City agrees to accept the payment of an annual service charge in lieu of *ad valorem* property taxes for the Development in consideration of the Owner rehabilitating the Development.
- (b) Consistent with Section 15(a)(1) of the Act, in lieu of all *ad valorem* property taxes on the Development, the Owner will pay a service charge. Except as provided for in paragraph 78-98(c), the service charge in lieu of taxes to be paid each year will be an amount equal to four percent (4%) of the Development's annual shelter rents for the prior calendar.
- (c) The service charge to be paid each year in lieu of taxes for any part of the Development which on December 31st of each year is not occupied or used by persons or families who are low or moderate income, elderly, or disabled will be equal to the full amount of the *ad valorem* property taxes which would otherwise be due.
- (d) The benefits of the exemption granted by this Article will be allocated by the Owner exclusively to persons or families who are of low or moderate income, elderly, or disabled in the form of reduced housing charges.
- (e) The service charge in lieu of taxes will be payable in the same manner as general property taxes are payable to the City pursuant to the General Property Tax Act, PA 206 of 1893 (MCL 211.1 *et seq.*), as amended, except that the service charge in lieu of taxes must be paid on or before June 30th.

- (f) Unless otherwise exempt under this Article, the Owner will be responsible to pay all *ad valorem* property tax on the Development.

Sec. 78-99 Eligibility.

- (a) The tax exemption granted under this Article will only apply if the Owner and the Development are eligible to receive such an exemption under the Act.
- (b) Any transfer in ownership must be reported to the City within thirty (30) calendar days.
- (c) Full compliance with this Article is required as a prerequisite to receiving the tax exemption granted hereunder.

Sec. 78-100 Duration.

The tax exemption granted under this Article will commence with the start of the Development's rehabilitation and terminate thirty-eight (38) years thereafter or when the Owner and the Development are no longer eligible under the Act to receive the exemption provided for in this Article, whichever is earlier.

Sec. 78-101 General.

- (a) The Owner will provide to the City such information as the City deems reasonably necessary to verify the amount of the service charge for each year and the Development's compliance with the terms of this Article and the Act. At a minimum, the Owner will annually provide a report to the City including: a CPA certified audit showing the schedule of shelter rents charged by unit type for the Development for the prior calendar year; a list by unit type showing which units were on December 31st occupied or used by persons or families who are low or moderate income, elderly, or disabled; any issued IRS 8823s and any related corrective action reports for the prior calendar year issued by the Michigan State Housing Development Authority; a schedule of completed capital improvements for the prior calendar year; and a balance sheet for the prior calendar year no later than June 30th of each year or as otherwise authorized by the City Assessor.
- (b) Annually, upon advance written request of not less than ten (10) business days, the Applicant will provide City the City's authorized representatives a tour of the Development consisting of an exterior tour of the Development, a tour of the community building, and a representative tour of units that are currently being occupied.
- (c) Without limitation, the Applicant will keep the Development in compliance with all applicable State laws and City ordinances.

- (d) It is acknowledged that the Owner and the Michigan State Housing Authority will establish the economic feasibility of the Development in reliance upon the enactment and continuing effect of this Article, and the qualification of the Development for the exemption from *ad valorem* property taxes and the payment in lieu of taxes as established in this Article.

Sec. 78-102 Fees and Penalties.

- (a) The late payment of any amount owed under this Article will result in a three percent (3%) penalty charge on the amount owed.
- (b) The City will not enter into any contract with or grant any permits or approvals of whatever nature to any person or entity owing delinquent amounts owed under this Article.

Sec. 78-103 Contractual Effect and Interpretation.

Notwithstanding section 15a(5) of the Act to the contrary, this Article constitutes a contract between the City and the Owner to provide a tax exemption and accept payments in lieu as set forth herein. The Michigan State Housing Development Authority is designated as a third-party beneficiary. This Article will be interpreted in a manner consistent with the Act.

Section 2. Conflict.

- A. Nothing in this Ordinance will be construed in such a manner so as to conflict with existing City ordinances except as otherwise stated herein.
- B. Nothing in the Ordinance shall be construed in such a manner so as to conflict with the Act or any other State law.

Section 3. Repealer. Any other ordinances or portions of any other ordinances in conflict with this Ordinance are, to the extent of such conflict, hereby repealed.

Section 4. Savings Clause. The provisions of this Ordinance are severable. If any part of this Ordinance is declared void or inoperable for any reason by a court of competent jurisdiction, such declaration does not void any or render inoperable any other part or portion of this Ordinance.

Section 5. Effective Date. This Ordinance shall become effective upon its publication in the manner required by law.

The vote regarding the adoption of this Ordinance was as follows:

YEAS: Mayor G. Carey Jr. Commissioners: S. Gilbert, T. Burke, R. Deschaine, C. Glanville and E. Huizenga-Chase

NAYS: None

ABSENT: Commissioner M. Grooters

ORDINANCE NO. 22-664 ADOPTED.

Gary Carey, Mayor

Sarah J. Bydalek, Clerk, MMC

CERTIFICATION

I hereby certify that the foregoing is a true and accurate copy of Ordinance No. 22-664 adopted by the City Commission for the City of Walker, Kent County, Michigan, at a meeting of the City Commission duly called and held on February 28, 2022.

First Reading: December 20, 2021
Second Reading: February 28, 2022
Adopted: February 28, 2022
Published (Date/ Newspaper):
Effective:

By: _____
Sarah J. Bydalek, Clerk, MMC