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*"The City of Harrison is an Equal Opportunity Employer and Provider"*

## **Residential Housing Exemption Certificate (RHEC) Application Packet**

**City of Harrison, Michigan**  
***Instructions, Forms, and Supporting Documentation***

### **Introduction**

This packet provides detailed instructions and the official application form for requesting a Residential Housing Exemption Certificate (RHEC) under Public Act 237 of 2022, as adopted by the City of Harrison. The RHEC program provides a partial exemption from the City of Harrison's operating millage for qualifying residential housing projects located within the City's designated Residential Housing Exemption Zone (RHEZ).

All exemptions are granted solely by the Harrison City Council and apply only to City taxes. The exemption does not apply to millages levied by Clare County, the State of Michigan (including the 6-mill State Education Tax), school districts, or any other taxing entities.

If you have questions regarding this program or the application process, please contact:

Justin Cavanaugh  
City Manager & Clerk  
Email: [Manager@CityofHarrison-MI.gov](mailto:Manager@CityofHarrison-MI.gov)  
Phone: 989-539-7145, option 9

### **Eligibility Criteria**

To qualify for a Residential Housing Exemption Certificate, all of the following conditions must be met:

- The property is located within the boundaries of the City's Residential Housing Exemption Zone (RHEZ);
- The project involves either:
  - New construction of a residential facility, or

- Rehabilitation of an existing residential facility with a minimum investment of \$50,000;
- The facility will be used for residential housing purposes, such as single-family, multi-family, senior, or mixed-income units;
- Construction or rehabilitation must begin on or after December 28, 2022;
- A complete application and all required supporting documentation are submitted;
- A public hearing is held before the Harrison City Council;
- The Council adopts a resolution approving the exemption and specifying the exemption term (1–12 years).

## **Application Timing and Deadline**

To ensure the exemption is applied to the current year's summer tax levy, all of the following must occur no later than May 1:

1. A complete application and all required documentation are submitted;
2. A public hearing is held before the City Council;
3. The Council adopts a resolution approving the exemption;
4. The City Assessor and City Clerk complete and certify the exemption application;
5. The City Clerk issues the exemption certificate.

Applications submitted too close to the May 1 deadline may not be processed in time and will be deferred to the next tax year.

## **Required Application Form**

This packet includes the official State of Michigan application form:

Form 5859 – Application for Residential Housing Exemption Certificate

- Parts 1–3: Completed by the applicant
- Part 4: Completed by the City Assessor
- Parts 5–6: Completed by the City Clerk after Council approval

All information must be complete and accurate. Providing false or misleading information may result in denial or revocation of the exemption.

## **Required Supporting Documentation**

Applicants must include the following documents with their completed Form 5859:

- Legal description of the property and Parcel ID number;
- Approved site plan and floor plan;
- Narrative project summary including:
  - Year built and prior use;
  - Proposed use (e.g., rental housing, senior housing);
  - Scope of construction or rehabilitation work;
  - Estimated timeline for completion;
  - Itemized cost breakdown;
- If the project includes income-qualified units:
  - Total number of income-qualified units;
  - Agreement to provide annual income certification to the City;
- If the project includes market-rate units:
  - Whether the units will remain on the ad valorem roll or be taxed under the RHEC specific tax;
- A statement confirming that construction or rehabilitation began on or after December 28, 2022.

## **Review and Approval Process**

### **1. Clerk and Assessor Review**

- City staff confirm that the application is complete and that the parcel is within the RHEZ.
- The City Assessor certifies eligibility and completes Part 4 of the form.

### **2. Public Hearing**

- Required under MCL 211.7pp(5).
- Scheduled and noticed by the City Clerk.
- Applicant and affected taxing jurisdictions will be notified.

### **3. City Council Action**

- After the public hearing, the City Council considers and votes on the exemption.
- If approved, a resolution is adopted setting the term (1 to 12 years).

### **4. Certificate Issuance**

- The City Clerk completes Parts 5 and 6 of Form 5859 and issues the exemption certificate.

- The exemption applies to the City of Harrison's operating millage only, beginning with the upcoming summer tax levy.

## **Legal Notices**

- The RHEC exemption applies only to City of Harrison taxes. All other millages remain taxable.
- A public hearing is required prior to approval of each RHEC application.
- Approval is at the sole discretion of the Harrison City Council and is not guaranteed.
- RHEC certificates are not transferable without formal City approval and reissuance.
- The City reserves the right to revoke the certificate if program requirements are violated or if material misstatements are made in the application.