

## Chapter 69 NEIGHBORHOOD ENTERPRISE ZONES

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### Sec. 5.551. Purpose.

The purpose of this chapter is to preserve Grand Rapids neighborhoods and to further the maintenance, preservation, improvement and development of housing for all persons regardless of income level; to provide that the City, by resolution, may designate one or more neighborhood enterprise zones pursuant to the Michigan Neighborhood Enterprise Zone Act, Public Act 147 of 1992, as amended, being M.C.L.A. 207.771 et seq.; and to encourage, through ad valorem property tax benefits established by said Act, the construction of new structures that have as their primary purpose owner-occupied one or two unit residential housing and the rehabilitation of existing structures having as their primary purpose residential housing consisting of one to eight units, and under specific circumstances for newly constructed market rate rental residential projects, by bringing them into conformity with minimum Building and Housing Code standards and improving the livability of units.

(Ord. No. 2004-27, § 1, 5-25-04; Ord. No. 2013-71, § 1, 11-12-13)

### Sec. 5.552. Definitions.

As used in this chapter:

- (1) *Certificate of compliance* means a certificate issued by the Building Official, or his or her designee, attesting to the fact that a new, rehabilitated or market rate rental facility for which an enterprise zone certificate is in effect is in compliance with the construction or safety codes of the City.
- (2) *Neighborhood enterprise zone* means any zone designated by the City by resolution as a neighborhood enterprise zone pursuant to the requirements of the Michigan Neighborhood Enterprise Zone Act, Public Act 147 of 1992, as amended, being M.C.L.A. 207.771 et seq.
- (3) *Neighborhood enterprise zone certificate* means a certificate as defined and issued pursuant to the Neighborhood Enterprise Zone Act.
- (4) *New facility* means 1 or both of the following:
  - (i) A new structure or a portion of a new structure that has as its primary purpose residential housing consisting of 1 or 2 units, 1 of which is or will be occupied by an owner as his or her principal residence. New facility includes a model home or a model condominium unit. New facility includes a new individual condominium unit, in a structure with 1 or more condominium units that has as its primary purpose residential housing and that is or will be occupied by an owner as his or her principal residence.

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- (ii) A new structure or a portion of a new structure that meets all of the following:
  - (A) Is rented or leased or is available for rent or lease.
  - (B) Is a mixed use building or located in a mixed use building that contains retail business space on the street level floor.
  - (C) Is located in a qualified downtown revitalization district.
- (5) *Owner* means the record title holder of, or the vendee of the original land contract pertaining to a new facility or a rehabilitated facility for which a neighborhood enterprise zone certificate is applied for or issued.
- (6) *Rehabilitated facility* means an existing structure or a portion of an existing structure with a current true cash value of \$80,000.00 or less per unit that has or will have as its primary purpose residential housing, consisting of 1 to 8 units, the owner of which proposes improvements that if done by a licensed contractor would cost in excess of \$5,000.00 per owner-occupied unit or 50% of the true cash value, whichever is less, or \$7,500.00 per nonowner-occupied unit or 50% of the true cash value, whichever is less, or the owner proposes improvements that would be done by the owner and not a licensed contractor and the cost of the materials would be in excess of \$3,000.00 per owner-occupied unit or \$4,500.00 per nonowner-occupied unit and will bring the structure into conformance with minimum Grand Rapids Housing Code standards for occupancy or improve the livability of the units while meeting minimum Grand Rapids Housing Code standards. Rehabilitated facility also includes an individual condominium unit, in a structure with 1 or more condominium units that has as its primary purpose residential housing, the owner of which proposes the above described improvements. Rehabilitated facility also includes existing or proposed condominium units in a qualified historic building with 1 or more existing or proposed condominium units. Rehabilitated facility does not include a facility rehabilitated with the proceeds of an insurance policy for property or casualty loss. A qualified historic building may contain multiple rehabilitated facilities.

(Ord. No. 2004-27, § 1, 5-25-04; Ord. No. 2013-71, § 1, 11-12-13)

### **Sec. 5.553. Designation of Zones.**

The City, by resolution, may designate one or more neighborhood enterprise zones.

- (1) A neighborhood enterprise zone for rehabilitation and new construction shall contain not less than ten (10) platted parcels of land. A neighborhood enterprise zone located in a qualified downtown revitalization district may contain less than 10 platted parcels if the platted parcels together contain 10 or more facilities. All the land within a neighborhood enterprise zone shall also be compact and contiguous. Contiguity is not broken by a road, right-of-way, or property purchased or taken under condemnation.
- (2) The total acreage of the neighborhood enterprise zones designated under this section shall not exceed fifteen (15) percent of the total acreage contained within the boundaries of the City.

(Ord. No. 2004-27, § 1, 5-25-04; Ord. No. 2013-71, § 1, 11-12-13)

### **Sec. 5.554. Application for Certificate.**

Once a Neighborhood Enterprise Zone is established in the manner provided in Section 5.553 and the Neighborhood Enterprise Zone Act, any person who proposes to construct a new facility or to rehabilitate property located in a Neighborhood Enterprise Zone, and who intends to seek the tax benefits provided in the Neighborhood Enterprise Zone Act, may file an application for a Neighborhood Enterprise Zone Certificate with the City's Economic Development Office. The application must be filed before a building permit is issued for the work proposed and shall be filed in the form and manner prescribed for in said Act. The City shall charge a non-refundable application fee set by City Commission resolution approving City Commission Policy to be paid with the filing of the application. The application for a

certificate shall be subject to the requirements, approvals and conditions of the Neighborhood Enterprise Zone Act.

(Ord. No. 2004-27, § 1, 5-25-04; Ord. No. 2013-71, § 1, 11-12-13)

**Sec. 5.555. Inspections.**

- (1) Before the sale of a new facility, rehabilitated or rental facility for which a neighborhood enterprise zone certificate is in effect, an inspection by the City shall be requested and made to determine compliance with the construction or safety codes of the City.
- (2) No sale of any new, rehabilitated, or rental facility for which a neighborhood enterprise zone certificate is in effect may be finalized until there is compliance with the construction or safety codes of the City, and a certificate of compliance attesting to the fact is issued by the City Manager or his or her designee.

(Ord. No. 2004-27, § 1, 5-25-04; Ord. No. 2013-71, § 1, 11-12-13)

**Sec. 5.556. Issuance of Certificate of Compliance.**

- (1) A certificate of compliance shall be issued only after the new, rehabilitated, or market rate rental facility has been inspected and meets the requirements of the construction or safety codes of the City. An inspection report shall be completed by the inspector after the inspection is completed. The report shall note all violations found in the facility. Before a certificate of compliance is issued, all violations must be corrected and the required inspection fee paid.
- (2) After issuance, a certificate of compliance shall only be valid for one sale of a new, rehabilitated, or market rate rental facility. A new inspection and certificate of approval shall be required each time a new or rehabilitated facility is sold.

(Ord. No. 2004-27, § 1, 5-25-04; Ord. No. 2013-71, § 1, 11-12-13)

**Sec. 5.557. Inspection Fee.**

The City shall charge a non-refundable inspection fee which shall be set by Commission resolution and paid in advance of the certificate of approval inspection.

(Ord. No. 2013-71, § 1, 11-12-13)

**Secs. 5.558—5.574. Reserved.**