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VILLAGE OF CAMDEN
HILLSDALE COUNTY, MICHIGAN
Ordinance Number 1989-10-2

An Ordinance to provide for a service charge in lieu of taxes for a proposed dwelling project for persons of low or moderate income to be financed or assisted pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCLA Section 125.1401 et. seq., MSA Section 116.114(1) et. seq.)

THE VILLAGE OF CAMDEN ORDAINS:

SECTION ONE - This Ordinance shall hereafter be known and cited as the "Village Tax Exemption Ordinance".

SECTION TWO - Preamble. It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivision to provide housing for its citizens of low or moderate income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCLA Section 125.1401 et. seq., MSA Section 116.114(1) et. seq.). The Village is authorized by said 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 that Act at any amount it chooses not to exceed the taxes that would be paid but for the Act. It is further acknowledged that such housing

for persons of low or moderate income is a public necessity, and as the Village will be benefited and improved by such housing, the encouragement of the same by providing certain real estate tax exemption therefore is a valid public purpose; further, that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of taxes during the periods hereinafter contemplated are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance thereon.

The Village acknowledges that Camden Limited, an Indiana Limited Partnership, a Limited Dividend Housing Association, has offered subject to receipt of a Farmers Home Administration Loan, to erect, own and operate a housing development identified as East Pointe Apartments in the Village of Camden to serve persons of low or moderate income, and that the Sponsor has offered to pay the Village on account of said Development an annual service charge for public services in lieu of all taxes.

SECTION THREE - Definitions.

A. **Authority** means the Michigan State Housing Development Authority.

B. **"FMHA"** means the Farmers Home Administration, U. S. Department of Agriculture, United States Government.

C. **Act** means the State Housing Development Authority Act, being Public Act 346 of 1966, of the State of Michigan, as amended.

D. **Contract Rents** are as defined by the U. S. Department of Housing and Urban Development in regulations promulgated pursuant to the U. S. Housing Act of 1937, as amended by the Housing and Community Development Act of 1974.

E. **Housing Development** means a development which contains a significant element of housing for persons of low or moderate income and such elements of other housing, commercial, recreational, industrial, communal and educational facilities as the Authority and FMHA determines improve the quality of the development as it relates to housing for persons of low or moderate income.

F. **Mortgage Loan** means a loan to be made by the FMHA or Authority to the Sponsor for the construction and permanent financing of the Housing Development.

G. **Low or Moderate Income Persons or Families** as used herein shall be the same meaning as defined by the Authority as those families and persons who cannot afford to pay the amounts at which private enterprise, without Federally-aided mortgage or loans from the Authority, is providing a substantial supply of decent, safe and sanitary housing and who fall within the income limitations set by the Authority in its rules, as they shall from time to time exist.

H. **Utilities** mean fuel, water, sanitary sewer service and/or electrical service which are paid by the Development.

I. **Sponsor** means persons for entities which have applied for a Federally-aided mortgage loan to finance a housing development and is qualified to receive a tax exemption under

the Act as determined by the Authority.

SECTION FOUR - **Class of Housing Developments.** It is hereby determined that the class of Housing Developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be Low or Moderate Income Housing Developments, which are financed or assisted pursuant to the Act. It is further determined that East Pointe Apartments in the Village is of this class, provided that said project shall file with the Village an Affidavit of Exemption, certified by the Authority as to eligibility on such form as shall be provided by the Authority before November 1 of the year preceding the tax year in which the Exemption is to begin.

SECTION FIVE - **Establishment Of Annual Service Charge.** The Housing Development identified as East Pointe Apartments and the property on which it shall be constructed shall be exempt from all property taxes from and after December 31, 1989, until December 30, 2009, provided that the Annual Service Charge and water and sewer charges are timely paid to the Village. The Village, acknowledging that the Sponsor and the FMHA Authority have established the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of this Ordinance and the qualification of the Housing Development for exemption from all property taxes and a payment in lieu of taxes as established herein, and in consideration of the Sponsor's offer, subject to receipt of a Mortgage Loan from the FMHA, to construct, own and operate said Housing Development, hereby agrees to accept payment of an annual

service charge for public services in lieu of all property taxes. The Annual Service Charge shall be Eight Thousand Dollars and 00/100 (\$8,000.00) and utilities.

SECTION SIX - Contractual Effect Of Ordinance. Notwithstanding the provisions of Section 15(a)(5) of the Act, to the contrary, a contract between the Village and the Sponsor with the Authority as third party beneficiary thereunder, to provide tax exemption and accept payments in lieu thereof as previously described is effected by enactment of this Ordinance.

SECTION SEVEN - Payment Of Service Charge. The service charge in lieu of taxes as determined hereunder shall be payable in the same manner as general property taxes are payable to the Village except that the annual payment shall be paid on or before February 15th of each year.

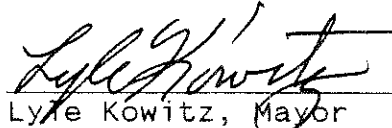
SECTION EIGHT - Duration. This Ordinance shall remain in effect and shall not terminate so long as the Mortgage Loan with FMHA remains outstanding and unpaid, but in no case longer than December 30, 2009.

SECTION NINE - 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 the Ordinance as a whole or any section or provision hereof other than the section or provision so declared to be unconstitutional or invalid.

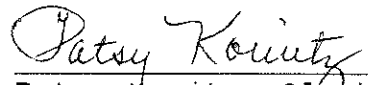
SECTION 10 - Effective Date. This Ordinance is adopted

pursuant to and in conjunction with Ordinance 1989-10-1.
This Ordinance shall become effective upon enactment and
publication.

This Ordinance accepted at a regular Village Council
Meeting on October 10, 1989.



Lyle Kowitz, Mayor



Patsy Kowitz, Clerk

Affidavit of Publication

Village of Camden DN10/23

PUBLIC NOTICE

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1989-102

STATE OF MICHIGAN)

:SS

County of Hillsdale)

Kimberly M. Benedict being first duly sworn, says that she is the advertising manager of the Hillsdale Daily News, a newspaper published in the English language for the dissemination of local or transmitted news and intelligence of a general character and legal news, which is a duly qualified newspaper, and that annexed hereto is a copy of a certain order taken from said newspaper, in which the order was published on the following dates, to wit:

October 19, 1989

Kimberly M. Benedict
(Advertising Manager)

Subscribed and sworn to before me this

31st day of October

A.D. 19 89

Imogene Jacks
Notary Public for Hillsdale County

My Commission Expires 01-05-92

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Lyle Kowitz, Mayor
Patsy Kowitz, Clerk
DN10/23 Oct. 19