

HOUSE BILL No. 5379

December 13, 1989, Introduced by Reps. Jondahl, Harrison, Saunders, Hollister, Bennane, Dolan, Murphy, Bryant, Bender, Bankes, Hoekman, Kosteva, Gubow, Hunter, Varga, Leland, Perry Bullard, Brown, Ciaramitaro and DeMars and referred to the Committee on Urban Affairs.

A bill to amend Act No. 346 of the Public Acts of 1966, entitled as amended
"State housing development authority act of 1966,"
as amended, being sections 125.1401 to 125.1498f of the Michigan Compiled Laws, by adding chapter 3a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 346 of the Public Acts of 1966, as
2 amended, being sections 125.1401 to 125.1498f of the Michigan
3 Compiled Laws, is amended by adding chapter 3a to read as
4 follows:

CHAPTER 3A

6 SEC. 58. (1) THE DEFINITIONS IN SECTION 11 APPLY TO THIS
7 CHAPTER UNLESS OTHERWISE PROVIDED IN THIS CHAPTER.

8 (2) AS USED IN THIS CHAPTER:

1 (A) "ADJUSTED HOUSEHOLD INCOME" MEANS THAT TERM AS DEFINED
2 IN RULES OF THE AUTHORITY.

3 (B) "AFFORDABLE HOUSING" MEANS RESIDENTIAL HOUSING THAT IS
4 OCCUPIED BY VERY LOW INCOME OR EXTREMELY LOW INCOME HOUSEHOLDS,
5 AND REQUIRES PAYMENT OF MONTHLY HOUSING COSTS, INCLUDING UTILI-
6 TIES OTHER THAN TELEPHONE, EQUAL TO NO MORE THAN 30% OF ADJUSTED
7 HOUSEHOLD INCOME.

8 (C) "COMMISSION" MEANS THE AFFORDABLE HOUSING FUND ADVISORY
9 COMMISSION CREATED IN SECTION 58B.

10 (D) "ELIGIBLE APPLICANT" MEANS A PERSON,
11 SOLE-PROPRIETORSHIP, PARTNERSHIP, FOR-PROFIT CORPORATION,
12 NOT-FOR-PROFIT CORPORATION, OR UNIT OF LOCAL GOVERNMENT THAT
13 SEEKS TO USE ASSETS OF THE FUND AS PROVIDED IN THIS CHAPTER.

14 (E) "EXTREMELY LOW INCOME HOUSEHOLD" MEANS A SINGLE PERSON,
15 FAMILY, OR UNRELATED PERSONS LIVING TOGETHER WHOSE ADJUSTED
16 HOUSEHOLD INCOME IS NOT MORE THAN 25% OF THE MEDIAN INCOME, AS
17 DETERMINED BY THE AUTHORITY, FOR A SIMILAR SIZED HOUSEHOLD WITHIN
18 THE NONMETROPOLITAN COUNTY OR THE METROPOLITAN STATISTICAL AREA
19 IN WHICH THE LOW INCOME HOUSEHOLD RESIDES.

20 (F) "FUND" MEANS THE MICHIGAN AFFORDABLE HOUSING FUND CRE-
21 ATED IN SECTION 58A.

22 (G) "MULTIFAMILY HOUSING" MEANS A BUILDING OR BUILDINGS PRO-
23 VIDING HOUSING TO 3 OR MORE HOUSEHOLDS.

24 (H) "NONMETROPOLITAN COUNTY OR METROPOLITAN STATISTICAL
25 AREA" MEANS THOSE TERMS AS DEFINED BY THE UNITED STATES DEPART-
26 MENT OF MANAGEMENT AND BUDGET.

1 (I) "PROGRAM" MEANS THE MICHIGAN AFFORDABLE HOUSING PROGRAM
2 DESCRIBED IN SECTION 58C.

3 (J) "SINGLE FAMILY HOUSING" MEANS A BUILDING CONTAINING 1 TO
4 2 DWELLING UNITS, INCLUDING A MOBILE HOME AS DEFINED IN SECTION 2
5 OF THE MOBILE HOME COMMISSION ACT, ACT NO. 96 OF THE PUBLIC ACTS
6 OF 1987, BEING SECTION 125.2302 OF THE MICHIGAN COMPILED LAWS.

7 (K) "VERY LOW INCOME HOUSEHOLD" MEANS A SINGLE PERSON,
8 FAMILY, OR UNRELATED PERSONS LIVING TOGETHER WHOSE ADJUSTED
9 HOUSEHOLD INCOME IS MORE THAN 25% BUT NOT MORE THAN 50% OF THE
10 MEDIAN INCOME, AS DETERMINED BY THE AUTHORITY, OF A SIMILAR SIZED
11 HOUSEHOLD WITHIN THE NONMETROPOLITAN COUNTY OR THE METROPOLITAN
12 STATISTICAL AREA IN WHICH THE VERY LOW INCOME HOUSEHOLD RESIDES.

13 SEC. 58A. (1) THE MICHIGAN AFFORDABLE HOUSING FUND IS CRE-
14 ATED IN THE DEPARTMENT OF TREASURY. THE FUND SHALL BE ADMINIS-
15 TERED BY THE AUTHORITY WITH THE ADVICE OF THE COMMISSION AND
16 SHALL BE EXPENDED ONLY AS PROVIDED IN THIS CHAPTER.

17 (2) THE STATE TREASURER SHALL CREDIT TO THE FUND ALL OF THE
18 FOLLOWING:

19 (A) ALL RECEIPTS, INCLUDING, BUT NOT LIMITED TO, DIVIDENDS
20 AND INTEREST ON THE INVESTMENT OF MONEY IN THE FUND, AND PRINCIPAL
21 AND INTEREST PAYMENTS FROM LOANS OR AGREEMENTS MADE FROM THE
22 FUND.

23 (B) ALL PROCEEDS OF ASSETS RECEIVED BY THE AUTHORITY AS A
24 RESULT OF THE DEFAULT OF LOANS OR AGREEMENTS MADE UNDER THIS
25 CHAPTER.

26 (C) ALL APPROPRIATIONS, GRANTS, OR GIFTS OF MONEY OR
27 PROPERTY MADE TO THE FUND.

1 (D) ALL FEES OR CHARGES COLLECTED BY THE AUTHORITY PURSUANT
2 TO ACTIVITIES AUTHORIZED UNDER THIS CHAPTER.

3 (E) ALL PROCEEDS OF NOTES AND BONDS SOLD UNDER SECTION 58D.

4 (F) OTHER REVENUE AS PROVIDED BY LAW.

5 (3) ALL BALANCES IN THE FUND AT THE END OF A FISCAL YEAR
6 SHALL BE CARRIED OVER AS A PART OF THE FUND AND SHALL NOT REVERT
7 TO THE GENERAL FUND OF THE STATE.

8 SEC. 58B. (1) THE AFFORDABLE HOUSING FUND ADVISORY COMMIS-
9 SION IS CREATED WITHIN THE AUTHORITY.

10 (2) THE COMMISSION SHALL CONSIST OF THE SENATE MAJORITY
11 LEADER, OR HIS OR HER DESIGNEE, AND THE SPEAKER OF THE HOUSE OF
12 REPRESENTATIVES, OR HIS OR HER DESIGNEE, AS EX OFFICIO, NONVOTING
13 MEMBERS, AND 12 MEMBERS APPOINTED BY THE GOVERNOR, AS FOLLOWS:

14 (A) ONE MEMBER SHALL BE ACTIVELY ENGAGED IN LOCAL GOVERN-
15 MENT, HOUSING, AND COMMUNITY DEVELOPMENT ACTIVITIES.

16 (B) ONE MEMBER SHALL BE ACTIVELY ENGAGED IN THE ADMINISTRA-
17 TION OF PUBLIC HOUSING.

18 (C) ONE MEMBER SHALL BE ACTIVELY ENGAGED IN THE RESIDENTIAL
19 BUILDING INDUSTRY.

20 (D) ONE MEMBER SHALL BE ACTIVELY ENGAGED IN THE MORTGAGE OR
21 BANKING INDUSTRY.

22 (E) ONE MEMBER SHALL BE A RESIDENT OF GOVERNMENT-ASSISTED
23 HOUSING.

24 (F) ONE MEMBER SHALL BE ACTIVELY INVOLVED IN A NEIGHBORHOOD
25 ASSOCIATION OR CIVIC GROUP PROMOTING RESIDENTIAL HOUSING FOR PER-
26 SONS OF VERY LOW INCOME OR EXTREMELY LOW INCOME.

1 (G) ONE MEMBER SHALL REPRESENT A STATEWIDE ORGANIZATION THAT
2 IS ACTIVELY INVOLVED IN RESEARCH AND POLICY DEVELOPMENT
3 CONCERNING PERSONS WITH VERY LOW INCOME OR EXTREMELY LOW INCOME.

4 (H) ONE MEMBER SHALL BE ACTIVELY INVOLVED IN AN ORGANIZATION
5 THAT HAS FOR 1 OF ITS PRIMARY PURPOSES THE PROMOTION OF HOUSING
6 FOR PERSONS OF VERY LOW INCOME OR EXTREMELY LOW INCOME.

7 (I) ONE MEMBER SHALL BE ACTIVELY INVOLVED IN AN ORGANIZATION
8 THAT HAS FOR 1 OF ITS PRIMARY PURPOSES THE PROMOTION OF THE
9 RIGHTS OF HANDICAPPED PERSONS.

10 (J) THREE MEMBERS SHALL BE REPRESENTATIVES OF THE GENERAL
11 PUBLIC.

12 (3) OF THE ORIGINAL 12 MEMBERS APPOINTED BY THE GOVERNOR, 4
13 SHALL BE APPOINTED FOR TERMS OF 1 YEAR, 4 SHALL BE APPOINTED FOR
14 TERMS OF 2 YEARS, AND 4 SHALL BE APPOINTED FOR TERMS OF 3 YEARS.
15 THEIR RESPECTIVE SUCCESSORS SHALL BE APPOINTED FOR TERMS OF 3
16 YEARS.

17 (4) A VACANCY IN THE COMMISSION SHALL BE FILLED IN THE SAME
18 MANNER AS THE ORIGINAL APPOINTMENT.

19 (5) THE COMMISSION SHALL ELECT A CHAIRPERSON FROM ITS
20 APPOINTED MEMBERS FOR A 2-YEAR TERM.

21 (6) EACH APPOINTED MEMBER OF THE COMMISSION IS ENTITLED TO
22 ACTUAL AND NECESSARY TRAVELING AND OTHER EXPENSES INCURRED IN THE
23 PERFORMANCE OF OFFICIAL DUTIES IN ACCORDANCE WITH STANDARD TRAVEL
24 REGULATIONS OF THE DEPARTMENT OF MANAGEMENT AND BUDGET.

25 (7) THE BUSINESS OF THE COMMISSION SHALL BE CONDUCTED IN
26 COMPLIANCE WITH THE OPEN MEETINGS ACT, ACT NO. 267 OF THE PUBLIC

1 ACTS OF 1976, BEING SECTIONS 15.261 TO 15.275 OF THE MICHIGAN
2 COMPILED LAWS.

3 (8) THE COMMISSION SHALL HAVE REASONABLE ACCESS TO ALL
4 RECORDS IN THE POSSESSION OF THE AUTHORITY PERTAINING TO THE
5 MICHIGAN AFFORDABLE HOUSING PROGRAM. THE COMMISSION SHALL COMPLY
6 WITH FREEDOM OF INFORMATION ACT, ACT NO. 442 OF THE PUBLIC ACTS
7 OF 1976, BEING SECTIONS 15.231 TO 15.246 OF THE MICHIGAN COMPILED
8 LAWS.

9 (9) THE COMMISSION SHALL DO ALL OF THE FOLLOWING:

10 (A) ADVISE THE AUTHORITY IN ITS IMPLEMENTATION OF THE
11 PROGRAM.

12 (B) MONITOR AND EVALUATE THE ALLOCATION OF MONEY FROM THE
13 FUND.

14 SEC. 58C. (1) WITH THE ADVICE AND INPUT OF THE COMMISSION,
15 THE AUTHORITY SHALL CREATE AND IMPLEMENT THE MICHIGAN AFFORDABLE
16 HOUSING PROGRAM FOR THE PURPOSE OF DEVELOPING AND COORDINATING
17 PUBLIC AND PRIVATE RESOURCES TO MEET THE AFFORDABLE HOUSING NEEDS
18 OF VERY LOW INCOME AND EXTREMELY LOW INCOME HOUSEHOLDS IN THIS
19 STATE.

20 (2) THE AUTHORITY SHALL IDENTIFY, SELECT, AND MAKE FINANCING
21 AVAILABLE TO ELIGIBLE APPLICANTS FROM MONEY IN THE FUND OR FROM
22 MONEY SECURED BY THE FUND FOR AFFORDABLE HOUSING FOR VERY LOW
23 INCOME AND EXTREMELY LOW INCOME HOUSEHOLDS. THIS SUBSECTION DOES
24 NOT PRECLUDE THE AUTHORITY FROM USING OTHER RESOURCES IN CONJUNC-
25 TION WITH THE FUND FOR PURPOSES AUTHORIZED UNDER THIS CHAPTER.

26 (3) THE AUTHORITY SHALL PROMULGATE RULES PURSUANT TO THE
27 ADMINISTRATIVE PROCEDURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC

1 ACTS OF 1969, BEING SECTIONS 24.201 TO 24.328 OF THE MICHIGAN
2 COMPILED LAWS, PROVIDING FOR THE TERMS AND CONDITIONS UNDER WHICH
3 ASSISTANCE MADE UNDER THIS CHAPTER SHALL BE RECAPTURED.

4 (4) THE AUTHORITY MAY PROMULGATE RULES TO IMPLEMENT THIS
5 ACT, PURSUANT TO ACT NO. 306 OF THE PUBLIC ACTS OF 1969.

6 SEC. 58D. (1) THE AUTHORITY MAY ISSUE NOTES AND BONDS FOR
7 THE PURPOSES SPECIFIED IN THIS CHAPTER, INCLUDING THE ESTABLISH-
8 MENT OF RESERVES AND THE PAYMENT OF INTEREST, COSTS OF ISSUANCE,
9 AND REASONABLE FEES AND EXPENSES OF THE AUTHORITY. ALL PROCEEDS
10 FROM THE SALE OF NOTES AND BONDS UNDER THIS SECTION SHALL BE
11 EXPENDED IN ACCORDANCE WITH THE PURPOSES AND PROVISIONS OF THIS
12 CHAPTER. NOTES AND BONDS MAY BE ISSUED UNDER THIS SECTION WITH-
13 OUT REGARD TO SECTION 32(5) OR 32A. ANY SUCH NOTES AND BONDS
14 SHALL BE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY, DO NOT
15 CONSTITUTE GENERAL OBLIGATIONS OF THE STATE, AND SHALL NOT BE
16 SECURED BY A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE.
17 EACH BOND SHALL DESCRIBE THE LIMITED NATURE OF THE STATE'S OBLI-
18 GATION ON THE FACE OF THE BOND.

19 (2) THE AUTHORITY MAY USE ALL OR A PORTION OF THE AMOUNTS ON
20 DEPOSIT OR TO BE DEPOSITED IN THE FUND TO SECURE THE REPAYMENT OF
21 NOTES OR BONDS ISSUED BY THE AUTHORITY PURSUANT TO
22 SUBSECTION (1).

23 SEC. 58E. (1) SUBJECT TO AVAILABLE FUNDS, THE AUTHORITY MAY
24 EXPEND MONEY IN THE FUND TO MAKE GRANTS, MORTGAGES, OR OTHER
25 LOANS TO AN ELIGIBLE APPLICANT TO ENABLE THE APPLICANT TO
26 ACQUIRE, CONSTRUCT, REHABILITATE, DEVELOP, OPERATE, INSURE, OR

1 RETAIN AFFORDABLE SINGLE FAMILY AND MULTIFAMILY HOUSING FOR VERY
2 LOW INCOME AND EXTREMELY LOW INCOME HOUSEHOLDS.

3 (2) THE AUTHORITY SHALL EXPEND A PORTION OF THE FUND FOR
4 HOUSING FOR SPECIAL NEEDS POPULATIONS INCLUDING, BUT NOT LIMITED
5 TO, THE HOMELESS, SINGLE PARENT FAMILIES, THE ELDERLY, OR THE
6 PHYSICALLY OR MENTALLY HANDICAPPED.

7 (3) GRANTS FROM THE FUND MAY INCLUDE, BUT ARE NOT LIMITED
8 TO, RENTAL ASSISTANCE, SECURITY DEPOSIT ASSISTANCE, AND MORTGAGE
9 FORECLOSURE ASSISTANCE FOR VERY LOW INCOME AND EXTREMELY LOW
10 INCOME HOUSEHOLDS.

11 (4) THE AUTHORITY MAY MAKE LOANS FROM THE FUND AT NO INTER-
12 EST OR AT BELOW MARKET INTEREST RATES, WITH OR WITHOUT SECURITY,
13 AND MAY INCLUDE LOANS FOR PREDEVELOPMENT FINANCING.

14 (5) THE AUTHORITY MAY PROVIDE ASSISTANCE FOR HOUSING UNITS
15 FOR VERY LOW INCOME OR EXTREMELY LOW INCOME HOUSEHOLDS WITHIN
16 MULTIFAMILY HOUSING THAT IS OCCUPIED PARTLY BY VERY LOW INCOME OR
17 EXTREMELY LOW INCOME HOUSEHOLDS AND PARTLY BY HOUSEHOLDS THAT DO
18 NOT QUALIFY AS VERY LOW INCOME OR EXTREMELY LOW INCOME HOUSE-
19 HOLDS, SUBJECT TO RULES PROMULGATED BY THE AUTHORITY.

20 SEC. 58F. (1) THE AUTHORITY SHALL NOT PROVIDE ASSISTANCE
21 UNDER THIS ACT UNLESS THE HOUSING MEETS ALL OF THE FOLLOWING
22 REQUIREMENTS:

23 (A) THE OWNER OR MANAGER OF MULTIFAMILY HOUSING AGREES IN
24 WRITING NOT TO REFUSE TO ACCEPT TENANTS FOR OCCUPANCY SOLELY
25 BECAUSE THE TENANT RECEIVES GOVERNMENTAL RENTAL ASSISTANCE.

26 (B) THE OWNER OR MANAGER OF MULTIFAMILY HOUSING AGREES IN
27 WRITING NOT TO EVICT TENANTS WITHOUT JUST CAUSE, AS DEFINED IN

1 SECTION 44A OF ACT NO. 18 OF THE PUBLIC ACTS OF THE EXTRA SESSION
2 OF 1933, BEING SECTION 125.694A OF THE MICHIGAN COMPILED LAWS.

3 (C) THE HOUSING IS SOLD OR RENTED WITH A DEED RESTRICTION,
4 AGREEMENT, OR OTHER LEGAL DOCUMENT THAT PROVIDES FOR THE RECAP-
5 TURE OF ASSISTANCE UPON TERMS AND CONDITIONS SPECIFIED IN RULES
6 OF THE AUTHORITY PURSUANT TO SECTION 58C(3).

7 (2) THE AUTHORITY SHALL NOT USE THE FUND TO SUPPLANT EXIST-
8 ING RESOURCES.

9 (D) NOT LESS THAN 50% OF THE OCCUPANCY OF MULTIFAMILY HOUS-
10 ING CONSTRUCTED OR REHABILITATED WITH ASSISTANCE FROM THE FUND IS
11 COMPOSED OF VERY LOW INCOME AND EXTREMELY LOW INCOME HOUSEHOLDS
12 AND NOT LESS THAN 25% OF THE OCCUPANCY IS COMPOSED OF EXTREMELY
13 LOW INCOME HOUSEHOLDS.

14 SEC. 58G. SUBJECT TO MONEY AVAILABLE IN THE FUND, THE
15 AUTHORITY SHALL MAKE GRANTS AND LOANS TO ELIGIBLE APPLICANTS FOR
16 THE PURPOSES OF ENCOURAGING INVESTMENT IN AFFORDABLE HOUSING FOR
17 VERY LOW INCOME OR EXTREMELY LOW INCOME HOUSEHOLDS, AND FOR
18 REDUCING THE COSTS OF THE DEVELOPMENT OF SUCH HOUSING. THE
19 AUTHORITY SHALL PROMULGATE RULES TO IMPLEMENT THIS SECTION UNDER
20 SECTION 58C(4) AFTER CONSULTATION WITH THE COMMISSION.