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1. The tax exemption established in subsection (1) of Section 15a of Act No. 334 of the Michigan Public Acts of 1968 (amending Act No. 346 of the Public Acts of 1966) shall not apply to any class of housing projects covered by said subsection within the boundaries of the City, except:
  - A. Housing exclusively for elderly persons if the owner pays to the City a municipal service charge equal to 4% of the contract rents (as defined by the rules pursuant to the Housing and Community Development Act of 1974, as amended) of the preceding calendar year exclusive of the amount paid to the City during the previous year for the annual service charge.
  - B. Housing projects initiated after January 1, 1990 exclusively for the housing of persons or families with incomes not greater than 60% of the Ann Arbor area median income as determined by the U.S. Department of Housing and Urban Development if the owner pays to the city a municipal service charge of \$1.00 for each unit of housing in the project.
  - C. The tax exemption authorized by this section shall be allocated by the owner exclusively for the benefit of elderly or low income persons. The owner shall, at the request of the City, submit to it such evidence as may be reasonably necessary to assure taxpayer's compliance with this requirement. If a qualified housing project is in compliance with an agreement with a governmental agency which regulates the income or age of the tenants, it shall be deemed to be in compliance with this section.
  - D. The service charge to be paid each year in lieu of taxes for that part of a housing project that is tax exempt pursuant to this section and that is occupied by other than low-income or elderly persons or families as defined herein, shall be equal to the full amount of the taxes that would be paid on that portion of the project if the project was not tax exempt.
2. The exemptions and service charges authorized under this section shall be in effect for the life of the federally-aided or state-aided mortgage loan or other eligible assistance, not to exceed 50 years.

*(Ord. No. 69-68, 12-30-68; Ord. No. 46-76, 8-16-76; Ord. No. 31-96, § 1, 7-15-96; Ord. No. 34-00, § 1, 6-19-00; Ord. No. 36-06, § 1, 8-10-06; Ord. No. 09-11, § 1, 4-6-09, eff. 12-31-09)*