

HOUSE BILL No. 4603

April 12, 1989, Introduced by Reps. Harrison, Saunders, Watkins, Kilpatrick, Joe Young, Sr., Berman, DeMars, Stallworth, Perry Bullard, Joe Young, Jr., Emerson, Hollister and Wallace and referred to the Committee on Appropriations.

A bill to provide for the department of housing and urban and rural development; to provide for the creation of the housing policy commission; to prescribe the powers and duties of the department of housing and urban and rural development, the director of the department, and the housing policy commission; and to provide for the promulgation of rules.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

ARTICLE 1. GENERAL PROVISIONS

Sec. 1. As used in this act:

(a) "Department" means the department of housing and urban and rural development described in section 3.

(b) "Director" means the director of housing and urban and rural development.

(c) "Commission" means the housing policy commission created in section 13.

1 (d) "Handicapper" means that term as defined in section 103
2 of the Michigan handicappers' civil rights act, Act No. 220 of
3 the Public Acts of 1976, being section 37.1103 of the Michigan
4 Compiled Laws.

5 (e) "Low income" means yearly gross income that is less than
6 150% of the poverty standard.

7 (f) "Michigan state housing development authority" means the
8 Michigan state housing development authority created in section
9 21 of the state housing development authority act of 1966, Act
10 No. 346 of the Public Acts of 1966, being section 125.1421 of the
11 Michigan Compiled Laws.

12 (g) "Moderate income" means yearly gross income that is less
13 than 250% of the poverty standard.

14 (h) "Poverty standard" means a criterion utilized by the
15 department that categorizes income levels. The department may
16 consider the poverty line established by the federal director of
17 the office of management and budget and issued by the United
18 States secretary of health and human services pursuant to section
19 673(2) of the omnibus budget reconciliation act of 1981, 42
20 U.S.C. 9902.

21 (i) "Prime sponsor" means a local governmental unit or a
22 private nonprofit organization that does 1 or more of the
23 following:

24 (i) Conducts a program established to identify and prevent
25 the spread of conditions that cause individuals to become home-
26 less persons.

1 (ii) Provides funds to shelter providers for homeless
2 persons.

3 (iii) Acts as a shelter provider.

4 (j) "Shelter provider" means any entity that, at a minimum,
5 furnishes, without charge, daytime or overnight lodging on a tem-
6 porary basis for homeless persons.

7 (k) "Special populations" means categories of persons desig-
8 nated by the commission as having special housing needs. Special
9 populations may include, but are not limited to, handicappers,
10 persons who are mentally ill or have developmental disabilities,
11 the elderly, and homeless persons.

12 (l) "Very low income" means yearly gross income that is less
13 than 100% of the poverty standard.

14 Sec. 3. The department of housing and urban and rural
15 development established by section 480 of the executive organi-
16 zation act of 1965, Act No. 380 of the Public Acts of 1965, being
17 section 16.580 of the Michigan Compiled Laws, shall have the
18 powers and perform the duties granted and imposed by this act.

19 Sec. 5. As provided in section 482 of the executive organi-
20 zation act of 1965, Act No. 380 of the Public Acts of 1965, being
21 section 16.582 of the Michigan Compiled Laws, the Michigan state
22 housing development authority is established as an autonomous
23 agency in the department, having the powers and duties granted
24 and imposed in the state housing development authority act of
25 1966, Act No. 346 of the Public Acts of 1966, being sections
26 125.1401 to 125.1498f of the Michigan Compiled Laws.

1 ARTICLE 2. DEPARTMENT OF HOUSING AND URBAN AND RURAL DEVELOPMENT

2 Sec. 7. The department shall have the primary responsibil-
3 ity for developing, administering, and coordinating housing pro-
4 grams and policies in the state.

5 Sec. 9. (1) The head of the department is the director of
6 housing and urban and rural development, as provided in section
7 481 of the executive organization act of 1965, Act No. 380 of the
8 Public Acts of 1965, being section 16.581 of the Michigan
9 Compiled Laws.

10 (2) As provided in section 508 of Act No. 380 of the Public
11 Acts of 1965, being section 16.608 of the Michigan Compiled Laws,
12 the director shall be appointed by the governor by and with the
13 advice and consent of the senate and shall serve at the pleasure
14 of the governor.

15 (3) As provided in section 8 of Act No. 380 of the Public
16 Acts of 1965, being section 16.108 of the Michigan Compiled Laws,
17 the director shall receive compensation as prescribed by law and
18 shall not engage in any business, vocation, or employment other
19 than his or her office as director.

20 (4) All executive authority of the department is vested in
21 the director, who may delegate the authority as he or she consid-
22 ers necessary.

23 Sec. 11. The director shall promulgate rules to implement
24 this act pursuant to the administrative procedures act of 1969,
25 Act No. 306 of the Public Acts of 1969, being sections 24.201 to
26 24.328 of the Michigan Compiled Laws.

ARTICLE 3. HOUSING POLICY COMMISSION

Sec. 13. (1) The housing policy commission is created within the department as an autonomous agency. It shall exercise its powers and perform its duties independently of the department except for budgeting, procurement, and related management functions.

(2) The commission shall consist of the senate majority leader, or his or her designee, and the speaker of the house of representatives, or his or her designee, as ex officio, nonvoting members, and 10 members appointed by the governor with the advice and consent of the senate, to be chosen as follows:

(a) One member shall be actively engaged in local government, housing, and community development activities.

(b) One member shall be actively engaged in the administration of public housing.

(c) One member shall be actively engaged in the residential building industry.

(d) One member shall be actively engaged in the mortgage or banking industry.

(e) One member shall be a resident of government-assisted housing.

(f) One member shall be actively involved in a neighborhood association or civic group promoting residential housing for persons of low income or very low income.

(g) One member shall represent a statewide organization that is actively involved in research and policy development concerning persons with low income or very low income.

1 (h) One member shall be actively involved in an organization
2 that has for 1 of its primary purposes the promotion of housing
3 for persons of low income or very low income and covers geograph-
4 ically either of the following areas:

5 (i) A city with a population of not less than 200,000.

6 (ii) A county with a population of not more than 80,000.

7 (i) Two members shall be representatives of the general
8 public.

9 (3) Of the original 10 members appointed by the governor, 4
10 shall be appointed for terms of 1 year, 4 shall be appointed for
11 terms of 2 years, and 2 shall be appointed for terms of 3 years.
12 Their respective successors shall be appointed for terms of 3
13 years.

14 (4) A vacancy in the commission shall be filled in the same
15 manner as the original appointment.

16 (5) The commission shall elect a chairperson from its
17 appointed members for a 2-year term.

18 (6) Each appointed member of the commission shall be enti-
19 tled to per diem compensation as established annually by the leg-
20 islature and to actual and necessary traveling and other expenses
21 incurred in the performance of official duties in accordance with
22 standard travel regulations of the department of management and
23 budget.

24 Sec. 15. The business of the commission shall be conducted
25 at a public meeting of the commission held in compliance with the
26 open meetings act, Act No. 267 of the Public Acts of 1976, being
27 sections 15.261 to 15.275 of the Michigan Compiled Laws. Public

1 notice of the time, date, and place of the meeting shall be given
2 in the manner required by Act No. 267 of the Public Acts of
3 1976.

4 Sec. 17. The commission shall have reasonable access to all
5 records in the possession of the department. A writing prepared
6 by, owned by, used by, in the possession of, or retained by the
7 commission in the performance of an official function shall be
8 made available to the public in compliance with the freedom of
9 information act, Act No. 442 of the Public Acts of 1976, being
10 sections 15.231 to 15.246 of the Michigan Compiled Laws.

11 Sec. 19. The commission shall do all of the following:

12 (a) Prepare the statewide assessment of housing needs
13 described in section 21.

14 (b) Annually report to the department, the legislature, and
15 the governor its findings, conclusions, and recommendations based
16 on the statewide assessment of housing needs described in section
17 21.

18 (c) Make recommendations and assist the department in devel-
19 oping the long-term state housing plan described in section 23.

20 (d) Recommend to the governor and the legislature programs
21 designed to remedy the deficiencies in the private residential
22 housing market relating to the renovation, building, financing,
23 insuring, and managing of residential housing for persons of low,
24 very low, and moderate income and persons in special
25 populations.

26 (e) Monitor the progress of state agencies in meeting the
27 long-term state housing plan described in section 23, and

1 annually report on such progress to the legislature and the
2 governor.

3 (f) Assist state agencies in developing statewide public
4 outreach services designed to identify available residential
5 housing for persons of low, very low, and moderate income and
6 persons in special populations.

7 (g) Provide an information clearinghouse on the availability
8 of residential housing and the resources available to persons of
9 low, very low, and moderate income and persons in special
10 populations.

11 (h) Appear before federal agencies, the legislature, or the
12 governor to advocate the need for legislation and policies con-
13 sistent with the purposes of this act.

14 (i) Assist local governments and nonprofit private entities
15 involved with residential housing to determine and analyze the
16 needs for residential housing in their areas.

17 (j) Develop standards for implementing and administering
18 services designed to prevent conditions that cause homelessness
19 and standards for shelter services for homeless persons.

20 (k) Provide planning and technical assistance to shelter
21 providers.

22 (l) Increase public awareness of the existence of homeless
23 persons by coordinating the exchange and dissemination of infor-
24 mation regarding the existence of shelter providers, prime spon-
25 sors, and programs of a preventive nature.

26 (m) Coordinate and monitor the services of shelter providers
27 receiving money under this act.

1 (n) Provide planning and technical assistance to prime
2 sponsors and shelter providers for the development, implementa-
3 tion, and administration of services designed to prevent the
4 increase in the number of homeless persons and to provide shelter
5 and services to homeless persons.

6 ARTICLE 4. ASSESSMENT AND PLANNING

7 Sec. 21. (1) The commission shall compile a statewide
8 assessment of housing needs. It shall make a report to the
9 department, the legislature, and the governor by October 1, 1990,
10 and shall update the report annually. In making its assessment
11 and report, the commission shall do all of the following:

12 (a) Compile information regarding needs for residential
13 housing grouped by income levels and special populations, and by
14 the type of residential housing according to classifications
15 determined by the commission.

16 (b) Make an inventory and analysis of the projected reduc-
17 tion of existing subsidized and public housing.

18 (c) Make projections as to the private residential housing
19 market's ability to meet the needs for housing identified in sub-
20 divisions (a) and (b), and the extent to which the private market
21 will not meet those needs.

22 (d) Evaluate the rental rates, vacancy rates, and building
23 costs of residential housing for persons of low, very low, and
24 moderate income and persons in specialized populations.

25 (e) Determine the amount of residential housing for persons
26 of low, very low, and moderate income and persons in specialized

1 populations that is in violation of local housing codes and the
2 nature of the violations.

3 (f) Determine the financial barriers to the purchase of res-
4 idential housing that confront persons of low, very low, and mod-
5 erate income, including, but not limited to, the availability of
6 mortgage loans, home improvement loans, and property insurance.

7 (g) Determine the needs for residential housing for persons
8 of low, very low, and moderate income and persons in specialized
9 populations who desire or require shared housing, transitional
10 housing, or single room occupancy residential housing.

11 (h) Determine the availability of services related to resi-
12 dential housing including, but not limited to, landlord and
13 tenant mediation, mortgage and debt counseling, and residential
14 housing information and referral.

15 (i) Determine the housing needs of homeless persons, includ-
16 ing housing needs of subgroups of homeless persons such as fami-
17 lies, minors, the elderly, runaways, and persons suffering from
18 mental illness or substance abuse.

19 (2) The commission shall assist local communities in assess-
20 ing their housing needs, and shall incorporate such assessments
21 in its report to the department, legislature, and governor.

22 Sec. 23. (1) With the advice and assistance of the commis-
23 sion, and based on the statewide assessment of housing needs
24 described in section 21, the department shall develop a long-term
25 state housing plan to meet all of the following goals:

1 (a) Increase the supply and quality of housing for persons
2 of low, very low, and moderate income and persons in specialized
3 populations.

4 (b) Stabilize neighborhoods and rehabilitate existing hous-
5 ing, including both rental and owner-occupied housing.

6 (c) Prevent displacement of lower income households where
7 possible, and where such displacement is unavoidable, establish
8 effective relocation services.

9 (d) Increase the ability of persons of low, very low, and
10 moderate income to afford housing.

11 (e) Increase the availability of consumer choices and
12 options in the housing market.

13 (f) Identify and encourage alternative forms of home
14 ownership.

15 (g) Ensure that services are available on a statewide basis
16 to meet the needs of homeless persons.

17 (h) Strengthen and build the capacity of local public and
18 private entities to deliver housing resources.

19 (i) Improve accountability of landlords and encourage
20 responsible stewardship of residential rental properties.

21 (j) Eliminate barriers to home ownership.

22 (k) Ensure equal access to housing.

23 (l) Other goals recommended by the commission.

24 (2) The long-term state housing plan shall contain specific,
25 measurable objectives that allow progress to be monitored.

26 (3) The long-term state housing plan shall be updated
27 annually by the department.

1 (4) The department shall annually report to the legislature
2 and the governor on the progress made during the previous year
3 and the programs proposed to meet the updated long-term state
4 housing plan for the upcoming year.

5 ARTICLE 5. FINANCING

6 Sec. 25. (1) The department shall administer all federal
7 funds or state funds appropriated by the legislature to the
8 department.

9 (2) The department shall prepare plans, proposals, and
10 applications required in order to obtain federal funding for
11 housing programs.

12 Sec. 27. The department may accept gifts, grants, bequests,
13 or other donations for use in performing its functions. Any
14 funds or property accepted shall be used as directed by its donor
15 and in accordance with law and the rules and procedures of the
16 department.

17 Sec. 29. To the extent of available funds, the department
18 may make grants to local public and private nonprofit entities
19 that are providing housing services. Grants shall be made on the
20 basis of criteria determined by the department by rules promul-
21 gated pursuant to the administrative procedures act of 1969, Act
22 No. 306 of the Public Acts of 1969, being sections 24.201 to
23 24.328 of the Michigan Compiled Laws.

24 Sec. 31. The department shall make recommendations regard-
25 ing financing to the state housing development authority and
26 shall coordinate funding programs with the authority.

ARTICLE 6. PROGRAMS

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Sec. 33. (1) The department shall develop and administer housing programs consistent with this act and the long-term state housing plan developed pursuant to section 23.

(2) The department may enter into contracts with local public and private nonprofit agencies for the administration of housing programs and the delivery of housing services.

Sec. 35. The department shall coordinate with other state departments and local governments all of the following programs:

(a) Home repair, weatherization, and energy conservation programs.

(b) Home improvement loan programs.

(c) Home repair and home-sharing programs for the elderly.

(d) Standards for ensuring handicapper accessibility.

(e) Regulation of real estate brokers.

(f) Programs related to housing discrimination.

(g) Programs for homeless persons.

(h) Mediation of disputes between landlords and tenants.

(i) Income assistance programs providing shelter for persons with low income or very low income.

(j) Subsidized housing programs.

ARTICLE 7. STANDARDS AND ENFORCEMENT

Sec. 37. A standards and enforcement division is created within the department. The director of the division shall be appointed by the director and shall be exempt from civil service.

1 Sec. 39. The standards and enforcement division shall do
2 all of the following:

3 (a) Monitor the housing law of Michigan, Act No. 167 of the
4 Public Acts of 1917, being sections 125.401 to 125.543 of the
5 Michigan Compiled Laws, in conjunction with the department of
6 public health.

7 (b) Administer the state construction code act of 1972, Act
8 No. 230 of the Public Acts of 1972, being sections 125.1501 to
9 125.1531 of the Michigan Compiled Laws.

10 (c) Enforce the mobile home commission act, Act No. 96 of
11 the Public Acts of 1987, being sections 125.2301 to 125.2350 of
12 the Michigan Compiled Laws.

13 (d) Enforce the condominium act, Act No. 59 of the Public
14 Acts of 1978, being sections 559.101 to 559.275 of the Michigan
15 Compiled Laws.

16 (e) Review and approve county zoning ordinances and interim
17 county zoning ordinances pursuant to sections 11 and 15 of the
18 county rural zoning enabling act, Act No. 183 of the Public Acts
19 of 1943, being sections 125.211 and 125.215 of the Michigan
20 Compiled Laws.

21 (f) Develop through the promulgation of rules pursuant to
22 the administrative procedures act of 1969, Act No. 306 of the
23 Public Acts of 1969, being sections 24.201 to 24.328 of the
24 Michigan Compiled Laws, a uniform, statewide standard of accept-
25 able quality for housing that must be met or exceeded by all
26 local governments.

1 (g) Establish a model enforcement system for the standards
2 prescribed pursuant to subdivision (e), for use by local
3 governments.