

ERIE TOWNSHIP ORDINANCE NO. 77

(ERIE TOWNSHIP HOUSING COMMISSION ORDINANCE)

An Ordinance to establish a Township Housing Commission pursuant to 1933 PA 18 (Ex Sess), as amended by 1959 PA 145, 1968 PA 344, 1969 PA 327, 1970 PA 249, 1976 PA 46, and 1978 PA 205, to prescribe the powers and duties of such Commission and the Township with respect to the Commission, for the purpose of effectuating the purchase, acquisition, construction, maintenance, operation, improvement, extension and repair of various housing facilities by the Township and to eliminate housing conditions in the Township which are detrimental to the public peace, health, safety, morals or welfare of Township residents, and for any such purposes to provide for the Township to issue notes and revenue bonds, to regulate the issuance, sale, retirement and refunding of such notes and bonds, to regulate the rentals of such projects and the use of the revenues of the projects, to prescribe the manner of selecting tenants for such projects, to provide for the Township to receive aid and cooperation of the Federal government, to permit cooperative financing of projects by the Township with one or more other city, village, township or county, to provide for condemnation of private property for such projects, and for other purposes.

THE TOWNSHIP BOARD OF THE TOWNSHIP OF ERIE, COUNTY OF MONROE, AND STATE OF MICHIGAN, ORDAINS:

ARTICLE I. SHORT TITLE

Section 1 Short Title:

This Ordinance shall be known and may be cited as the "Erie Township Housing Commission Ordinance."

ARTICLE II. PURPOSE

Section 2 Purpose:

Erie Township, by virtue of the authority vested in it by 1933 PA 18 (Ex Sess), as amended, may purchase, acquire, construct, maintain, operate, improve, extend or repair housing facilities and eliminate housing conditions which are detrimental to the public peace, health, safety, morals or welfare and the Housing Commission is created to accomplish these purposes.

ARTICLE III. CREATION

Section 3 Township Housing Commission Creation:

There is hereby created a Housing Commission for Erie Township which shall be known as the Housing Commission. The Housing Commission shall consist of five members to be appointed by the Erie Township Supervisor. The term of office for the members of the Housing Commission shall be five years. The first five members of the Housing Commission created hereunder shall be appointed for the terms of one year, two years, three years, four years and five years respectively, and annually thereafter one member shall be appointed for the term of five years. Members of the Housing Commission shall serve without compensation and may be removed from office by the Erie Township Supervisor. Any vacancy in office shall be filled by the Erie Township Supervisor for the remainder of the unexpired term.

Section 3.1 Meetings, Information Availability, and Officers and Employees:

A. Meetings.

The Business which the Housing Commission may perform shall be conducted at a public meeting of the Housing Commission held in compliance with 1976 PA 267, as amended, known as the "Open Meetings Act". Public notice of the time, date, and place of the meeting shall be given in the manner required by the "Open Meetings Act". The Housing Commission shall meet at regular intervals. It shall adopt its own rules of procedure, and shall keep a record of the proceedings. Three members shall constitute a quorum for the transaction of business.

B. Information Availability.

A writing prepared, owned, used, in the possession of, or retained by the Housing Commission in the performance of an official function shall be made available to the public in compliance with 1976 PA 442, as amended, known as the "Freedom of Information Act".

C. Officers and Employees.

A President and Vice President shall be elected by the Housing Commission. The Housing Commission may appoint a director who may also serve as Secretary, and other employees or officers as are necessary. The Housing Commission shall prescribe the duties of its officers and employees and, with the approval of

the Erie Township Supervisor, may fix their compensation. The Housing Commission may employ engineers, architects, and consultants, when necessary.

Section 3.2 Funds:

Funds for the operation of the Housing Commission shall be provided by the Township Board of the Township of Erie but the Housing Commission shall as soon as possible reimburse the Township for all monies expended by it for the Housing Commission from revenues received from the sale of bonds.

ARTICLE IV. POWERS AND DUTIES

Section 4 Powers and Duties:

The Housing Commission shall have the following enumerated powers and duties:

a) To determine in what areas of Erie Township it is necessary to provide proper sanitary housing facilities for families of low income and for the elimination of housing conditions which are detrimental to the public peace, health, safety, morals, and/or welfare;

b) To purchase, lease, sell, exchange, transfer, assign and mortgage any property, real or personal, or any interest therein, or acquire the same by gift, bequest or under the power of eminent domain; to own, hold, clear and improve property; to engage in or to contract for the design and construction, reconstruction, alteration, improvement, extension, and/or repair of any housing project or projects or parts thereof; to lease and/or operate any housing project or projects;

c) To control and supervise all parks and playgrounds forming a part of such housing development but the Housing Commission may contract with Erie Township or any instrumentality of the Township for operation or maintenance of either parks or playgrounds or both;

d) To establish and revise rents of any housing project or projects, but the Housing Commission shall rent all property for such sums as will make them self-supporting, including all charges for maintenance and operation, for principal and interest on loans and bonds, and for taxes;

e) To rent only to such tenants as are unable to pay for more expensive housing accommodations;

f) To call upon Erie Township or some instrumentality of the Township for assistance in the performance of the Housing Commission duties, but said Township or instrumentality of the Township shall be reimbursed for any added expense incurred therefor;

g) The Housing Commission shall have the power as may be prescribed by further ordinance, amendment or resolution of the Township Board of the Township of Erie, or as may be necessary to carry out the purposes of this Housing Commission Ordinance.

Section 4.1 Annual Report:

The Housing Commission shall make an annual report of its activities to the Township Board of the Township of Erie and shall make such other reports as said Township Board may from time to time require.

Section 4.2 Records, Accounts and Financial Statements:

A. Records and Accounts.

The Housing Commission upon Erie Township's issuing revenue bonds under this Ordinance, shall install, maintain, and keep proper books of record and account, separate from other records and accounts of Erie Township, in which full and accurate entry shall be made of all dealings or transactions of, or in relation to the properties, business, and affairs of the project or combined projects.

B. Financial Statements.

The Housing Commission, not later than three months after the close of a calendar, operating, or fiscal year, shall cause to be prepared a balance sheet and an income and surplus account, showing respectively, in reasonable detail, the financial condition of the project or combined projects at the close of the preceding calendar, operating, or fiscal year, and the financial operations of the project or combined projects during the year. The balance sheets and income and surplus accounts shall be made available to the public as prescribed by 1976 PA 442, as amended, known as the "Freedom of Information Act".

Section 4.3 Eminent Domain Proceedings:

The Housing Commission may recommend to the Township Board of the Township of Erie the institution and prosecution of proceedings under the power of eminent domain in accordance with the laws of the State of Michigan or any Township ordinance governing same. Housing projects contemplated by this Ordinance have been declared to be for public purposes, within the meaning of the Michigan Constitution and Michigan Statutes relative to the power of eminent domain, by the legislature in 1933 PA 18, (Ex Sess), § 10, as amended.

Section 4.4 Instrument Approval:

All deeds, contracts, leases, or purchases entered into by the Housing Commission shall be in the name of Erie Township and shall be approved by the Township Board of the Township of Erie. Contracts for the purchase of necessary materials, leases with tenants and options need not be so approved.

Section 4.5 Control of Project:

The Housing Commission shall have complete control of the entire housing project or projects including the construction, maintenance and operation, as fully and completely as if said Housing Commission represented private owners. Contracts for construction or purchase of materials entered into by the Housing Commission shall not be required to be made through the Township Board of the Township of Erie or any township official or employee.

Section 4.6 Preliminary Estimate of Cost:

Whenever the Housing Commission shall determine to purchase, acquire, construct, improve, enlarge, extend, operate, and/or repair any housing facility or facilities under the provisions of this Ordinance, it shall first cause an estimate to be made of the cost thereof, and the fact that such estimate has been made and the amount thereof shall appear in the ordinance authorizing and providing for the issuance of the bonds.

Section 4.7 Bond and Other Enabling Ordinances:

For the purpose of this Ordinance the Township Board of the Township of Erie may adopt or enact an ordinance or ordinances providing for the issuance, and sale of revenue bonds as herein stated, and any and all other appropriate ordinances and resolu-

tions deemed necessary or desirable to effectuate the full intent and purposes of this Ordinance. Provided, that the manner and procedure of enacting any such ordinances or resolutions shall be as provided by law except as may be altered in this Ordinance.

ARTICLE V. CONFLICT OF INTEREST

Section 5 Conflict of Interest:

No member of the Housing Commission or any of its officers or employees shall have any interest directly or indirectly in any contract for property, materials or services to be acquired by said Housing Commission.

ARTICLE VI. CLAIMS AND LIABILITY

Section 6 Claims Against a Project:

All claims that may arise in connection with an Erie Township housing project or projects shall be presented as are ordinary claims against the Township. Provided, that written notice of all claims based upon injury to persons or property must be served upon the Erie Township Clerk within sixty (60) days from the happening of the injury, but the disposition thereof shall rest in the discretion of said Housing Commission and the cost of investigation, attorney fees, and all claims that may be allowed and final judgments obtained from said claims, shall be paid only from the operating revenue of said housing project or projects.

Section 6.1 Liability:

The notes, bonds, or other obligations or any claims of whatever nature against a housing project or projects, shall not be debts or charges against Erie Township nor against any members of the Housing Commission and no individual liability shall attach for any official act done by any member of such Housing Commission.

ARTICLE VII. BONDS

Section 7 Revenue Bonds:

For the purpose of defraying the cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing any housing project or combined projects, Erie Township, by virtue of the authority vested in it by 1933 PA 18 (Ex Sess), as amended, may borrow money and issue revenue bonds therefor. The bonds may be awarded before an authorizing ordinance or resolution is adopted, however, the bonds shall not be issued unless and until authorized by an ordinance or resolution which shall set forth a brief description of the contemplated housing project or combined projects and the site or sites thereof, time and place of payment, and other details in connection with the issuance and sale of the bonds. The bonds may be issued in such series, shall be in such denominations, shall bear interest at such rate not to exceed the maximum rate permitted by 1943 PA 202, as amended, shall be payable at such times and at such places, shall have such rank or priority, and shall be subject to such terms of redemption, with or without premium, as shall be prescribed in the authorizing ordinance or resolution. The bonds and coupons shall be executed in such manner and shall be substantially in the form provided in the authorizing ordinance or resolution. The bonds shall be sold at public sale at not less than par. However, the bonds may be sold to the United States of America or any agency or instrumentality thereof, at private sale at not less than par and, if less than all of the bonds authorized in connection with a project or combined projects are sold to the United States of America or any agency or instrumentality thereof, the balance of the bonds may also be sold at private sale at an interest cost to Erie Township of not to exceed the interest cost to Erie Township of the portion of the bonds sold to the United States of America or any agency or instrumentality thereof. Bonds sold at public sale which bonds are not payable in part from contributions to be received from the United States of America or an agency thereof shall be sold in accordance with 1943 PA 202, § 3, §§ 2, as amended. Bonds sold at public sale which bonds are payable in part from contributions to be received from the United States of America or an agency thereof are not subject to 1943 PA 202, as amended, and need only be advertised in whatever form as is customary for the sale of new Federally promoted bonds in the publication approved by the Township Board of the Township of Erie. Notes issued in connection with the housing project or combined projects prior to the issuance of bonds therefor may be accepted in payment of bonds sold in connection with such housing project or combined projects if such notes provide. The bonds shall not be sold on a basis to yield more than the maximum rate permitted by 1943 PA 202, as amended, from the date of sale to the date of average

maturity of the bonds sold. However, in a contract for the purchase, acquisition, or construction of any housing facility or for the improvement, enlargement, extension, or repair of such project or projects, provision may be made that payment therefor shall be made in such bonds. The bonds and their coupons may be made payable in such funds as are on the respective dates of payment of interest and principal upon the bonds, legal tender for debts due the United States of America and shall be exempt from all state, county and Township taxation. The bonds shall mature annually and the first installment thereof shall be made payable not more than five (5) years from the date of the bonds. The principal of and interest upon the bonds shall be payable solely from the revenue derived from the operation of the housing project or combined projects, for the purchase, acquisition, construction, improvement, enlargement, extension, or repair of which the same are issued, and from contributions received for or in aid of such project or combined projects, from whatever source derived. The contributions may be pledged to the payment of any or all bonds issued in connection with the project or combined projects, as the Township Board of the Township of Erie may provide. By virtue of 1933 PA 18 (Ex Sess), as amended, bonds or coupons issued pursuant to this Ordinance shall not constitute an indebtedness of Erie Township within the meaning of Michigan state constitutional provisions or statutory limitations. There shall be plainly stated on the face of each bond substantially as follows:

"This bond is a revenue bond and the principal of and interest on this bond are exempt from any and all state, county, township or other taxation whatsoever under the laws of the State of Michigan and are secured by the statutory lien created by virtue of 1933 PA 18 (Ex Sess), as amended, and payable solely from contributions received for or in aid of the project or combined projects in connection with which the bonds are issued or from the revenues of such project or combined projects or from both the revenues and contributions, as the case may be, and are not a general obligation of Erie Township."

The bonds shall have all the qualities of negotiable instruments under the law merchant and the negotiable instruments law, and/or Uniform Commercial Code, or its successor, as adopted in Michigan. The authorizing ordinance or resolution may provide that the bonds shall be issued pursuant to a trust indenture, the authorized form of which shall be set forth in the ordinance or resolution, and any provision required or permitted by this Ordinance to appear in the authorizing ordinance or resolution shall be deemed to be included therein if set forth in the trust indenture. Erie Township may also issue refunding bonds to refund any bonds previously issued by it pursuant to this Ordinance.

Section 7.1 Bond Holders Lien:

The authorizing ordinance shall create a first lien which by virtue of 1933 PA 18 (Ex Sess), as amended, is made a statutory first lien upon the revenue of any such housing facility, to, and in favor of the holders of the bonds and each of them and to and in favor of the holders of the coupons of the bonds, and each of them. If bonds are issued for the purposes of cooperative financing between Erie Township and a cooperating unit of government, holders of the bonds also have a statutory first lien on the specific portion of the annual contributions payable to Erie Township and a cooperating unit of government, or their agencies, and authorized to be pledged to the payment of bonds and the interest thereon, pursuant to certain contracts between Erie Township, a cooperating unit of government, or their agents, and the United States, which contracts shall be described in any ordinance authorizing any such bonds and are herein collectively called the "annual contributions contract". The holders of the bonds shall have as additional security the contractual obligations specified by the financing agreement as hereinafter provided.

Section 7.2 Enforcement of Lien:

Revenue from and any amount due under any annual contributions contracts pertaining to such project or combined projects so purchased, acquired, constructed, improved, enlarged, extended or repaired, shall be and remain subject to the statutory lien until the payment in full of the principal of and interest upon the bonds. The holder or holders of the bonds or coupons representing in the aggregate not less than twenty per cent. (20%) of the entire issue then outstanding may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce such statutory lien and may, by suit, action, mandamus or other proceeding enforce and compel performance of all duties of the officials of Erie Township, including the fixing of sufficient rents, the collection of revenues, the proper segregation of the revenues of the project or combined projects and the proper application thereof. However, such statutory lien shall not be construed to give any holder or owner of any bond or coupon authority to compel the sale of such project or combined projects or any part thereof.

Section 7.3 Receiver for Bond Lien Enforcement:

If there shall be any default in the payment of the principal of or interest upon any such bonds authorized pursuant to this Ordinance, any court having jurisdiction in any proper action may

appoint a receiver to administer and operate the project or combined projects on behalf of Erie Township, under the direction of the court and by and with the approval of the court, to fix and charge rents and collect revenues sufficient to provide for the payment of any bonds or other obligations outstanding against the project or combined projects and for the payment of the expense of operating and maintaining the same and to apply the revenues of the project or combined projects in conformity with this Ordinance providing for the issuance of such bonds and in accordance with such orders as the court shall make.

Section 7.4 Inapplicability of Other Laws:

By virtue of 1933 PA 18 (Ex Sess), as amended, the bonds authorized hereunder shall not be subject to any limitations or provisions provided by the laws of the State of Michigan for townships now in force or hereafter amended, other than as provided for in 1933 PA 18 (Ex Sess), as amended.

Section 7.5 Proceeds of Sale of Bonds:

The Township Board of the Township of Erie, where practicable, shall require that the proceeds of the sale of bonds issued under the provisions of this Ordinance be deposited in a special account or accounts in a bank which is or banks which are a member or members of the Federal Reserve System, either within or without the State of Michigan, such deposit or deposits to be set apart by such bank and impressed with a trust or deposited under an escrow agreement so that the funds shall not be commingled with other funds or assets of the bank.

Section 7.6 Bond Signatures:

In case any of the officers whose signatures or counter-signatures appear on the bonds or coupons shall cease to be such officers before delivery of such bonds, such signatures or counter-signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery.

Section 7.7 Additional Bonds:

Erie Township, when purchasing, acquiring, constructing, improving, enlarging, or repairing any such project or combined projects assumed by the provisions of this Ordinance may at the time of the authorization of such bond for any such purpose or

purposes, by virtue of 1933 PA 18 (Ex Sess), as amended, provide in the authorizing ordinance for additional bonds for other extensions and permanent improvements, which additional bonds may be issued and negotiated from time to time as such proceeds for such purpose may be necessary. Such bonds, when so negotiated, shall have equal standing with the bonds of the same issue.

ARTICLE VIII. OPERATING YEAR

Section 8 Operating Year:

The Ordinance authorizing the issuance of such bonds shall definitely determine whether such project or combined projects shall be operated upon a calendar, operating or fiscal year basis, and the date of the beginning and ending of the same.

ARTICLE IX. POLICY

Section 9 Free Services:

No free services or rentals shall be furnished by any such project or combined projects to Erie Township or any state agency or to any agency, instrumentality, person, firm or corporation.

Section 9.1 Policy:

It is hereby declared to be the policy of Erie Township that the Housing Commission shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals for dwelling accommodations at the lowest possible rates consistent with its providing decent, safe and sanitary dwelling accommodations, and that the Housing Commission shall not construct or operate any such project for profit. To this end, the Housing Commission shall fix the rentals for dwellings and projects at no higher rates than it shall find to be necessary in order to produce revenues which, together with all other monies, revenues, income and receipts from whatever sources derived available for such purposes, will be sufficient:

- a) To pay, as the same become due, the principal and interest on the bonds issued for such projects;
- b) To meet the cost of, and to provide for, administration, operation and maintenance of the projects,

including the cost of any insurance on the projects or on bonds issued therefor;

c) To create, during not less than the six years immediately succeeding its issuance of any bonds, a reserve sufficient to meet the largest principal and interest payments which will be due on such bonds in any one year thereafter and to maintain such reserve;

d) (1) To make payments in lieu of taxes of at least five per cent of the shelter rentals of the project for any one year (or such other amount as may be agreed upon with Erie Township), which sum, if any, shall be paid to Erie Township and other appropriate taxing units in proportion to the amount of taxes levied for such unit in the year previous to the acquiring of the site for the housing project, or (2) To pay to Erie Township and the other taxing units a sum annually in lieu of taxes equal to the amount of taxes last levied against the project site, prior to the acquiring by the Housing Commission of such project site.

ARTICLE X. SPECIFIC DUTIES

Section 10 Duties in Operation or Management:

In the operation or management of housing projects the Housing Commission shall at all times observe the following duties with respect to rentals and tenant selection:

a. It may rent or lease the dwelling accommodations therein only to persons of low income;

b. It may rent or lease the dwelling accommodations therein only at rentals within the financial reach of such persons of low income;

c. It may rent or lease to a tenant dwelling accommodations consisting of the number of rooms, but no greater number, which it deems necessary to provide safe and sanitary accommodations to the proposed occupants thereof, without overcrowding;

d. It shall not accept any person as a tenant in any housing project if the person or persons who would occupy the dwelling accommodations have an

aggregate annual net income in excess of any maximum allowed by the Federal government pursuant to Federal law or regulation in any contract for financial assistance;

e. It shall prohibit subletting by tenants.

Nothing contained in this Section or Article IX shall be construed as limiting the power of Erie Township to vest in an obligee or trustee the right, in the event of a default by Erie Township, to cause the appointment of a receiver thereof, free from all the restrictions imposed by this Section or Article IX.

Section 10.1 Termination of Rights for Just Cause:

A. Mandate.

No tenancy or contract right to occupy housing in a project or facilities operated by Erie Township as provided by this Ordinance shall be terminated by the project management or the Housing Commission except for just cause.

B. Just Cause.

Just cause to terminate a tenancy or contract right to occupy housing includes, but is not limited to: A failure to comply with the obligations of the lease or the lawful rules and regulations of the Housing Commission, the use of a unit for any unlawful purpose; the maintenance of any unsafe, unsanitary or unhealthful condition in any dwelling unit or in any of the common areas; and ineligibility for continued occupancy by reason of over-income.

Section 10.2 Rules and Regulations:

To the extent not inconsistent with Federal law or regulation, state law or Township ordinance, the Housing Commission shall adopt and promulgate reasonable rules which establish:

a. Eligibility requirements for admission to housing;

b. Obligations of tenants, including regulations for the use and occupation of housing units and common areas;

c. Just cause for the termination of the right of use and occupation, so that a tenant may be clearly apprised of the precise reasons for a termination;

d. Conditions for continued occupancy, taking account of such factors as family size and changes therein, fluctuations in income, availability of standard accommodations elsewhere, and other relevant matters.

The Housing Commission may adopt such other rules which are necessary to the just and effective administration of housing projects constructed and operated as provided by this Ordinance.

All rules to be valid shall be published in a conspicuous place in each housing project operated by the Housing Commission.

ARTICLE XI. FEDERAL REQUIREMENTS AND AID

Section 11 Contract Provisions:

Both Erie Township and the Housing Commission, by virtue of 1933 PA 18 (Ex Sess), as amended, shall have the power, notwithstanding anything to the contrary contained in this Ordinance or in any other provision of law, to include in any contract let in connection with the housing project, stipulations requiring that the contractor and any subcontractors comply with requirements as to minimum wages and maximum hours of labor, and with any conditions which the Federal government may have attached to its financial aid of such project.

Section 11.1 Federal Government Aid:

In addition to the powers conferred by other provisions of this Ordinance and 1933 PA 18 (Ex Sess), as amended, Erie Township shall have power to borrow money or accept grants or other financial assistance from the Federal government for or in aid of any housing project, to procure or agree to the procurement of insurance or guarantees from the Federal government of the payment of any bonds or parts thereof issued by Erie Township, including the power to pay premiums on any such insurance, to take over or lease or manage any housing facilities, project, or undertaking constructed or owned by the Federal government, and to these ends, to comply with such conditions and enter into such trust indentures, leases or agreements as may be necessary, convenient or desirable. It is the purpose and intent of this Ordinance to authorize Erie Township or the Housing Commission to do any and all things necessary or desirable to secure the financial aid or cooperation of the Federal government in the purchasing, acquiring, constructing, maintaining, operating, improving, extending and/or repairing of housing facilities

and/or the elimination of housing conditions which are detrimental to the public peace, health, safety, morals and/or welfare.

ARTICLE XII. OTHER INCOME, BORROWING AND SECURITY

Section 12 Income from Other Sources:

Nothing in this Ordinance shall be construed to prohibit Erie Township from appropriating, and using any part of its available income or revenue derived from any source other than from the operation of such project or combined projects in paying any immediate expenses of operation or maintenance of any such project or combined projects, but nothing in this Ordinance shall be construed to require Erie Township to do so.

Section 12.1 Borrowing Money:

A. Borrowing.

For the purpose of providing funds for expenses and costs involved in the development of a housing project or combined projects prior to the issuance of bonds therefor, Erie Township, pursuant to 1933 PA 18 (Ex Sess), as amended, shall have the power, in addition to all other powers granted herein, to borrow money and issue its negotiable promissory notes therefor. The notes may be issued as herein provided, notwithstanding the provisions of any other law now in existence or hereafter enacted with respect to the issuance of notes, bonds, or other obligations of Erie Township. The notes may be authorized by resolution of the Township Board of the Township of Erie, may bear interest at a rate that does not exceed the maximum rate permitted by 1943 PA 202, as amended, may be payable at such times and places, may mature on such dates or on demand, may be in such form, with such privileges for exchange for definitive bonds issued in connection with the project or combined projects in connection with which the notes are issued, and may be executed and sold in such manner, as shall be set forth in the authorizing resolution.

B. Payment.

The notes shall be made payable solely out of property or funds held or to be acquired by or for the Housing Commission, including the proceeds of the notes and property acquired, or to be acquired, therewith, which is not pledged for the payment of other obligations issued in connection with a housing project of the Housing Commission, or the proceeds of the sale of bonds issued to finance the development of the project or combined

projects in connection with which the notes were issued. The notes shall in no event be payable out of any other funds of Erie Township or from taxes.

C. Notes Not Within Debt Limitation.

The principal of and interest upon such notes issued pursuant to this Ordinance shall not constitute an indebtedness of Erie Township within the meaning of any Michigan state constitutional provisions or statutory limitation, and the notes shall so state on their face.

D. Refunding.

Erie Township may also issue refunding notes to refund any notes issued by it pursuant to this Ordinance.

Section 12.2 Powers to Secure Payment of Bonds
and Other Obligations:

In connection with the issuance of bonds or the incurring of obligations under leases and in order to secure the payment of such bonds or obligations, Erie Township, by virtue of 1933 PA 18, (Ex Sess), as amended, in addition to its other powers, shall have power:

a. To pledge all or any part of the gross or net rents, fees or revenues of the project or combined projects with respect to which the bonds are issued or the obligations incurred, whether or not such rents, fees or revenues are then in existence or may thereafter come into existence.

b. To mortgage all or any part of such project or combined projects, whether consisting of real or personal property, and whether then owned or thereafter to be acquired in connection with such project or combined projects.

c. To covenant against pledging all or any part of the rents, fees and revenues of such project or combined projects, or against mortgaging all or any part of such project or combined projects, to which its or the Housing Commission's right or title then exists or may thereafter come into existence or against permitting or suffering any lien on such revenues or project or combined projects or any part thereof; to covenant with respect to limitations on its or the Housing Commission's right to sell, lease or otherwise dispose of such project or combined projects or any part thereof; and to covenant as to what other, or additional

obligations may be incurred by it in connection with such project or combined projects;

d. To pledge for the payment of any or all such bonds or obligations all or any part of any contributions received or to be received for or in aid of the project or combined projects with respect to which the bonds are issued or the obligations incurred or to covenant against pledging all or any part of any contributions;

e. To covenant as to the bonds to be issued and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; to provide for the replacement of lost, destroyed or mutilated bonds; to covenant against extending the time for the payment of such bonds or interest thereon; and to redeem the bonds, and to covenant for their redemption and to provide the terms and conditions thereof;

f. To covenant (subject to the limitations contained in this Ordinance) as to the rents and fees to be charged in the operation of a housing project, whether constructed as a single project or as part of the combined project, the amount to be raised each year or other period of time by rents, fees and other revenues, and as to the use and disposition to be made thereof; to create or to authorize the creation of special funds for monies held for construction or operating costs, debt service, reserves, or other purposes, and to covenant as to the use and disposition of the monies held in such funds;

g. To prescribe the procedure, if any, by which the terms of any contract with bond holders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given;

h. To covenant as to the use of any or all of the real or personal property held or to be held in connection with such project or combined projects; and to covenant as to the maintenance of such project or combined projects, the replacement of any part thereof, the insurance to be carried thereon and the use and disposition of the insurance monies;

i. To covenant as to the rights, liabilities, powers and duties arising upon the breach of any covenant, condition or obligation pertaining to such project or combined projects or to the bonds issued or obligations incurred in connection therewith; and to covenant and prescribe as to events of default and terms and conditions upon which any or

all of such bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived;

j. To vest in a trustee or trustees or the holders of bonds or any proportion of them the right to enforce the payment of the bonds or any covenant securing or relating to the bonds; to vest in a trustee or trustees the right, in the event of a default, to take possession and use, operate and manage such housing project or combined projects or part thereof, and to collect the rents and revenues arising therefrom and to dispose of such monies in accordance with the agreement with said trustee; to provide for the powers and duties of a trustee or trustees and to limit the liabilities thereof; and to provide the terms and conditions upon which the trustee or trustees or the holders of bonds or any proportion of them may enforce any covenant or right securing or relating to the bonds;

k. To exercise all or any part or combination of the powers herein granted; to make covenants other than and in addition to the covenants herein expressly authorized, of like or different character; to make such covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the absolute discretion of Erie Township, as will tend to make the bonds more marketable notwithstanding that such covenants, acts or things may not be enumerated herein.

ARTICLE XIII. TENANT BOARDS

Section 13 Tenant Boards:

The Housing Commission may but is not required to create individual boards of tenant affairs or tenant advisory counsels in individual housing projects operated by the Housing Commission.

ARTICLE XIV. JOINT FINANCING

Section 14 Joint Financing:

Erie Township, by virtue of 1933 PA 18 (Ex Sess), as amended, may join with at least one other unit of government when they are

to receive a Federal grant or assistance contemplated by Section 11.1, or cooperate in the exercise, either jointly or otherwise, of any power herein conferred for the purpose of financing including the issuance of bonds, notes or other obligations and giving security therefor with respect to housing facilities. For such purposes Erie Township by resolution may agree to so cooperate and authorize any other cooperating unit of government so joining or cooperating with it, to act on its behalf with respect to any power, as its agent or otherwise, in its own name.

Section 14.1 Resolution for Cooperative Financing:

Erie Township, if desiring to join in a cooperating financing arrangement with any other unit of government, shall adopt a resolution determining to enter into a cooperative financing arrangement and may designate itself or a cooperating unit of government as agent borrower. Erie Township, if named the agent borrower, by resolution shall agree to accept the designation and act in the capacity of agent borrower and direct the preparation of a financing agreement.

Section 14.2 Financing Agreement:

Erie Township, if the agent borrower, shall cause to be prepared and executed by a cooperating unit of government, a financing agreement. The agreement shall provide for:

a. The authority of Erie Township to undertake such financing on a continuing basis but only to the extent of the aggregate estimated total development costs of projects of Erie Township and a cooperating unit of government under their annual contributions contracts with the Federal government as such contracts may be modified or amended from time to time, by the issuance and sale of special obligation notes or revenue bonds;

b. Erie Township's responsibilities relative to the issuance and sale of notes and bonds;

c. The punctual payment of any such notes and bonds and an irrevocable promise for the payment of principal of and interest due on the notes and bonds;

d. The purpose to which the proceeds of the notes and bonds shall be applied;

e. The adoption of a resolution by itself and a cooperating unit of government desiring to participate in a

note or bond issue of Erie Township, authorizing and directing Erie Township to issue on behalf of the cooperating unit of government the principal amount of notes or bonds specified therein;

f. All of the things appropriate and suitable to the issuance of notes and bonds and the responsibilities of a cooperating unit of government and Erie Township thereto;

g. The procedures whereby Erie Township and a cooperating unit of government may withdraw from the financing agreement and if desiring to participate in the cooperative management may join in and become parties to the financing agreement.

Section 14.3 Borrowing Power:

A. Borrowing Power.

For the purpose of defraying the cost of purchasing, acquiring, constructing, improving, enlarging, extending or repairing a housing project for Erie Township and a cooperating unit of government in a cooperative financing arrangement, Erie Township, if the agent borrower, by virtue of 1933 PA 18 (Ex Sess), as amended, may borrow money and issue its special obligation notes or revenue bonds therefor from time to time on behalf of Erie Township and a cooperating unit of government in accordance with the financing agreement between Erie Township and a cooperating unit of government.

B. Authorization and Issuance of Bonds.

If bonds are to be issued for the purpose of cooperative financing, the same shall not be issued until authorized by an ordinance adopted by the Township Board of the Township of Erie, if Erie Township is the agent borrower, which shall set forth a brief description of all housing projects contemplated by Erie Township and a cooperating unit of government and the sites thereof, time and place of payment, and other details in connection with the issuance and sale of the bonds. The bonds shall be issued pursuant to and in accordance with the provisions of Article VII. On the face of each bond shall be plainly stated substantially as follows:

"This bond is a revenue bond and the principal of and interest on this bond are exempt from all state, county, township or other taxation under the laws of Michigan and are a special obligation of the borrower and are secured by statutory lien created by

this Ordinance and 1933 PA 18 (Ex Sess), as amended, and payable solely from contractual obligations specified by a certain financing agreement dated _____ and entered into by and between _____."

C. Resolution.

If notes are to be issued for the purpose of cooperative financing, they may be authorized by a resolution adopted by the Township Board of the Township of Erie, if Erie Township is the agent borrower, which shall set forth the time and place of payment and other details relating to the form, content, issuance and sale of the notes.

D. Other Requirements.

The bond ordinance or note resolution shall also make all other necessary statements which are appropriate to and suitable for the issuance of the revenue bonds or special obligation notes.

E. Other Laws.

The notes or bonds may be issued as herein provided, pursuant to 1933 PA 18 (Ex Sess), as amended, notwithstanding the provisions of any other law or ordinance of Erie Township or a cooperating unit of government, now in existence or hereinafter enacted with respect to notes, bonds or other obligations of Erie Township, if it is the agent borrower.

Section 14.4 Fiscal Agents:

A. Fiscal Agents.

The bond authorizing ordinance shall provide for appointment of a fiscal agent and may provide for appointment of successor fiscal agents and alternate paying agents and such fiscal agents so designated shall be qualified to act as such under the laws of the State of Michigan or the United States. The ordinance shall also provide for the removal of a fiscal agent upon written request of the holders of 51% in the aggregate of the principal of bonds issued thereunder or by resolution of the Township Board of the Township of Erie, if Erie Township is the agent borrower, and for the obligations, responsibilities and duties of the fiscal agent.

B. Ordinance as Contract.

The authorizing ordinance shall be a contract between Erie Township if it is the agent borrower, a cooperating unit of government, and any holders of bonds issued thereunder.

Section 14.5 Order of Payment of Proceeds:

A. Order of Payment of Proceeds.

The bond authorizing ordinance shall provide that the proceeds of the bonds shall be paid in the following order:

a. To the United States in an amount equal to that portion of the development cost which is financed by the bonds issued thereunder as represented by notes of Erie Township and a cooperating unit of government, outstanding in the hands of the United States together with interest thereon to the date of payment be applied to the payment of the principal of and interest on the notes;

b. To the paying agent of any outstanding temporary notes of Erie Township and a cooperating unit of government of an amount equal to that portion of development cost which is financed by the bonds issued thereunder as represented by the notes, together with interest thereon to the date of maturity, and to the principal of and interest on the notes, if the notes are outstanding and unpaid as of the delivery date of the bonds;

c. To the fiscal agent for deposit in the debt service fund in trust for the payment of interest which becomes due on the bonds six months and twelve months after the bond date;

d. To the fiscal agent, representing the premium on the bonds issued thereunder, for deposit in the advance amortization fund;

e. To Erie Township and a cooperating unit of government in an amount equal to that portion of the remainder allocable to each of Erie Township and a cooperating unit of government for deposit in its general fund.

B. Execution and Delivery of Instruments.

The Erie Township Supervisor and Erie Township Clerk of Erie Township, if Erie Township is the agent borrower, shall execute the bonds, and the Erie Township Treasurer shall deliver the

bonds in accordance with the terms and provisions of the ordinance and in connection therewith shall execute and deliver such instruments and do such acts and things necessary or convenient to effectuate the purpose of the ordinance.

Section 14.6 Disposition of Revenues:

The bond authorizing ordinance shall also provide for the disposition, disbursement and deposit of all revenues generated from any cooperatively financed project involving Erie Township to insure the proper operation and maintenance of the projects and the payment of bonds and the interest thereon. The ordinance shall specify the responsibilities, duties and obligations of the fiscal agent properly to apply, disburse and otherwise set aside revenues of any project and any contractual payments made to the fiscal agent.

Section 14.7 Issuance of Additional Bonds:

A. Issuance.

The bond authorizing ordinance may also provide, pursuant to 1933 PA 18 (Ex Sess), as amended, for reservation of the right to issue additional bonds of equal standing for any lawful purpose relating to the projects for which bonds were issued hereunder of equal standing with the bonds issued pursuant to the ordinance.

B. Conditions.

However, additional bonds of equal standing shall not be issued by Erie Township if it is the agent borrower, unless:

a. Amounts due under the annual contributions contract when taken together with any other income and other funds actually available or reasonably expected to become available from such projects, determined by Erie Township if it is the agent borrower, are equal to an amount sufficient for payment of all installments of the principal of and interest due within the next succeeding twelve months on all bonds and all other obligations for which the sums may be pledged as security and the additional bonds proposed to be issued.

b. Unless the annual contributions contract, as it exists at the time of issuance of the additional bonds, requires the pledge of, and the ordinances authorizing the issuance of the additional bonds pledge the revenues and income of the project or projects financed with the proceeds of the additional bonds to the payment of the bonds and

interest thereon authorized and delivered pursuant to the authorizing ordinance and to the payment of the additional bonds and interest thereon in the same manner and form as the revenues are pledged to the payment of the bonds issued pursuant to the authorizing ordinance.

C. Like Manner.

The additional bonds of equal standing shall be issued in like manner and form as bonds authorized herein.

Section 14.8 Notice:

Erie Township, if designated the agent borrower, shall adopt by resolution an official notice of sale of bonds which notice shall include all pertinent data required by the laws of the State of Michigan and the United States and any regulations pertaining thereto as may or may hereinafter be adopted by the United States. The bonds may not be finally issued until Erie Township and a cooperating unit of government ratify by resolution the sale thereof.

ARTICLE XV. INTERPRETATION

Section 15 Interpretation:

This Ordinance, by virtue of 1933 PA 18 (Ex Sess), as amended, shall be construed as authorizing the creation of the Housing Commission and the issuance of such bonds provided for herein without submitting the proposition for the approval of same to the voters of Erie Township. Where bonds have been authorized under this Ordinance it shall not be necessary to make publication of any ordinance, resolution, notice or proceeding relating thereto. Provided, that nothing in this Ordinance shall be construed to prohibit the Township Board of the Township of Erie from making such publication as it may deem necessary in relation thereto.

ARTICLE XVI. SEVERABILITY

Section 16 Severability:

This Ordinance, the various parts, sections, subsections, phrases and clauses thereof are hereby declared to be severable.

If any part, sentence, paragraph, section, subsection, phrase or clause is adjudged unconstitutional or invalid, it is hereby provided that the remainder of the Ordinance shall not be effected thereby. The Township Board of the Township of Erie hereby declares that it would have passed this Ordinance, and each section, subsection, phrase, sentence and clause thereof, irrespective of the fact that any one or more sections, subsections, phrases, sentences or clauses are declared invalid.

ARTICLE XVII. EFFECTIVE DATE

Section 17 Effective Date:

This Ordinance shall be effective fifteen (15) days after it has been published in a newspaper of general circulation in Erie Township and posted in three public places in Erie Township.

I, Margaret M. Dusseau, Township Clerk of the Township of Erie, do hereby certify that this Ordinance was adopted by the Township Board of the Township of Erie, Monroe County, Michigan, by authority of 1933 PA 18 (Ex Sess), as amended, at a regular meeting of the Township Board held at the Erie Township Hall, Erie, Michigan, on the 12th day of January, 1982.

Vote on said Ordinance, all members being present, was as follows:

Voting in Favor:	<u>4</u>
Voting Against:	<u>1</u>
Absent:	<u>0</u>

Margaret M. Dusseau
Margaret M. Dusseau, Clerk

ATTEST:

William D. Frey
William D. Frey, Erie Township Supervisor

Adopted Date: January 12, 1982
Publication Date: January 26, 1982
Effective Date: February 10, 1982