

## STATE HOUSING DEVELOPMENT AUTHORITY UPDATE

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### Senate Bill 1341 (Substitute H-1)

**Sponsor: Sen. Patricia L. Birkholz**

**Senate Committee: Local, Urban and State Affairs**

**House Committee: Local Government and Urban Policy**

**Complete to 12-1-04**

## A SUMMARY OF SENATE BILL 1341 (H-1) AS REPORTED FROM COMMITTEE

The bill would amend the Michigan State Housing Development Authority (MSHDA) Act to do the following:

- Allow MSHDA to have up to \$4.2 billion in outstanding notes and bonds until November 1, 2007, when the amount would revert to \$3.0 billion, excluding the aggregate principal amount of notes and bonds issued before November 1, 2007, that exceeded \$3.0 billion.
- Reduce from 120 to 60 days the time during which percent of the proceeds from a single-family bond issue must be reserved for applicants with incomes below 60 percent of the statewide median income.
- Allow MSHDA to finance multifamily housing for students, and require the approval of the college or university the students attended.
- Eliminate the required allocation of units under the multifamily pass-through program to people who meet certain income levels.
- Permit nonprofit housing corporations to qualify for long-term financing under the pass-through program.
- Allow MSHDA to waive fees for a limited dividend housing association wholly owned by a 501(c)(3) nonprofit organization, and exempt such an association from the \$25 million outstanding loan limitation in the pass-through program.
- Allow MSHDA to establish an annual fee and administrative fees in the pass-through program.
- Make changes in the loan program for effectively treatable areas (ETAs), including allowing MSHDA to make loans for predevelopment costs; increasing the number of units in a dwelling that may be financed from 30 to 49; changing the income test; and revising the criteria for the location of an ETA.

--Conduct an annual review of all loans or lines of credit with the Michigan Broadband Development Authority, including the loan amounts and their repayment schedules, and also an analysis of the number of homes purchasing high-speed internet connections at reduced rates (as a direct result of loans from the Michigan Broadband Development Authority).

The bill is tie-barred to House Bill 6077 which has passed the House, and has been reported by the Senate Committee on Local, Urban and State Affairs. The bill now awaits action on the Senate calendar.

MCL 125.1432

**COMMITTEE ACTION:**

The House Committee on Local Government and Urban Policy added one amendment to the Senate-passed version of the bill. That amendment would require MSHDA to conduct an annual review of all loans, financial instruments that required repayment, or lines of credit with the Michigan Broadband Development Authority. The review would contain an analysis of the authority's ability to repay its loans, the loan amounts, and the repayment schedule. The review also would contain an analysis of the number of authority-assisted, or authority-financed developments, as well as the homes purchasing high-speed Internet connections at substantially reduced rates as a result of loans from the Michigan Broadband Development Authority, as specified in the memorandum of understanding signed by the officials of both authorities.

**FISCAL IMPACT:**

There is no fiscal impact on the Michigan Housing Development Authority (MSHDA).

**POSITIONS:**

The Michigan Housing Council supports the bill. (11-30-04)

The Presidents Council, State Universities of Michigan supports the bill. (11-30-04)

The Michigan Municipal League supports the bill. (11-30-04)

The Michigan Association of Realtors supports the bill. (11-30-04)

The Michigan Bankers Association supports the bill. (11-30-04)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.