

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

Ordinance No. 24-676

At a regular meeting of the City Commission for the City of Walker held at City Hall on Monday, October 28, 2024, and commencing at 6:30p.m., the following ordinance was offered for adoption by Commissioner Deschaine and was seconded by Commissioner Gilbert:

**AN ORDINANCE TO ENACT A NEW CHAPTER 78 ARTICLE V OF THE
CODE OF ORDINANCES FOR THE CITY OF WALKER ENTITLED “
KINGSBURY APARTMENTS PAYMENT IN LIEU OF TAXES”**

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

Section 1. Enactment of Article V. Chapter 78 Article V of the Code of Ordinances for the City of Walker entitled “Kingsbury Apartments Payment in Lieu of Taxes” is hereby enacted and reads in its entirety as follows:

Article V – KINGSBURY APARTMENTS PAYMENT IN LIEU OF TAXES.

Sec. 78-500. Purpose.

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

Sec. 78-501. Definitions.

(a) Unless the context clearly indicates otherwise, 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.

(b) As used in this article:

- 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 identified as Kingsbury Place Apartments located on certain property in the city commonly known as 725 North Center Dr. NW, Walker, MI 49544 and legally described as:

PART OF THE NORTHWEST 1/4 OF SECTION 1, TOWN 7 NORTH, RANGE 12 WEST, CITY OF WALKER, KENT COUNTY, MICHIGAN, DESCRIBED AS: COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION; THENCE S 01°12'52" E 841.07 FEET ALONG THE WEST LINE OF SAID SECTION; THENCE N 86°21'02" E 396.03 FEET ALONG THE SOUTH LINE OF "GREENVIEW PLAT" (LIBER 55 OF PLATS, PAGE 18) TO THE EAST LINE OF KINGSBURY LANE (60 FEET WIDE) AND THE POINT OF BEGINNING FOR THIS DESCRIPTION; THENCE N 86°21'02" E 345.97 FEET ALONG THE SOUTH LINE OF SAID PLAT TO THE SOUTHEAST CORNER OF SAID PLAT; THENCE N 86°17'02" E 244.53 FEET ALONG THE SOUTH LINE OF "GREENVIEW PLAT NO. 1" (LIBER 57 OF PLATS, PAGE 15) TO A POINT WHICH IS 680 FEET WEST OF THE SOUTHEAST CORNER OF "GREENVIEW PLAT NO.2"; (LIBER 58 OF PLATS, PAGE 48) THENCE S 01°12'52" E 315.39 FEET PARALLEL WITH THE WEST LINE OF SAID SECTION; THENCE S 86°25'08" W 590.50 FEET ALONG THE NORTH RIGHT-OF-WAY LINE OF NORTH CENTER DRIVE (LIBER 2690 OF DEEDS, PAGES 68-69); THENCE N 01°12'52" W 314.40 FEET ALONG THE EAST LINE OF SAID KINGSBURY LANE (LIBER 4043, PAGES 275-277) TO THE POINT OF BEGINNING, CONTAINING 4.265 ACRES AND SUBJECT TO ANY EASEMENTS OF RECORD.

- iii. "Owner" means the individual or entity who owns the development in fee simple.
- iv. "Shelter rents" means the total collections during a calendar year 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. 78-502 Service Charge.

- (a) In accordance with Section 15(a)(1)(a) of the act and this article, and in consideration for the owner rehabilitating the development, the development will be exempt from all *ad valorem* property taxes. The city agrees to accept, and the owner agrees to pay an annual service charge for public services in lieu of all *ad valorem* property taxes for the development.
- (b) Except as provided for in subsection 78-502(c), the service charge in lieu of taxes to be paid each year will be the greater of 1) \$3,000.00, or 2) an amount equal to four percent (4%) of the development's shelter rents for the prior calendar year.

- (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 by persons or families who are low or moderate income will be equal to the full amount of the *ad valorem* property taxes which would otherwise be due without the tax exemption provided for in this article.
- (d) The benefits of the tax exemption granted by this article will be allocated by the owner exclusively to persons or families who are of low or moderate income 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 exempt under this article, the owner will be responsible for paying all *ad valorem* taxes on the development.

Sec. 78-503 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 condition of receiving the tax exemption granted hereunder.

Sec. 78-504 Duration.

- (a) The tax exemption granted under this article will commence at the beginning of the first calendar year following the commencement of substantial rehabilitation of the development and will terminate fifty (50) years thereafter or when the owner or the development is no longer eligible under the act to receive the exemption provided for in this article, whichever is earlier. Until such time as the tax exemption commences, the owner will pay all *ad valorem* property taxes on the development in the manner prescribed by law.
- (b) As a precondition to the commencement of the tax exemption granted under this article, the owner must provide the city with documentation demonstrating the owner and development's eligibility for the tax exemption under section 15(a)(1)(a) of the act.

- (c) The owner and development's eligibility for the property tax exemption granted under this article will terminate if substantial rehabilitation of the development has not commenced within two years of the effective date of this article.
- (d) Following the commencement of the tax exemption under this article, the tax exemption granted under chapter 78 article IV will terminate and be of no further effect.

Sec. 78-505 General.

- (a) The owner will provide the city such information as the city deems reasonably necessary to verify the amount of the service charge for each year and the owner and 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 the following: a 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; any 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; source and amount of any other revenue generated by the development; an annual audit; 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 notice of not less than ten (10) business days, the owner will provide the city a tour of the development consisting of an exterior tour of the development, a tour of the community areas, and a representative tour of units that are currently being occupied. Such inspection will be in addition to any other lawful inspections the city may conduct.
- (c) Without limitation, the owner will keep the development in compliance with all applicable state laws and city ordinances.

Sec. 78-506 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 any nature to the owner if the owner is delinquent on amounts owed to the city under this article.

Sec. 78-507 Contractual Effect and Interpretation.

The city acknowledges that the owner and the Michigan State Housing Development Authority have established the economic feasibility of the development in reliance upon the enactment and the continuing effect of the

exemption granted under this article. 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 of taxes 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 state or federal 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: 7

NAYS: 0

ABSENT: 0

ORDINANCE NO. 24-676 ADOPTED.

Published (Date/ Newspaper): November 2, 2024

Effective: November 2, 2024