




Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1341 (Substitute S-1 as reported)
Sponsor: Senator Patricia L. Birkholz
Committee: Local, Urban and State Affairs

CONTENT

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 50% of the proceeds from a single-family bond issue must be reserved for applicants with incomes below 60% 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.

The bill is tie-barred to House Bill 6077.

MCL 125.1432 et al.

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The extension of the sunset on the bonds would have no fiscal impact on the Michigan State Housing Development Authority.

Date Completed: 11-5-04

Fiscal Analyst: Maria Tyszkiewicz