

**CHARTER TOWNSHIP OF SUPERIOR  
SPECIAL MEETING  
OF  
SUPERIOR TOWNSHIP BOARD OF TRUSTEES  
SUPERIOR CHARTER TOWNSHIP HALL  
3040 N. PROSPECT, YPSILANTI, MI 48198  
TUESDAY, NOVEMBER 29, 2016  
4:00 p.m.  
AGENDA**

1. CALL TO ORDER
2. ROLL CALL
3. ADOPTION OF AGENDA
4. NEW BUSINESS
  - a. Amended and Restated Tax Exemption Ordinance # 159
  - b. Security Agreement
5. Adjournment

**SUPERIOR CHARTER TOWNSHIP BOARD  
RESOLUTION**

**RESOLUTION 2016-34**

**November 29, 2016**

**WHEREAS**, On November 21, 2016 a motion was approved to introduce Ordinance Number 159 for consideration; and,

**WHEREAS**, on November 29, 2016, Supervisor Ken Schwartz called for a special meeting to adopt Ordinance Number 159; and,

**WHEREAS**, the Ordinance has been duly considered by the Board of Trustees.

**NOW THEREFORE BE IT RESOLVED**, that the Superior Township Board repeals and restates Ordinance Number 159 and directs the Clerk to publish said ordinance and otherwise fulfill all tasks associated with the enabling statute. This ordinance takes effect upon publication.

I Lynette Findley, the duly qualified Clerk of the Charter Township of Superior, Washtenaw County, Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted at a regular meeting of the Superior Charter Township Board held on November 29, 2016 and that public notices of said meeting were given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended.

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Lynette Findley, Clerk  
Superior Township

**SUPERIOR CHARTER TOWNSHIP  
WASHTENAW COUNTY, MICHIGAN**

**ORDINANCE NO. 159**

**AMENDED AND RESTATED TAX EXEMPTION ORDINANCE**

An Ordinance to provide for a service charge in lieu of taxes for a multiple family dwelling project for persons of low income to be financed or assisted pursuant to the provisions of the State Housing Development Authority Act of 1966.

**THE SUPERIOR CHARTER TOWNSHIP ORDAINS:**

**Section 159.01.Short Title**

This Ordinance shall be known and cited as the “Danbury Park Manor Tax Exemption Ordinance.”

**Section 159.02. 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 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, MCL Section 125.1401 *et seq.*). Superior Charter Township is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by an or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed the taxes that would be but for this Act. It is further acknowledged that such housing for persons of low income is a public necessity, and as Superior Charter Township 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 Ordinance for tax exemption and the service charge in lieu of taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

The Charter Township of Superior acknowledges that Danbury Limited Dividend Housing Association LLC its successors and assigns (the “Sponsor”) has offered subject to receipt of a federally aided or state-aided mortgage as such terms are defined in the Actor subject to assumption of the existing LIHTC Program Regulatory Agreement to own and operate a housing development identified as Danbury Park Manor on certain property located at 9412 MacArthur Boulevard, Superior Charter Township, Washtenaw County, Michigan to serve persons of low income and that the

Sponsor has offered to pay Superior Charter Township on account of this housing development an annual service charge for public services in lieu of all taxes.

**Section 159.03. Definitions.**

- A. Authority means the Michigan State Housing Development Authority.
- B. Act means the State Housing Development Authority Act, being Public Act 346 of 1966, of the State of Michigan, as amended.
- C. Annual Shelter Rent means the total collections during an agreed annual period from 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.
- D. Housing Development means 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 related to housing for persons of low income.
- E. Low Income Persons or Families means low income persons or families as defined in Section 15(a)(7) of the Act.
- F. LIHTC Program means the Low Income Housing Tax Credit Program administered by the Authority pursuant to Section 42 of the Internal Revenue Code of 1986, as amended.
- G. Mortgage Loan means any state-aided or federally-aided mortgage as such terms are defined in the Act to the Sponsor for the permanent financing of the Housing Development.
- H. Utilities means fuel, water, sanitary sewer service and/or electrical service which are paid by the Housing Development.
- I. Sponsor means person(s) or entities which received a Mortgage Loan to finance a Housing Development or assumed the existing LIHTC Program Regulatory Agreement. Danbury Limited Dividend Housing Association LLC is presently the Sponsor of the Housing Development identified in this Ordinance.
- J. Township means the Charter Township of Superior.

**Section 159.04. Class of Housing Developments**

It is 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 housing developments for low income persons, which are financed or assisted pursuant to the Act. It is further determined that Danbury Park Manor is of this class. On or before November 1 of each year, the Sponsor shall file an annual notification of

eligibility for the exemption by affidavit which shall include certification of eligibility by the Authority with the local assessing officer.

### **Section 159.05. Establishment of Annual Service Charge**

The Housing Development identified as Danbury Park Manor and the property on which it is located shall be exempt from all property taxes from and after the date of enactment of this Ordinance. The Township, acknowledging that the Sponsor has established the continuing 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 in this Ordinance, agrees to accept payment of an annual service charge for public services in lieu of all property taxes. For the initial year under this agreement the Annual Service Charge shall be 4% of Annual Shelter Rents. For each year thereafter, the Annual Service charge shall be equal to the greater of the following:

- A. 4% of the Annual Shelter Rents actually collected and utilities; or
- B. The amount of the previous year's service charge increased by CPI, not to exceed 2% of that amount.

Additionally, Sponsor shall pay the administrative costs and attorney fees of the Township for establishment of the PILOT.

### **Section 159.06. Amendment of Annual Service Charge**

In the event, the Security Service Agreement dated \_\_\_\_\_, 2016 between the Township and Sponsor is terminated for any reason, it is agreed that the provisions of Section 159.05 regarding the annual service charge shall be amended to provide that the Annual Service Charge shall be equal to the greater of the following:

- A. 7.5% of the difference between the Annual Shelter Rents actually collected and utilities; or
- B. The amount of the previous year's service charge increased by CPI, not to exceed 2% of that amount.

### **Section 159.07. Limitation on the Payment of Annual Service Charge**

Notwithstanding Section 5, the service charge to be paid each year in lieu of 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 taxes which would be paid on that portion of the Housing Development if the Housing Development were not tax exempt.

The term "low income" as used herein shall be the same as found in Section 15(a)(7) of the Act.

The service charge provided by this Ordinance shall not exceed the tax that would be paid but for the Act and this Ordinance.

**Section 159.08. Contractual Effect of Ordinance**

Notwithstanding the provisions of Section 15(a) of the Act to the contrary, a contract between the Township and the Sponsor to provide tax exemption and accept payments in lieu of taxes is effectuated by enactment of this Ordinance.

**Section 159.09. Payment of Service Charge**

The service charge in lieu of taxes as determined under the Ordinance shall be payable in the same manner as general property taxes are payable to the Township except that the annual payment shall be paid on or before May 1<sup>st</sup> of each year. Payment of the service charge in lieu of taxes after May 1<sup>st</sup> shall be subject to an additional monthly service charge of 0.5% on the unpaid balance.

The Sponsor agrees to provide documentation by calendar year of monthly rents collected and occupancy by month and unit for each Housing Development provided that the identity of tenants remains anonymous. Units shall be identified by efficiency, one-bedroom, two-bedroom and three-bedroom designations.

The Township shall be responsible for the distribution of the service charges in lieu of taxes to the several taxing units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year or as otherwise provided in the Act.

**Section 159.10. Duration**

It is the intent of the Township and Sponsor that this Ordinance shall remain in effect and shall not terminate so long as the Housing Development shall remain subject to income and use restrictions imposed by HUD or Section 42 of the LIHTC program or MSHDA. The Township further reserves the right to repeal this Ordinance in accordance with the Act.

It is further the intent of the Parties that in the event Housing Development is sold, transferred, or refinanced by the Sponsor or a related entity of the Sponsor, this Ordinance shall remain in full force and effect and without further action by the Sponsor or the Township to otherwise change, alter or amend this Ordinance.

**Section 159.11. 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 of this Ordinance other than the section or provision so declared to unconstitutional or invalid.

**Section 159.12. Effective Date**

The Township Clerk shall cause this Ordinance to be published in the manner required by law. This Ordinance shall be effective as of the date of final publication of the Ordinance and shall apply commencing with the 2017 tax year.

This Ordinance was duly adopted by the Charter Superior of Township Board at a special meeting called and held on the 29<sup>th</sup> day of November, 2016; and was introduced for first reading at a regular meeting held on the 21<sup>st</sup> day of November, 2016, and was ordered given publication in the manner required by law.

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Kenneth Schwartz  
Supervisor

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Lynette M. Findley  
Clerk

**CERTIFICATE**

I, Lynette M. Findley, Clerk of the Charter Township of Superior, Washtenaw County, Michigan, hereby certify that the foregoing constitutes a true and complete copy of Superior Charter Township Ordinance No. 159, which was duly adopted by the Township Board of the Charter Township of Superior at a special Meeting of said Board, held on the 29th day of November, after said Ordinance had previously been introduced at a Regular Meeting of the Board held November 21, 2016, and published in the form it was introduced in accordance with P.A. 359 of 1947, as amended.

I further certify that Member \_\_\_\_\_ moved for adoption of said Ordinance, and that Member \_\_\_\_\_ supported said Motion. I further certify that it was adopted unanimously.

Dated:

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Lynette M. Findley  
Clerk

**SUPERIOR CHARTER TOWNSHIP BOARD  
RESOLUTION**

**RESOLUTION 2016-35**

**November 29, 2016**

**A RESOLUTION APPROVING THE SECURITY AGREEMENT WITH  
DANBURY LIMITED DIVIDEND HOUSING ASSOCIATION LLC**

**WHEREAS**, the Danbury Limited Dividend Housing Association LLL is purchasing the assets of Danbury Park Manor; and ,

**WHEREAS**, Superior Township and Danbury Limited Dividend Housing Association LLC wishes to enter a Security Services Agreement to provide a method to calculate Danbury's cost of police protection and describing other obligations.

**NOW THEREFORE BE IT RESOLVED** that the Superior Charter Township Board of Trustees authorizes the administrative staff to execute the security agreement with Danbury Limited Dividend Association LLC.

I Lynette Findley, the duly qualified Clerk of the Charter Township of Superior, Washtenaw County, Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted at a regular meeting of the Superior Charter Township Board held on November 29, 2016 and that public notices of said meeting were given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended.

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Lynette Findley, Clerk  
Superior Township

## SECURITY SERVICES AGREEMENT

THIS SECURITY SERVICES AGREEMENT is made effective as of \_\_\_\_\_, between and among Superior Charter Township, Washtenaw County, Michigan (the "Township"); Danbury Limited Dividend Housing Association LLC, its successor and assigns (the "Danbury LDHA") and the Washtenaw County Sherriff's Department ("WCSD").

### RECITALS

WHEREAS, the Township first contracted with Danbury Park Manor ("Danbury"), a federally assisted multifamily housing property located in the Township (herein referred to as "Property" or "Danbury" as the context may require), effective January 1, 1992, to arrange with WCSD to provide certain specialized law enforcement services to the Property ("Original Agreement"), which was extended and amended by First Amendment dated July 1, 1993; and

WHEREAS, the Original Agreement provided for the assignment of a WCSD deputy sheriff ("Deputy") to patrol the Property; and

WHEREAS, the term of the Original Agreement covered a twelve-month period starting January 1, 2002 and ending December 31, 2002 and later was extended indefinitely until otherwise extended, terminated or changed; and

WHEREAS, Danbury LDHA will purchase the Property and wishes to enter into a new Security Services Agreement with the Township and WCSD.

NOW THEREFORE, inconsideration of the mutual promises and covenants hereinafter set forth, it is mutually agreed as follows:

1. **Deputy.** The Township will supply the services of part-time Deputy to Danbury under the terms and conditions set forth herein.
2. **Term of Agreement.** This Agreement shall expire at the end of each calendar year, provided, however, that the term shall automatically renew at the end of each calendar year unless terminated by either:
  - a. The mutual agreement of the Parties hereto, or
  - b. The Township, by providing Danbury LDHA written notice of intent to terminate by no later than December 1<sup>st</sup>.
3. **Costs.** The Township will charge Danbury 52.30% of the annual cost charged by the WCSD to the Township for a full time Deputy (for 2016 the annual cost is \$158,276 which at 52.30% equates to an annual payment of \$82,778). This cost will be payable in 12 equal monthly payments. The Township shall promptly notify Danbury of any costs increases imposed by the WCSD.

4. **Overtime Charges.** Further, the Township will charge Danbury for overtime costs incurred by the Township for police services rendered by the WCSD which are directly attributable to police services for or on behalf of the Property and approved in writing by the Property.

5. **Scheduling.** Danbury shall be entitled to participate in the planning of the Deputy's patrols to meet the needs of the Property. Currently, it is Danbury's preference to utilize a significant portion of the Deputy's hours during evenings and on weekends. Should either the Township or Danbury wish to change the schedule, a joint meeting will be conducted to coordinate a mutually agreed upon schedule.

6. **Reporting and Coordination.** To ensure effective communications and coordination among WCSD staff, the Property and the Township and to assist in evaluating the cost and benefits of the Deputy and Special Operations programs:

a. The Deputy will meet with Danbury at such times and at such location as is mutually agreed by the parties, and will generally make daily visits to Danbury offices unless other mutually agreed arrangements are made such as telephone calls.

b. The Township will cause WCSD to prepare and submit to Danbury a monthly narrative written activity reports with copies to the Township describing (1) the activities of the Deputy and specifically accounting for overtime charges incurred by the Township which are claimed to be directly attributable to the Property; and (2) reporting on any noteworthy security incidents encountered on any property during the preceding month. Specific incident details will be provided in narrative format during office visits.

c. Should Danbury dispute any Overtime Charges or if such charges are not adequately detailed by the Township (the Disputed Charges"), Danbury may withhold payment for the Disputed Charges and all subsequent Overtime Charges until such time as the Township and Danbury meet and resolve the Disputed Charges.

7. **Payment Schedule.** Payments by Danbury will be due to the Township within 30 days of invoice by the Township on a monthly or quarterly basis at the convenience of the Township, with each invoice covering the services provided subsequent to the previous invoice date.

8. **Stipulated Caveat.** It is expressly intended and understood that the services of the Deputy are designed to supplement and increase the level of law enforcement service that otherwise would be available for Danbury. Apart from and outside the scope of this agreement, the Property and their residents already have the right of full access to 24 hour, seven days per week, WCSD police protection provided by Township contract with the WCSD on the same basis as all other tax payers and residents within the Township and Washtenaw County. The Property and their residents

are entitled to access these services as tax paying citizens of the County. Response priority decisions to "911" service calls will be made by WCSD in accordance with usual law enforcement guidelines.

9. **Limitations on Service.** It is also understood and agreed that the Township and WCSD's ability to provide dedicated special law enforcement to the Property is limited by (1) the terms of the Township's contract with the WCSD; (2) the funding and availability of police manpower assigned to the Township's contract with the WCSD; and (3) the funding and availability of police manpower assigned to the Township at large. Therefore, the purpose of this security Agreement is to enable the Township to contract for and to provide the additional law enforcement services contemplated herein that otherwise would be financially unfeasible for the Township.

10. **Entire Agreement.** This Security Agreement represents the entire agreement among the parties and supersedes and voids any and all prior agreements and understandings, provided, however, that the Agreement covering, but not limited to, such matters as insurance and individual liabilities will continue to apply. These agreements may only be amended by written instruments executed by the parties hereto.

IN WITNESS WHEREOF, the Township, Danbury the WCSD have executed this agreement to be effective \_\_\_\_\_.

DANBURY LIMITED DIVIDEND  
HOUSING ASSOCIATION LLC

Date signed: \_\_\_\_\_, 2016

\_\_\_\_\_  
By:  
Its:

CHARTER TOWNSHIP OF SUPERIOR

Date signed: \_\_\_\_\_, 2016

\_\_\_\_\_  
By: Kenneth Schwartz  
Its: Supervisor

WASHTENAW COUNTY  
SHERIFF DEPARTMENT

Date signed: \_\_\_\_\_, 2016

\_\_\_\_\_  
By:

Its: