

ORDINANCE NO. _____

VILLAGE OF NORTHPORT

ATTAINABLE HOUSING FACILITIES EXEMPTION ORDINANCE

Preamble:

An ordinance enacted pursuant to the Michigan Attainable Housing Facilities Act, Public Act 236 of 2022 (“the Act”), to establish an *Attainable Housing District* encompassing the entire Village of Northport; to encourage the development and rehabilitation of attainable rental housing for income-qualified households; to provide a property tax exemption for certain 1–4 unit attainable rental housing developments (new construction, conversions, or rehabilitations) within the Village, in exchange for a specific service charge in lieu of ad valorem property taxes as authorized by law; to set forth the terms, conditions, and procedures for obtaining and administering such exemption (including application, Village Council approval, and annual compliance requirements); and to provide for severability and an effective date. This ordinance is enacted under the authority of Public Act 236 of 2022, which authorizes local units to create attainable housing districts and grant property tax exemptions for qualified housing facilities

THE VILLAGE OF NORTHPORT HEREBY ORDAINS:

Section 1. Title and Purpose

This ordinance shall be known as the “Attainable Housing Facilities Exemption Ordinance.” Its purpose is to stimulate the provision of *attainable housing* within the Village by establishing an attainable housing district and a property tax exemption program consistent with Public Act 236 of 2022. The intent is to offer a tax incentive to owners of small-scale rental housing developments (1–4 units) that are *affordable* to moderate-income households, thereby encouraging the renovation of aging housing stock, the conversion of underutilized buildings to residential use, and the construction of new attainable housing units.

Section 2. Definitions

For the purpose of this ordinance, the following terms are defined as follows (terms not defined here shall have the meanings given in the Act):

- “Act” means the Michigan *Attainable Housing Facilities Act*, 2022 PA 236, as amended (MCL 207.901 *et seq.*).
- “Attainable Housing District” or “District” means the area within the Village of Northport established under Section 3 of this ordinance in which attainable housing property is or will be located, pursuant to Section 3 of the Act.
- “Attainable Housing Property” means residential real property of not more than 4 dwelling units, not occupied by an owner, that is used for residential rental purposes. To qualify, each such unit must be leased to an Income-Qualified Household at an affordable rent not exceeding 30% of that household’s Modified Household Income, as determined by the Village in accordance with the Act. *Attainable Housing Property* includes an existing building or contiguous group of buildings previously used for industrial or commercial purposes that is being converted to residential use (not more than 4 units) for lease to Income-Qualified Households at affordable rents. *Attainable Housing Property* does not include the land on which the dwelling is situated or any property of a public utility.

- “Income-Qualified Household” means a household (an individual, couple, family, or unrelated individuals living together) with an adjusted household income that is *120% or less of the countywide area median income (AMI)*, as determined and published annually by the Michigan State Housing Development Authority (MSHDA). The determination of adjusted household income and area median income shall be in accordance with the definitions and methodology set forth in the Act and applicable state regulations.
- “Modified Household Income” means the household’s gross annual income from all sources (before taxes) minus the deductions allowed under the Act (for example, certain unusual income, allowances per household member, income of minors, partial exclusion of a secondary earner’s income, etc., as defined in Section 2 of the Act). This figure is used to calculate the 30% rent affordability test for an Income-Qualified Household.
- “Qualified Facility” means an *Attainable Housing Property* that is located in the Attainable Housing District and is either a New Facility or a Rehabilitated Facility, as defined below, for which a valid *Attainable Housing Exemption Certificate* has been issued by the State Tax Commission under the Act. A *Qualified Facility* includes the housing units and any related improvements, but does not include the underlying land.
- “New Facility” means an Attainable Housing Property that is newly constructed on or after December 13, 2022 (the effective date of the Act).
- “Rehabilitated Facility” means an existing Attainable Housing Property that has been renovated or converted on or after December 13, 2022, with a total investment of at least \$5,000, to bring the property into compliance with applicable building codes and make it suitable for occupancy. *Rehabilitated Facility* may include the conversion of a non-residential building into an Attainable Housing Property, as described above.
- “Attainable Housing Exemption Certificate” (or “Certificate”) means the certificate issued by the State Tax Commission pursuant to the Act and this ordinance, which certifies a property’s exemption from ad valorem property taxes and its liability for the specific tax under the Act. A Certificate will detail the property’s identity, the term of the exemption, and other conditions as required by law.
- “Attainable Housing Facilities Tax” (also referred to as the “Specific Tax” or “Service Charge in Lieu of Taxes”) means the specific annual tax levied under the Act upon the owner of a Qualified Facility in lieu of general ad valorem property taxes. The Specific Tax is collected and disbursed to taxing units as provided in the Act, and is calculated each year according to the formulas set forth in Section 10 of the Act (which generally compute the tax at approximately one-half of the usual property tax rate, applied to the current taxable value of the improvements, with adjustments as provided by the Act).

(Note: For convenience, this ordinance may refer to the Specific Tax as a “service charge in lieu of taxes,” consistent with common practice. However, the payment is a state-authorized specific tax and shall be administered in accordance with the Act.)

Section 3. Establishment of Attainable Housing District

District Created: The Village of Northport hereby establishes one Attainable Housing District encompassing the entire geographic boundaries of the Village. The District shall include all parcels of real property located within the Village limits. This designation is made pursuant to Section 3 of the Act, which authorizes a city, village, or township to establish one or more attainable housing districts by resolution of its legislative body. The Village Council finds that

the creation of a Village-wide district will provide flexibility for attainable housing projects throughout the community.

Procedural Compliance: The District has been established by resolution of the Village Council concurrent with the adoption of this ordinance. All procedural requirements of the Act for establishing the District have been met or will be met, including the provision of written notice to Leelanau County and to the property owners within the proposed District, and the holding of a public hearing with an opportunity for affected property owners, taxpayers, and residents to be heard. The Clerk shall maintain a record of the District establishment, and a description of the District shall be filed or referenced with the Village zoning or assessment records for clarity. The entire area within the Village shall henceforth be considered an Attainable Housing District under the Act until such time as this ordinance is amended or repealed.

Section 4. Authorization of Property Tax Exemption for Attainable Housing Facilities

Eligible Properties – Class of Projects: The property tax exemption established by this ordinance shall apply to Qualified Facilities within the Village – namely, Attainable Housing Properties (1–4 unit rental housing developments) that are newly constructed, converted, or rehabilitated after the effective date of the Act, *and* that meet all of the following eligibility criteria:

1. The property is located in the Village of Northport Attainable Housing District (as designated in Section 3, above).
2. The development consists of no more than four (4) rental dwelling units and is not occupied by an owner (i.e. it is entirely rental housing).
3. The rental units are and will be leased only to Income-Qualified Households (households at or below 120% AMI) at rents that do not exceed 30% of the household's income, as defined and required by the Act.
4. If the project is a Rehabilitated Facility (including conversions of non-residential buildings to residential use), the owner will invest at least \$5,000 in new improvements to update the property and bring it into compliance with minimum building code standards, as required by the Act.
5. Minimum Set-Aside of Attainable Units: The owner agrees that a minimum of 30% of the dwelling units, and not fewer than one unit in any case, shall be continuously reserved for occupancy by Income-Qualified Households during the entire exemption period. (In other words, at least 1 of every 1–3 units, and at least 2 of 4 units, must meet the income and affordability criteria at all times.) The remaining units in the development, if any, may be rented at market rates; however, any unit not occupied by an Income-Qualified Household will not receive a tax benefit and will be subject to the full Specific Tax as described in Section 7 below.

Exemption of Ad Valorem Taxes: A Qualified Facility that has been granted an Attainable Housing Exemption Certificate *shall be exempt from all ad valorem property taxes* levied by the Village, County, school district, and other taxing authorities on the *housing units* of the facility for the duration of the Certificate, except for taxes levied on the land (which is not exempt). This property tax exemption shall commence on the effective date of the Certificate and continue for the term specified in the Certificate, unless the Certificate is revoked or otherwise terminated as provided by law. During the exemption period, the owner of the Qualified Facility shall instead pay the Specific Tax (service charge in lieu of taxes) as set forth in Section 7 of this ordinance and in the Act. The land portion of the property's taxable value shall remain subject to regular ad valorem property taxes.

Public Purpose Finding: It is hereby found and declared that facilitating the creation and preservation of attainable housing for middle-income households within the Village serves a valid public purpose by improving housing affordability for the local workforce and community, redeveloping underutilized properties, and promoting economic and social benefits. The property tax exemption provided by this ordinance is granted pursuant to the Act and is conditioned on the applicant's continuing compliance with the requirements of the Act and this ordinance, including the occupancy of the housing units by Income-Qualified Households at affordable rental rates. Tax exemption under this ordinance is available only for those housing units and periods of time in which all statutory income and rent tests¹⁹ are met. Any units or time periods not meeting the Act's requirements are subject to full taxation (via the Specific Tax equal to normal ad valorem taxes¹⁸) per Section 10(5) of the Act.

Section 5. Application for Exemption; Review and Approval by Village Council

Application Submission: An owner of a property located in the Attainable Housing District who desires to obtain an Attainable Housing Exemption Certificate shall submit a written application to the Village Clerk. The application shall be on the form prescribed by the State Tax Commission (currently Treasury Form 5857 or its successor) and shall include all information and documentation required by the Act and by the Village. At minimum, the application must include or be accompanied by the following:

- a. Property Description: A legal description of the property and a description of the existing facility (including number of units, building size, year built, current use or most recent use, etc.).
- b. Project Description: A narrative and plans describing the proposed project for which the tax exemption is sought. This should include whether the project is new construction, rehabilitation, or conversion; the *general nature and extent* of the construction or renovation work to be done; a detailed estimate of costs to be invested in the project; and a time schedule²⁰ for commencement and completion of the work.
- c. Site Plan/Floor Plan: A site plan and building floor plan of the housing project, approved by the Village Planning Commission or Zoning Administrator as required under local zoning. The plans must show the total number of residential dwelling units that will exist on the property²¹ and their configuration. (If the project involves new construction or exterior modifications, site plan approval under the zoning ordinance may be required; if only interior rehabilitation, a floor/layout plan approved by the Zoning Administrator or Building Official may suffice.)
- d. Attainable Units Set-Aside Statement: A statement²² indicating the number of dwelling units that will be reserved for Income-Qualified Households (attainable units) at any given time throughout each calendar year in which the exemption is in effect. This shall include the minimum set-aside (at least 30% of units, not less than one unit) and identify which specific unit(s) are initially designated as the *attainable housing units* (if known).
- e. Affordability Compliance Agreement: A signed statement or agreement by the applicant affirming that each designated attainable housing unit will be leased to Income-Qualified Households at rents not exceeding 30% of their income, and agreeing to comply with annual income verification and reporting requirements as described in Section 8 of this ordinance and in the Act.
- f. Other Information: Any other information required on the State Tax Commission's application form or by the Village to demonstrate that the project meets the eligibility criteria of Section 4. For example, the Village may require documentation of household income eligibility for any initial tenants, evidence of current area median income figures, or other

pertinent information.

All applications shall be signed by the property owner (and any authorized developer or representative) and filed with the Clerk along with the required application fee (see Section 6). The Clerk shall date-stamp applications upon receipt. Incomplete applications may be returned or held for additional information at the Clerk's discretion.

Notice to Taxing Units and Hearing: Upon receipt of a complete application, the Village Clerk shall promptly notify the local assessing officer (Village Assessor) and the governing bodies of each taxing unit that levies property taxes within the Village (e.g. the County, Northport Public School District, intermediate school district, etc.) that an application for an attainable housing exemption has been filed. The Village Council shall hold a public hearing²⁴ to consider the application within a reasonable time. Notice of the time, date, and place of the hearing shall be given to the applicant, the assessor, a representative of the affected taxing units, and the general public, in accordance with the Open Meetings Act (1976 PA 267) and the Act's requirements.²⁵ The hearing on the application shall be held separately from (i.e. not combined with) the hearing on establishing the District, if the District hearing has not already occurred.²⁶ At the hearing, the applicant or any interested persons may present evidence and comments regarding the application.

Decision by Village Council: Within 60 business days after the Clerk receives a complete application, the Village Council shall by resolution either approve or deny the application for an exemption certificate, in accordance with the standards of the Act. The Council's decision shall be based on whether²⁷ the proposed project and the applicant meet all requirements of the Act and this ordinance. The Council may consider, among other things, the following criteria when evaluating an application:

1. **Eligibility:** Whether the property and project are a Qualified Facility as defined (location in District; 1–4 rental units; new construction or qualifying rehabilitation; commitment to rent to Income- Qualified Households at affordable rent; etc.).
2. **Completeness and Compliance:** Whether the applicant has submitted all required information (site plan, set-aside statement, etc.) and agreed in writing to comply with the Act's ongoing requirements (annual tenant income certification, maintaining the required set-aside of attainable units, etc.).²⁸
3. **Public Benefit:** The extent to which the project will contribute to providing attainable housing in the Village and serve the public purpose intended by this ordinance.
4. **Financial Impact:** The impact of the tax exemption on the Village's tax base and that of other taxing units. If approval of the application would result²⁹ in the total taxable value of property exempt under this program (and under any Industrial Facilities Tax abatement under 1974 PA 198) exceeding 5% of the Village's total taxable value, the Council shall make a separate finding as required by the Act that granting the exemption will *not* have the effect of substantially impeding the operation of the Village or *impairing the financial soundness* of any affected taxing unit. (The Council shall include such a finding in its resolution if applicable.)

If the Council approves the application, it shall do so by adopting a resolution that specifies the number of years for which the exemption is granted (see Section 7 below), any conditions or factors for potential extension of the exemption, and any other material terms required by law. The Clerk shall retain the original application and resolution, and forward a copy of both to the

State Tax Commission (Michigan Department of Treasury) for final review and approval as required by the Act. If the Council denies the application, it shall do so by resolution stating the reasons for denial. The Clerk shall send a copy of the denial resolution, by certified mail, to the applicant and to the Village Assessor. (Failure of the Council to act on an application within 60 business days of filing shall be deemed a denial by law.)

Approval of an application by the Village Council is *not effective* unless and until the State Tax Commission also approves the exemption and issues an Attainable Housing Exemption Certificate, as provided in the Act. The applicant bears the responsibility of satisfying any additional requirements of the State Tax Commission to obtain the Certificate. The Village Council's approval may be revoked by the Council or deemed void if the State Tax Commission does not ultimately issue a Certificate or if the applicant fails to pursue the State's approval in a timely manner.

Section 6. Application Fee

An applicant for an attainable housing exemption under this ordinance shall pay an application fee to the Village at the time of filing the application. The amount of the fee shall be established from time to time by resolution of the Village Council. The fee is intended to cover the Village's administrative costs in reviewing the application, holding required hearings, and monitoring compliance. This fee is non-refundable (regardless of whether the exemption is granted or denied) and is in addition to any fees required by the State of Michigan for the exemption application. The Village may amend the required fee by resolution as needed to ensure it remains reasonable and commensurate with the costs incurred. No application shall be processed by the Clerk until the prescribed fee has been paid.

Section 7. Term of Exemption; Specific Tax in Lieu of Taxes

Term (Duration) of Exemption: An Attainable Housing Exemption Certificate may be issued for a period of not less than 1 year and not more than 12 years, as determined by the Village Council in its resolution approving the application. The Council shall specify in the resolution the number of years for which the exemption is granted (the "exemption period"). The exemption period will commence on December 31 immediately following the date the Certificate is issued by the State Tax Commission (unless a later date is provided in the Certificate). The exemption will terminate on the December 30 of the final year of the specified term³⁷, unless earlier revoked pursuant to Section 9 or extended as provided below.

If the Village Council determines to grant an exemption for fewer than 12 years initially, it may provide in its approval resolution that the Certificate will be subject to a post-project review (for example, at year 6 or 7) and that the exemption *may be extended* by the Council for an additional specified number of years (not to exceed a total of 15 years from completion of the project). The resolution (and the Certificate) shall state any specific factors, criteria, and objectives that the project must satisfy for the Council to consider granting such an extension. Any extension⁴⁰ of the exemption period shall require a subsequent resolution of the Council concurring in the extension and notification to the State Tax Commission, in accordance with the Act. In no event shall the total exemption period (initial term plus any extension) exceed 15 years from the completion of the facility's construction or rehabilitation. For purposes of this section, the issuance of a final Certificate of Occupancy (if required) for the housing project shall be deemed the date of completion of the facility.

Specific Tax (Service Charge in Lieu of Taxes): During the period when a Certificate is in effect for a Qualified Facility, the owner shall pay the Attainable Housing Facilities Specific Tax

each year *in lieu of* all ad valorem property taxes on the facility. The Specific Tax is hereby imposed upon each owner of a Qualified Facility within the Village, pursuant to the Act. The amount of the Specific Tax for each year shall be determined and calculated by the Village Assessor in the manner provided by Section 10 of the Act. In general, the Specific Tax for a *New Facility* each year is one-half of the average annual property tax rate (of all taxing units, for commercial/industrial classes) for the prior year, multiplied by the current taxable value of the new facility's improvements (excluding land). The Specific Tax for a *Rehabilitated Facility* is similarly one-half of the average tax rate multiplied by the current taxable value of the rehabilitated facility's improvements (excluding land). However, if any portion of a Qualified Facility (any housing unit) was not occupied by an Income-Qualified Household at affordable rent in the previous year, then the Specific Tax attributable to that portion shall equal the full amount of taxes that would have been paid on that portion if it were not exempt (i.e. no tax reduction for non-attainable units). The owner must allocate the benefit of the tax exemption exclusively to the attainable housing units on the property. In no case shall the Specific Tax charged for the entire facility exceed the amount of ad valorem taxes that would have been due for that year in the absence of an exemption.

The Specific Tax shall be collected, distributed, and enforced in the same manner as general property taxes, as provided by the Act. The Specific Tax is payable in the same installments and at the same times as regular property taxes, and the Village Treasurer (or other designated tax collector) shall distribute the Specific Tax receipts to the State, Village, County, school districts, and other taxing authorities in the same proportions as general ad valorem taxes would be distributed, except as otherwise provided by law (such as any adjustments involving the State Education Tax as described in the Act). The Specific Tax is a lien on the real property and collectible in the same manner as a tax on real property under the General Property Tax Act.

Effect of Certificate Expiration or Revocation: Upon the expiration of a Certificate's term (or upon revocation of a Certificate prior to its expiration, as provided in Section 9), the property shall immediately resume being subject to full ad valorem property taxation as provided by law. The owner shall no longer pay the Specific Tax in lieu of taxes, and the property's taxable status will return to normal beginning the year following the Certificate's expiration/revocation. The Village Treasurer shall promptly notify the owner and the State Tax Commission of the change in status and shall ensure that the property is returned to the ad valorem assessment roll at its then-current taxable value. (The Act provides that the effective date of an exemption certificate's *termination* is December 30 of the ³⁹last ⁴⁸year of the exemption, meaning the property is taxable on the next regular assessment date.)

Section 8. Ongoing Compliance and Annual Reporting Requirements

Occupancy and Affordability Requirements: The holder of an Attainable Housing Exemption Certificate must continuously comply with the eligibility conditions throughout the entire exemption period. This includes, but is not limited to:

- **Income and Rent Limits:** Each dwelling unit that is counted as an "attainable housing unit" (to satisfy the required 30% set-aside) must be occupied by an Income-Qualified Household whose income at initial occupancy (and at annual recertification) is at or below 120% of AMI, and the rent charged for that unit must not exceed 30% of that household's Modified Income. If a tenant's income ¹⁹increases above the eligibility threshold after moving in, see below for recertification

procedures.

- **Minimum Attainable Units:** At least the minimum number of units required by Section 4 (30% of total, not less than one unit) must be maintained as attainable units at all times. If a designated attainable unit becomes vacant or a tenant is no longer qualified, the owner must take prompt action to re-lease that unit to an eligible household (or designate another unit as the attainable unit) so as to remain in compliance with the required set-aside.
- **No Owner-Occupancy:** The property must remain *non-owner-occupied* (entirely rental) during the exemption period. Owner-occupancy of any unit will nullify the property's eligibility.
- **Property Maintenance:** The owner shall maintain the qualified rental units in a safe and habitable condition, consistent with all applicable building, housing, and property maintenance codes. Any code violations or conditions rendering the units uninhabitable may be grounds for revocation of the exemption if not timely corrected.

Annual Tenant Income Certification: For each calendar year during which a Certificate is in effect, the property owner shall certify the incomes of the occupants of each designated attainable housing unit. Specifically, the owner must obtain documentation of the household's income and calculate the household's adjusted income and Modified Income as defined by the Act. The owner shall then certify to the Village, on a form or in a format approved by the Village, that the household remains income-eligible (or note if they are no longer eligible). This annual income certification shall be provided to the Village Council (through the Clerk or other designated official) each year by a date specified by the Village, which shall generally be a date shortly after the income data (such as tax returns or other verifications) become available for the prior year. *By default, the owner shall submit an income certification for each applicable unit by June 1 of each year, unless the Village specifies a different deadline.* This annual certification to the Village is a condition of continuing exemption and is required by Section 8(2)(c) of the Act.

The income certification provided for each unit/household must be sufficient to demonstrate whether the household's income remains at or below 120% AMI. The Village may require submission of supporting documents (such as copies of tenant-provided income verifications, affidavits, or tax returns) as part of the annual report, to the extent permitted by law, or may require the owner and/or tenants to sign affidavits confirming the income information. The Village Council (or its designee) is authorized to establish guidelines or forms for the owner's annual compliance reporting.

Annual Compliance Report: In addition to the income certifications, the owner shall submit an annual report to the Village Council summarizing compliance with the terms of the exemption for the prior year. This report may be combined with the income certification submission. At minimum, the annual report should include: (1) the address of the property and Certificate number; (2) the names of all tenants/ occupants of each residential unit during the year (or at least identification of which units were occupied by Income-Qualified Households and which were not); (3) the household income (adjusted income) of each tenant household in the attainable units, and the corresponding rent charged for those units; (4) a statement confirming whether those rents were at or below 30% of the household's Modified Income; (5) identification of any units that were *not* occupied by Income-Qualified Households and confirmation that full Specific Tax was paid on those units as required; and (6) if

applicable, an explanation of any instances of non-compliance and the corrective actions taken or planned. This report will enable the Village to verify that the property continues to meet the Act's requirements each year.

Tenant Income Recertification & Transitions: It is understood that a household's income may change over time. The Act addresses situations where a tenant's income rises above the qualification limit after moving in. In accordance with Section 8(4) of the Act: if an initially Income-Qualified Household residing in a designated attainable unit experiences an income increase such that, at the time of the next annual certification, the household's income exceeds 120% of AMI (i.e. they no longer qualify), that household is permitted to continue their tenancy for the remainder of their lease term. However, upon the expiration⁵⁰ of that lease (or if the unit becomes vacated sooner), the next leasing of that unit must be to an Income-Qualified Household (to restore compliance with the set-aside). Under no circumstances shall all the units in a Qualified Facility be occupied by households above the income limit for more than 12 consecutive months⁵¹. The owner is responsible for monitoring tenant incomes and rotating or designating units as necessary to ensure that at least one unit (or 30% of units, as applicable) is always occupied by an Income-Qualified Household.

Auditing and Monitoring: The Village of Northport reserves the right to audit the information provided by the owner¹⁷ to ensure compliance. The Village may develop and implement an audit program, which could include random or periodic audits of tenant income documentation, rent rolls, and other relevant records. The Village may also contract with an independent third-party auditor to review the owner's compliance submissions. By accepting the Certificate, the owner¹⁷ agrees to cooperate with any such audit and to promptly provide access to pertinent records (subject to any privacy protections required for tenant information). If the Village incurs costs for a third-party auditor or extraordinary compliance monitoring due to the project, the Village may require the owner to reimburse those audit costs, as authorized by the Act.

If an audit or annual report reveals deficiencies or non-compliance (for example, renting designated units to over-income households without adjusting or replacing; charging rents above the allowable 30%; failure to submit required documentation; etc.), the Village shall notify the owner of the specific issues and may provide a reasonable opportunity to cure the breach if feasible. Continued or uncorrected non-compliance may result in revocation of the exemption (Section 9) or other enforcement action.

Section 9. Revocation of Exemption Certificate; Transfer of Certificate

Revocation by Village for Cause: The Village Council may, by resolution, revoke an Attainable Housing Exemption Certificate *prior to its normal expiration* if it finds that any of the grounds for revocation under the Act are present. Grounds for revocation include, but are not limited to: (a) the project (construction or rehabilitation) has not been completed within the time allotted in the Certificate or any extension thereof; or (b) the holder of the Certificate has not proceeded in good faith with the operation of the property as an attainable housing facility in a manner consistent with the purposes of the Act (for example, the owner is willfully breaching the income/rent requirements or other material conditions) and there are no extenuating circumstances beyond the owner's control that justify the non-compliance. Prior to adopting a resolution revoking a Certificate, the Village Council shall give the owner notice of the proposed revocation and an opportunity to be heard (such as a meeting or hearing

at which the owner may present information). If the Council does revoke the Certificate, the Village Clerk shall immediately notify the State Tax Commission and the local Assessor of the revocation. The property will return to full ad valorem taxation as described in Section 7.

Owner's Request for Revocation: The Village Council may also revoke a Certificate upon the written request of the holder of the Certificate. If a property owner decides to withdraw from the program and return to normal taxation, the owner shall submit a request by certified mail to the Village. The Council may then revoke the Certificate by resolution as requested and notify the State Tax Commission accordingly. ⁵⁴

Transfer of Certificate upon Change of Ownership: An Attainable Housing Exemption Certificate is issued to a specific owner and property, but it may be transferred to a new owner of the same property with the approval of the Village and State, provided the property continues to qualify. If a Qualified Facility is sold or conveyed to a new owner during the exemption period, the new owner may apply to the Village Council for a resolution approving the transfer of the Certificate to the new owner (the subsequent owner). The Village Council shall review the new owner's qualifications and intent to comply with the terms of the Certificate and this ordinance. If the Council by resolution concurs in the transfer and the property remains in compliance with all requirements, the State Tax Commission may then reinstate or reissue the Certificate in the name of the new owner. ⁵⁵ The exemption shall continue for the remainder of the original term (unless earlier revoked for cause). A new owner who succeeds to a Certificate is subject to the same requirements and conditions as the original holder.

Section 10. Severability

The provisions of this ordinance are declared to be severable. If any clause, sentence, paragraph, section, or provision of this ordinance is determined by a court of competent jurisdiction or by any other authority to be invalid or unenforceable for any reason, such determination shall not affect the validity of the remaining portions of this ordinance, which shall continue in full force and effect. The Village Council hereby declares that it would have adopted this ordinance and each section, subsection, clause, or phrase hereof irrespective of the fact that any one or more provisions might be declared invalid.

Section 11. Effective Date

This ordinance shall take effect 30 days after its publication as provided by law, or on such later date as may be specified by statute or charter for the effectiveness of tax exemption ordinances. This ordinance shall apply to eligible projects and applications from and after its effective date. Attainable Housing Exemption Certificates may be issued for qualifying properties only after the effective date and upon compliance with all procedures in this ordinance and the Act.

Adopted by the Village Council of the Village of Northport, Michigan on [Date].

Attest:

Village Clerk, Village of Northport