



CITY OF

Ypsilanti

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Neighborhood Enterprise Zone

The Neighborhood Enterprise Zone (NEZ) Program was established by Public Act 147 of 1992, as amended. The program provides a tax incentive for the development and rehabilitation of residential housing.

City Hall

One South Huron
Ypsilanti, MI 48197

Community Development

4th Floor, City Hall
Phone: 734.482.9801
cityofypsilanti.com/planning

Building

3rd Floor, City Hall
Phone: (734) 482-1025
cityofypsilanti.com/building

For additional
information please see
cityofypsilanti.com/nez

South of Michigan Avenue Neighborhood

The South of Michigan Avenue Neighborhood Enterprise Zone (SOMA NEZ) has been created to spur neighborhood reinvestment and increased owner occupied housing through tax incentives and resources devoted to reinvestment and revitalization of the residential properties within the zone.

In 2011, a community needs assessment for the SOMA area was completed identifying the need for increased investment in this area. Currently home ownership is around 47% and only 2% of houses have a value of over \$80,000. In order to increase home ownership, quality of life and home values in this neighborhood, the city feels that a Neighborhood Enterprise Zone is essential.

Property owners within the SOMA NEZ can qualify for this tax incentive if they are making significant home improvements that increase the value of the property or they construct a new home. A NEZ Certificate will freeze assessment taxes or reduce the tax liability for 6 to 15 years depending on the investment.

To be eligible for an NEZ Certificate, the following conditions must be met:

1. The property must be located in the SOMA NEZ area (attached)
2. The property is vacant or the structure has a true cash value less than \$80,000
3. The primary use of the property is owner occupied residential (PRE Exemption)
4. No building permits for the improvements may be pulled prior to the time for which the certificate being applied.
5. All property taxes must be current and stay current throughout the length of the certificate.
6. Home improvement projects for homestead properties that are adding assessable value to the property need to exceed \$3,500 if being completed by the property owner or \$5,000 if being completed by a contractor.
7. Home must be brought into conformance with minimum local building code standards for occupancy.
8. The certificate is approved by the Ypsilanti City Council.