



## RESIDENTIAL FACILITIES ACT OVERVIEW AND STEPS

### WHY?

Provide for the establishment of attainable housing districts in certain local governmental units; to provide for the exemption from certain taxes (50%).

### WHAT?

New or rehabilitated housing consisting of multiple-unit dwelling of more than 4 units or a dwelling unit in a multiple-purpose structure of more than 4 dwelling units for those making up to 120% of the Area Median income and rents not to exceed 30% of the income. The property owner applies for a 50% tax abatement on new and rehabilitated properties that qualify.

### HOW?

The Unit of Government can establish a district or at least 50% of the property owners at least one acre in size. Following public hearings and procedures, once the district is established, the property owner can apply for a tax certificate for 50% reduction in property taxes for up to 12 years.

## OVERVIEW

An act to provide for the establishment of residential housing districts in certain local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain qualified residential facilities; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of certain state and local governmental officials; and to provide penalties.

## CRITERIA



Must be for housing for an individual, couple, family, or group of unrelated individuals whose adjusted household income is 120% or less of the countywide area median income as posted annually by the Michigan state housing development authority on its website.



Must be at least one acre in size.



Must be used for residential purposes, is rented or leased to an income-qualified household at no more than 30% of the household's modified household income as determined by the qualified local governmental unit and is either a multiple-unit dwelling of more than 4 units or a dwelling unit in a multiple-purpose structure of more than 4 dwelling units.

## PROCESS

- June 15th each year is when the local unit of government has to report the results of the properties in the district.
- Established by a unit of government or by written request filed by the owner or owners of property comprising at least 50% of all taxable value of the property located within a proposed district.
- Requires a resolution by the local unit of government and state the need for residential housing. Once established, notice is given to the County where the property is located.
- Owner of a residential facility files an application for a residential housing exemption certificate with the clerk of the qualified local governmental unit that established the district. The application will have information about the property.
- Can have more than one district.
- The clerk of the qualified local governmental unit shall notify in writing the assessor of the local tax collecting unit.
- Public hearing and then approval within 60 days. Can be for at least 1 year and up to 12 years.
- Requires income certification. 50% tax abatement on new and rehabilitated properties that qualify.