

West Branch Township

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ATTAINABLE HOUSING FACILITIES ACT

The Attainable Housing Facilities Act, MCL 207.901 et seq., provides tax relief to owners of rental housing to encourage renovation and expansion of aging facilities and incentive the building of new facilities. The specific tax relief consists of a qualified facility to be exempt from ad valorem real property taxes for a term as determined by the local government unit and instead pay the Attainable Housing Facilities Tax.

West Branch Township supports Attainable Housing Districts within its community and desires for those in the community who may be eligible to receive tax relief to work with West Branch Township to establish Attainable Housing Districts.

ESTABLISHMENT OF ATTAINABLE HOUSING DISTRICTS

A municipality may establish an Attainable Housing District on its own initiative or upon written request filed by the owner or owners of at least 50% of the taxable value of the property located within a proposed district. West Branch Township welcomes any property owners to work with the Township to establish Attainable Housing Districts where there is a desire in the community.

ELIGIBILITY FOR ATTAINABLE HOUSING EXEMPTIONS

The Attainable Housing Facilities Act creates real property tax incentives for property owners who own “Attainable Housing Property” and rent or lease out that property to “Income-Qualified Households.” “Attainable Housing Property” is defined in MCL 207.902(e):

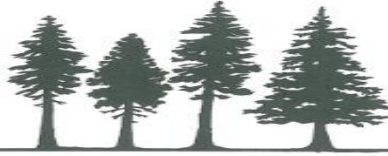
“[T]hat portion of real property not occupied by an owner of that real property of not more than 4 units that is classified as residential real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, used for residential purposes, that is rented or leased to an income-qualified household at no more than 30% of the household's modified household income as determined by the qualified local governmental unit. Attainable housing property also includes a building or group of contiguous buildings previously used for industrial or commercial purposes that will be converted to a multiple-unit dwelling or a dwelling unit in a multiple-purpose structure, used for residential purposes consisting of not more than 4 units, that will be 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.”

An “Income-Qualified Household” is determined by considering countywide area median income, as explained in MCL 207.902(h):

“[A]n 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.”

Those who may be eligible for Attainable Housing Exemptions are encouraged to work with West Branch Township to establish Attainable Housing Districts in the community.

BENEFITS OF ATTAINABLE HOUSING EXEMPTION



Attainable Housing Exemptions provide significant tax relief to those eligible. Those with Attainable Housing Exemption Certificates are exempt from ad valorem property taxes collected under the general property tax and are required to pay the lesser Attainable Housing Facilities Tax, which is $\frac{1}{2}$ of the average rate of taxation levied upon the property upon which ad valorem taxes are assessed, plus any other applicable taxes depending on the specific tax parcel.

ATTAINABLE HOUSING EXEMPTION CERTIFICATES

Property owners must obtain Attainable Housing Exemption Certificates in order to receive the tax benefits of the Attainable Housing Facilities Act. To obtain an Attainable Housing Exemption Certificate, property owners living in an Attainable Housing District must file an application with the Township Clerk. The following documentation is required.

- A. A legal description of the property referred to in the application.
- B. A statement describing the facility and the proposed project that must include all of the following items:
 1. General description of the facility (including year built, original use, most recent use, number of stories and square footage);
 2. General description of the proposed use of the qualified facility;
 3. A description of the general nature and extent of the new construction or rehabilitation to be undertaken;
 4. A time schedule for undertaking and completing the new construction or rehabilitation of the qualified facility; and
 5. Detailed itemized costs of the new construction or rehabilitation to be undertaken with the total estimated investment amount matching the investment amount on the application.
- C. Provide a site plan and building floor plan approved by the local planning commission or local zoning administrator that includes the total number of residential dwelling units to be available for lease or rent.
- D. Provide a statement describing the number of residential dwelling units that will be reserved for income-qualified households throughout each calendar year in which the specific tax is in effect.
- E. For housing units that will not be occupied by income-qualified households, request that those housing units be assessed on the ad valorem tax roll or request that those housing units be exempted and subject to a specific tax equal to the ad valorem tax.
- F. Provide a statement that the applicant agrees to provide the LGU with an income certification for the income-qualified household residing within each unit designated as attainable housing property each year that the income qualified household resides in that attainable housing property.
- G. Provide a statement that the applicant agrees to allocate the benefits of the tax exemption granted under this act exclusively to attainable housing property.

An Attainable Housing District Certificate provides tax benefits for a period determined by the municipality, subject to audits ensuring that the requisite number of income-qualified households are met throughout the years of the Attainable Housing District Certification.