

HOUSE BILL No. 4658

April 24, 2007, Introduced by Rep. Tobocman and referred to the Committee on New Economy and Quality of Life.

A bill to amend 1966 PA 346, entitled
"State housing development authority act of 1966,"
by amending sections 58, 58a, 58b, and 58c (MCL 125.1458,
125.1458a, 125.1458b, and 125.1458c), as added by 2004 PA 480.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 58. (1) The definitions in section 11 apply to this
2 chapter unless otherwise provided in this chapter.

3 (2) As used in this chapter:

4 (a) "Adjusted household income" means that term as defined in
5 rules of the authority.

6 ~~_____ (b) "Affordable housing" means residential housing that is~~
7 ~~occupied by low income, very low income, or extremely low income~~
8 ~~households, and results in monthly housing costs equal to no more~~
9 ~~than approximately 1/3 of the adjusted household income of the~~

1 ~~occupying household.~~

2 (B) "DOWNTOWN AREA" MEANS AN AREA WHERE 20 OR MORE CONTIGUOUS
3 PROPERTIES HAVE BEEN PLANNED, ZONED, OR USED FOR COMMERCIAL
4 PURPOSES FOR 50 OR MORE YEARS AND WHERE THE BUILDINGS ARE BUILT
5 ADJACENT TO EACH OTHER AND UP TO THE PUBLIC RIGHT-OF-WAY. IN ORDER
6 TO BE A DOWNTOWN AREA, THE AREA MUST CONTAIN A SIGNIFICANT NUMBER
7 OF MULTILEVEL, HISTORICALLY SIGNIFICANT BUILDINGS.

8 (c) "Eligible applicant" means a not-for-profit corporation, a
9 for-profit corporation, **A MUNICIPALITY**, or a partnership that is
10 approved by the authority and that is organized for the purpose of
11 developing and supporting affordable housing for low income, very
12 low income, or extremely low income households **OR REVITALIZING**
13 **DOWNTOWN AREAS.**

14 (d) "Extremely low income household" means a person, a family,
15 or unrelated persons living together whose adjusted household
16 income is not more than 25% of the median income, as determined by
17 the authority.

18 (e) "Fund" means the Michigan housing and community
19 development fund created in section 58a.

20 (f) "Low income household" means a person, a family, or
21 unrelated persons living together whose adjusted household income
22 is more than 50% but not more than 60% of the median income, as
23 determined by the authority.

24 (g) "Multifamily housing" means a building or buildings
25 providing housing to 2 or more households, none of which is owner
26 occupied.

27 (h) "Very low income household" means a person, a family, or

1 unrelated persons living together whose adjusted household income
2 is more than 25% but not more than 50% of the median income, as
3 determined by the authority.

4 Sec. 58a. (1) The Michigan housing and community development
5 fund is created in the department of treasury. The fund shall be
6 administered by the authority and shall be expended only as
7 provided in this chapter.

8 (2) The state treasurer shall credit to the fund all ~~of the~~
9 ~~following:~~ **APPROPRIATIONS FROM RESTRICTED REVENUES.**

10 ~~—— (a) All receipts, including, but not limited to, dividends and~~
11 ~~interest on the investment of money in the fund and principal and~~
12 ~~interest payments from loans or agreements made from the fund.~~

13 ~~—— (b) All proceeds of assets received by the authority as a~~
14 ~~result of the default of loans or agreements made under this~~
15 ~~chapter.~~

16 ~~—— (c) All appropriations, grants, or gifts of money or property~~
17 ~~made to the fund.~~

18 ~~—— (d) All fees or charges collected by the authority pursuant to~~
19 ~~activities authorized under this chapter.~~

20 ~~—— (e) Other revenue as provided by law.~~

21 (3) All balances in the fund at the end of a fiscal year shall
22 be carried over as a part of the fund and shall not revert to the
23 general fund of the state.

24 Sec. 58b. (1) The authority shall create and implement the
25 Michigan housing and community development program for the purpose
26 of developing and coordinating public and private resources to meet
27 the affordable housing needs of low income, very low income, and

1 extremely low income households **AND TO REVITALIZE DOWNTOWN AREAS** in
2 this state.

3 (2) The authority shall identify, select, and make financing
4 available to eligible applicants from money in the fund or from
5 money secured by the fund for affordable housing for low income,
6 very low income, and extremely low income households **AND TO**
7 **REVITALIZE DOWNTOWN AREAS**. This subsection does not preclude the
8 authority from using other resources in conjunction with the fund
9 for a purpose authorized under this chapter.

10 (3) The authority shall promulgate rules according to the
11 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
12 24.328, providing for the terms and conditions under which
13 assistance made under this chapter shall be recaptured.

14 (4) The authority shall develop an annual plan providing for
15 the allocation of money from the fund, according to all of the
16 following:

17 (a) The allocation plan shall contain a formula for
18 distributing money throughout the state based on the number of
19 persons experiencing poverty and housing distress in various
20 regions of the state.

21 (b) The allocation plan shall identify eligible applicants,
22 preference for special population groups described in section
23 58c(2), and preference for geographic targeting in designated
24 revitalization areas including, but not limited to, neighborhood
25 preservation areas, state renaissance zones, core communities, and
26 federally-designated enterprise community or homeownership zones.

27 (c) Not less than 25% of the fund shall be earmarked for

1 rental housing projects that do not qualify under preferences for
2 special population groups, geographic preferences, or other
3 preferences contained in the allocation plan.

4 (d) Not less than 30% of the fund shall be earmarked for
5 projects that target extremely low income households and include at
6 a minimum both of the following activities:

7 (i) Developing housing for the homeless, **SUPPORTIVE HOUSING**,
8 transitional housing, and permanent housing.

9 (ii) Providing security deposits, ~~supportive services,~~ and
10 technical assistance to eligible applicants.

11 (e) A rental housing project assisted by the fund must provide
12 affordable housing for households earning no more than 60% of the
13 median income.

14 (f) A home ownership project assisted by the fund must provide
15 affordable housing for households earning no more than 60% of the
16 median income.

17 (g) Money that has not been committed at the end of a fiscal
18 year shall not be carried over in the category to which the money
19 had been allocated during that fiscal year, but shall be
20 reallocated for the next fiscal year according to the next fiscal
21 year's allocation plan.

22 (5) Each year, the authority shall hold public hearings in at
23 least 3 separate locations throughout this state on the priorities
24 and draft allocation plan for the upcoming year. After the public
25 hearings, the authority may make minor modifications to the
26 allocation plan necessary to facilitate the administration of the
27 Michigan housing and community development program or to address

1 unforeseen circumstances.

2 (6) The authority shall issue an annual report to the governor
3 and the legislature summarizing the expenditures of the fund for
4 the prior fiscal year including at a minimum a description of the
5 eligible applicants that received funding, the number of housing
6 units that were produced, and the income levels of the households
7 that were served.

8 (7) In addition to the rules promulgated under subsection (3),
9 the authority shall promulgate rules according to the
10 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
11 24.328, to implement this chapter.

12 Sec. 58c. (1) The authority shall expend money in the fund to
13 make grants, mortgage loans, or other loans to eligible applicants
14 as provided in this section to enable eligible applicants to
15 finance any of the following with respect to housing or home
16 ownership for low income, very low income, and extremely low income
17 households **AND WITH RESPECT TO REVITALIZING DOWNTOWN AREAS:**

18 (a) Acquisition of land and buildings.

19 (b) Rehabilitation.

20 (c) New construction.

21 (d) Development and predevelopment costs.

22 (e) Preservation of existing housing.

23 (f) Infrastructure improvements, economic development
24 projects, or community facilities. ~~that support housing~~
25 ~~development.~~

26 (g) Insurance.

27 (h) Operating and replacement reserves.

1 (i) Down payment assistance.

2 (j) Security deposit assistance.

3 ~~(k) Supportive services.~~

4 (2) The authority shall expend a portion of the fund for
5 housing for special needs populations including, but not limited
6 to, the homeless, persons with physical or mental handicaps, and
7 persons living in rural or distressed areas.

8 (3) The authority may make a loan to an eligible applicant
9 from the fund at no interest or at below market interest rates,
10 with or without security, and may make a loan for predevelopment
11 financing.

12 (4) The authority may provide assistance for housing units for
13 very low income or extremely low income households within
14 multifamily housing that is occupied partly by very low income or
15 extremely low income households and partly by households that do
16 not qualify as very low income or extremely low income households,
17 subject to the rules promulgated by the authority.

18 (5) The authority may provide funding for projects with 50
19 units or less and provide incentives to encourage project
20 feasibility and mixed income housing projects that respond to
21 community priorities.