



HOUSE BILL No. 4973

June 16, 1995, Introduced by Reps. Bankes, Bush, Bodem, London, Wetters, Pitoniak, Martinez, DeMars, Byl and Dolan and referred to the Committee on Urban Policy.

A bill to amend the title and sections 1, 4, 5, 6, 11, 13, 16, 17, 18, 24, 27, 44a, 47, 59, and 59b of Act No. 18 of the Public Acts of the Extra Session of 1933, entitled as amended

"An act to authorize any city, village, township or county to purchase, acquire, construct, maintain, operate, improve, extend and repair housing facilities; to eliminate housing conditions which are detrimental to the public peace, health, safety, morals or welfare; and for any such purposes to authorize any such city, village, township or county to create a commission with power to effectuate said purposes, and to prescribe the powers and duties of such commission and of such city, village, township or county; and for any such purposes to authorize any such city, village, township or county to issue notes and revenue bonds; to regulate the issuance, sale, retirement and refunding of such notes and bonds; to regulate the rentals of such projects and the use of the revenues of the projects; to prescribe the manner of selecting tenants for such projects; to provide for condemnation of private property for such projects; to confer certain powers upon such cities, villages, townships and counties in relation to such projects, including the power to receive aid and cooperation of the federal government; to provide for a referendum thereon; to create a board of tenant affairs in any city of 1,000,000 or over having a housing commission and operating 1 or more housing projects; to define the powers and duties of such board; to provide for the right of appeal from its determinations; to provide for cooperative financing by 2 or more cities, villages,

townships or counties or any combination thereof; to provide for the issuance, sale and retirement of revenue bonds and special obligation notes for such purposes; to provide for financing agreements between cooperating borrowers; to provide for other matters relative to the bonds and notes and methods of cooperative financing; and for other purposes,"

section 4 as amended by Act No. 207 of the Public Acts of 1984, being sections 125.651, 125.654, 125.655, 125.656, 125.661, 125.663, 125.666, 125.667, 125.668, 125.674, 125.677, 125.694a, 125.697, 125.709, and 125.709b of the Michigan Compiled Laws; and to add sections 11a and 23.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 1, 4, 5, 6, 11, 13, 16,
2 17, 18, 24, 27, 44a, 47, 59, and 59b of Act No. 18 of the Public
3 Acts of the Extra Session of 1933, section 4 as amended by Act
4 No. 207 of the Public Acts of 1984, being sections 125.651,
5 125.654, 125.655, 125.656, 125.661, 125.663, 125.666, 125.667,
6 125.668, 125.674, 125.677, 125.694a, 125.697, 125.709, and
7 125.709b of the Michigan Compiled Laws, are amended and
8 sections 11a and 23 are added to read as follows:

9 TITLE

10 An act to authorize any city, village, township, or county
11 to purchase, acquire, construct, maintain, operate, improve,
12 extend, and repair housing facilities; to eliminate housing con-
13 ditions which are detrimental to the public peace, health,
14 safety, morals, or welfare; and for any such purposes to autho-
15 rize any such city, village, township, or county to create a com-
16 mission with power to effectuate said purposes, and to prescribe
17 the powers and duties of such commission and of such city,

1 village, township, or county; and for any such purposes to
2 authorize any such COMMISSION, city, village, township, or county
3 to issue notes and revenue bonds; to regulate the issuance, sale,
4 retirement, and refunding of such notes and bonds; to regulate
5 the rentals of such projects and the use of the revenues of the
6 projects; to prescribe the manner of selecting tenants for such
7 projects; to provide for condemnation of private property for
8 such projects; to confer certain powers upon such COMMISSIONS,
9 cities, villages, townships, and counties in relation to such
10 projects, including the power to receive aid and cooperation of
11 the federal government; to provide for a referendum thereon; to
12 create a board of tenant affairs in any city of 1,000,000 or over
13 having a housing commission and operating 1 or more housing
14 projects; to define the powers and duties of such board; to pro-
15 vide for the right of appeal from its determinations; to provide
16 for cooperative financing by 2 or more COMMISSIONS, cities, vil-
17 lages, townships, or counties or any combination thereof; to pro-
18 vide for the issuance, sale, and retirement of revenue bonds and
19 special obligation notes for such purposes; to provide for
20 financing agreements between cooperating borrowers; to provide
21 for other matters relative to the bonds and notes and methods of
22 cooperative financing; and for other purposes.

23 Sec. 1. As used in this act:

24 (a) "Borrower" means ~~the~~ EITHER OF THE FOLLOWING:

25 (i) THE city, village, township, or county operating under
26 this act.

1 (ii) A COMMISSION CREATED UNDER THIS ACT IF EMPOWERED BY
2 ORDINANCE OF THE CREATING GOVERNING BODY TO ACT AS A BORROWER FOR
3 PURPOSES OF THIS ACT.

4 (b) "Governing body" means in the case of a city, the coun-
5 cil or commission of the city; in the case of a village, the
6 council, commission, or board of trustees of the village; in the
7 case of a township, the township board; and in the case of a
8 county, the board of supervisors or county commissioners.

9 (c) "Commission" means the housing commission ~~appointed~~
10 ~~hereunder~~ CREATED UNDER THIS ACT.

11 (D) "INCORPORATING UNIT" MEANS THE CITY, VILLAGE, TOWNSHIP,
12 OR COUNTY THAT CREATES A COMMISSION.

13 (E) "ORDINANCE" MEANS AN ORDINANCE OF A CITY, VILLAGE, TOWN-
14 SHIP, OR COUNTY, OR A RESOLUTION OF A COMMISSION.

15 (F) ~~(d)~~ "Township" means a township having a population
16 over 100.

17 Sec. 4. (1) The commission shall consist of 5 members to be
18 appointed by the chief administrative officer of the city or vil-
19 lage, except that if a city or village has a chief administrative
20 officer who is not elected by the electors of the city or vil-
21 lage, the members of the commission may be appointed by the offi-
22 cial designated by a resolution adopted by the governing body of
23 the city or village. The term of office of members of the com-
24 mission shall be 5 years. Members of the first commission shall
25 be appointed for the terms of 1 year, 2 years, 3 years, 4 years,
26 and 5 years respectively, and annually thereafter 1 member shall

1 be appointed for the term of 5 years. As used in this
2 subsection, "chief administrative officer" means:

3 (a) The manager of a village or, if a village does not
4 employ a manager, the president of the village.

5 (b) The city manager of a city or, if a city does not employ
6 a city manager, the mayor of the city.

7 (2) In any city having a population of 1,000,000 or more,
8 the commission shall consist of 9 members. Five of the members
9 shall be appointed by the chief administrative officer of the
10 city. The term of office of all members appointed by the chief
11 administrative officer subsequent to the expiration of the term
12 of office of current members shall be for 3 years. Two members
13 shall be selected by the board of tenant affairs to represent
14 residents of public housing projects and 2 members shall be
15 selected by the coordinating council on community redevelopment
16 to represent residents of urban renewal areas. The term of
17 office of the members selected by the board of tenant affairs and
18 by the coordinating council on community redevelopment shall be 2
19 years, except that 1 initial appointment made by the board of
20 tenant affairs and 1 initial appointment made by the coordinating
21 council on community redevelopment shall be for 1 year.

22 (3) ~~Members~~ FOLLOWING NOTICE AND AN OPPORTUNITY TO BE
23 HEARD, THE GOVERNING BODY OF THE INCORPORATING UNIT MAY REMOVE A
24 MEMBER of the commission ~~may be removed~~ from office ~~by the~~
25 ~~appointing authority~~ BEFORE THE EXPIRATION OF HIS OR HER TERM
26 FOR MISFEASANCE, MALFEASANCE, OR NONFEASANCE OF DUTY. Any vacancy

1 in office shall be filled by the appointing authority for the
2 remainder of the unexpired term.

3 (4) ~~Members~~ A MEMBER of the commission may receive compen-
4 sation for actual expenses incurred in serving as a member of the
5 commission in an amount ~~as~~ determined by the ~~legislative body~~
6 ~~of the city or village~~ COMMISSION.

7 (5) A MEMBER OF THE GOVERNING BODY OF AN INCORPORATING UNIT
8 MAY NOT BE APPOINTED AS A MEMBER OF THE COMMISSION. THE OFFICES
9 OF A MEMBER OF THE GOVERNING BODY OF THE INCORPORATING UNIT AND
10 OF A MEMBER OF THE COMMISSION SHALL BE CONSIDERED INCOMPATIBLE
11 UNDER ACT NO. 566 OF THE PUBLIC ACTS OF 1978, BEING SECTIONS
12 15.181 TO 15.185 OF THE MICHIGAN COMPILED LAWS. THE APPOINTING
13 AUTHORITY MAY, HOWEVER, APPOINT 1 MEMBER OF THE GOVERNING BODY OF
14 THE INCORPORATING UNIT TO SERVE AS A NONVOTING EX OFFICIO MEMBER
15 OF THE COMMISSION.

16 (6) THE COMMISSION SHALL BE A PUBLIC BODY CORPORATE. EXCEPT
17 AS OTHERWISE PROVIDED IN THIS ACT, THE COMMISSION MAY DO ALL OF
18 THE FOLLOWING:

19 (A) SUE AND BE SUED IN ANY COURT OF THIS STATE.

20 (B) FORM OR INCORPORATE NONPROFIT CORPORATIONS UNDER THE
21 LAWS OF THIS STATE FOR ANY PURPOSE NOT INCONSISTENT WITH THE PUR-
22 POSES FOR WHICH THE COMMISSION WAS FORMED.

23 (C) SERVE AS A SHAREHOLDER OR MEMBER OF A QUALIFIED NON-
24 PROFIT CORPORATION ORGANIZED UNDER THE LAWS OF THIS STATE.

25 (D) AUTHORIZE, APPROVE, EXECUTE, AND FILE WITH THE MICHIGAN
26 DEPARTMENT OF COMMERCE THOSE DOCUMENTS THAT ARE APPROPRIATE TO
27 FORM AND CONTINUE 1 OR MORE QUALIFIED NONPROFIT CORPORATIONS.

1 Sec. 5. (1) The business ~~which~~ THAT the commission may
2 perform shall be conducted at a public meeting of the commission
3 held in compliance with THE OPEN MEETINGS ACT, Act No. 267 of the
4 Public Acts of 1976, being sections 15.261 to 15.275 of the
5 Michigan Compiled Laws. Public notice of the time, date, and
6 place of the meeting shall be given in the manner required by Act
7 No. 267 of the Public Acts of 1976. The commission shall meet at
8 regular intervals. It shall adopt its own rules of procedure ~~—~~
9 and shall keep a record of the proceedings. Three members
10 ~~shall~~ constitute a quorum for the transaction of business
11 EXCEPT THAT FOR A COMMISSION CREATED IN A CITY HAVING A POPULA-
12 TION OF 1,000,000 PERSONS OR MORE, 5 MEMBERS CONSTITUTE A QUORUM
13 FOR THE TRANSACTION OF BUSINESS.

14 (2) A writing prepared, owned, used, in the possession of,
15 or retained by the commission in the performance of an official
16 function shall be made available to the public in compliance with
17 THE FREEDOM OF INFORMATION ACT, Act No. 442 of the Public Acts of
18 1976, being sections 15.231 to 15.246 of the Michigan Compiled
19 Laws.

20 (3) A president and vice-president AND OTHER OFFICERS DESIG-
21 NATED BY THE COMMISSION shall be elected by the commission. The
22 commission may ~~appoint~~ EMPLOY AND FIX THE COMPENSATION OF a
23 director, who may also serve as secretary, and other employees
24 ~~or officers~~ as ~~are~~ necessary. The commission shall prescribe
25 the duties of its officers and employees and ~~— with the approval~~
26 ~~of the appointing authority, may fix their compensation~~ SHALL
27 TRANSFER TO ITS OFFICERS AND DIRECTOR THOSE FUNCTIONS AND THAT

1 AUTHORITY WHICH THE COMMISSION HAS PRESCRIBED. The commission may
2 employ engineers, architects, ATTORNEYS, ACCOUNTANTS, and OTHER
3 PROFESSIONAL consultants ~~—~~ when necessary.

4 Sec. 6. (1) Funds for the operation of the commission may
5 be ~~provided~~ LOANED OR GRANTED by the governing body. ~~of the~~
6 ~~city or village but~~ THE GOVERNING BODY MAY CONDITION THE PROVI-
7 SION OF FUNDS TO THE COMMISSION UPON AN AGREEMENT THAT the com-
8 mission shall as soon as possible reimburse the ~~city or village~~
9 INCORPORATING UNIT for all ~~moneys~~ MONEY expended by it for the
10 commission from revenues received from the sale of bonds.

11 (2) A COMMISSION MAY SOLICIT, ACCEPT, AND ENTER INTO AGREE-
12 MENTS RELATING TO, GRANTS FROM ANY PUBLIC OR PRIVATE SOURCE,
13 INCLUDING THE STATE OR FEDERAL GOVERNMENT OR ANY AGENCY OF THE
14 STATE OR FEDERAL GOVERNMENT, AND MAY CARRY OUT ANY FEDERAL OR
15 STATE PROGRAM RELATED TO THE PURPOSES FOR WHICH THE COMMISSION IS
16 CREATED.

17 Sec. 11. (1) All deeds, MORTGAGES, contracts, leases, ~~or~~
18 purchases, ~~entered into by the commission~~ OR OTHER AGREEMENTS
19 REGARDING REAL PROPERTY shall be EXECUTED in the name of the
20 ~~city or village and shall be approved by the governing body of~~
21 ~~said city or village~~ COMMISSION OR THE INCORPORATING UNIT, AS
22 SPECIFIED BY ORDINANCE OR RESOLUTION OF THE GOVERNING BODY.
23 ~~Contracts~~ FOR PURPOSES OF THIS SUBSECTION, "CONTRACTS OR LEASES
24 REGARDING REAL PROPERTY" MEANS CONTRACTS TO PURCHASE OR LEASE
25 FROM A THIRD PARTY OR OTHER TRANSACTIONS UNDER WHICH RIGHTS OR
26 POSSESSION OF REAL PROPERTY ARE ACQUIRED, BUT DOES NOT INCLUDE
27 CONTRACTS, MANAGEMENT AGREEMENTS, OR LEASES OF THAT PROPERTY WITH

1 TENANTS OR FACILITY MANAGERS. CONTRACTS OR LEASES WITH TENANTS
2 OR FACILITY MANAGERS SHALL BE EXECUTED BY AND IN THE NAME OF THE
3 COMMISSION.

4 (2) SUBSECTION (1) DOES NOT REQUIRE CONTRACTS for the pur-
5 chase of necessary materials ~~, leases with tenants and options~~
6 ~~need not be so approved~~ AND CONTRACTS RELATED TO THE POWERS AND
7 DUTIES OF THE COMMISSION UNDER SECTION 12 TO BE EXECUTED BY AN
8 INCORPORATING UNIT.

9 (3) A GOVERNING BODY MAY TRANSFER PROPERTY TAKEN UNDER ITS
10 POWER OF EMINENT DOMAIN TO THE COMMISSION FOR USE BY THE COMMIS-
11 SION FOR A PURPOSE AUTHORIZED BY THIS ACT. THE TRANSFER SHALL BE
12 CONSIDERED NECESSARY FOR PUBLIC PURPOSES AND FOR THE BENEFIT OF
13 THE PUBLIC.

14 (4) IF AN ORDINANCE OR RESOLUTION OF THE GOVERNING BODY PRO-
15 VIDES PURSUANT TO SUBSECTION (1) FOR THE EXECUTION OF AGREEMENTS
16 REGARDING REAL PROPERTY IN THE NAME OF THE COMMISSION, OR IF A
17 COMMISSION IS EMPOWERED BY THE INCORPORATING UNIT TO ACT AS A
18 BORROWER FOR PURPOSES OF THIS ACT, THE COMMISSION MAY SUE AND BE
19 SUED WITH RESPECT TO THOSE AGREEMENTS EXECUTED OR OBLIGATIONS
20 ISSUED BY THE COMMISSION. THIS SUBSECTION DOES NOT AFFECT A LIM-
21 ITATION PROVIDED BY THIS ACT OR BY THE TERMS OF AN AGREEMENT UPON
22 THE FUNDS AVAILABLE OR THE PLEDGE MADE FOR THE PAYMENT OF A CLAIM
23 AGAINST THE COMMISSION.

24 SEC. 11A. (1) PROPERTY, INCOME, AND OPERATIONS OF THE COM-
25 MISSION AND QUALIFIED NONPROFIT ENTITIES ARE EXEMPT FROM ALL TAX-
26 ATION BY THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS.
27 HOWEVER, A GOVERNING BODY MAY ADOPT AN ORDINANCE REQUIRING THE

1 COMMISSION TO PAY AN ANNUAL SERVICE FEE IN LIEU OF ALL TAXES WITH
2 RESPECT TO PROJECTS OR FACILITIES OF THE COMMISSION OR QUALIFIED
3 NONPROFIT ENTITIES. THE FEE SHALL NOT EXCEED 10% OF THE ANNUAL
4 SHELTER RENT OBTAINED FROM THE PROJECTS OR FACILITIES.

5 (2) EACH INCORPORATING UNIT RECEIVING AS OF THE EFFECTIVE
6 DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION PAYMENT IN
7 LIEU OF TAXES WITH RESPECT TO A PROJECT OR FACILITY OF THE COM-
8 MISSION OR A QUALIFIED NONPROFIT ENTITY SHALL AGREE TO ACCEPT A
9 PAYMENT IN LIEU OF TAXES IN AN AMOUNT EQUAL TO THAT PORTION OF
10 THE PAYMENT IN LIEU OF TAXES OTHERWISE DUE MULTIPLIED BY THE PER-
11 CENTAGE BY WHICH THE MILLAGE RATE OF ALL TAXING UNITS LEVYING AD
12 VALOREM PROPERTY TAXES IN THE INCORPORATING UNIT IN WHICH THE
13 PROJECT OR FACILITY IS LOCATED FOR THE YEAR IN WHICH THE PAYMENT
14 IN LIEU OF TAXES IS DUE BEARS TO THE MILLAGE RATE LEVIED IN 1993
15 BY ALL TAXING UNITS LEVYING AD VALOREM PROPERTY TAXES IN THE
16 INCORPORATING UNIT IN WHICH THE PROJECT OR FACILITY IS LOCATED.
17 THIS SUBSECTION DOES NOT REQUIRE THE INCREASE OF ANY PAYMENT IN
18 LIEU OF TAXES PREVIOUSLY AGREED TO BY THE INCORPORATING UNIT.

19 (3) FOR PURPOSES OF THIS SECTION, "QUALIFIED NONPROFIT
20 ENTITY" MEANS A MICHIGAN NONPROFIT CORPORATION OR A MICHIGAN
21 LIMITED PARTNERSHIP HAVING A MICHIGAN NONPROFIT CORPORATION AS
22 ITS SOLE GENERAL PARTNER, IF 1 OF THE FOLLOWING APPLIES:

23 (A) THE NONPROFIT CORPORATION IS OWNED BY THE COMMISSION.

24 (B) A MAJORITY OF THE MEMBERS OF THE BOARD OF DIRECTORS OF
25 THE NONPROFIT CORPORATION ARE ELECTED AND REMOVABLE BY THE
26 COMMISSION.

1 (C) THE COMMISSION IS THE SOLE MEMBER OF THE NONPROFIT
2 CORPORATION.

3 Sec. 13. ~~All~~ EXCEPT AS OTHERWISE PROVIDED IN SECTION 11,
4 ALL claims that may arise in connection with ~~said~~ A housing
5 project or projects shall be presented as are ordinary claims
6 against the city or village. ~~Provided, That written~~ WRITTEN
7 notice of all claims based upon injury to persons or property
8 ~~must~~ SHALL be served upon the city or village clerk within 60
9 days from the happening of the injury. ~~, but the disposition~~
10 ~~thereof shall rest in the discretion of said commission and the~~
11 THE COMMISSION MAY DISPOSE OF CLAIMS IN ITS DISCRETION. TO THE
12 EXTENT OF ANY LIABILITY FROM WHICH THE INCORPORATING UNIT OR THE
13 COMMISSION IS NOT IMMUNE UNDER LAW AND FOR WHICH THE PROCEEDS OF
14 LIABILITY INSURANCE ARE NOT AVAILABLE TO PAY, THE cost of inves-
15 tigation, attorneys' fees, all claims that may be allowed, and
16 final judgments obtained from ~~said~~ THOSE claims ~~,~~ shall be
17 paid only from the operating revenue of ~~said~~ THE housing
18 project or projects.

19 Sec. 16. (1) For the purposes of this act, any borrower is
20 authorized to adopt or enact an ordinance or ordinances, OR A
21 RESOLUTION OR RESOLUTIONS IF THE BORROWER IS A COMMISSION, pro-
22 viding for the issuance ~~,~~ and sale of revenue bonds as ~~herein~~
23 stated IN THIS ACT, and any and all other appropriate ordinances
24 and resolutions ~~deemed~~ CONSIDERED necessary or desirable to
25 effectuate the full intent and purposes of this act. ~~→~~
26 ~~Provided, That the~~ THE manner and procedure of enacting any
27 ~~such~~ ordinances or resolutions shall be as provided by law,

1 except as may be ~~hereinafter~~ expressly provided for BY THIS
2 ACT.

3 (2) IF A COMMISSION IS THE BORROWER UNDER THIS ACT, THE COM-
4 MISSION MAY LOAN ANY AMOUNT OF THE BORROWED MONEY TO THE INCOR-
5 PORATING UNIT, WHICH MAY EXECUTE ANY DEED, MORTGAGE, LEASE, CON-
6 TRACT, OR OTHER AGREEMENT WITH RESPECT TO PROPERTY FOR WHICH
7 BONDS OR NOTES WERE ISSUED. IF THE COMMISSION MAKES A LOAN TO
8 THE INCORPORATING UNIT UNDER THIS SUBSECTION, THE INCORPORATING
9 UNIT HAS ALL POWERS GRANTED UNDER THIS ACT TO A BORROWER FOR PUR-
10 POSES OF SECURING REPAYMENT OF THE LOAN.

11 Sec. 17. (1) For the purpose of defraying the cost of pur-
12 chasing, acquiring, constructing, improving, enlarging, extend-
13 ing, or repairing any housing project or combined projects, any
14 borrower may borrow money and issue revenue bonds. ~~therefor.~~
15 The bonds may be awarded before an authorizing ordinance or reso-
16 lution is adopted; ~~—~~ however, the bonds shall not be issued
17 unless and until authorized by an ordinance or resolution ~~which~~
18 ~~shall set~~ SETTING forth a brief description of the contemplated
19 housing project or combined projects and the site or sites
20 ~~thereof~~ OF THE PROJECT OR PROJECTS, time and place of payment,
21 and other details in connection with the issuance and sale of the
22 bonds.

23 (2) THE BONDS MAY BE ISSUED AS SERIAL BONDS, TERM BONDS, OR
24 BOTH TERM AND SERIAL BONDS, WITH MATURITIES AND PAYMENT OR
25 REDEMPTION DATES FIXED BY THE AUTHORIZING RESOLUTION OR
26 ORDINANCE. UNLESS THE BONDS APPRECIATE IN PRINCIPAL AMOUNT IN
27 WHOLE OR IN PART OR ARE SOLD AT A DISCOUNT OF MORE THAN 10%, THE

1 FIRST MATURITY OR REQUIRED REDEMPTION OF TERM BONDS SHALL BE NOT
 2 MORE THAN 5 YEARS FROM THE DATE OF ISSUANCE. The bonds may be
 3 issued in ~~such~~ 1 OR MORE series AT A DISCOUNT, shall be in
 4 ~~such~~ THE denominations, shall bear AT A FIXED OR VARIABLE RATE
 5 OR RATES OF interest ~~at such rate~~ OR NO INTEREST, not to exceed
 6 the maximum rate permitted by THE MUNICIPAL FINANCE ACT, Act
 7 No. 202 of the Public Acts of 1943, as amended, being sections
 8 131.1 to ~~+38.2~~ 139.3 of the Michigan Compiled Laws, shall be
 9 payable at ~~such~~ THE times and at ~~such~~ THE places, SHALL CARRY
 10 THE CONVERSION OR REGISTRATION PRIVILEGES, shall have ~~such~~ THE
 11 rank or priority, and shall be subject to ~~such~~ THE terms of
 12 redemption AT THE OPTION OF THE HOLDER OR THE BORROWER, with or
 13 without premium, as ~~shall be~~ ARE prescribed in the authorizing
 14 ordinance or resolution. The bonds ~~and coupons~~ shall be exe-
 15 cuted in ~~such~~ THE manner and shall be substantially in the form
 16 provided in the authorizing ordinance or resolution, WHICH MAY BE
 17 BY FACSIMILE SIGNATURE OR SIGNATURES. ~~The~~

18 (3) EXCEPT AS OTHERWISE PROVIDED BY THIS ACT, THE bonds
 19 shall be sold ~~at public sale at not less than par. However, the~~
 20 ~~bonds may be sold to the United States housing authority or any~~
 21 ~~successor thereof, at private sale at not less than par and, if~~
 22 IN A MANNER AUTHORIZED FOR OBLIGATIONS ISSUED UNDER ACT NO. 202
 23 OF THE PUBLIC ACTS OF 1943. IF less than all of the bonds autho-
 24 rized in connection with a project or combined projects are sold
 25 to the United States housing authority or a successor thereof,
 26 the balance of the bonds may also be sold at private sale at an
 27 interest cost to the borrower of not ~~to exceed~~ MORE THAN the

1 interest cost to the borrower of the portion of the bonds sold to
2 the United States of America or any agency or instrumentality
3 ~~thereof~~ OF THE UNITED STATES OF AMERICA. ~~Bonds sold at public~~
4 ~~sale which bonds are not payable in part from contributions to be~~
5 ~~received from the United States of America or an agency thereof~~
6 ~~shall be sold in accordance with section 2 of chapter 3 of Act~~
7 ~~No. 202 of the Public Acts of 1943, as amended.~~ Bonds sold at
8 public sale ~~which bonds~~ THAT are payable in part from contribu-
9 tions to be received from the United States of America or an
10 agency ~~thereof~~ OF THE UNITED STATES OF AMERICA are not subject
11 to Act No. 202 of the Public Acts of 1943, as amended, and need
12 only be advertised in whatever form ~~as~~ is customary for the
13 sale of new housing authority bonds in a publication approved by
14 ~~the governing body of~~ the borrower.

15 (4) Notes issued in connection with a housing project or
16 combined projects prior to the issuance of bonds ~~therefor~~ may
17 be accepted in payment of bonds sold in connection with ~~such~~
18 THE housing project or combined projects if ~~such~~ THE notes
19 provide. ~~The bonds shall not be sold on a basis to yield more~~
20 ~~than the maximum rate permitted by Act No. 202 of the Public Acts~~
21 ~~of 1943, as amended, from the date of sale to the date of average~~
22 ~~maturity of the bonds sold. However, in~~ IN a contract for the
23 purchase, acquisition, or construction of any housing facility or
24 for the improvement, enlargement, extension, or repair of such
25 project or projects, provision may be made that payment
26 ~~therefor~~ shall be made in such bonds.

1 (5) The bonds ~~and their coupons~~ may be made payable in
2 ~~such~~ funds ~~as~~ THAT are on the respective dates of payment of
3 interest and principal upon the bonds, legal tender for debts due
4 the United States of America. ~~and shall be~~ ALL BONDS AND NOTES
5 ISSUED UNDER THIS ACT, THE INTEREST ON THE BONDS AND NOTES, AND
6 THEIR TRANSFER ARE exempt from all ~~state, county, and municipal~~
7 taxation BY THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS. ~~The~~
8 ~~bonds shall mature annually and the first installment thereof~~
9 ~~shall be made payable not more than 5 years from the date of the~~
10 ~~bonds.~~

11 (6) The principal of and interest upon the bonds shall be
12 payable, EXCEPT AS PROVIDED IN THIS ACT, solely from the revenue
13 derived from the operation of the housing project or combined
14 projects, for the purchase, acquisition, construction, improve-
15 ment, enlargement, extension, or repair of which the same are
16 issued, and from contributions received for or in aid of such
17 project or combined projects, from whatever source derived. The
18 contributions may be pledged to the payment of any or all bonds
19 issued in connection with the project or combined projects, as
20 the ~~governing body~~ BORROWER may provide. Bonds ~~or coupons~~
21 issued pursuant to this act shall not constitute an indebtedness
22 of a borrower within the meaning of state constitutional provi-
23 sions or statutory limitations. There shall be plainly stated on
24 the face of each bond substantially as follows:

25 "This bond is a revenue bond and the principal of and inter-
26 est on this bond are exempt from any and all state, county, city,
27 village, or other taxation whatsoever under the laws of the state

1 of Michigan and are secured by the statutory lien created by
2 ~~this act~~ ACT NO. 18 OF THE PUBLIC ACTS OF THE EXTRA SESSION OF
3 1933 and payable solely from contributions received for or in aid
4 of the project or combined projects in connection with which the
5 bonds are issued or from the revenues of such project or combined
6 projects or from both the revenues and contributions, as the case
7 may be, and are not a general obligation of the borrower."

8 (7) The bonds shall have all the qualities of negotiable
9 instruments under the law merchant and the negotiable instruments
10 law. The authorizing ordinance or resolution may provide that
11 the bonds shall be issued pursuant to a trust indenture, the
12 authorized form of which shall be set forth in the ordinance or
13 resolution, and any provision required or permitted by this act
14 to appear in the authorizing ordinance or resolution shall be
15 ~~deemed~~ CONSIDERED to be included ~~therein~~ IN THE ORDINANCE OR
16 RESOLUTION if set forth in the trust indenture.

17 (8) Any borrower may also issue refunding bonds to refund
18 any bonds previously issued by it OR ITS INCORPORATING UNIT pur-
19 suant to this act OR BY A PUBLIC HOUSING AGENCY, AS DESIGNATED BY
20 THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
21 PURSUANT TO 24 C.F.R. 811, WHICH IS AN AGENCY OR INSTRUMENTALITY
22 OF THE BORROWER OR, IF THE INCORPORATING UNIT IS THE BORROWER, OF
23 A COMMISSION.

24 Sec. 18. The authorizing ordinance shall create a first
25 lien which by this act is made a statutory first lien upon the
26 revenue of any such housing facility, to, and in favor of the
27 holders of the bonds and each of them. ~~and to and in favor of~~

1 ~~the holders of the coupons of the bonds, and each of them.~~ If
2 bonds are issued for the purposes of cooperative financing, hold-
3 ers of the bonds also have a statutory first lien on the specific
4 portion of the annual contributions payable to the cooperating
5 borrowers or their agencies and authorized to be pledged to the
6 payment of bonds and the interest thereon, pursuant to certain
7 contracts between the cooperating borrowers or their agents and
8 the United States which contracts shall be described in any ordi-
9 nance authorizing any such bonds and are herein collectively
10 called the "annual contributions contract". The holders of the
11 bonds shall have as additional security the contractual obliga-
12 tions specified by the financing agreement as ~~hereinafter~~ pro-
13 vided IN THIS ACT.

14 SEC. 23. A BORROWER ISSUING BONDS OR NOTES UNDER THIS ACT
15 MAY DO 1 OR MORE OF THE FOLLOWING:

16 (A) AUTHORIZE AND ENTER INTO AN INSURANCE CONTRACT, AGREE-
17 MENT FOR LINES OF CREDIT, LETTER OF CREDIT, COMMITMENT TO PUR-
18 CHASE OBLIGATIONS, REMARKETING AGREEMENT, REIMBURSEMENT AGREE-
19 MENT, TENDER AGREEMENT, OR ANY OTHER TRANSACTION TO PROVIDE
20 SECURITY TO ASSURE TIMELY PAYMENT OF ANY BOND OR NOTE.

21 (B) PLEDGE AND CREATE A STATUTORY LIEN ON 1 OR MORE OF THE
22 FOLLOWING FOR TIMELY PAYMENT OF THE BONDS OR NOTES OR FOR PAYMENT
23 OF ANY OF THE OBLIGATIONS DESCRIBED IN SUBDIVISION (A):

24 (i) PROCEEDS OF ADDITIONAL SECURITY PROVIDED TO ASSURE
25 TIMELY PAYMENT OF THE BONDS OR NOTES.

26 (ii) PROCEEDS OF BONDS OR NOTES.

1 (iii) EARNINGS ON PROCEEDS OF BONDS OR NOTES OR OTHER FUNDS
2 HELD OR PAYMENT OF BONDS OR NOTES.

3 (iv) REVENUES IDENTIFIED IN SECTION 17(6) OR 27(2).

4 (v) ANY COMBINATION OF SUBPARAGRAPHS (i) TO (iv).

5 (C) AUTHORIZE PAYMENT OF THE COST OF ISSUANCE FROM THE PRO-
6 CEEDS OF THE BONDS OR NOTES OR OTHER FUNDS AVAILABLE INCLUDING,
7 BUT NOT LIMITED TO, FEES FOR PLACEMENT, FEES OR CHARGES FOR
8 INSURANCE, LETTERS OF CREDIT, LINES OF CREDIT, REMARKETING AGREE-
9 MENTS, REIMBURSEMENT AGREEMENTS, TENDER AGREEMENTS, PURCHASE OR
10 SALES AGREEMENTS OR COMMITMENTS, OR OTHER AGREEMENT TO PROVIDE
11 SECURITY TO ASSURE TIMELY PAYMENT OF OBLIGATIONS.

12 (D) AUTHORIZE OR PROVIDE FOR AN OFFICER OR EMPLOYEE OF THE
13 BORROWER, BUT ONLY WITHIN LIMITATIONS WHICH SHALL BE CONTAINED IN
14 THE AUTHORIZING ORDINANCE OR RESOLUTION, TO DO 1 OR MORE OF THE
15 FOLLOWING:

16 (i) SELL AND DELIVER AND RECEIVE PAYMENT FOR BONDS OR
17 NOTES.

18 (ii) REFUND BONDS BY THE DELIVERY OF NEW BONDS OR NOTES,
19 WHETHER OR NOT THE BONDS OR NOTES TO BE REFUNDED HAVE MATURED OR
20 ARE SUBJECT TO REDEMPTION PRIOR TO MATURITY ON THE DATE OF DELIV-
21 ERY OF THE REFUNDING BONDS OR NOTES.

22 (iii) DELIVER NOTES OR BONDS, PARTLY TO REFUND NOTES OR
23 BONDS AND PARTLY FOR ANY AUTHORIZED PURPOSE.

24 (iv) BUY NOTES OR BONDS SO ISSUED AND RESELL THOSE NOTES OR
25 BONDS.

26 (v) APPROVE INTEREST RATES OR METHODS FOR FIXING INTEREST
27 RATES, PRICES, DISCOUNTS, MATURITIES, PRINCIPAL AMOUNTS,

1 DENOMINATIONS, DATES OF ISSUANCE, INTEREST PAYMENT RATES,
2 REDEMPTION RIGHTS AT THE OPTION OF THE BORROWER OR THE HOLDER,
3 THE PLACE OF DELIVERY AND PAYMENT, AND OTHER MATTERS AND PROCE-
4 DURES NECESSARY TO COMPLETE THE TRANSACTIONS AUTHORIZED.

5 Sec. 24. In case any of the officers whose signatures or
6 countersignatures appear on the bonds ~~or coupons shall~~ cease to
7 be ~~such~~ officers before delivery of ~~such~~ THE bonds, ~~such~~
8 THEIR signatures or countersignatures ~~shall nevertheless be~~
9 REMAIN valid and sufficient for all purposes IN the same MANNER
10 as if they had remained in office until ~~such~~ THE delivery OF
11 THE BONDS.

12 Sec. 27. (1) It is hereby declared to be the policy of this
13 state that each commission shall manage and operate, OR CAUSE TO
14 BE MANAGED AND OPERATED, its housing projects in an efficient
15 manner so as to enable it to fix the rentals for dwelling accom-
16 modations at the lowest possible rates consistent with its pro-
17 viding decent, safe, and sanitary dwelling accommodations, and
18 that no commission shall construct or operate any ~~such~~ project
19 for profit. To this end, the commission shall fix the rentals
20 for dwellings in projects at no higher rates than it ~~shall find~~
21 FINDS to be necessary in order to produce revenues which,
22 together with all other ~~moneys~~ MONEY, revenues, income, and
23 receipts from whatever sources derived available for such pur-
24 poses, will be sufficient TO DO THE FOLLOWING:

25 (a) ~~to pay~~ PAY, as ~~the same~~ THEY become due, the princi-
26 pal OF, PREMIUM, IF ANY, and interest on the bonds OR NOTES
27 issued for such project. —

1 (b) ~~to meet~~ MEET the cost of ~~,~~ and ~~to~~ provide for ~~,~~
2 administration, operation, and maintenance of the projects,
3 including the cost of any insurance on the projects or on bonds
4 issued ~~therefor,~~ FOR THE PROJECTS, AND FOR THE CREATION AND
5 FUNDING OF A RESERVE FOR REPLACEMENTS AND CAPITAL IMPROVEMENTS
6 RELATED TO THE PROJECTS.

7 (c) ~~to create~~ CREATE, during not less than the 6 years
8 immediately succeeding its issuance of any bonds, a reserve suf-
9 ficient to meet the largest principal and interest payments which
10 will be due on ~~such~~ THE bonds in any 1 year thereafter and to
11 maintain such reserve. ~~,~~ and

12 (d) ~~(1) to make~~ MAKE payments in lieu of taxes of ~~at~~
13 ~~least 5 per cent of the shelter rentals of the project for any 1~~
14 ~~year (or such other~~ AN amount as may be ~~agreed upon with the~~
15 ~~borrower)~~ IMPOSED PURSUANT TO SECTION 11A BY THE INCORPORATING
16 UNIT, which sum, if any, shall be paid to the ~~municipality~~
17 INCORPORATING UNIT and other taxing units in proportion to the
18 amount of taxes levied ~~for such unit in the year previous to the~~
19 ~~acquiring of the site for the housing project or (2) to pay to~~
20 ~~the municipality and other taxing units a sum annually in lieu of~~
21 ~~taxes equal to the amount of taxes last levied against the~~
22 ~~project site, prior to the acquiring by the commission of such~~
23 ~~project site~~ BY THAT INCORPORATING UNIT AND THE OTHER TAXING
24 UNITS IN THE YEAR IN WHICH THE PAYMENT IN LIEU OF TAXES IS
25 IMPOSED.

26 (2) AFTER BONDS ISSUED FOR A PROJECT HAVE BEEN RETIRED, THE
27 RENTALS FIXED BY THE COMMISSION PURSUANT TO SUBSECTION (1) MAY

1 INCLUDE AN AMOUNT NOT GREATER THAN THE MAXIMUM ANNUAL PRINCIPAL
2 AND INTEREST THAT HAD BEEN DUE ON BONDS ISSUED FOR THE PROJECT.
3 THE RENTAL RECEIPTS ATTRIBUTABLE TO THIS SUBSECTION MAY BE USED
4 BY THE COMMISSION FOR ANY PURPOSE FOR WHICH BONDS OR NOTES MAY BE
5 ISSUED UNDER THIS ACT OR TO SECURE BONDS OR NOTES ISSUED BY THE
6 BORROWER PURSUANT TO THIS ACT FOR OTHER PROJECTS OF THE
7 COMMISSION.

8 Sec. 44a. (1) No tenancy or contract right to occupy hous-
9 ing in a project or facilities operated by any city, village,
10 township or other unit of local government, as provided by this
11 act, shall be terminated by the project management or the local
12 housing commission except for just cause.

13 (2) Just cause to terminate a tenancy or contract right to
14 occupy housing includes, but is not limited to 1 OR MORE OF THE
15 FOLLOWING: ~~a~~

16 (A) A failure to comply with the obligations of the lease or
17 the lawful rules and regulations of the housing commission. ~~7~~
18 ~~the~~

19 (B) THE use of a unit for any unlawful purpose, ~~7, the~~
20 INCLUDING ANY PURPOSE FOR WHICH THE COMMISSION IS ENTITLED TO
21 RECOVER POSSESSION OF THE PREMISES BY SUMMARY PROCEEDINGS PURSU-
22 ANT TO SECTION 5714(1)(B) OF THE REVISED JUDICATURE ACT OF 1961,
23 ACT NO. 236 OF THE PUBLIC ACTS OF 1961, BEING SECTION 600.5714 OF
24 THE MICHIGAN COMPILED LAWS.

25 (C) THE maintenance of any unsafe, unsanitary, or unhealth-
26 ful condition in any dwelling unit or in any of the common areas.

1 ~~; and ineligibility for continued occupancy by reason of~~
 2 ~~overincome.~~

3 Sec. 47. (1) For the purpose of providing funds for
 4 expenses and costs involved in the development of a housing
 5 project or combined projects prior to the issuance of bonds
 6 ~~therefor~~ FOR THE PROJECT OR PROJECTS, OR IN FUNDING THE ANNUAL
 7 OPERATIONS OF A COMMISSION, a borrower ~~shall have the power~~
 8 MAY, in addition to all other powers granted ~~herein~~ IN THIS
 9 ACT, ~~to~~ borrow money and issue its negotiable promissory notes.
 10 ~~therefor.~~ The notes may be issued as ~~herein~~ provided IN THIS
 11 ACT, notwithstanding the provisions of any other law now in exis-
 12 tence or hereafter enacted with respect to the issuance of notes,
 13 bonds, or other obligations of the borrower. The notes may be
 14 authorized by ORDINANCE OR resolution of the ~~governing body~~
 15 BORROWER, may bear interest at a FIXED OR VARIABLE rate OR RATES
 16 that ~~does~~ DO not exceed the maximum rate permitted by THE
 17 MUNICIPAL FINANCE ACT, Act No. 202 of the Public Acts of 1943, as
 18 amended, BEING SECTIONS 131.1 TO 139.3 OF THE MICHIGAN COMPILED
 19 LAWS, may be payable at such times and places, may mature on such
 20 dates or on demand, may be in such form, with such privileges for
 21 exchange for definitive bonds issued in connection with the
 22 project or combined projects in connection with which the notes
 23 are issued, and may be executed and sold in such manner, as shall
 24 be set forth in the authorizing ORDINANCE OR resolution.

25 (2) The notes shall be made payable solely out of property
 26 or funds held or to be acquired by or for the ~~housing~~
 27 commission, ~~of the borrower,~~ including the proceeds of the

1 notes and property acquired, or to be acquired, therewith, which
 2 is not pledged for the payment of other obligations issued in
 3 connection with a housing project of the commission, FUNDS
 4 RECEIVED PURSUANT TO SECTION 27(2), or the proceeds of the sale
 5 of bonds issued to finance the development of the project or com-
 6 bined projects in connection with which the notes were issued.
 7 The notes shall in no event be payable out of any other funds of
 8 the borrower or from taxes.

9 (3) The principal of and interest upon ~~such~~ notes issued
 10 pursuant to this act ~~shall~~ DO not constitute an indebtedness of
 11 ~~such~~ THE borrower within the meaning of any state constitu-
 12 tional provisions or statutory limitation, and the notes shall
 13 ~~so~~ state THAT FACT on their face.

14 (4) A borrower may also issue refunding notes to refund any
 15 notes issued by it pursuant to this act.

16 Sec. 59. (1) For the purpose of defraying the cost of pur-
 17 chasing, acquiring, constructing, improving, enlarging,
 18 extending, or repairing a housing project for any cooperating
 19 borrower in a cooperative financing arrangement, the agent bor-
 20 rower may borrow money and issue its special obligation notes or
 21 revenue bonds ~~therefor~~ from time to time ~~in~~ ON behalf of the
 22 agent borrower and all cooperating borrowers in accordance with
 23 the financing agreement between the agent borrower and cooperat-
 24 ing borrowers.

25 (2) If bonds are to be issued for the purpose of cooperative
 26 financing, the ~~same~~ BONDS shall not be issued until authorized
 27 by an ordinance OR RESOLUTION adopted by ~~the governing body of~~

1 the agent borrower which shall set forth a brief description of
 2 all housing projects contemplated by the agent borrower and coop-
 3 erating borrowers and the sites ~~thereof~~ OF THE PROJECTS, time
 4 and place of payment, and other details in connection with the
 5 issuance and sale of the bonds. The bonds shall be issued pursu-
 6 ant to ~~and in accordance with the provisions of~~ section 17. On
 7 the face of each bond shall be plainly stated substantially as
 8 follows:

9 "This bond is a revenue bond and the principal of and inter-
 10 est on this bond are exempt from all state, county, city,
 11 village, or other taxation under the laws of Michigan and are a
 12 special obligation of the borrower and are secured by statutory
 13 lien created by ~~this act~~ ACT NO. 18 OF THE PUBLIC ACTS OF THE
 14 EXTRA SESSION OF 1933 and payable solely from contractual obliga-
 15 tions specified by a certain financing agreement dated
 16 and entered into by and between
 17"

18 (3) If notes are to be issued for the purpose of cooperative
 19 financing, they may be authorized by a resolution adopted by ~~the~~
 20 ~~governing body of~~ the agent borrower which shall set forth the
 21 time and place of payment and other details relating to the form,
 22 content, issuance, and sale of the notes.

23 (4) The bond ordinance or note resolution shall also make
 24 all other necessary statements which are appropriate to and suit-
 25 able for the issuance of the revenue bonds or special obligation
 26 notes.

1 (5) The notes or bonds may be issued as ~~herein~~ provided IN
2 THIS ACT notwithstanding the provisions of any other law or
3 charter of the ~~agent borrower or the cooperating borrowers~~
4 INCORPORATING UNITS WHO ARE PARTIES TO OR WHOSE COMMISSIONS ARE
5 PARTIES TO A FINANCING AGREEMENT, WHICH PROVISIONS ARE now in
6 existence or hereinafter enacted with respect to notes, bonds, or
7 other obligations of the agent borrower.

8 Sec. 59b. (1) The bond authorizing ordinance shall provide
9 that the proceeds of the bonds shall be paid in the following
10 order:

11 (a) To the United States in an amount equal to that portion
12 of the development cost which is financed by the bonds issued
13 thereunder as represented by notes of each cooperating borrower
14 outstanding in the hands of the United States together with
15 interest thereon to the date of payment. ~~be applied to the pay-~~
16 ~~ment of the principal of and interest on the notes.~~

17 (b) To the paying agent of any outstanding temporary notes
18 of each cooperating borrower of an amount equal to that portion
19 of development cost which is financed by the bonds issued there-
20 under as represented by the notes, together with interest thereon
21 to the date of maturity, and to the principal of and interest on
22 the notes, if the notes are outstanding and unpaid as of the
23 delivery date of the bonds.

24 (c) To the fiscal agent for deposit in the debt service fund
25 in trust for the payment of CAPITALIZED interest which becomes
26 due on the bonds. ~~6 months and 12 months after the bond date.~~

1 (d) To the fiscal agent ~~—~~ representing the premium on the
2 bonds issued thereunder, for deposit in the advance amortization
3 fund.

4 (e) To each cooperating borrower in an amount equal to that
5 portion of the remainder allocable to each cooperating borrower
6 for deposit in its general fund.

7 (2) The ~~chief executive~~ officer ~~and clerk~~ OR OFFICERS of
8 the agent borrower SPECIFIED IN THE BOND AUTHORIZING ORDINANCE
9 shall execute the bonds and ~~the treasurer of the borrower shall~~
10 deliver the bonds in accordance with the terms and provisions of
11 the ordinance and in connection therewith shall execute and
12 deliver such instruments and do such acts and things necessary or
13 convenient to effectuate the purpose of the BOND AUTHORIZING
14 ordinance.