

Charter Township Of Union

BOARD OF TRUSTEES
Regular Meeting
February 12, 2025
7:00 p.m.

1. CALL MEETING TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. APPROVAL OF AGENDA
5. PRESENTATIONS
6. PUBLIC HEARINGS
7. PUBLIC COMMENT: Restricted to three minutes regarding items on this agenda
Note: This is an opportunity for comments only, questions to the Board will not be answered at this time. For specific answers to questions, please call Township Hall (989-772-4600)
8. CLOSED SESSION
9. REPORTS/BOARD COMMENTS
 - A. Current List of Boards and Commissions – Appointments as needed
 - B. Board Member Reports
10. CONSENT AGENDA
 - A. Communications
 - B. Minutes – January 22, 2025 – Regular Meeting and January 29, 2025 - Special Meeting
 - C. Accounts Payable
 - D. Payroll
 - E. Meeting Pay
 - F. Fire Reports
11. NEW BUSINESS
 - A. Discussion/Action: (Nanney) Springbrook Townhomes PILOT Percentage Reduction Request
 - B. Discussion/Action: (Nanney) Cranbrook Senior Living PILOT Percentage Reduction Request
 - C. Discussion/Action: (Board of Trustees) Follow-up to the Policy Governance Training
12. EXTENDED PUBLIC COMMENT: Restricted to 5 minutes regarding any issue
Note: This is an opportunity for comments only, questions to the Board will not be answered at this time. For specific answers to questions, please call Township Hall (989-772-4600)
13. MANAGER COMMENTS
14. FINAL BOARD MEMBER COMMENT
15. ADJOURNMENT

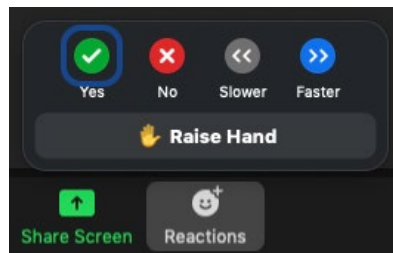
Hybrid Meeting Instructions for the Charter Township of Union Board of Trustees Meeting

The public can view all Union Township meetings live by clicking on our [YouTube Channel](#). For those who would like to participate during public comment, you can do so via Zoom.

[Click here](#) to participate in the Zoom Meeting via computer or smart phone. (Meeting ID Enter “861 1599 5624” Password enter “926394”). Access to the electronic meeting will open at 6:50 p.m. and meeting will begin at 7:00 p.m.

Telephone conference call, dial (312-626-6799). Enter “861 1599 5624” and the “#” sign at the “Meeting ID” prompt, and then enter “926394” at the “Password” prompt. Lastly, re-enter the “#” sign again at the “Participant ID” prompt to join the meeting.

- All public comments for items on the agenda will be received during the Public Comment section of the Agenda and any issue not on the agenda will be received during the Extended Public Comment section of the Agenda.
- Computer/tablet/smartphone audience: To indicate you wish to make a public comment, please use the “Reactions” icon. **Next, click on the “Raise Hand” icon** near the bottom right corner of the screen.



- **To raise your hand for telephone dial-in participants, press *9.** You will be called on by the last three digits of your phone number for comments, at which time you will be unmuted by the meeting moderator.
- Please state your name and address for the minutes and keep public comments concise.

You will be called upon once all in-person comments have been received, at which time you will be unmuted by the meeting moderator.

Persons with disabilities needing assistance should call the Township office at (989) 772-4600. Persons requiring speech or hearing assistance can contact the Township through the Michigan Relay Center at 711. A minimum of one (1) business day of advance notice will be necessary for accommodation.

Board Expiration Dates

Planning Commission Board Members (9 Members) 3 year term			
#	F Name	L Name	Expiration Date
1-BOT Representative	James	Thering	11/20/2028
2-Chair	Phil	Squatrito	2/15/2026
3-Vice Chair	Stan	Shingles	2/15/2027
4-Secretary	Jessica	Lapp	2/15/2026
5 - Vice Secretary	Thomas	Olver	2/15/2027
6	John	Hayes	2/15/2025
7	Paul	Gross	2/15/2025
8	Nivia	McDonald	2/15/2026
9	Philip	Browne Jr.	2/15/2025
Zoning Board of Appeals Members (5 Members, 2 Alternates) 3 year term			
#	F Name	L Name	Expiration Date
1-Chair	Liz	Presnell	12/31/2025
2 -Vice Chair	Richard	Barz	12/31/2025
3- PC Rep	Nivia	McDonald	2/15/2026
4 -	Lori	Rogers	12/31/2026
5 -	Brian	Clark	12/31/2027
Alt. #1	David	Coyne	12/31/2027
Alt #2	Vacant		12/31/2026
Board of Review (3 Members) 2 year term			
#	F Name	L Name	Expiration Date
1	Jeanette	Corbin	12/31/2026
2	Sarvjit	Chowdhary	12/31/2026
3	Jacob	Trudell-Lozano	12/31/2026
Alt #1	Vacant		12/31/2024
Construction Board of Appeals (3 Members) 2 year term			
#	F Name	L Name	Expiration Date
1	Joseph	Schafer	12/31/2025
2	Andy	Theisen	12/31/2025
3	William	Gallaher	12/31/2025
Hannah's Bark Park Advisory Board (2 Members from Township) 2 year term			
1	Mark	Stuhldreher	12/31/2026
2	John	Dinse	12/31/2025
Chippewa River District Library Board 4 year term			
1	Ruth	Helwig	12/31/2027
2	Lynn	Laskowsky	12/31/2025



Board Expiration Dates

EDA Board Members (9 Members) 4 year term			
#	F Name	L Name	Expiration Date
1-Chair	Thomas	Kequom	4/14/2027
2-VC/BOT Rep	Bryan	Mielke	11/20/2028
3	James	Zalud	4/14/2027
4	Richard	Barz	2/13/2025
5	Robert	Bacon	1/13/2027
6	Marty	Figg	6/22/2026
7	Sarvjit	Chowdhary	6/22/2027
8	Jeff	Sweet	2/13/2025
9	David	Coyne	3/26/2026
Mid Michigan Area Cable Consortium (2 Members)			
#	F Name	L Name	Expiration Date
1	Kim	Smith	12/31/2025
2	Vacant		
Cultural and Recreational Commission (1 seat from Township) 3 year term			
#	F Name	L Name	Expiration Date
1	Vacant		12/31/2025
Mt. Pleasant Airport Joint Operations and Mgmt Board (1 seat from Township) 3 year term			
#	F Name	L Name	Expiration Date
1 - Union Township	Rodney	Nanney	12/31/2026
Local Election Commission Committee (3 BOT Members) 4 year term			
#	F Name	L Name	Expiration Date
1	Lisa	Cody	11/20/2028
2	Lori	Rogers	11/20/2028
3	Jeff	Brown	11/20/2028

APPOINTMENT TO BOARDS & COMMISSIONS
OF CHARTER TOWNSHIP OF UNION
APPLICATION



Name: Russ ALWOOD Date: 12-19-2024

Address: 2435 O'connor Dr

Phone (home) 989-289-8748 (cell) same (work) _____

Email: alwoodenterprises@yahoo.com

Occupation: Builder retired

Please select the board you are applying for:

- Zoning Board of Appeals Must be a Union Township Resident
- Board of Review Must be a Union Township Resident
- Planning Commission Must be a Union Township Resident
- EDA Must meet one of the following qualifications:
 - Property owner in East or West DDA
 - Resident in Union Township

CRC OTHER *Specify Board: _____

Please state reason for interest in above board:
interested in making our township better through quality representation.

Other information that you feel would be useful in your application review (i.e., past experience, past board membership, etc. A resume is encouraged with the application):
Union Township has the reputation of a No Growth township. I would like to help to change that.

Signature: Russell Alwood Date: 12-19-2024

APPOINTMENT TO BOARDS & COMMISSIONS
OF CHARTER TOWNSHIP OF UNION
APPLICATION



Name: Richard Barz Date: 1-3-21

Address: 1110 Meadow Dr. M.P.

Phone (home) 989-560-5050 (cell) (work)

Email: rjbarz@20@gmail.com

Occupation: Retired - Banking

Please select the board you are applying for:

 Zoning Board of Appeals Must be a Union Township Resident

 Board of Review Must be a Union Township Resident

 Planning Commission Must be a Union Township Resident

EDA Must meet one of the following qualifications:

 Property owner in East or West DDA

Resident in Union Township

 OTHER *Specify Board:

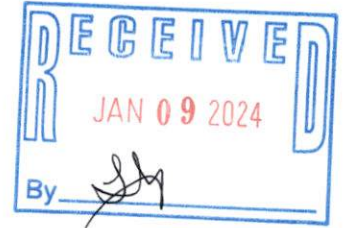
Please state reason for interest in above board:

Continue Oversight in economic development in
Union Twp. - Allocation of Resource & funding

Other information that you feel would be useful in your application review (i.e., past experience, past board membership, etc. A resume is encouraged with the application):

EDA Board, Commercial development license,

APPOINTMENT TO BOARDS & COMMISSIONS
OF CHARTER TOWNSHIP OF UNION
APPLICATION



Name: Everett Bradshaw Date: 1/8/2025

Address: 306 E. Pickard Rd

Phone (home) 7135606463 (cell) 7135606463 (work) 7135606463

Email: evwbradshaw@gmail.com

Occupation: Technical Engagement

Please select the board you are applying for:

Zoning Board of Appeals Must be a Union Township Resident

Board of Review Must be a Union Township Resident

X Planning Commission Must be a Union Township Resident

EDA Must meet one of the following qualifications:

Property owner in East or West DDA

Resident in Union Township

OTHER *Specify Board: _____

Please state reason for interest in above board:

I would like to contribute to my community and make it a better place to live for everyone.

This township has much potential, and I want to help guide its growth.

Other information that you feel would be useful in your application review (i.e., past experience, past board membership, etc. A resume is encouraged with the application):

I have experience working with volunteer consensus bodies and working as a facilitator

to help others reach consensus.

Signature: Everett W Bradshaw Date: 1/8/2025

APPOINTMENT TO BOARDS & COMMISSIONS
OF CHARTER TOWNSHIP OF UNION
APPLICATION



Name: Philip Browne Jr. Date: 12/26/2024

Address: 2995 E River Road

Phone (home) 9895650138 (cell) _____ (work) _____

Email: asrrin29@gmail.com

Occupation: Senior Network Engineer

Please select the board you are applying for:

_____ Zoning Board of Appeals Must be a Union Township Resident

_____ Board of Review Must be a Union Township Resident

X _____ Planning Commission Must be a Union Township Resident

_____ EDA Must meet one of the following qualifications:

_____ Property owner in East or West DDA

_____ Resident in Union Township

_____ OTHER *Specify Board: _____

Please state reason for interest in above board:

I am currently a member of the planning commission with my appointment coming to an end in Febuary and
would like to renew my appointment. Thanks!

Other information that you feel would be useful in your application review (i.e., past experience, past board membership, etc. A resume is encouraged with the application):

My previous application contains all of my qualifications, and I am currently proudly sitting on the board and
would like to be able to continue to do so.

Signature:  Date: 12/26/2024

**APPOINTMENT TO BOARDS & COMMISSIONS
OF CHARTER TOWNSHIP OF UNION
APPLICATION**

Name: _____ Date: _____

Address: _____

Phone (home) _____ (cell) _____ (work) _____

Email: _____

Occupation: _____

Please select the board you are applying for:

_____ Zoning Board of Appeals Must be a Union Township Resident

_____ Board of Review Must be a Union Township Resident

_____ Planning Commission Must be a Union Township Resident

_____ EDA Must meet one of the following qualifications:
 ___ Property owner in East or West DDA
 ___ Resident in Union Township

_____ OTHER *Specify Board: _____

Please state reason for interest in above board:

Other information that you feel would be useful in your application review (i.e., past experience, past board membership, etc. A resume is encouraged with the application):

Signature: _____ Date: _____

2025 CHARTER TOWNSHIP OF UNION
Board of Trustees
Regular Meeting Minutes

A regular meeting of the Charter Township of Union Board of Trustees was held on January 22, 2025, at 7:00 p.m. at the Union Township Hall.

Meeting was called to order at 7:00 p.m.

Roll Call

Present:

Supervisor Mielke, Clerk Cody, Treasurer Rogers, Trustee Brown, Trustee Lannen, Trustee Ley, and Trustee Thering

Approval of Agenda

Cody moved **Brown** supported to approve the agenda as presented. **Vote: Ayes: 7 Nays: 0. Motion carried.**

Presentation

- a. Brian Smith, new Isabella County Controller, introduced himself and spoke on meetings with the various townships and his new role with the County.
- b. Kim Smith, Public Services Department Director, gave a presentation on the Department of Public Services

Public Hearing

Public Comment

Open: 7:50 p.m.

No comments were offered.

Closed: 7:50 p.m.

Reports/Board Comments

A. Current List of Boards and Commissions – Appointments as needed.

Lannen moved **Ley** supported to appoint Treasurer Rogers as the board liaison to the Election Commission for the length of her term. **Vote: Ayes: 7. Nays: 0. Motion carried.**

Rogers moved **Ley** supported to appoint Trustee Brown as the board liaison to the Election Commission for the length of his term. **Vote: Ayes: 7. Nays: 0. Motion carried.**

B. January Monthly Activity Report

C. Planning Commission, EDA, and ZBA updates by Community and Economic Development Director

D. Board Member Reports

Lannen gave an update on the MTA quarterly meeting held on January 15th.

Ley gave an update on the Intergovernmental Liaison meeting held on January 22nd.

Rogers gave an update on the MTA New Board Member training held at the Mt Pleasant Comfort Inn.

Thering gave an update on the Planning Commission meeting held on January 21st.

Consent Agenda

- A. Communications
- B. Minutes – January 8, 2025 – Regular Meeting
- C. Accounts Payable
- D. Payroll
- E. Meeting Pay
- F. Fire Reports

Thering moved **Cody** supported to approve the consent agenda as presented. **Vote: Ayes: 7 Nays: 0. Motion carried.**

New Business

A. Discussion/Action: (Nanney) Policy Governance 2.1 Treatment of Consumers

Discussion by the Board

B. Discussion/Action: (Teall) Policy Governance 2.5 Financial Conditions

Discussion by the Board

C. Discussion/Action: (Board of Trustees Policy Governance 3.1 Governing Style

Discussion by the Board

EXTENDED PUBLIC COMMENT: RESTRICTED TO 5 MINUTES REGARDING ANY ISSUE

Open: 8:58 p.m.

Brian Smith, 8422 Sandstone Dr., commented on the County Opioid Funding. He mentioned that they are in the process of forming a committee that will decide how the funds will be allocated. The committee will consult with the County Commissioners on how to distribute the funds. Additionally, it was noted that the Material Recovery Facility (MRF) will not be open on Saturdays beginning January 31st through April 1st.

Closed: 9:00 p.m.

MANAGER COMMENTS

- I appreciate the opportunity to serve as acting manager this week.

FINAL BOARD MEMBER COMMENT

Thering – asked for a copy of the Public Service presentation and an updated Policy Governance manual.

Lannen – enjoyed the department presentations

Ley – appreciates the presentation and looks forward to the tour of the Public Service facilities.

Mielke – commented on the upcoming Annual Isabella County Road Commission meeting and Board of Trustee Special Meeting to discuss Policy Governance Education at Jameson Hall. Mentioned that the City Mayor is interested in learning more about the Policy Governance model.

ADJOURNMENT

Cody moved **Brown** supported to adjourn the meeting at 9:07 p.m. **Vote: Ayes: 7. Nays: 0. Motion carried.**

APPROVED BY:

Lisa Cody, Clerk

Bryan Mielke, Supervisor

(Recorded by Tera Green)

2025 CHARTER TOWNSHIP OF UNION
Board of Trustees
Regular Meeting Minutes

A regular meeting of the Charter Township of Union Board of Trustees was held on January 29, 2025, at 6:00 p.m. at Jameson Hall.

Meeting was called to order at 6:00 p.m.

Rogers moved Thering supported to appoint Trustee Ley as temporary Clerk. Vote: Ayes: 6 Nays: 0. Motion carried.

Roll Call

Present:

Supervisor Mielke, Treasurer Rogers, Trustee Brown, Trustee Lannen, Trustee Ley, and Trustee Thering

Excused: Clerk Cody

Approval of Agenda

Lannen moved Brown supported to approve the agenda with one modification to add presentations to the agenda as Item 5. Vote: Ayes: 6 Nays: 0. Motion carried.

Presentations

- a. Boomer Wingard, City Mayor, introduced himself as the new City Mayor and informed the public that they are accepting applications for City Commissioner now until February 12, 2025.

Public Comment

Open: 6:06 p.m.

No comments were offered.

Closed: 6:07 p.m.

New Business

A. **Discussion: Policy Governance Education with Susan Radwan**

Discussion by the Board

EXTENDED PUBLIC COMMENT: RESTRICTED TO 5 MINUTES REGARDING ANY ISSUE

Open: 8:17 p.m.

No comments were offered.

Closed: 8:17 p.m.

MANAGER COMMENTS

- Reported that he will be out of the office the week of February 9th and will be naming an acting manager while out of town.

FINAL BOARD MEMBER COMMENT

Ley – asked the City Mayer the due date to apply for City Commissioner

Lannen - asked how to obtain and application

Brown – announced that the ice rink at Island Park is now open, weather permitting.

Meilke – Thank Susan Radwan for her presentation.

ADJOURNMENT

Rogers moved Brown supported to adjourn the meeting at 8:21 p.m. Vote: Ayes: 6. Nays: 0. Motion carried.

APPROVED BY:

Lisa Cody, Clerk

Bryan Mielke, Supervisor

(Recorded by Tera Green)

DRAFT

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
Bank 101 POOLED CHECKING						
02/04/2025	101	764 (E)	01186	COYNE PROPANE LLC	BULK PROPANE	636.88
02/04/2025	101	765 (E)	00146	CONSUMERS ENERGY	5240 E BROOMFIELD	1,126.38
					5525 E REMUS	59.13
					2495 E DEERFIELD	430.13
					2270 NORTHWAY	35.33
					2188 E PICKARD	119.68
					1776 E PICKARD	39.48
					1660 BELMONT	130.13
					4797 S MISSION BARN	772.80
					5228 S ISABELLA	8,004.50
					4822 ENCORE	117.78
					5537 E BROADWAY	328.11
					900 MULBERRY LANE	57.23
					5144 BUDD	28.69
					5142 BUDD	256.47
					3998 E DEERFIELD	180.44
					1046 S MISSION	131.87
					4795 S MISSION	3,069.85
					4520 E RIVER	482.97
					2279 S MERIDIAN	1,413.41
					1633 S LINCOLN	269.61
					1933 S ISABELLA	858.38
					800 CRAIG HILL	58.74
					4244 E BLUE GRASS	190.21
					1876 E PICKARD	218.41
					2180 S LINCOLN	29.95
					2010 S LINCOLN	1,393.95
					5076 S MISSION	1,271.40
					5369 S CRAWFORD	92.10
					3248 S CONCOURSE	168.16
					5319 E AIRPORT	102.09
					1876 S LINCOLN	19.93
					2279 S MERIDIAN PUMP HOUSE	222.49
					4511 E RIVER	14,097.97
					2424 W MAY	712.61
					1605 SCULLY	78.79
						<u>36,569.17</u>
02/04/2025	101	766 (E)	00146	VOID		
				Void Reason: Created From Check Run Process		V
02/04/2025	101	767 (E)	00146	VOID		
				Void Reason: Created From Check Run Process		V
02/05/2025	101	768 (E)	01105	MASTERCARD	MASTERCARD-BEBOW	2,233.80
					MASTERCARD-WALDRON	407.51
					MASTERCARD-DEARING	2,545.00
					MASTERCARD-MCBRIDE	1,682.07
					MASTERCARD-FUSSMAN	434.98
					MASTERCARD-HOHLBEIN	177.57
					MASTERCARD-OCKERT	335.95
					MASTERCARD-THEISEN	198.73
					MASTERCARD-NANNEY	159.90
					MASTERCARD-PETERS	337.38
					MASTERCARD-PLONT	125.72
					MASTERCARD-TEALL	393.81

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
					MASTERCARD-COFFELL	177.59
					MASTERCARD-SMITH	479.89
					MASTERCARD-STUHLREHER	463.96
						<u>10,153.86</u>
02/12/2025	101	26136	00020	JAMES ALWOOD	WELL SITE LEASE-JAN 2025	334.60
02/12/2025	101	26137	01703	AMAZON CAPITAL SERVICES	GALAXY TABLET CASE/SHIPPING SCALE/USB CH	125.80
					ALUMINUM FIRE NOZZLE	502.72
					TIME CLOCK MACHINE	194.94
					BUBBLE MAILERS & FILE FOLDERS	38.48
						<u>861.94</u>
02/12/2025	101	26138	00039	AQUA AEROBIC SYSTEMS INC	CLOTH SOCKS/BACKWASH NOZZLES/SPACERS	4,523.78
02/12/2025	101	26139	01893	ASPLUNDH TREE EXPERT	JAMESON HALL SECURITY DEPOSIT REFUND	250.00
02/12/2025	101	26140	01810	B & C JANITORIAL	NITRILE GLOVES & FOOD GRADE GLOVES	170.00
02/12/2025	101	26141	01240	BRAUN KENDRICK FINKBEINER PLC	MTT(2023)JAMESTOWN MT PLEASANT APTS-DEC	3,585.00
					MTT(2024)JAMESTOWN MT PLEASANT APTS-DEC	273.00
					MTT(2023) MT PLEASANT APTS WEST-DEC 2024	312.00
					MTT(2024) MT PLEASANT APTS-DEC 2024	234.00
						<u>4,404.00</u>
02/12/2025	101	26142	00095	C AND C ENTERPRISES INC	MULTIFOLD TOWELS/KLEENEX-WTR	126.50
					LOGOWEAR/GLOVES-RABISH	249.84
					LOGOWEAR CLOTHING-PLONT	381.96
					2024 CLOTHING ALLOWANCE-SOMMER	87.00
					CLOTHING/UNIFORMS-OCKERT	247.28
					JANITORIAL SUPPLIES-TWP HALL	215.50
						<u>1,308.08</u>
02/12/2025	101	26143	01309	CGS, INC	FORKLIFT TRAINING & TRAVEL	1,103.50
02/12/2025	101	26144	00129	CMS INTERNET, LLC	MANAGED IT, EMAIL, AND PHONE SERV-JAN 20	11,685.55
02/12/2025	101	26145	01024	CODE OFFICIALS CONFERENCE-MI	2025 ANNUAL MEMBERSHIP FEE-SOMMER	45.00
02/12/2025	101	26146	00098	ELECTION SOURCE	ICP ANNUAL MAINTENANCE CONTRACT	2,299.80
					ICC ANNUAL MAINTENANCE CONTRACT	5,515.00
						<u>7,814.80</u>
02/12/2025	101	26147	00209	ETNA SUPPLY COMPANY	MEGALUG RET GLAND/GATE VALVE/TEE-WATER M	4,198.00
02/12/2025	101	26148	00788	FERGUSON ENTERPRISES-POLLARDWATER	32 OZ HDPE DIPPER	130.14
					32 OZ DIPPER & 16 OZ DIPPERS	581.52
						<u>711.66</u>
02/12/2025	101	26149	00257	GOURDIE FRASER INC	EGLE DWSRF PROJECT PLAN, PHASE I & II	59,467.50
02/12/2025	101	26150	00261	GRAINGER	RADIAL BALL BEARINGS	762.07
02/12/2025	101	26151	01746	TERA GREEN	MILEAGE REIMBURSEMENT-TO/FROM BANK/TWP H	52.92
02/12/2025	101	26152	01721	HYDROCORP	CROSS CONNECTION CONTROL PROGRAM	1,354.50
					CROSS CONNECTION CONTROL PROGRAM	2,286.00
						<u>3,640.50</u>
02/12/2025	101	26153	02029	INDUCTIVE AUTOMATION	SOFTWARE & SUPPORT PLAN	4,231.23
02/12/2025	101	26154	00337	ISABELLA COUNTY TREASURER	NATL OPIOID SETTLEMENT PAYMENT TRANSFER	80.94
02/12/2025	101	26155	01927	JOHNNY'S LAWN CARE, LLC	SIDEWALK SNOW REMOVAL-TWP HALL	59.83
02/12/2025	101	26156	00359	KERR PUMP & SUPPLY	SERVICE CALL FOR LIFTSTATION #14 PUMP	0,5992.80
02/12/2025	101	26157	00362	KRAPOHL FORD & LINCOLN	2014 ESCAPE MAINTENANCE/SERVICE	258.03

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
02/12/2025	101	26158	00001	M T A	MTA ANNUAL CONFERENCE-ROGERS	400.00
02/12/2025	101	26159	00398	MCGUIRK SAND - GRAVEL INC	DIV B:WATER MAIN TRANSMISSION & EXTENSIO	212,318.55
02/12/2025	101	26160	00506	MEEKHOF TIRE SALES & SERVICE INC	BACKHOE EQUIPMENT MAINTENANCE	225.00
02/12/2025	101	26161	00142	MICHIGAN OFFICE SOLUTIONS	PRINTER/COPIER SERV AGREEMENT 1/25-2/24	700.00
02/12/2025	101	26162	00128	CITY OF MT PLEASANT	BARK PARK 1/2 ESTIMATED COST-2025	490.00
					BARK PARK OPERATING COST-2024	1,431.00
						<u>1,921.00</u>
02/12/2025	101	26163	01664	PARTNERS IN POLICY GOVERNANCE	POLICY GOVERNANCE BOOT CAMP-LANNEN	850.00
					POLICY GOVERNANCE BOOT CAMP-ROGERS	850.00
						<u>1,700.00</u>
02/12/2025	101	26164	00131	PERCEPTIVE CONTROLS INC	WWTP PROGRAMMING & SUPPORT	1,036.00
02/12/2025	101	26165	00539	PRINTING SYSTEMS INC	QVF ELECTION MASTER CARDS	99.87
02/12/2025	101	26166	01172	SUSAN RADWAN	POLICY GOVERNANCE TRAINING-IN PERSON	710.60
02/12/2025	101	26167	01595	ROMANOW BUILDING SERVICES	JANITORIAL SERVICES TWP HALL-JAN 2025	527.14
					JANITORIAL SERVICES WWTP-JAN 2025	316.29
					JANITORIAL SERVICES WTR PLANT-JAN 2025	316.29
						<u>1,159.72</u>
02/12/2025	101	26168	00570	RS TECHNICAL SERVICES, INC.	FLEXFLO METERING PUMP & CABLES	6,702.90
02/12/2025	101	26169	00597	SHERWIN WILLIAMS	DURA PAINT-WTR	50.95
02/12/2025	101	26170	01979	SMART BUSINESS SOURCE	TWP HALL OFFICE SUPPLIES	70.71
					OFFICE SUPPLIES FOR TWP HALL & CLERK	92.24
						<u>162.95</u>
02/12/2025	101	26171	01654	TRACE ANALYTICAL LABORATORIES INC	MONTHLY SELENIUM SAMPLE	29.00
02/12/2025	101	26172	01314	VERIZON WIRELESS	CELL PHONE SERV 12/16/24-01/15/25	879.93
02/12/2025	101	26173	00703	WASTE MANAGEMENT OF MICHIGAN INC	DUMPSTER SERVICE WTR PLANT-FEB 2025	94.54
					DUMPSTER SERVICE JAMESON HALL-JAN 2025	129.97
					DUMPSTER SERVICE TWP HALL-FEB 2025	74.93
					DUMPSTER SERVICE SHOP-FEB 2025	53.44
					DUMPSTER SERVICE WWTP-FEB 2025	287.91
					DUMPSTER SERVICE MCDONALD PARK-FEB 2025	161.92
						<u>802.71</u>

101 TOTALS:

Total of 43 Checks:	385,215.82
Less 2 Void Checks:	0.00
Total of 41 Disbursements:	<u>385,215.82</u>

Charter Township of Union Payroll
--

Check Date: 01/30/2025
Pay Period End Date:01/25/2025

NOTE: PAYROLL TRANSFER NEEDED

General Fund	\$	34,669.80
Fire Fund		
EDDA		
WDDA		
Sewer Fund		32,344.92
Water Fund		27,942.26
Total To Transfer from Pooled Savings	\$	94,956.98

NOTE: CHECK TOTAL FOR TRANSFER

BS&A Gross Payroll	\$	80,576.58
Employer Share Medicare		1,159.13
Employer Share SS		4,956.35
SUI		333.52
Pension-Employer Portion		7,490.50
Workers' Comp		440.90
Dental		-
Health Care		-
Vision		-
Vision Contribution		-
Flex Admin Fee		-
Health Care Contribution		-
Life/LTD		-
Cobra/Flex Administration		-
PCORI Fee		-
Total Transfer to Payroll Checking	\$	94,956.98

TOTAL TRANSFER FROM POOLED SAVINGS TO PAYROLL ACCOUNT

CONFIRMATION NUMBER: _____ **DATE:** _____

ACH NUMBER: _____ **TIME:** _____

**CHARTER TOWNSHIP OF UNION
MEETING PAY REQUEST FORM**

(See Governance Policy 3.10 for additional details)

BOARD MEMBER: TIM LANNEN

MONTH, YEAR: January 2025

Date MM/DD	Meeting	Time Attended		Total
		1hr or less	More than Hr	
1-15-25	County MTA	✓		50
1-30	Isabella County Road Commission	✓		50

Signature: Tim Lannen **Date:** 1-31-25

- 1. This form is to be filled out by the board member at the conclusion of each calendar month. Request forms should be sent to the Finance Department. Following approval by the Board of Trustees, the meetings will be paid in the next payroll run.**
- 2. Only list those meetings that you have attended. For extra meetings that a member of the Board of Trustees attends and are eligible for "meeting pay", \$50 will be paid for meetings that are 1 hour or less and \$75 for meetings over 1 hour. The meeting pay request form must be filled out with the date of the meeting, the name of the meeting attended, the length of the meeting and the pay requested for each meeting.**
- 3. The Township Supervisor, Clerk, and Treasurer shall not receive any meeting pay for attending meetings during regular township business hours of Monday through Friday 8:30 am to 4:30 pm.**



Union Township Report

Date: Tuesday, January 28, 2025



Alarm Date between 2025-01-19 and 2025-01-25

District	NFIRS Number	Alarm Date	Incident Type Code	Incident Type	Apparatus Name	Personnel Count	Alarms
Union Township	0000049						
		1/19/2025 5:38:04 PM	322	Motor vehicle accident with injuries	ENG 33	2	3
		1/19/2025 5:38:04 PM	322	Motor vehicle accident with injuries	POV	9	3
		1/19/2025 5:38:04 PM	322	Motor vehicle accident with injuries	Rescue 31	1	3
						Total Responding 12	
Union Township	0000051						
		1/21/2025 11:19:21 PM	743	Smoke detector activation, no fire - unintentional	ENG 32	1	1
						Total Responding 1	
Union Township	0000052						

		1/21/2025 11:18:34 PM	733	Smoke detector activation due to malfunction	ENG 33	2	1
						Total Responding 2	
Union Township	0000055						
		1/22/2025 7:49:20 PM	743	Smoke detector activation, no fire - unintentional	ENG 31	2	2
						Total Responding 2	
Union Township	0000056						
		1/22/2025 5:16:39 PM	111	Building fire	ENG 33	2	4
		1/22/2025 5:16:39 PM	111	Building fire	ENG 32	1	4
		1/22/2025 5:16:39 PM	111	Building fire	T 31	1	4
		1/22/2025 5:16:39 PM	111	Building fire	SQ 31	1	4
		1/22/2025 5:16:39 PM	111	Building fire	Rescue 31	1	4
		1/22/2025 5:16:39 PM	111	Building fire	POV	8	4
						Total	

							Responding 14
Union Township	0000059						
		1/23/2025 3:38:33 PM	322	Motor vehicle accident with injuries	ENG 33	2	1
						Total Responding 2	
Union Township	0000063						
		1/24/2025 8:08:00 AM	131	Passenger vehicle fire	POV	5	3
		1/24/2025 8:08:00 AM	131	Passenger vehicle fire	ENG 33	2	3
						Total Responding 7	
	Total Runs 7					Total Responding 40	

Note: Alarms

1=Duty Crew

2=Paged Off Duty Full-time

3=Paged Paid-on-Call Firefighters

4=Paged All



Union Township Report

Date: Tuesday, February 4, 2025



Alarm Date between 2025-01-26 and 2025-02-01

District	NFIRS Number	Alarm Date	Incident Type Code	Incident Type	Apparatus Name	Personnel Count	Alarms
Union Township	0000068						
		1/26/2025 2:48:38 AM	522	Water or steam leak	ENG 33	2	1
						Total Responding 2	
Union Township	0000070						
		1/26/2025 11:32:20 AM	622	No incident found on arrival at dispatch address	ENG 33	2	1
						Total Responding 2	
Union Township	0000074						
		1/27/2025 4:26:32 AM	114	Chimney or flue fire, confined to chimney or flue	ENG 33	2	1
						Total Responding 2	

Union Township	0000077						
		1/27/2025 1:18:16 PM	622	No incident found on arrival at dispatch address	ENG 33	2	1
						Total Responding 2	
Union Township	0000078						
		1/27/2025 6:00:00 PM	324	Motor vehicle accident with no injuries.	ENG 33	2	1
						Total Responding 2	
Union Township	0000080						
		1/28/2025 2:24:34 PM	743	Smoke detector activation, no fire - unintentional	ENG 33	2	1
						Total Responding 2	
Union Township	0000089						
		1/30/2025 6:33:33 PM	321	EMS call, excluding vehicle accident with injury	ENG 33	3	1

							Total Responding 3
Union Township	0000090						
		1/31/2025 4:41:32 PM	311	Medical assist, assist EMS crew	ENG 33	3	1
						Total Responding 3	
Union Township	0000092						
		1/31/2025 6:15:00 PM	321	EMS call, excluding vehicle accident with injury	ENG 33	2	1
		1/31/2025 6:15:00 PM	321	EMS call, excluding vehicle accident with injury	C 31	1	1
						Total Responding 3	
	Total Runs 9					Total Responding 21	

Note: Alarms
1=Duty Crew
2=Paged Off Duty Full-time
3=Paged Paid-on-Call Firefighters
4=Paged All

To: Board of Trustees	DATE: February 4, 2025
FROM: Mark Stuhldreher, Township Manager	DATE FOR CONSIDERATION: 2/12/2025
ACTIONS REQUESTED: To reduce the annual service charge/percentage of annual shelter rent for the Springbrook Townhomes Phase I and Phase II low income housing projects authorized under Tax Exemption Ordinance No. 20-10 as a payment in lieu of taxes (PILOT) from the current ten percent (10%) to _____% and to adopt updated PILOT resolutions for Phase I and Phase II that reflect the percentage change.	

Current Action Emergency
 Funds Budgeted: If Yes Account # No N/A

BACKGROUND INFORMATION

In Michigan and in many other parts of the USA, there is an ongoing imbalance in the demand for new and existing housing as compared to the available supply. Development of new housing in Michigan continues to fall far short of current demand, due in significant part to high interest rates, the continuing high costs for construction materials, a tight labor market, and economic uncertainties that inhibit implementation of larger development projects. The market for existing homes also continues to be impacted by high mortgage interest rates and other economic factors that limit the purchasing power of potential buyers and reduce the inventory of available homes. This disparity is particularly acute in the markets for “starter homes” for first-time buyers and for “workforce housing” aimed at low and moderate income individuals and families.

As a result, existing housing—historically the main supply of housing for low and moderate income families—remains scarce. As noted in Michigan’s first state-wide Housing Plan (released in 2022), 26% of Michigan’s residents (and 48% of renters) are housing cost-burdened, meaning they spend more than 30% of their income on housing.

Tax Exemptions and Payment in Lieu of Taxes (PILOT) to Support Low Income Housing

The State of Michigan offers support for development of new housing aimed at low income individuals and families through [Section 15a of the State Housing Development Authority Act](#) (Public Act 346 of 1966, as amended) and the state’s low income housing tax credit (LIHTC) program overseen by the Michigan State Housing Development Authority (MSHDA). The LIHTC program offers a short-term (10-years) incentive credit directly against the investor’s taxable income for new development projects. These income tax credits primarily help fill funding gaps related to new housing project development and construction.

To provide longer-term support to maintain and operate a low income housing development in the community, the state Act also allows for approval of an ad valorem property tax exemption for low income housing developments, subject to payment of an annual service charge in lieu of taxes (PILOT). At the local level, these tax exemptions and associated PILOT resolution are subject to Board of Trustees approval under our [Tax Exemption Ordinance No. 20-10](#).

Per Section 15a(3)(c) of the state Act, “The owner of the housing project must allocate *the benefits of any tax exemption granted under this section exclusively to low-income individuals or families or to the maintenance and preservation of the housing project as a safe, decent, and sanitary affordable housing.*” There are currently four (4) housing developments in the Township subject to this Ordinance and an active PILOT resolution:

Housing Project	Location	Tax Exemption		PILOT - Percentage of Shelter Rent
		Established	Ends	
Arbors at Eagle Crest Phase II	East side of S. Isabella Rd. north of E. Bluegrass Rd.	2005	2030	10%
Springbrook Townhomes Phase I	West side of S. Isabella Rd. south of E. Bluegrass Rd.	2005	2040	10%
Springbrook Townhomes Phase II	West side of S. Isabella Rd. south of E. Bluegrass Rd.	2007	2040	10%
Cranbrook Senior Village	West side of S. Isabella Rd. south of E. Bluegrass Rd.	2008	2043	9%

Springbrook Townhomes Request to Reduce the PILOT Percentage of Annual Shelter Rent

The duration of the tax exemption is set at the time of approval based on the requirements of the state Act and “*shall not terminate as long as (the) property is encumbered by a federally aided or Authority-aided mortgage (or the) housing project remains subject to income and rent restrictions....*” [from Section 8 (Duration) of the Tax Exemption Ordinance No. 20-10]. For both phases of Springbrook Townhomes, the tax exemption/PILOT term is set to expire in 2040.

For the PILOT payment, the percentage of annual shelter rent PILOT was initially set at 10%. Section 15a(3)(a) of the state Act includes references to “*10% of the annual shelter rents obtained from the project*” related to new projects, but also includes a specific allowance that the Board of Trustees “*may establish or change, by any amount it chooses, the service charge paid under subdivision (a) in lieu of taxes by all or any class of housing projects exempt from taxation under this act.*” A preliminary review by staff of various low income housing PILOT ordinances and resolutions found this percentage of annual shelter rent PILOT to be commonly set between 4% and 10%.

All four of the Township’s active low income housing projects have reached an age where the owner can choose to seek approval from MSHDA to transition out of the LIHTC program and to convert the site to market-based rental housing. As noted in their 1/21/2025 letter, the current owners of Springbrook Townhomes have explored this option, while at the same time also seeking options to be able to retain the site for low income housing while addressing the need for “serious capital investment,” correction of issues associated with deferred maintenance by the prior owner, and improvements to rental units for the benefit of their residents.

Their request for Board of Trustees approval of a reduction in the annual service charge/percentage of annual shelter rent from 10% to 4% is intended to help address this need. As noted in their letter, the current owners have also taken other steps to address this need, including working with MSHDA

to amend their regulatory agreement related to the rental units with the most restrictive income-based rent limits. A copy of the proposed MSHDA agreement amendment is attached for reference.

The following table is an excerpt from the 2023 annual shelter rent PILOT calculation for Springbrook Townhomes Phase I. The addition in red text at the lower right corner shows the difference in the PILOT amount that would have been required if the percentage had been 4%:

<u>CALCULATION</u>			
4000 & 4002	Gross Potential Rent		390,600.00
4010	Gain /(Loss) to Lease		12,375.00
4200	Vacancy Residential		(11,595.00)
4204	Employee Unit- Discount		(1,754.00)
4209	Rent Write Off		(2,065.00)
4211 & 4212	Write-Off Rent Collected		426.00
ANNUAL SHELTERED RENTS			387,987.00
LESS: UTILITIES			
5300	Vacant Electric	430.00	
5302	Electricity	3,969.00	
5310	Vacant Gas	388.00	
5312	Gas	1,459.00	
5230	Water/Sewer	26,106.00	
			(32,352.00)
NET SHELTERED RENTS			\$ 355,635.00
			\$355,635.00
ANNUAL SERVICE CHARGE RATE			10%
			4%
2023 PILOT DUE 2/10/2024			\$ 35,563.50
			\$14,225.40

Affected Taxing Jurisdictions

The annual service charge/percentage of annual shelter rent PILOT is due to the Township each year in early February, after completion by the owner of an annual audit of rental payments and associated utility costs. The amount received by the Township Treasurer for the PILOT is shared with the other taxing jurisdictions based on a millage rate formula calculation. Based on millage rates, the County is the taxing jurisdiction most affected by any reduction. Only a small percentage of the payment is retained by the Township’s General Fund.

Annual Rental Certification

Springbrook Townhomes is part of our rental housing certification program and is subject to an annual inspection. The property has a current rental certification and all violations noted during our most recent inspection have been corrected.

JUSTIFICATION

From the Preamble of the Tax Exemption Ordinance No. 20-10:

It is acknowledged that housing for persons and families of low income is a public necessity, and that the Township and its residents will be benefited and improved by such housing. It is further acknowledged that it is a proper public purpose of the State of Michigan and the Township to provide housing for low income persons and families and to encourage the development of such housing by providing for an ad valorem property tax exemption and payment of an annual service charge in lieu of taxes by any or all classes of housing exempt from taxation under the State Housing Development Authority Act.

The Township is authorized by this Act to establish or change this annual service charge at any amount it chooses, not to exceed the tax that would be paid but for this Act. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and payment of an annual service charge in lieu of taxes during the periods contemplated in this Ordinance are essential to the determination of economic feasibility of housing projects that are constructed or rehabilitated with financing extended in reliance on a tax exemption.

BOARD OF TRUSTEES GOALS ADDRESSED

Board of Trustees goals addressed (from Policy 1.0: Global End):

- 1. Community well-being and common good**
- 2. Prosperity through economic diversity, cultural diversity, and social diversity**
- 3. Safety and Health**
- 5. Commerce**

The requested reduction in the annual service charge/percentage of annual shelter rent from 10% to 4% would help support a sustainable community by maintaining availability of low income housing options (1.0) that welcome all demographics within the Township (1.1.1). The owner's plans for improvements to the property would benefit their residents and help them to thrive and achieve more than their basic needs (1.2) in a safe and healthy environment (1.3).

The requested reduction to support additional capital investments into the property would also help to support the long-term economic feasibility of this low income housing project, which is consistent with the Township's commerce-friendly economic development policies (1.5).

COST

If approved, the change in the annual service charge/percentage of annual shelter rent PILOT from 10% to 4% would cause a negligible reduction in the overall annual receipt of tax-related funds to the Township and the other taxing jurisdictions from this payment.

PROJECT TIMETABLE

If updated PILOT resolutions for Phase I and Phase II of Springbrook Townhomes are approved by the Board of Trustees with a reduction in the annual service charge/percentage of shelter rent, the changes would go into effect beginning with the 2026 tax year.

RESOLUTION

To reduce the annual service charge/percentage of shelter rent for the Springbrook Townhomes Phase I and Phase II low income housing projects as a payment in lieu of taxes (PILOT) authorized under the Tax Exemption Ordinance No. 20-10 from the current ten percent (10%) to _____% and to adopt updated PILOT resolutions for Phase I and Phase II that reflect the percentage change.

Resolved by _____ Seconded by _____

Yes:

No:

Absent:

Matthew J. Gebhardt

3476 EASTMAN DRIVE
FLUSHING, MICHIGAN 48433

January 21, 2025

Board of Trustees
Charter Township of Union
2010 S. Lincoln
Mt. Pleasant, MI 48858

**RE: Request for Reduction to Payment in Lieu of Taxes ("PILOT")
4650 S. Isabella Rd., Mt. Pleasant, MI 48858, Parcel #14-026-40-001-08 ("Springbrook
Townhomes I") and S. Isabella Rd., Mt. Pleasant, MI 48858, Parcel #14-026-40-001-09
("Springbrook Townhomes II" and collectively with Springbrook Townhomes I, the
"Property")**

Dear Board of Trustees:

I am writing on behalf of the owner of the Property. Springbrook I & II each consist of 48 apartment units reserved for low-income tenants. The Michigan Housing and Development Authority ("MSHDA") defines "low-income" as a percentage of the Area Median Income ("AMI") for the area where a property is located. We purchased the Property on January 31, 2024.

The Problem

- The Property was constructed over fifteen (15) years ago and needs serious capital investment.
- Unfortunately, the prior owners neglected the Property much more than was readily apparent during our inspections.
- The following capital needs are urgently needed: roofs on all buildings, resurfaced asphalt parking and drive, updated water meters, smoke detector upgrades (required), exterior fence repair and maintenance, landscaping repair and maintenance, and upgraded (efficient) lighting.
- In addition to the capital needs, the rental units need to be repaired and updated.
- The Property failed to meet their debt service coverage ratios ("DSCR") resulting in them technically being in default and leaving no room for additional expenses or capital needs. We have enclosed Profit & Loss statements for the Property.
- The low AMI's (Area Median Income) allowed for the Property do not allow for reasonable revenue.
- The rental restrictions on the Property do not allow for revenue to be increased.

Attempts to Resolve the Problem

- We have diligently worked to lower the expenses and have done so to the extent we can without neglecting the Property.
- Further reduction of expenses is in direct opposition with improving the Property for the residents and community.
- We have submitted an application to MSHDA to have the property removed from the Low Income Housing Tax Credit Program ("LIHTC") and subsequently entered into discussions with MSHDA to receive relief from the rental restrictions.

A Gap Remains

- Despite our best efforts, we are losing the battle of maintaining and operating the Property in a manner the residents and community deserve, while meeting our DSCR.
- Many of the capital needs are urgent in order to maintain the property and preserve the wellbeing of the residents.
- Without the ability to increase revenue, reducing expenses is our only option.
- Continuing down the current path and ignoring the necessary capital needs, including the unit repairs and upgrades, will ultimately be catastrophic for the Property.
- While MSHDA has proposed an offer that would allow the AMI's to be increased for the Property, ultimately increasing the rents for those units, there is a three year period that prevents us from increasing rents during that period.

Why Your Decision Matters

- Your vote to reduce the Payment in Lieu of Taxes ("PILOT") will reduce the expenses of the Property without taking away from our ability to maintain or improve the Property.
- Your approval of the requested reduction will help ensure that our residents have a safe and comfortable place to live and preserve a low-income property for your community.
- The changes in lending and the economy overall have dramatically changed the landscape for owners of low-income properties. I highly doubt that your community has been immune from owners removing the properties from low-income programs. This has become a necessity for survival in many instances.
- We need the requested reduction in addition to the relief proposed by MSHDA to make this work.

We do not take being an owner/operator lightly and aim to provide our residents with homes, not simply a roof over their heads. We also strive to preserve our assets for the betterment of our residents and the surrounding community. We (through different LLC's) presently own and operate other low-income housing in Davison, Michigan (Davison Landings /aka/ Glastonbury Manor), Freeland, Michigan (Meadows Apts), Ionia, Michigan (Valleyview Apts), Jackson, Michigan (Southridge Park Apts), Mount Pleasant, Michigan (The Arbors & Springbrook II), Muskegon, Michigan (Royal Glen), and Owosso, Michigan (Kingswood Apts). We have experience in this area and have worked with other municipalities to help ensure the continued availability of low-income housing.

We understand the need for low-income housing in your community and we support that. Unfortunately, the present circumstances will not allow the Property to be properly maintained and updated. The Property is connected with two other low-income properties we own (via different entities). While each parcel is owned by a separate entity due to requirements in the applicable Regulatory Agreements, there is common ownership of those entities, and those properties are operated as one complex to help reduce operational cost. In all 136 units are involved, with similar needs and income restrictions. The reality is that when the operational cashflow of a property such as this cannot support the necessary capital expenditure, the property suffers and in kind so do the residents and surrounding community. The gradual, but steady decline results in a property that is a less desirable place to live and have in your community. We consider the repair and updating of units to be just as essential as the other needs, providing a sense of pride and comfort in residents that carries over into their attitude and desire to stay in a community.

We sincerely and respectfully request that your Board aid us in supporting our residents and community by entering a resolution lowering the PILOT for the Property from ten percent (10%) to four percent (4%). Your vote in favor of the reduction would directly impact several low-income residents of your community by:

(1) Helping to provide residents with the home they need and deserve; and

(2) Assisting with the maintenance and continuance of low-income housing in your community.

We need your support coupled with the efforts of MSHDA to make this happen.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew J. Gebhardt". The signature is fluid and cursive, with the first name "Matthew" and last name "Gebhardt" clearly distinguishable.

Matthew J. Gebhardt

**AMENDMENT TO AND ASSUMPTION OF
REGULATORY AGREEMENT**

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LOW INCOME HOUSING TAX CREDIT
735 East Michigan Avenue, Lansing, Michigan 48912

THIS AMENDMENT AND ASSUMPTION AGREEMENT, is made and entered into as of the 19th day of December, 2024, by and between **Springbrook I Limited Dividend Housing Assoc LLC**, a Michigan limited liability company ("the Partnership"), whose address is 3476 Eastman Drive, Flushing, MI 48433, and the **MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**, a public body corporate and politic of the State of Michigan (the "Authority"), whose address is 735 East Michigan Avenue, Lansing, Michigan 48912.

R E C I T A L S :

WHEREAS, the Partnership is owner of a certain housing development known as Springbrook Townhomes (the "Project"), located in the Township of Union, County of Isabella , and State of Michigan, more particularly described in Exhibit A which is attached to and made a part of this Agreement; and

WHEREAS, the Authority has made an allocation of Low Income Housing Tax Credit to the Project; and

WHEREAS, pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"), Springbrook Townhomes Limited Dividend Housing Association Limited Partnership ("Owner"), the Partnership's predecessor in interest, and the Authority entered into a Regulatory Agreement dated November 16, 2005, that was recorded in the Isabella County Register of Deeds at Liber 1321, 1327 Page 39, on December 15, 2005 ("Regulatory Agreement"); and

WHEREAS, the Partnership has requested relief from certain income and rent restrictions set forth in Exhibit B to the Regulatory Agreement, and in consideration therefore, has agreed to waive certain rights under the Code for the period set forth below.

WHEREAS, the Partnership and the Authority wish to amend the terms of the Regulatory Agreement to (i) confirm the termination date of the "Extended use period", (ii) substitute a more complete Exhibit B for the Project, and (iii) provide for the assumption of the obligations of Springbrook Townhomes Limited Dividend Housing Association Limited Partnership under the Regulatory Agreement, as amended hereby. SPRINGBROOK TOWNHOMES LDHA LIMITED PARTNERSHIP

NOW, THEREFORE, the parties agree as follows:

1. The income restrictions set forth in Section 5 of Exhibit "B" of the Regulatory Agreement are hereby increased from 25% of area median gross income to 60% of area median gross income ("AMI).

Any increase in the income and rent limit with respect to a unit that will result from these amended income restrictions set forth in the amended Exhibit B attached to this Agreement shall not be applied to that unit until three (3) years from the date of this amendment. Any unit that is

vacated may thereafter be rented to families whose income does not exceed the new income limits set forth herein. The Mortgagor acknowledges that the tenancy of existing tenants may not be terminated other than for "good cause," and that refusal to renew tenancy is the same as a termination.

2. The Partnership will notify the Authority as each 25% of AMI unit becomes occupied by a family whose income does not exceed 60% of AMI, and on request, will provide the Authority with reasonable documentation of the prior tenant's termination of tenancy.

3. The Partnership hereby waives the right to request a "qualified contract" from the Authority under Section 42(h)(6) of the Code for the remaining compliance period set forth in the agreement.

4. The "extended use period" as set forth in Sections 4 and 6 of the Regulatory Agreement shall terminate on December 31, 2050.

5. The Partnership hereby assumes the obligations of the Owner under the Regulatory Agreement and acknowledges and agrees that it will comply with the requirements of the Code and the other covenants of the Regulatory Agreement for the remainder of the "extended use period."

6. Exhibit B to the original Regulatory Agreement is hereby deleted and replaced with the Amended Exhibit B attached to this Amendment.

7. The Regulatory Agreement, as amended and modified hereby, is ratified and confirmed in all other respects.

IN WITNESS WHEREOF, the parties by their duly authorized representatives, have executed this Amendment to and Assumption of Regulatory Agreement as of the date shown above.

(Signatures Follow On Page 3)

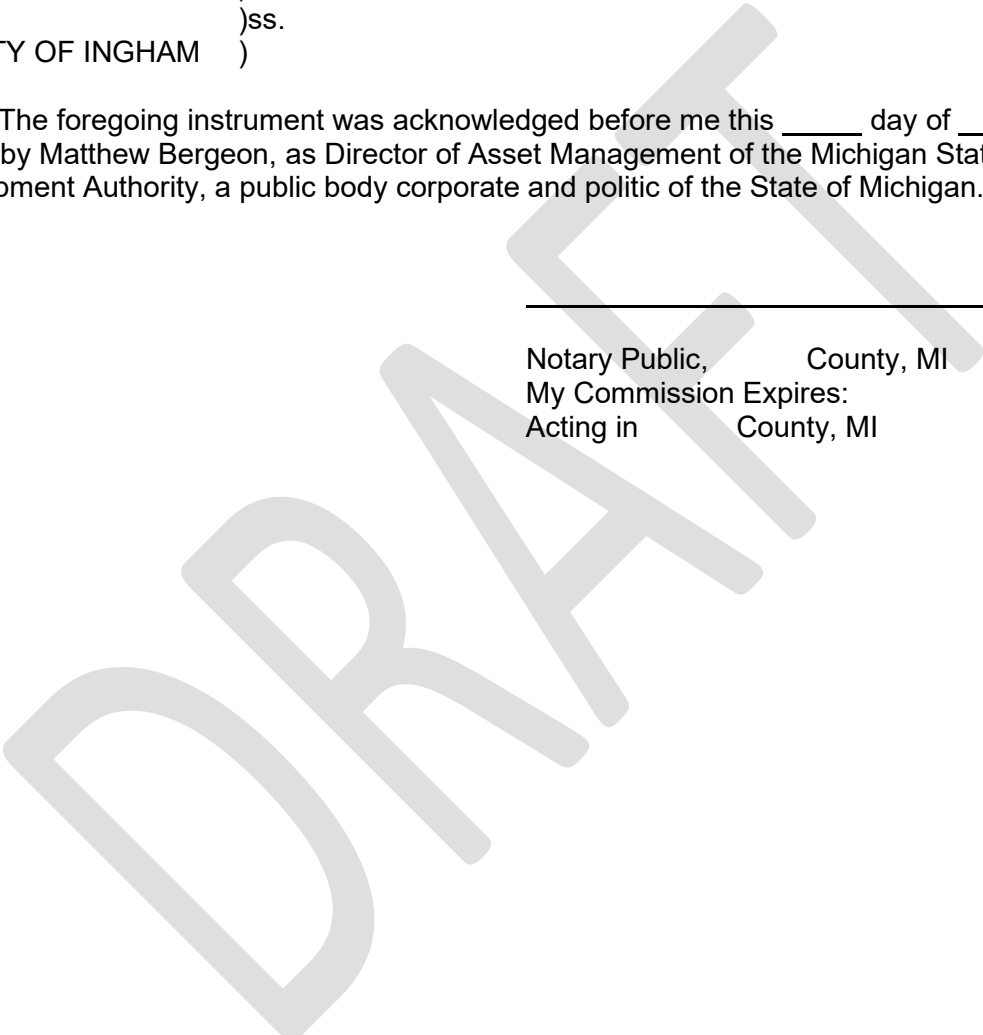
MICHIGAN STATE HOUSING
DEVELOPMENT AUTHORITY

By: _____
Matthew Bergeon
Director of Asset Management

STATE OF MICHIGAN)
)ss.
COUNTY OF INGHAM)

The foregoing instrument was acknowledged before me this ____ day of _____,
, by Matthew Bergeon, as Director of Asset Management of the Michigan State Housing
Development Authority, a public body corporate and politic of the State of Michigan.

Notary Public, County, MI
My Commission Expires:
Acting in County, MI



SPRINGBROOK I LIMITED
DIVIDEND HOUSING ASSOC
LLC

By: _____

Its: General Partner

By: _____

Its: General Partner

By: _____

Its: _____

STATE OF _____)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
_____, by _____, as _____,
_____.

Notary Public, _____ County, _____
My Commission Expires: _____
Acting in _____ County, _____

DRAFTED BY:

Margaret A. Meyers
MICHIGAN STATE HOUSING
DEVELOPMENT AUTHORITY
735 E. Michigan Avenue
P.O. Box 30044
Lansing, Michigan 48909

WHEN RECORDED
PLEASE RETURN TO:

Carol Thompson
MICHIGAN STATE HOUSING
DEVELOPMENT AUTHORITY
735 E. Michigan Avenue
P.O. Box 30044
Lansing, Michigan 48909

EXHIBIT A

The following described premises situated in the Township of Union, County of Isabella, State of Michigan:

PART OF THE EAST 20 ACRES OF THE NORTH 80 ACRES OF THE EAST 140 ACRES OF THE SOUTHEAST $\frac{1}{4}$ OF SECTION 26, T14N-R4W, UNION TOWNSHIP, ISABELLA COUNTY, MICHIGAN, DESCRIBED AS FOLLOWS: TO FIX THE POINT OF BEGINNING COMMENCE AT THE EAST $\frac{1}{4}$ CORNER OF SAID SECTION; THENCE S00°-16'-32"E, ON AND ALONG THE EAST LINE OF SAID SECTION, 660.00 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING S00°-16'-32"E, ON AND ALONG SAID EAST SECTION LINE, 852.20 FEET; THENCE N89°-59'-45"W, ON AND ALONG THE SOUTH LINE OF THE EAST 20 ACRES OF THE NORTH 80 ACRES OF THE EAST 140 ACRES OF THE SOUTHEAST $\frac{1}{4}$ OF SAID SECTION, 324.63 FEET; THENCE N00°-00'-15"E, PERPENDICULAR TO THE EAST AND WEST $\frac{1}{4}$ LINE OF SAID SECTION, 389.35 FEET; THENCE N89°- 59'-45"W, PARALLEL WITH THE EAST AND WEST $\frac{1}{4}$ LINE OF SAID SECTION, 10.00 FEET; THENCE N00°-00'-15"E, PERPENDICULAR TO SAID EAST AND WEST $\frac{1}{4}$ LINE, 20.00 FEET; THENCE S89°-59'- 45"E, PARALLEL WITH THE EAST AND WEST $\frac{1}{4}$ LINE OF SAID SECTION, 10.00 FEET; THENCE N00°- 00'-15"E, PERPENDICULAR TO SAID EAST AND WEST $\frac{1}{4}$ LINE, 312.00 FEET; THENCE N89°-59'-45"W, PARALLEL WITH THE EAST AND WEST $\frac{1}{4}$ LINE OF SAID SECTION, 103.47 FEET; THENCE N00°-00'- 15"E, PARALLEL WITH THE EAST LINE OF SAID SECTION, 130.84 FEET; THENCE S89°-59'-45"E, PARALLEL WITH THE EAST AND WEST $\frac{1}{4}$ LINE OF SAID SECTION, 423.94 FEET BACK TO THE POINT OF BEGINNING CONTAINING 6.63 ACRES OF LAND AND BEING SUBJECT TO HIGHWAY USE OF THE EASTERLY 33.00 FEET THEREOF, AND ALSO BEING SUBJECT TO AND TOGETHER WITH ANY OTHER EASEMENTS, RESTRICTIONS, OR RIGHTS OF WAY OF RECORD.

EXHIBIT B

The Owner acknowledges that it has made certain representations with respect to the development, all of which remain true. Further, these criteria have been considered by the Authority in awarding Housing Tax Credit and shall be binding on the Owner and on any successor(s) in interest in the Project unless the Authority, in its sole discretion as Housing Credit Agency, grants a specific waiver of any such requirement. All applicable are checked.

1. Credit has been allocated to this development on the basis that a bona fide 501(c)(3) or 501(c)(4) nonprofit organization, having the fostering of housing as one of its exempt purposes and having no affiliation with or controlled by a for profit entity, has an ownership interest in the development and materially participates in the development's operation.
2. Credit has been allocated to this development on the basis that it is designed to serve and will serve the elderly population, as defined in the Authority's Act.
3. At least square feet (15 square feet per residential unit) of community space will be provided for use by the tenants in this project that serves the elderly and qualifies for the elderly set-aside.
4. Units will be rented to tenants with special needs receiving substantial services as a result of a contract (or equivalent relationship) with a local service provider.
5. X Credit has been allocated to this development on the basis that it will serve tenants at certain area median income restrictions and will also concomitantly reduce rents to those tenants. The number of units so assisted and the incomes of residents for those units are as follows:
 - ◆ 24 units (50 %) will be rented to families whose income does not exceed 55 % of the area median gross income.
 - ◆ 24 units (50 %) will be rented to families whose income does not exceed 60 % of the area median gross income.
6. 5 Two and/or three bedroom units will be reserved for households with children.
7. Credit has been allocated to this development on the basis that it will consist of single family or townhouse units that will be sold to eligible tenants at the end of the compliance period.
8. 20% of the units will be rented to tenants at market rate.

**CHARTER TOWNSHIP OF UNION
ISABELLA COUNTY, MICHIGAN**

RESOLUTION NO. _____

**A RESOLUTION OF THE TOWNSHIP BOARD TO REAFFIRM THE CONTINUING ELIGIBILITY
OF THE SPRINGBROOK TOWNHOMES PHASE I HOUSING PROJECT FOR A TAX EXEMPTION
AND PAYMENT IN LIEU OF TAXES**

The following preamble and resolution were offered by _____ and supported by _____:

WHEREAS, the Board of Trustees is committed to supporting the goal of encouraging development of new housing and rehabilitation of existing housing units for low income persons and families in the Township; and

WHEREAS, Section 15a of the State Housing Development Authority Act (Public Act 346 of 1966, as amended) provides for an ad valorem property tax exemption and payment of an annual service charge in lieu of taxes for certain housing projects for low income persons and families, subject to Board of Trustees authorization; and

WHEREAS, the Township's Tax Exemption Ordinance No. 20-10 provides for adoption and revision of project-specific resolutions by the Board of Trustees; and

WHEREAS, the Springbrook Townhomes Phase I housing project and its sponsor, which is Springbrook I Limited Dividend Housing Association LLC, remain eligible for a low income housing-related tax exemption and payment in lieu of taxes; and

WHEREAS, the Board of Trustees has determined that a reduction in the annual service charge/percentage of annual shelter rent is warranted to help facilitate necessary capital investments and support the long-term economic feasibility of this low income housing project.

NOW, THEREFORE, LET IT BE RESOLVED that:

1. The Board of Trustees hereby approves the continuation of an ad valorem property tax exemption and payment of an annual service charge in lieu of taxes for the Springbrook Townhomes Phase I housing project, which is described as follows:

48 total units [24 two (2) bedroom-2.5 bath townhomes and 24 three(3) bedroom 2.5 bath townhomes] in 12 two (2) story, four (4) unit buildings with 12 detached garage buildings containing four (4) two-car spaces (96 total garages spaces) plus a community building and tot lot.

Legal Description: T14N R4W, SEC 26; PART OF THE E 20A OF THE N 80A OF THE E 140 A OF THE SE 1/4 OF SECTION 26; COMM AT THE E 1/4 COR; TH S 00D 16M 32S E, 660 FT TO THE POB OF THIS DESCRIPTION; TH S 00D 16M 32S E, 852.20 FT; TH N 89D 59M 45S W, 324.63 FT; TH N 00D 00M 15S E, 389.35 FT; TH N 89D 59M 45S W, 10.0 FT; TH N 00D 00M 15S E, 312 FT; TH S 89D 59M 45S E, 103.47 FT; TH N 00D 00M 15S E, 130.84 FT; TH S 89D 59M 45S E, 423.94 FT TO POB. 6.63A M/L 1-19-2005 SPLIT 14-026-40-001-05 TO 001-07, 001-08, 001-09.

PID 14-026-40-001-08

Sponsor: Springbrook I Limited Dividend Housing Association LLC
Agent: Matthew J. Gebhardt, 3476 Eastman Drive, Flushing, MI 48433
(810) 412-5071 mgebhardt@chargermi.com

2. Through the 2025 tax year, the annual service charge shall consist of the sum of ten percent (10%) of the collections from the total Annual Shelter Rent during the period from January 1 through December 31 of each year, as calculated per the adopted Tax Exemption Ordinance.
3. Beginning with the 2026 tax year, the annual service charge shall consist of the sum of _____ percent (____%) of the collections from the total Annual Shelter Rent during the period from January 1 through December 31 of each year, as calculated per the adopted Tax Exemption Ordinance.
4. Having commenced with the 2005 tax year, this tax exemption and payment of an annual service charge in lieu of taxes shall remain in effect and shall not terminate through the end of the 2040 tax year, subject to continuing compliance with the requirements of the adopted Tax Exemption Ordinance.
5. This resolution shall replace the resolution adopted by the Board of Trustees on December 16, 2020, effective beginning on December 31, 2025.

Roll Call Vote:

Ayes: _____
Nays: _____
Absent: _____ Abstain: _____

RESOLUTION DECLARED ADOPTED.

Bryan Mielke, Supervisor

Date

CERTIFICATION OF ADOPTION

I, Lisa Cody, the duly elected Clerk of the Charter Township of Union, Isabella County, Michigan, hereby certify that the foregoing Resolution No. _____ was adopted at a meeting of the Charter Township of Union Board of Trustees on the _____ day of _____, 2025. I further certify that public notice was given and the meeting was conducted in full compliance with the Open Meetings Act (Public Act 267 of 1976, as amended).

Lisa Cody, Clerk

Certification Date

**CHARTER TOWNSHIP OF UNION
ISABELLA COUNTY, MICHIGAN**

RESOLUTION NO. _____

**A RESOLUTION OF THE TOWNSHIP BOARD TO REAFFIRM THE CONTINUING ELIGIBILITY
OF THE SPRINGBROOK TOWNHOMES PHASE II HOUSING PROJECT FOR A TAX
EXEMPTION AND PAYMENT IN LIEU OF TAXES**

The following preamble and resolution were offered by _____ and supported
by _____:

WHEREAS, the Board of Trustees is committed to supporting the goal of encouraging development of new housing and rehabilitation of existing housing units for low income persons and families in the Township; and

WHEREAS, Section 15a of the State Housing Development Authority Act (Public Act 346 of 1966, as amended) provides for an ad valorem property tax exemption and payment of an annual service charge in lieu of taxes for certain housing projects for low income persons and families, subject to Board of Trustees authorization; and

WHEREAS, the Township's Tax Exemption Ordinance No. 20-10 provides for adoption and revision of project-specific resolutions by the Board of Trustees; and

WHEREAS, the Springbrook Townhomes Phase II housing project and its sponsor, which is Springbrook II Limited Dividend Housing Association LLC, remain eligible for a low income housing-related tax exemption and payment in lieu of taxes; and

WHEREAS, the Board of Trustees has determined that a reduction in the reduction in the annual service charge/percentage of annual shelter rent is warranted to help facilitate necessary capital investments and support the long-term economic feasibility of this low income housing project.

NOW, THEREFORE, LET IT BE RESOLVED that:

1. The Board of Trustees hereby approves the continuation of an ad valorem property tax exemption and payment of an annual service charge in lieu of taxes for the Springbrook Townhomes Phase II housing project, which is described as follows:

48 total units [24 two (2) bedroom-2.5 bath townhomes and 24 three(3) bedroom 2.5 bath townhomes] in 12 two (2) story, four (4) unit buildings with 12 detached garage buildings containing four (4) two-car spaces (96 total garages spaces) plus a community building and tot lot.

Legal Description: T14N R4W, SEC26; PART OF THE E 20A OF THE N 80A OF THE E 140A OF THE SE 1/4 OF SECTION 26; COM AT THE E 1/4 COR; TH S 00D 16M 32S E, 1512.30 FT; TH N 89D 59M 45S W, 324.63 FT TO THE POB: TH N 00D 00M 15S E, 389.35 FT; TH N 89D 59M 45S W, 10FT; TH N 00D 00M 15S E, 20 FT; TH S 89D 59M 45S E, 10 FT; TH N 00D 00M 15S E, 312 FT; TH N 89D 59M 45S W, 103.47 FT; TH N00D00M00SE 130.84 FT; TH N 89D 59M 45S W, 152.17 FT; TH S 00D 16M 32S E, 852.20 FT; TH S 89D 59M 45S E, 251.48 FT TO POB. 4.64A M/L 1-19-2005 SPLIT 14-026-40-001-05 TO 001-07, 001-08, 001-09.

PID 14-026-40-001-09

Sponsor: Springbrook II Limited Dividend Housing Association LLC
Agent: Matthew J. Gebhardt, 3476 Eastman Drive, Flushing, MI 48433
(810) 412-5071 mgebhardt@chargermi.com

2. Through the 2025 tax year, the annual service charge shall consist of the sum of ten percent (10%) of the collections from the total Annual Shelter Rent during the period from January 1 through December 31 of each year, as calculated per the adopted Tax Exemption Ordinance.
3. Beginning with the 2026 tax year, the annual service charge shall consist of the sum of _____ percent (____%) of the collections from the total Annual Shelter Rent during the period from January 1 through December 31 of each year, as calculated per the adopted Tax Exemption Ordinance.
4. Having commenced with the 2007 tax year, this tax exemption and payment of an annual service charge in lieu of taxes shall remain in effect and shall not terminate through the end of the 2040 tax year, subject to continuing compliance with the requirements of the adopted Tax Exemption Ordinance.
5. This resolution shall replace the resolution adopted by the Board of Trustees on December 16, 2020, effective beginning on December 31, 2025.

Roll Call Vote:

Ayes: _____
Nays: _____
Absent: _____ Abstain: _____

RESOLUTION DECLARED ADOPTED.

Bryan Mielke, Supervisor

Date

CERTIFICATION OF ADOPTION

I, Lisa Cody, the duly elected Clerk of the Charter Township of Union, Isabella County, Michigan, hereby certify that the foregoing Resolution No. _____ was adopted at a meeting of the Charter Township of Union Board of Trustees on the _____ day of _____, 2025. I further certify that public notice was given and the meeting was conducted in full compliance with the Open Meetings Act (Public Act 267 of 1976, as amended).

Lisa Cody, Clerk

Certification Date

TO: Board of Trustees	DATE: February 4, 2025
FROM: Mark Stuhldreher, Township Manager	DATE FOR CONSIDERATION: 2/12/2025
ACTIONS REQUESTED: To reduce the annual service charge/percentage of annual shelter rent for the Cranbrook Senior Village low income housing project authorized under Tax Exemption Ordinance No. 20-10 as a payment in lieu of taxes (PILOT) from the current nine percent (9%) to _____% and to adopt an updated PILOT resolution that reflect the percentage change.	

Current Action X Emergency
 Funds Budgeted: If Yes Account # No N/A X

BACKGROUND INFORMATION

In Michigan and in many other parts of the USA, there is an ongoing imbalance in the demand for new and existing housing as compared to the available supply. Development of new housing in Michigan continues to fall far short of current demand, due in significant part to high interest rates, the continuing high costs for construction materials, a tight labor market, and economic uncertainties that inhibit implementation of larger development projects. The market for existing homes also continues to be impacted by high mortgage interest rates and other economic factors that limit the purchasing power of potential buyers and reduce the inventory of available homes. This disparity is particularly acute in the markets for “starter homes” for first-time buyers and for “workforce housing” aimed at low and moderate income individuals and families.

As a result, existing housing—historically the main supply of housing for low and moderate income families—remains scarce. As noted in Michigan’s first state-wide Housing Plan (released in 2022), 26% of Michigan’s residents (and 48% of renters) are housing cost-burdened, meaning they spend more than 30% of their income on housing.

Tax Exemptions and Payment in Lieu of Taxes (PILOT) to Support Low Income Housing

The State of Michigan offers support for development of new housing aimed at low income individuals and families through [Section 15a of the State Housing Development Authority Act](#) (Public Act 346 of 1966, as amended) and the state’s low income housing tax credit (LIHTC) program overseen by the Michigan State Housing Development Authority (MSHDA). The LIHTC program offers a short-term (10-years) incentive credit directly against the investor’s taxable income for new development projects. These income tax credits primarily help fill funding gaps related to new housing project development and construction.

To provide longer-term support to maintain and operate a low income housing development in the community, the state Act also allows for approval of an ad valorem property tax exemption for low income housing developments, subject to payment of an annual service charge in lieu of taxes (PILOT). At the local level, these tax exemptions and associated PILOT resolution are subject to Board of Trustees approval under our [Tax Exemption Ordinance No. 20-10](#).

Per Section 15a(3)(c) of the state Act, “The owner of the housing project must allocate *the benefits of any tax exemption granted under this section exclusively to low-income individuals or families or*

to the maintenance and preservation of the housing project as a safe, decent, and sanitary affordable housing.” There are currently four (4) housing developments in the Township subject to this Ordinance and an active PILOT resolution:

Housing Project	Location	Tax Exemption		PILOT - Percentage of Shelter Rent
		Established	Ends	
Arbors at Eagle Crest Phase II	East side of S. Isabella Rd. north of E. Bluegrass Rd.	2005	2030	10%
Springbrook Townhomes Phase I	West side of S. Isabella Rd. south of E. Bluegrass Rd.	2005	2040	10%
Springbrook Townhomes Phase II	West side of S. Isabella Rd. south of E. Bluegrass Rd.	2007	2040	10%
Cranbrook Senior Village	West side of S. Isabella Rd. south of E. Bluegrass Rd.	2008	2043	9%

Cranbrook Senior Village Request to Reduce the PILOT Percentage of Annual Shelter Rent

The duration of the tax exemption is set at the time of approval based on the requirements of the state Act and *“shall not terminate as long as (the) property is encumbered by a federally aided or Authority-aided mortgage (or the) housing project remains subject to income and rent restrictions....”* [from Section 8 (Duration) of the Tax Exemption Ordinance No. 20-10]. For Cranbrook Senior Village, the tax exemption/PILOT term is set to expire in 2043.

For the PILOT payment, the percentage of annual shelter rent PILOT was initially set at 9%. Section 15a(3)(a) of the state Act includes references to *“10% of the annual shelter rents obtained from the project”* related to new projects, but also includes a specific allowance that the Board of Trustees *“may establish or change, by any amount it chooses, the service charge paid under subdivision (a) in lieu of taxes by all or any class of housing projects exempt from taxation under this act.”* A preliminary review by staff of various low income housing PILOT ordinances and resolutions found this percentage of annual shelter rent PILOT to be commonly set between 4% and 10%.

All four of the Township’s active low income housing projects have reached an age where the owner can choose to seek approval from MSHDA to transition out of the LIHTC program and to convert the site to market-based rental housing. As noted in their 1/21/2025 letter, the current owners of Cranbrook Senior Village have explored this option, while at the same time also seeking options to be able to retain the site for low income housing while addressing the need for *“serious capital investment,”* correction of issues associated with deferred maintenance by the prior owner, and improvements to rental units for the benefit of their residents.

The owner’s request for Board of Trustees approval of a reduction in the annual service charge/percentage of annual shelter rent from 9% to 4% is intended to help address this need.

The following table is an excerpt from the 2023 annual shelter rent PILOT calculation for Cranbrook Senior Village. The addition in red text at the lower right corner shows the difference in the PILOT amount that would have been required if the percentage had been 4%:

<u>CALCULATION</u>			
4000	Gross Potential Rent- Resident	244,416.00	
4002	Gross Potential Rent- Resident Assistance	54,182.00	
4010	Gain/Loss to Lease	9,767.00	
4200	Vacancy Loss	(12,375.00)	
4205 & 4207	Concessions / On-Call Credit	(3,600.00)	
4208 & 4209	Rent Adjustments/Rent Write Offs	(2,773.00)	
4211 & 4212	Write-Off Rent Collected	-	
ANNUAL SHELTERED RENTS		289,617.00	
LESS: UTILITIES			
5300	Vacant Electric	383.00	
5302	Electricity	12,657.00	
5310	Vacant Gas	127.00	
5312	Gas	3,511.00	
5230	Water/Sewer	22,168.00	
		<u>(38,846.00)</u>	IF REVISED to 4%
NET SHELTERED RENTS		\$ 250,771.00	\$250,771.00
ANNUAL SERVICE CHARGE RATE		<u>9%</u>	4%
2023 PILOT DUE 2/10/2024		<u>\$ 22,569.39</u>	<u>\$10,030.84</u>

Affected Taxing Jurisdictions

The annual service charge/percentage of annual shelter rent PILOT is due to the Township each year in early February, after completion by the owner of an annual audit of rental payments and associated utility costs. The amount received by the Township Treasurer for the PILOT is shared with the other taxing jurisdictions based on a millage rate formula calculation. Based on millage rates, the County is the taxing jurisdiction most affected by any reduction. Only a small percentage of the payment is retained by the Township's General Fund.

Annual Rental Certification

Cranbrook Senior Village is part of our rental housing certification program and is subject to an annual inspection. The property has a current rental certification and all violations noted during our most recent inspection have been corrected.

JUSTIFICATION

From the Preamble of the Tax Exemption Ordinance No. 20-10:

It is acknowledged that housing for persons and families of low income is a public necessity, and that the Township and its residents will be benefited and improved by such housing. It is further acknowledged that it is a proper public purpose of the State of Michigan and the Township to

provide housing for low income persons and families and to encourage the development of such housing by providing for an ad valorem property tax exemption and payment of an annual service charge in lieu of taxes by any or all classes of housing exempt from taxation under the State Housing Development Authority Act.

The Township is authorized by this Act to establish or change this annual service charge at any amount it chooses, not to exceed the tax that would be paid but for this Act. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and payment of an annual service charge in lieu of taxes during the periods contemplated in this Ordinance are essential to the determination of economic feasibility of housing projects that are constructed or rehabilitated with financing extended in reliance on a tax exemption.

BOARD OF TRUSTEES GOALS ADDRESSED

Board of Trustees goals addressed (from Policy 1.0: Global End):

- 1. Community well-being and common good**
- 2. Prosperity through economic diversity, cultural diversity, and social diversity**
- 3. Safety and Health**
- 5. Commerce**

The requested reduction in the annual service charge/percentage of annual shelter rent from 9% to 4% would help support a sustainable community by maintaining availability of low income housing options for senior citizens (1.0) and to help these residents to take pride in their community, understand its past, and engage in its future (1.1.1.3). The owner's plans for improvements to the property would benefit these older residents and help them to thrive and achieve more than their basic needs (1.2) in a safe and healthy environment (1.3).

The requested reduction to support additional capital investments into the property would also help to support the long-term economic feasibility of this low income housing project, which is consistent with the Township's commerce-friendly economic development policies (1.5).

COST

If approved, the change in the annual service charge/percentage of annual shelter rent PILOT from 9% to 4% would cause a negligible reduction in the overall annual receipt of tax-related funds to the Township and the other taxing jurisdictions from this payment.

PROJECT TIMETABLE

If updated PILOT resolution for Cranbrook Senior Village is approved by the Board of Trustees with a reduction in the annual service charge/percentage of shelter rent, the changes would go into effect beginning with the 2026 tax year.

RESOLUTION

To reduce the annual service charge/percentage of annual shelter rent for the Cranbrook Senior Village low income housing project authorized under Tax Exemption Ordinance No. 20-10 as a payment in lieu of taxes (PILOT) from the current nine percent (9%) to _____% and to adopt an updated PILOT resolution that reflect the percentage change.

Resolved by _____ Seconded by _____

Yes:

No:

Absent:

Matthew J. Gebhardt

3476 EASTMAN DRIVE
FLUSHING, MICHIGAN 48433

January 21, 2025

Board of Trustees
Charter Township of Union
2010 S. Lincoln
Mt. Pleasant, MI 48858

**RE: Request for Reduction to Payment in Lieu of Taxes ("PILOT")
4608 S. Isabella Rd., Mt. Pleasant, MI 48858, Parcel #14-026-40-001-16 (the "Property")**

Dear Board of Trustees:

I am writing on behalf of the owner of the Property. Cranbrook Village consists of 40 apartment units reserved for use by low-income seniors. The Michigan Housing and Development Authority ("MSHDA") defines "low-income" as a percentage of the Area Median Income ("AMI") for the area where a property is located. We purchased the Property on January 31, 2024.

The Problem

- The Property was constructed over fifteen (15) years ago and needs serious capital investment.
- Unfortunately, the prior owners neglected the Property much more than was readily apparent during our inspections.
- The following capital needs are urgently needed: roofs on all buildings, resurfaced asphalt parking and drive, updated water meters, smoke detector upgrades (required), exterior fence repair and maintenance, landscaping repair and maintenance, and upgraded (efficient) lighting.
- In addition to the capital needs, the rental units need to be repaired and updated.
- The Property barely met its debt service coverage ratio ("DSCR") leaving no room for additional expenses or capital needs. We have enclosed Profit & Loss statements for the Property.
- The low AMI's (Area Median Income) allowed for the Property do not allow for reasonable revenue.
- The rental restrictions on the Property do not allow for revenue to be increased.

Attempts to Resolve the Problem

- We have diligently worked to lower the expenses and have done so to the extent we can without neglecting the Property.
- Further reduction of expenses is in direct opposition with improving the Property for the residents and community.
- We have contacted the Michigan Housing and Development Authority ("MSHDA") in an attempt to receive relief from the rental restrictions.

A Gap Remains

- Despite our best efforts, we are losing the battle of maintaining and operating the Property in a manner the residents and community deserve, while meeting our DSCR.
- Many of the capital needs are urgent in order to maintain the property and preserve the wellbeing of the residents.
- Without the ability to increase revenue, reducing expenses is our only option.
- Continuing down the current path and ignoring the necessary capital needs, including the unit repairs and upgrades, will ultimately be catastrophic for the Property.

Why Your Decision Matters

- Your vote to reduce the Payment in Lieu of Taxes (“PILOT”) will reduce the expenses of the Property without taking away from our ability to maintain or improve the Property.
- Your approval of the requested reduction will help ensure that our residents have a safe and comfortable place to live and preserve a low-income property for your community.
- The changes in lending and the economy overall have dramatically changed the landscape for owners of low-income properties. I highly doubt that your community has been immune from owners removing the properties from low-income programs. This has become a necessity for survival in many instances.
- We need the requested reduction in addition to the relief proposed by MSHDA to make this work.

We do not take being an owner/operator lightly and aim to provide our residents with homes, not simply a roof over their heads. We also strive to preserve our assets for the betterment of our residents and the surrounding community. We (through different LLC’s) presently own and operate other low-income housing in Davison, Michigan (Davison Landings /aka/ Glastonbury Manor), Freeland, Michigan (Meadows Apts), Ionia, Michigan (Valleyview Apts), Jackson, Michigan (Southridge Park Apts), Mount Pleasant, Michigan (The Arbors & Springbrook II), Muskegon, Michigan (Royal Glen), and Owosso, Michigan (Kingswood Apts). We have experience in this area and have worked with other municipalities to help ensure the continued availability of low-income housing.

We understand the need for low-income housing in your community and we support that. Unfortunately, the present circumstances will not allow the Property to be properly maintained and updated. The Property is connected with two other low-income properties we own (via different entities). While each parcel is owned by a separate entity due to requirements in the applicable Regulatory Agreements, there is common ownership of those entities, and those properties are operated as one complex to help reduce operational cost. In all 136 units are involved, with similar needs and income restrictions. The reality is that when the operational cashflow of a property such as this cannot support the necessary capital expenditure, the property suffers and in kind so do the residents and surrounding community. The gradual, but steady decline results in a property that is a less desirable place to live and have in your community. We consider the repair and updating of units to be just as essential as the other needs, providing a sense of pride and comfort in residents that carries over into their attitude and desire to stay in a community.

We sincerely and respectfully request that your Board aid us in supporting our residents and community by entering a resolution lowering the PILOT for the Property from ten percent (10%) to four percent (4%). Your vote in favor of the reduction would directly impact several low-income residents of your community by:

- (1) Helping to provide residents with the home they need and deserve; and
- (2) Assisting with the maintenance and continuance of low-income housing in your community.

We need your support coupled with the efforts of MSHDA to make this happen.

Sincerely,



Matthew J. Gebhardt

**CHARTER TOWNSHIP OF UNION
ISABELLA COUNTY, MICHIGAN**

RESOLUTION NO. _____

**A RESOLUTION OF THE TOWNSHIP BOARD TO REAFFIRM THE CONTINUING ELIGIBILITY
OF THE CRANBROOK SENIOR VILLAGE HOUSING PROJECT FOR A TAX EXEMPTION AND
PAYMENT IN LIEU OF TAXES**

The following preamble and resolution were offered by _____ and supported
by _____:

WHEREAS, the Board of Trustees is committed to supporting the goal of encouraging development of new housing and rehabilitation of existing housing units for low income persons and families in the Township; and

WHEREAS, Section 15a of the State Housing Development Authority Act (Public Act 346 of 1966, as amended) provides for an ad valorem property tax exemption and payment of an annual service charge in lieu of taxes for certain housing projects for low income persons and families, subject to Board of Trustees authorization; and

WHEREAS, the Township's Tax Exemption Ordinance No. 20-10 provides for adoption and revision of project-specific resolutions by the Board of Trustees; and

WHEREAS, the Cranbrook Senior Village housing project and its sponsor, which is Cranbrook Village MP Limited Dividend Housing Association LLC, remain eligible for a low income housing-related tax exemption and payment in lieu of taxes; and

WHEREAS, the Board of Trustees has determined that a reduction in the annual service charge/percentage of annual shelter rent is warranted to help facilitate necessary capital investments and support the long-term economic feasibility of this low income senior housing project.

NOW, THEREFORE, LET IT BE RESOLVED that:

1. The Board of Trustees hereby approves the continuation of an ad valorem property tax exemption and payment of an annual service charge in lieu of taxes for the Cranbrook Senior Village housing project, which is described as follows:

40 elderly units consisting of 20 one (1) bedroom - one (1) bath apartments and 20 two (2) bedroom - one (1) bath apartments in a single-story, no elevator building, plus a common space that includes a fitness center, multi-purpose room, community room with kitchen, library, and living areas.

Legal Description: T14N R4W, SEC 26 UNION TWP DESC AS FOLLOWS: COMM AT THE E 1/4 CORNER OF SAID SEC 26; TH S00° -16'-32" E 330.00 FT TO THE POB OF THIS DESC; TH CONTINUING S00°-16'32" E ON SAID E SEC LINE, 330.00 FT; TH N89°-59'45"W, PARALLEL WITH THE E & W 1/4 LINE OF SAID SEC, 576.11 FT; TH N00°-16'-32"W., PARALLEL WITH THE E LINE OF SAID SEC., 330.00 FT; TH S89°-59'-45"E., PARALLEL WITH SAID E & W 1/4 LINE, 576.11 FT BACK TO POB.

PID 14-026-40-001-16

Sponsor: Cranbrook Village MP Limited Dividend Housing Association LLC
Agent: Matthew J. Gebhardt, 3476 Eastman Drive, Flushing, MI 48433
(810) 412-5071 mgebhardt@chargermi.com

2. Through the 2025 tax year, the annual service charge shall consist of the sum of nine percent (9%) of the collections from the total Annual Shelter Rent during the period from January 1 through December 31 of each year, as calculated per the adopted Tax Exemption Ordinance.
3. Beginning with the 2026 tax year, the annual service charge shall consist of the sum of _____ percent (____%) of the collections from the total Annual Shelter Rent during the period from January 1 through December 31 of each year, as calculated per the adopted Tax Exemption Ordinance.
4. Having commenced with the 2008 tax year, this tax exemption and payment of an annual service charge in lieu of taxes shall remain in effect and shall not terminate through the end of the 2043 tax year, subject to continuing compliance with the requirements of the adopted Tax Exemption Ordinance.
5. This resolution shall replace the resolution adopted by the Board of Trustees on December 16, 2020, effective beginning on December 31, 2025.

Roll Call Vote:

Ayes: _____

Nays: _____

Absent: _____ Abstain: _____

RESOLUTION DECLARED ADOPTED.

Bryan Mielke, Supervisor

Date

CERTIFICATION OF ADOPTION

I, Lisa Cody, the duly elected Clerk of the Charter Township of Union, Isabella County, Michigan, hereby certify that the foregoing Resolution No. _____ was adopted at a meeting of the Charter Township of Union Board of Trustees on the _____ day of _____, 2025. I further certify that public notice was given and the meeting was conducted in full compliance with the Open Meetings Act (Public Act 267 of 1976, as amended).

Lisa Cody, Clerk

Certification Date