

**Chapter 105**

**TAXATION**

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Charge**

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**[HISTORY: Adopted by the Village Council of the Village of Bellaire as indicated in article histories. Amendments noted where applicable.]**

**ARTICLE I  
Bellaire Senior Apartments Service Charge  
[Adopted 6-18-2003 by Ord. No. 11-2003<sup>1</sup>]**

**§ 105-1. Title.**

This article shall be known and cited as the “Village of Bellaire Tax Exemption Ordinance.”

**§ 105-2. Statutory authority and findings.**

- A. It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its citizens of low 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 § 125.1401 et seq., MSA Section 116.114(1) et seq.]. The Village is authorized by this Act to establish or change the service charge to be paid in lieu of property taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed property taxes that would be paid but for this Act. It is further acknowledged that such housing for persons of low 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 for such housing is a valid public purpose; further, that the continuance of the provisions of this article for tax

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<sup>1</sup>. Editor’s Note: This ordinance also superseded former Art. I, Bellaire Senior Apartment Service Charge, adopted 5-23-2002 by Ord. No. 4-2002.

exemption and the service charge in lieu of property taxes during the period contemplated in this article are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

- B. The Village acknowledges that Northern Homes Community Development Corporation (the “sponsor”) has offered, subject to receipt of an allocation under the LIHTC Program from the Michigan State Housing Development Authority, to erect, own and operate a housing development identified as Bellaire Senior Apartments on certain property located at 503 Beech Street in the Village to serve persons of low income, and that the sponsor has offered to pay the Village on account of this housing development an annual service charge for public service in lieu of all property taxes.

**§ 105-3. Definitions.**

All terms shall be defined as set forth in the State Housing Development Authority Act of 1966, being Public Act 346 of 1966 of the State of Michigan, as amended, except as follows:

ACT — The State Housing Development Authority Act, being Public Act 346 of 1966 of the State of Michigan, as amended.

ANNUAL SHELTER RENT — The total collections during an agreed annual period from all occupants of a housing development representing rent or occupancy charges, exclusive of charges for water and sewer furnished to the occupants.

AUTHORITY — the Michigan State Housing Development Authority, a public body, corporate and politic of the State of Michigan.

HOUSING DEVELOPMENT — A development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the Authority determines improve the quality of the development as it relates to housing for persons of low income.

LIHTC PROGRAM — The Low Income Housing Tax Credit Program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.

SPONSOR — an entity which has applied to the Authority for an allocation under the LIHTC program to finance a housing development.

**§ 105-4. Class of housing developments.**

It is determined that the class of housing development to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such property taxes shall be for Bellaire Senior Apartments, which are assisted pursuant to the Act. It is further determined that Bellaire Senior Apartments are of this class.

**§ 105-5. Establishment of annual service charge.**

The Housing Development identified as Bellaire Senior Apartments, and the property on which it shall be constructed, shall be exempt from all property taxes from and after the commencement of construction. The Village, acknowledging that the sponsor has established the economic feasibility of the housing development in reliance upon the enactment and continuing effect of this article and the qualification of the housing development for exemption from all property taxes and a payment in lieu of property taxes as established in this article, and in consideration of the sponsor's offer, subject to receipt of an allocation under the LIHTC Program from the Authority, to construct, own and operate the housing development, agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge shall be equal to 2.5% (0.025) of the annual shelter rents actually collected for the first 15 years following issuance of the certificate of occupancy of the apartments.

**§ 105-6. Payment of service charge.**

- A. The service charge in lieu of property taxes as determined under the article 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 the first day of May in the year following the year for which the payment is due. Nonpayment of the annual service charge shall result in the property going back on the tax rolls for general property tax purposes for the year in which the annual service charges are not paid and thereafter.
- B. Notwithstanding § 105-5, the service charge to be paid each year in lieu of property taxes for the part of the housing development which is tax exempt and which is occupied by other than low income persons or families shall be equal to the full amount of the property taxes which would be paid on that portion of the housing development if the housing development were not tax exempt.
- C. The term “low income persons or families” as used herein shall be the same meaning as found in Section 15(a)(7) of the Act.

**§ 105-7. Duration.**

This article shall remain in effect and shall not terminate for 15 years, provided that construction of the housing development commences within one year from the effective date of this article. In the event that there is nonpayment of service charges, and the property goes back on the tax rolls for general property taxation purposes, this article is automatically repealed.

**§ 105-8. Property affected.**

This article shall apply to the following real property: Commencing at the northwest corner of Lot 13, Block A, Plat of Briggs and Adams Addition; thence east 198 feet; thence south approximately 195 feet; thence west approximately 107 feet; thence south 77 feet, thence west 97 feet to the east line of Beech Street, if extended; thence north along the east line to the point of beginning, being part of the northeast 1/4 of the northwest 1/4 of Section 30, T30N, R7W and part of Lot 13, Block A, Plat of Briggs and

Adams Addition to the Village of Bellaire.