

Legislative Analysis



HOUSING AFFORDABILITY IMPACT STATEMENTS

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House Bill 4836

Sponsor: Rep. Chris Ward

House Bill 4837

Sponsor: Rep. Bill Huizenga

Committee: Natural Resources, Great Lakes, Land Use, and Environment

Complete to 3-15-06

A SUMMARY OF HOUSE BILL 4836 AS INTRODUCED 5-26-05

House Bill 4837 would require local units of government to prepare a housing affordability impact statement prior to adopting a rule, regulation, or ordinance. House Bill 4836 would require the Michigan State Housing Development Authority (MSHDA) to post information concerning proposed rules, regulations, and ordinances of local governments on the Internet. The bills are tie-barred to each other.

House Bill 4836

The bill would amend the State Housing Development Authority Act (MCL 125.1422d) to require MSHDA to make available on the Internet, the text of each proposed rule, regulation, and ordinance and other information submitted the local unit, as required by law.

House Bill 4837

Generally, the bill would require local units of government to prepare two housing affordability impact statements when it adopts a rule, regulation, or ordinance. The local unit would prepare an initial impact statement describing the impact of the proposed rule, regulation, or ordinance on the affordability of new housing construction and the rehabilitation of existing housing located within the local unit. Specifically, the statement would include (1) a description of the action being taken; (2) a statement of the objectives and legal basis for the rule, regulation, or ordinance; (3) a description and estimate of the extent to which the rule, regulation, or ordinance would increase the cost or reduce the supply of housing or land for residential development or the rehabilitation of existing housing; and (4) an identification of all relevant federal, state, and local rules, regulations, or laws that may duplicate or conflict with the proposed rule, regulation, or ordinance. The initial impact statement would be made available along with the general notice of the proposal, and would be provided to the Michigan State Housing Development Authority.

The bill would also require the local unit to consider alternatives to the proposed rule, and make a determination whether the alternatives accomplish the stated objectives, impose

fewer costs than the proposal; and improve the affordability of new construction and rehabilitation compared to the proposal. If an alternative proposal meets the above criteria, it would have to be incorporated into the final rule or a new proposed rule.

Once the local unit issues a final rule, regulation, or ordinance, it would have to prepare a final housing impact statement, including (1) a statement of need and objectives; (2) a summary of the issues raised during the public comment period, and what action was taken in response to the comments; and (3) a description and estimate of the extent to which the rule, regulation, or ordinance will impact the affordability of housing construction or rehabilitation, or an explanation of such an estimate isn't available. The final impact statement would have to be posted in a general circulation newspaper and made available to the Michigan State Housing Development Authority.

The chief executive of a local unit could waive or delay the preparation of the initial impact statement, if the rule, regulation, or ordinance is in response to an emergency, and preparation of the initial impact statement is not practical. Additionally, the chief executive could delay the preparation of the final impact statement for up to 180 days if the rule, regulation, or ordinance is in response to an emergency. If the final impact statement is not completed within 180 days, the rule, regulation, or ordinance would be considered void.

Finally, the bill would require the director of MSHDA to develop and publish model initial and housing impact statements, for use by each local unit.

FISCAL IMPACT:

There would be no impact on state revenues, although complying with the provisions of the bills could have an impact on the costs of local governments and/or housing authorities.

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