

TRAVERSE CITY NEIGHBORHOOD ENTERPRISE ZONE HOMESTEAD GUIDELINES

With the acknowledgment that the purpose of a Homestead Neighborhood Enterprise Certificate is to encourage the purchase of owner occupied affordable housing. The following guidelines for the granting of a Homestead Neighborhood Enterprise Zone and/or the issuance of a Neighborhood Enterprise Zone Certificate have been established.

1. Applications for the establishment of a zone, Homestead Neighborhood Enterprise Zone certificate or transfer of an existing certificate shall be submitted to the City for study and recommendation.
2. Final approval of a zone shall be decided by the City Commission. The City Commission shall exercise its discretion to determine the maximum term and conditions of any and all certificates.
3. In the event that the Applicants ad valorem and/or Homestead Neighborhood Enterprise Zone tax is not paid by the stated due date, the abatement previously approved may be revoked by the local unit.

DURATION OF THE HOMESTEAD NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE GUIDELINE

The total certificate recommended years to be granted is the sum of the applicable purchase price component and the applicable expense component, not to exceed the maximum certificate length allowed by state law.

SALE PRICE COMPONENT

Based on average sale price of a residential home in Traverse City, MI.

% Ave Sale Price	Certificate Years
60%	10
80%	8
100%	5
more than 100%	3

EXPENDITURE COMPONENT

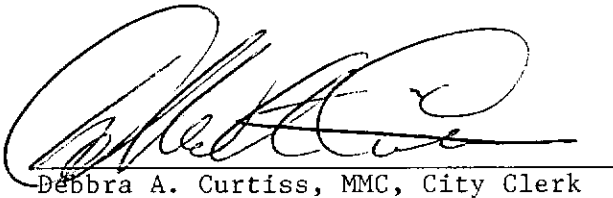
Amount of project investment.

Investment Amount	Certificate Years
\$500 - \$5,000	3
\$5,001 - \$10,000	5
\$10,001 - \$25,000	8
above \$25,001	10

2008 Average Sale Price - Traverse City

Average Sale Price	\$187,160
1% - 59% Average Sale Price	\$0 - \$110,424
60% - 80% Average Sale Price	\$110,425 - \$150,080
81% - 100% Average Sale Price	\$150,081 - \$187,160
100%+	\$187,160+

I hereby certify that these guidelines were adopted by the City Commission for the City of Traverse City at its regular meeting of May 18, 2009.



Debra A. Curtiss, MMC, City Clerk