

**SUBSTITUTE FOR
SENATE BILL NO. 7**

A bill to make, supplement, and adjust appropriations for various state departments and agencies and the legislative branch for the fiscal years ending September 30, 2022 and September 30, 2023; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1
LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2022-2023
Sec. 101. There is appropriated for the legislative branch to supplement appropriations for the fiscal year ending September 30, 2023, from the following funds:

1	APPROPRIATION SUMMARY		
2	GROSS APPROPRIATION	\$	1,500,000
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and		
5	intradepartmental transfers		0
6	ADJUSTED GROSS APPROPRIATION	\$	1,500,000
7	Federal revenues:		
8	Total federal revenues		0
9	Special revenue funds:		
10	Total local revenues		0
11	Total private revenues		0
12	Total other state restricted revenues		0
13	State general fund/general purpose	\$	1,500,000
14	Sec. 102. LEGISLATURE		
15	(1) APPROPRIATION SUMMARY		
16	GROSS APPROPRIATION	\$	1,500,000
17	Interdepartmental grant revenues:		
18	Total interdepartmental grants and		
19	intradepartmental transfers		0
20	ADJUSTED GROSS APPROPRIATION	\$	1,500,000
21	Federal revenues:		
22	Total federal revenues		0
23	Special revenue funds:		
24	Total local revenues		0
25	Total private revenues		0
26	Total other state restricted revenues		0
27	State general fund/general purpose	\$	1,500,000
28	(2) LEGISLATIVE COUNCIL		

1	Independent citizens redistricting commission	\$	1,500,000
2	GROSS APPROPRIATION	\$	1,500,000
3	Appropriated from:		
4	State general fund/general purpose	\$	1,500,000

PART 1A

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2021-2022

Sec. 151. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2022, from the following funds:

APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	146,295,366
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers	0
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ADJUSTED GROSS APPROPRIATION	\$	146,295,366
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Federal revenues:

Total federal revenues	134,945,366
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Special revenue funds:

Total local revenues	300,000
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Total private revenues	0
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Total other state restricted revenues	11,050,000
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State general fund/general purpose	\$	0
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Sec. 152. DEPARTMENT OF CORRECTIONS**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION	\$	300,000
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Interdepartmental grant revenues:

1	Total interdepartmental grants and		
2	intradepartmental transfers		0
3	ADJUSTED GROSS APPROPRIATION	\$	300,000
4	Federal revenues:		
5	Total federal revenues		0
6	Special revenue funds:		
7	Total local revenues		300,000
8	Total private revenues		0
9	Total other state restricted revenues		0
10	State general fund/general purpose	\$	0
11	(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT		
12	County jail reimbursement program	\$	(1,000,000)
13	New custody staff training		(1,000,000)
14	Prosecutorial and detainer expenses		(1,500,000)
15	GROSS APPROPRIATION	\$	(3,500,000)
16	Appropriated from:		
17	State general fund/general purpose	\$	(3,500,000)
18	(3) OFFENDER SUCCESS ADMINISTRATION		
19	Community corrections comprehensive plans and		
20	services	\$	(1,000,000)
21	Offender success programming		(1,500,000)
22	Public safety initiative		(750,000)
23	Offender success services		(1,000,000)
24	GROSS APPROPRIATION	\$	(4,250,000)
25	Appropriated from:		
26	State general fund/general purpose	\$	(4,250,000)
27	(4) FIELD OPERATIONS ADMINISTRATION		
28	Criminal justice reinvestment	\$	(2,500,000)

1	Field operations	(1,000,000)
2	GROSS APPROPRIATION	\$ (3,500,000)
3	Appropriated from:	
4	State general fund/general purpose	\$ (3,500,000)
5	(5) CORRECTIONAL FACILITIES ADMINISTRATION	
6	Prison food service	\$ (2,000,000)
7	Transportation	920,000
8	GROSS APPROPRIATION	\$ (1,080,000)
9	Appropriated from:	
10	State general fund/general purpose	\$ (1,080,000)
11	(6) HEALTH CARE	
12	Clinical complexes	\$ 10,000,000
13	Prisoner health care services	(10,000,000)
14	GROSS APPROPRIATION	\$ 0
15	Appropriated from:	
16	State general fund/general purpose	\$ 0
17	(7) CORRECTIONAL FACILITIES	
18	Alger Correctional Facility - Munising	\$ (258,900)
19	Baraga Correctional Facility - Baraga	(352,300)
20	Carson City Correctional Facility - Carson City	(408,500)
21	Detroit Detention Center	300,000
22	Gus Harrison Correctional Facility - Adrian	(422,200)
23	Kinross Correctional Facility - Kincheloe	(350,200)
24	Macomb Correctional Facility - New Haven	748,000
25	Michigan Reformatory - Ionia	(333,900)
26	Special alternative incarceration program -	
27	Jackson	(2,670,000)
28	Thumb Correctional Facility - Lapeer	624,000

1	Woodland Correctional Facility - Whitmore Lake	754,000
2	GROSS APPROPRIATION	\$ (2,370,000)
3	Appropriated from:	
4	Special revenue funds:	
5	Local funds	300,000
6	State general fund/general purpose	\$ (2,670,000)
7	(8) ONE-TIME APPROPRIATIONS	
8	Corrections northern training facility	\$ 15,000,000
9	GROSS APPROPRIATION	\$ 15,000,000
10	Appropriated from:	
11	State general fund/general purpose	\$ 15,000,000
12	Sec. 153. DEPARTMENT OF ENVIRONMENT, GREAT	
13	LAKES, AND ENERGY	
14	(1) APPROPRIATION SUMMARY	
15	GROSS APPROPRIATION	\$ 50,000
16	Interdepartmental grant revenues:	
17	Total interdepartmental grants and	
18	intradepartmental transfers	0
19	ADJUSTED GROSS APPROPRIATION	\$ 50,000
20	Federal revenues:	
21	Total federal revenues	0
22	Special revenue funds:	
23	Total local revenues	0
24	Total private revenues	0
25	Total other state restricted revenues	50,000
26	State general fund/general purpose	\$ 0
27	(2) WATER RESOURCES DIVISION	
28	Bottle act implementation	\$ 50,000

1	GROSS APPROPRIATION	\$	50,000
2	Appropriated from:		
3	Special revenue funds:		
4	Natural resources damages		50,000
5	State general fund/general purpose	\$	0
6	Sec. 154. DEPARTMENT OF HEALTH AND HUMAN		
7	SERVICES		
8	(1) APPROPRIATION SUMMARY		
9	GROSS APPROPRIATION	\$	139,409,000
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and		
12	intradepartmental transfers		0
13	ADJUSTED GROSS APPROPRIATION	\$	139,409,000
14	Federal revenues:		
15	Total federal revenues		128,409,000
16	Special revenue funds:		
17	Total local revenues		0
18	Total private revenues		0
19	Total other state restricted revenues		11,000,000
20	State general fund/general purpose	\$	0
21	(2) CHILDREN'S SERVICES AGENCY - CHILD WELFARE		
22	Family preservation programs		(2,000,000)
23	GROSS APPROPRIATION	\$	(2,000,000)
24	Appropriated from:		
25	State general fund/general purpose	\$	(2,000,000)
26	(3) PUBLIC ASSISTANCE		
27	Family independence program	\$	3,600,000
28	Food assistance program benefits		120,000,000

1	Indigent burial	(800,000)
2	State supplementation	800,000
3	GROSS APPROPRIATION	\$ 123,600,000
4	Appropriated from:	
5	Federal revenues:	
6	Social security act, temporary assistance for	
7	needy families	1,600,000
8	Total other federal revenues	120,000,000
9	State general fund/general purpose	\$ 2,000,000
10	(4) FIELD OPERATIONS AND SUPPORT SERVICES	
11	Contractual services, supplies, and materials	\$ 3,000,000
12	Electronic benefit transfer (EBT)	(1,500,000)
13	Public assistance field staff	(3,540,000)
14	GROSS APPROPRIATION	\$ (2,040,000)
15	Appropriated from:	
16	Federal revenues:	
17	Social security act, temporary assistance for	
18	needy families	(2,040,000)
19	State general fund/general purpose	\$ 0
20	(5) BEHAVIORAL HEALTH PROGRAM ADMINISTRATION	
21	AND SPECIAL PROJECTS	
22	Family support subsidy	\$ 440,000
23	GROSS APPROPRIATION	\$ 440,000
24	Appropriated from:	
25	Federal revenues:	
26	Social security act, temporary assistance for	
27	needy families	440,000
28	State general fund/general purpose	\$ 0

1	(6) BEHAVIORAL HEALTH SERVICES		
2	Autism services	\$	(1,100,000)
3	Certified community behavioral health clinic		
4	demonstration		34,000,000
5	Federal mental health block grant		2,700,000
6	Health homes		(2,700,000)
7	Healthy Michigan plan - behavioral health		6,000,000
8	Medicaid mental health services		(40,000,000)
9	Medicaid substance use disorder services		1,100,000
10	GROSS APPROPRIATION	\$	0
11	Appropriated from:		
12	Federal revenues:		
13	Total other federal revenues		0
14	State general fund/general purpose	\$	0
15	(7) STATE PSYCHIATRIC HOSPITALS AND FORENSIC		
16	MENTAL HEALTH SERVICES		
17	Caro Regional Mental Health Center -		
18	psychiatric hospital - adult	\$	1,500,000
19	Hawthorn Center - psychiatric hospital -		
20	children and adolescents		7,000,000
21	Kalamazoo Psychiatric Hospital - adult		(1,100,000)
22	Walter P. Reuther Psychiatric Hospital - adult		2,100,000
23	GROSS APPROPRIATION	\$	9,500,000
24	Appropriated from:		
25	Federal revenues:		
26	Total other federal revenues		4,000,000
27	Special revenue funds:		
28	Total other state restricted revenues		5,500,000

1	State general fund/general purpose	\$	0
2	(8) CHILDREN'S SPECIAL HEALTH CARE SERVICES		
3	Medical care and treatment	\$	(17,900,000)
4	GROSS APPROPRIATION	\$	(17,900,000)
5	Appropriated from:		
6	Federal revenues:		
7	Total other federal revenues		(14,000,000)
8	Special revenue funds:		
9	Total private revenues		200,000
10	State general fund/general purpose	\$	(4,100,000)
11	(9) MEDICAL SERVICES ADMINISTRATION		
12	Medical services administration	\$	25,000
13	GROSS APPROPRIATION	\$	25,000
14	Appropriated from:		
15	Special revenue funds:		
16	Total other state restricted revenues		25,000
17	State general fund/general purpose	\$	0
18	(10) MEDICAL SERVICES		
19	Adult home help services	\$	3,500,000
20	Ambulance services		3,731,100
21	Auxiliary medical services		353,100
22	Dental services		16,300,000
23	Federal Medicare pharmaceutical program		(12,000,000)
24	Health plan services		(160,300,900)
25	Healthy Michigan Plan		(47,644,500)
26	Home health services		729,700
27	Hospice services		16,355,900
28	Hospital disproportionate share payments		353,100

1	Hospital services and therapy	(9,800,000)
2	Integrated care organizations	2,000,000
3	Long-term care services	71,000,000
4	Medicaid home- and community-based services	
5	waiver	3,500,000
6	Medicare premium payments	12,000,000
7	Personal care services	706,200
8	Pharmaceutical services	44,800,000
9	Physician services	63,262,600
10	School-based services	30,000,000
11	Special Medicaid reimbursement	(16,730,600)
12	Transportation	1,259,300
13	GROSS APPROPRIATION	\$ 23,375,000
14	Appropriated from:	
15	Federal revenues:	
16	Total other federal revenues	14,000,000
17	Special revenue funds:	
18	Total private revenues	(200,000)
19	Total other state restricted revenues	5,475,000
20	State general fund/general purpose	\$ 4,100,000
21	(11) ONE-TIME APPROPRIATIONS	
22	Family violence prevention and services	\$ 4,409,000
23	GROSS APPROPRIATION	\$ 4,409,000
24	Appropriated from:	
25	Federal revenues:	
26	Total other federal revenues	4,409,000
27	State general fund/general purpose	\$ 0

**Sec. 155. DEPARTMENT OF LABOR AND ECONOMIC
OPPORTUNITY**

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	0
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers	0
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ADJUSTED GROSS APPROPRIATION	\$	0
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Federal revenues:

Total federal revenues	0
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Special revenue funds:

Total local revenues	0
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Total private revenues	0
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Total other state restricted revenues	0
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State general fund/general purpose	\$	0
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(2) ONE-TIME APPROPRIATIONS

ARP - missing middle gap program	\$	(50,000,000)
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ARP - missing middle gap program	50,000,000
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GROSS APPROPRIATION	\$	0
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Appropriated from:

Federal revenues:

Coronavirus state fiscal recovery fund	0
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State general fund/general purpose	\$	0
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**Sec. 156. DEPARTMENT OF MILITARY AND VETERANS
AFFAIRS**

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	\$	150,000
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Interdepartmental grant revenues:

1	Total interdepartmental grants and		
2	intradepartmental transfers		0
3	ADJUSTED GROSS APPROPRIATION	\$	150,000
4	Federal revenues:		
5	Total federal revenues		150,000
6	Special revenue funds:		
7	Total local revenues		0
8	Total private revenues		0
9	Total other state restricted revenues		0
10	State general fund/general purpose	\$	0
11	(2) MICHIGAN VETERANS AFFAIRS AGENCY		
12	Michigan veterans affairs agency administration	\$	62,000
13	Veterans service grants		(62,000)
14	GROSS APPROPRIATION	\$	0
15	Appropriated from:		
16	State general fund/general purpose	\$	0
17	(3) MICHIGAN VETERANS' FACILITY AUTHORITY		
18	Chesterfield Township home for veterans	\$	500,000
19	D.J. Jacobetti home for veterans		(1,700,000)
20	Grand Rapids home for veterans		1,200,000
21	GROSS APPROPRIATION	\$	0
22	Appropriated from:		
23	Federal revenues:		
24	HHS-HCFA, title XIX, Medicaid		1,800,000
25	USDVA-VHA		(1,800,000)
26	State general fund/general purpose	\$	0
27	(4) ONE-TIME APPROPRIATIONS		
28	COVID-19 special maintenance veterans homes	\$	150,000

1	GROSS APPROPRIATION	\$	150,000
2	Appropriated from:		
3	Federal revenues:		
4	USDVA-VHA		150,000
5	State general fund/general purpose	\$	0
6	Sec. 157. DEPARTMENT OF STATE POLICE		
7	(1) APPROPRIATION SUMMARY		
8	GROSS APPROPRIATION	\$	6,386,366
9	Interdepartmental grant revenues:		
10	Total interdepartmental grants and		
11	intradepartmental transfers		0
12	ADJUSTED GROSS APPROPRIATION	\$	6,386,366
13	Federal revenues:		
14	Total federal revenues		6,386,366
15	Special revenue funds:		
16	Total local revenues		0
17	Total private revenues		0
18	Total other state restricted revenues		0
19	State general fund/general purpose	\$	0
20	(2) FIELD SERVICES		
21	Post operations	\$	0
22	GROSS APPROPRIATION	\$	0
23	Appropriated from:		
24	Federal revenues:		
25	Coronavirus state fiscal recovery fund		6,386,366
26	State general fund/general purpose	\$	(6,386,366)
27	(3) ONE-TIME APPROPRIATIONS		
28	Federal ineligible expenses	\$	6,386,366

1	GROSS APPROPRIATION	\$	6,386,366
2	Appropriated from:		
3	State general fund/general purpose	\$	6,386,366
4	Sec. 158. DEPARTMENT OF TREASURY		
5	(1) APPROPRIATION SUMMARY		
6	GROSS APPROPRIATION	\$	0
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and		
9	intradepartmental transfers		0
10	ADJUSTED GROSS APPROPRIATION	\$	0
11	Federal revenues:		
12	Total federal revenues		0
13	Special revenue funds:		
14	Total local revenues		0
15	Total private revenues		0
16	Total other state restricted revenues		0
17	State general fund/general purpose	\$	0
18	(2) REVENUE SHARING		
19	City village, and township revenue sharing	\$	(102,875)
20	Financially distressed cities, villages, or		
21	townships		102,875
22	GROSS APPROPRIATION	\$	0
23	Appropriated from:		
24	Special revenue funds:		
25	Sales tax		0
26	State general fund/general purpose	\$	0
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PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2022-2023

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for the fiscal year ending September 30, 2023 is \$1,500,000.00 and total state spending from state sources to be paid to local units of government is \$0.00.

Sec. 202. The appropriations made and expenditures authorized under this part and part 1 and the departments, commissions, boards, offices, and programs for which appropriations are made under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this part and part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within this part and part 1 for the particular department, board, commission, office, or institution.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2021-2022

GENERAL SECTIONS

Sec. 1201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1A for the fiscal year ending September 30, 2022 is \$11,050,000.00 and total state spending from state sources to be paid to local units of government is \$0.00.

1 Sec. 1202. The appropriations made and expenditures authorized
2 under this part and part 1A and the departments, commissions,
3 boards, offices, and programs for which appropriations are made
4 under this part and part 1A are subject to the management and
5 budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

6 Sec. 1203. If the state administrative board, acting under
7 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
8 appropriated under this part and part 1A, the legislature may, by a
9 concurrent resolution adopted by a majority of the members elected
10 to and serving in each house, inter-transfer funds within this part
11 and part 1A for the particular department, board, commission,
12 office, or institution.

13 Sec. 1204. Funds appropriated in part 1A must be allocated and
14 expended in a manner consistent with federal rules and regulations.

15 Sec. 1205. Funds appropriated in part 1A are subject to
16 applicable federal audit and reporting requirements. Prompt action
17 shall be taken if instances of noncompliance are identified,
18 including noncompliance identified in an audit finding. If any
19 instance of noncompliance is identified, including noncompliance
20 identified in an audit finding, the state budget director shall
21 take necessary and immediate action to rectify it. The state budget
22 director shall notify the senate and house appropriations
23 committees and the senate and house fiscal agencies when an
24 instance of noncompliance is identified.

25 Sec. 1206. The state budget director shall report on the
26 status of funds appropriated in part 1A, and all funds appropriated
27 related to the coronavirus relief effort, to the senate and house
28 appropriations committees and the senate and house fiscal agencies
29 on a monthly basis until all funds are exhausted.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 1301. (1) From the funds appropriated in part 1A for ARP - missing middle gap program, \$50,000,000.00 must be used by the Michigan state housing development authority to create a missing middle housing program to increase the supply of housing stock, in response to the negative economic impacts of the pandemic, for employees by providing cost defrayment to developers investing in, constructing, or substantially rehabilitating properties that are targeted to missing middle households.

(2) As used in this section:

(a) "Agreement" means an agreement between a developer and the authority pursuant to subsection (6).

(b) "Agreement counterparty" means the counterparty to an agreement, including the developer or any transferee or assignee of the developer's rights and obligations under an agreement pursuant to subsection (6).

(c) "Attainable" means rent or a sale price resulting in a final mortgage payment no higher than 30% of the gross annual income of a missing middle household.

(d) "Authority" means the Michigan state housing development authority created by the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c.

(e) "Final mortgage payment" means a mortgage payment calculated by the developer that must include principal, interest, taxes, insurance, private mortgage insurance, association fees or lease payments, or fees related to participation in a community land trust in accordance with financing assumptions consistent with market conditions as determined by the program administrator.

1 (f) "Housing unit" means a dwelling of less than 2,000 square
2 feet, available for sale or lease on a permanent or year-round
3 basis, that has a permanent foundation, electrical, heating and
4 cooling, plumbing, bathing and restroom facilities, kitchen, and
5 sleeping spaces, all of which meet building code requirements
6 sufficient to achieve a certificate of occupancy.

7 (g) "Local support" means 1 or a combination of the following
8 forms of support provided by a local unit of government:

9 (i) Financial contributions or grants in an amount equal to or
10 exceeding \$5,000.00.

11 (ii) A tax abatement provided to a project in accordance with
12 state law.

13 (iii) Tax increment revenues captured by a local unit of
14 government and committed to a project in accordance with a tax
15 increment finance and development plan.

16 (iv) Land transferred from the local unit of government at a
17 cost of not more than \$1,000.00 per housing unit.

18 (v) Any other form of support provided by a local unit of
19 government determined by the program administrator to constitute
20 local support for purposes of this section.

21 (h) "Local unit of government" means a city, village,
22 township, county, or any intergovernmental, metropolitan, or local
23 department, agency, or authority, or other local political
24 subdivision.

25 (i) "Missing middle household" or "missing middle households"
26 means a household or households as defined by the authority. The
27 authority's definition must be supported by housing data and comply
28 with rules and regulations established by the American rescue plan
29 act of 2021, Public Law 117-2, specifically all regulations and

1 requirements around the use of the state fiscal recovery fund.

2 (j) "Program administrator" means the executive director of
3 the authority.

4 (k) "Project" means the construction or substantial
5 rehabilitation of 1 or more housing units made available at a price
6 or lease rate that is attainable to a missing middle household.

7 (l) "Rural community" means any geography designated by the
8 United States Department of Agriculture Office of Rural Development
9 as rural for purposes of its single-family housing guaranteed loan
10 program.

11 (m) "Substantial rehabilitation" means rehabilitation of a
12 housing unit that requires a financial investment of at least
13 \$25,000.00.

14 (3) All of the following apply regarding the missing middle
15 housing program:

16 (a) The missing middle housing program is created under the
17 jurisdiction and control of the authority and may be administered
18 by the authority in accordance with the provisions of this section.
19 In developing program guidelines and design, the authority must
20 receive the concurrence of the executive director of the state land
21 bank.

22 (b) The authority must expend funds under this section only
23 for the purposes of making awards as provided in subsection (4) and
24 paying the costs of administering the program.

25 (c) The authority must develop and implement the use of forms,
26 applications, agreements, and any other documents necessary or
27 appropriate to implement this section and carry out its duties
28 under this section.

29 (d) At least 30% of the dollar amount of awards under this

1 section must be allocated to projects in rural communities,
2 including, but not limited to, projects located in the Upper
3 Peninsula.

4 (e) Not more than 15% of the dollar amount of awards under
5 this section must be allocated to projects in any single city,
6 village, or township.

7 (4) All of the following conditions apply to a grant award
8 under this section:

9 (a) To qualify for a grant under this section, a project must
10 meet all of the following conditions, as determined by the program
11 administrator:

12 (i) The project must consist of new construction, substantial
13 rehabilitation, or a combination of both.

14 (ii) The developer must demonstrate site control, identify the
15 project general contractor, and provide a preliminary budget
16 reflecting the ability to complete the project.

17 (iii) The construction quality, design, and location of the
18 project must be appropriate for the area in which the project will
19 be developed. The program administrator may require preapproval of
20 designs and plans and may condition approval on certain minimum
21 design and quality of construction standards.

22 (iv) The developer must demonstrate that it has not received
23 and will not receive low-income housing tax credits for the
24 project.

25 (v) The developer must demonstrate that the project has
26 received or will receive local support.

27 (vi) The developer must propose a method or methods by which it
28 will ensure to the satisfaction of the program administrator that
29 each housing unit will remain attainable for a period of 10 years

1 for rental deals and 5 years for for-sale deals following the
2 disbursement of funds to the developer. The program administrator
3 shall work with developers to make efforts to keep properties
4 developed under this program attainable for missing middle
5 households beyond these initial timelines.

6 (b) Application for approval under this subsection must be
7 made in the form and manner prescribed by the program
8 administrator.

9 (5) To receive a distribution of funds from a grant approved
10 under subsection (4), a project must meet all of the following
11 conditions, as applicable:

12 (a) A project must secure a certificate of occupancy within 24
13 months from the date of execution of the agreement for the project.

14 (b) The developer may seek an extension of the time periods
15 described in this subsection, not to exceed a total development
16 time frame of 36 months, from the program administrator.

17 (c) The developer must have implemented the method or methods
18 approved to ensure a project is attainable as described in
19 subsection (4) (a) (vi) .

20 (6) The terms and conditions for the distribution of awarded
21 funds must be set forth in an agreement between the agreement
22 counterparty and the program administrator as follows:

23 (a) The agreement may contain continuing obligations of the
24 agreement counterparty for the term of the agreement to ensure that
25 the project is attainable as described in subsection (4) (a) (vi) .

26 (b) A developer may convey the project and transfer or assign
27 the developer's rights and obligations under the related agreement
28 to a third party only after the developer has satisfied the
29 conditions of subsection (5) and received the distribution of grant

1 funds.

2 (c) The agreement must require that the agreement counterparty
3 provide all of the following information to the program
4 administrator as of the date of the certificate of occupancy for
5 the project:

6 (i) Total number of total housing units developed within the
7 project.

8 (ii) Number of housing units in the project qualifying for the
9 grant.

10 (iii) Total square footage of project.

11 (iv) Total project costs.

12 (v) Total project costs not arising from a grant under this
13 section.

14 (d) The agreement must require that the agreement counterparty
15 provide the following information annually during the term of the
16 agreement:

17 (i) For a project consisting of housing units for sale, the
18 price of each housing unit within the project sold during the
19 reporting year.

20 (ii) For a project consisting of housing units for rent, each
21 of the following:

22 (A) A statement of the rental rate of each housing unit for
23 rent within the project during the reporting year.

24 (B) A statement of the income stated on tenant applications
25 for the project during the reporting year.

26 (C) A statement of the occupancy rate of the project during
27 the reporting year.

28 (7) The program administrator may in any year adjust any
29 dollar amount provided in this section by a percentage equal to or

1 less than the Consumer Price Index for that year.

2 (8) The unexpended funds appropriated in part 1A for ARP -
3 missing middle gap program are designated as a work project
4 appropriation. Any unencumbered or unallotted funds shall not lapse
5 at the end of the fiscal year and shall be available for
6 expenditures for projects under this section until the projects
7 have been completed. The following is in compliance with section
8 451a(1) of the management and budget act, 1984 PA 431, MCL
9 18.1451a:

10 (a) The purpose of the project is to expand access to housing
11 stock for missing middle households.

12 (b) The project will be accomplished by utilizing state
13 employees or contracts with service providers, or both.

14 (c) The total estimated cost of the project is \$50,000,000.00.

15 (d) The tentative completion date is September 30, 2026.
16

17 **DEPARTMENT OF STATE POLICE**

18 Sec. 1501. The unexpended funds appropriated in part 1A for
19 federal ineligible expenses are designated as a work project
20 appropriation, and any unencumbered or unallotted funds shall not
21 lapse at the end of the fiscal year and shall be available for
22 expenditures for projects under this section until the projects
23 have been completed. The following is in compliance with section
24 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

25 (a) The purpose of the project is to support expenses that are
26 determined to be ineligible for federal reimbursement.

27 (b) The project will be accomplished by utilizing state
28 employees, contracts with vendors, or local partners.

29 (c) The estimated cost of the project is \$6,386,366.00.

1 (d) The tentative completion date is September 30, 2026.

2

3 **REPEALERS**

4 Sec. 1601. Section 353 of 2022 PA 53 is repealed.