

# HOUSE BILL NO. 6201

November 26, 2024, Introduced by Rep. Skaggs and referred to the Committee on Economic Development and Small Business.

A bill to amend 1966 PA 346, entitled  
"State housing development authority act of 1966,"  
by amending section 44f (MCL 125.1444f), as amended by 2004 PA 535.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 44f. (1) The authority may make a loan to any person or  
2           entity, whether for profit or not for profit, for predevelopment  
3           costs, or for the construction or rehabilitation, and for the long-  
4           term financing, of a 2 to 49 unit housing project located in an  
5           effectively treatable area, which project meets the 20-50 or 40-60

1 test established in section 142 of the internal revenue code **of**  
2 **1986**, 26 USC 142. For rehabilitation of a housing project in an  
3 effectively treatable area by more than 1 owner, the 20-50 or 40-60  
4 test may be met on an aggregate basis.

5 (2) For purposes of this section, an effectively treatable  
6 area is an area that includes or is in close proximity to a  
7 downtown or traditional commercial center and for which the  
8 authority has received a plan, to be known as a neighborhood  
9 partnership plan, from a municipality or neighborhood organization,  
10 or both. The plan ~~shall~~**must** establish as a goal that at least 75%  
11 of the property in the area will be brought to a safe and sanitary  
12 condition and ~~shall~~**must** enable the authority to determine that  
13 available private, public, and authority resources will be combined  
14 in such a manner as to ~~assure~~**ensure** that a majority of the housing  
15 in the area will be brought to a safe and sanitary condition. To  
16 qualify as an effectively treatable area, the area ~~shall~~**must** be in  
17 a qualified local governmental unit ~~as defined in section 2 of the~~  
18 ~~obsolete properties rehabilitation act, 2000 PA 146, MCL 125.2782,~~  
19 or a county seat and either be within a census tract having a  
20 serious housing need or in an area that meets all of the following  
21 criteria:

22 (a) The increase in the state equalized value of real and  
23 personal property in the area is less than the increase in the  
24 municipality-wide or statewide average, whichever is the lesser  
25 increase.

26 (b) The poverty rate in the area is greater than the statewide  
27 average as determined by the most recent federal decennial census.

28 (c) The average income of the area is less than 80% of the  
29 statewide or area median, whichever is greater, as determined using

1 the most recent federal decennial census.

2 (d) The percentage of overcrowded or underutilized housing  
3 units in the area is greater than the municipality-wide average.

4 (3) The authority shall provide technical assistance to help  
5 develop neighborhood partnership plans. The municipality or  
6 neighborhood organization that submits the **neighborhood partnership**  
7 plan shall demonstrate that community support exists and that the  
8 provision of a loan under this section will contribute to the  
9 larger effort to revitalize the area.

10 (4) The return on investment to the owner of a project  
11 financed under this section is not restricted as long as the  
12 housing remains in compliance with all applicable state and local  
13 codes and ordinances.

14 (5) **As used in this section:**

15 (a) **"Neighborhood partnership plan" means the plan described**  
16 **in subsection (2).**

17 (b) **"Qualified local governmental unit" means 1 or more of the**  
18 **following:**

19 (i) **A city with a median family income of 150% or less of the**  
20 **statewide median family income as reported in the 1990 federal**  
21 **decennial census that meets 1 or more of the following criteria:**

22 (A) **Contains or has within its borders an eligible distressed**  
23 **area as that term is defined in section 11(u) (ii) and (iii).**

24 (B) **Is contiguous to a city with a population of 500,000 or**  
25 **more.**

26 (C) **Has a population of 10,000 or more that is located outside**  
27 **of an urbanized area as delineated by the United States Bureau of**  
28 **the Census.**

29 (D) **Is the central city of a metropolitan area designated by**

1 the United States Office of Management and Budget.

2 (E) Has a population of 100,000 or more that is located in a  
3 county with a population of 2,000,000 or more according to the 1990  
4 federal decennial census.

5 (ii) A township with a median family income of 150% or less of  
6 the statewide median family income as reported in the 1990 federal  
7 decennial census that meets 1 or more of the following criteria:

8 (A) Is contiguous to a city with a population of 500,000 or  
9 more.

10 (B) All of the following:

11 (I) Contains or has within its borders an eligible distressed  
12 area as that term is defined in section 11(u) (ii) .

13 (II) Has a population of 10,000 or more.

14 (iii) A village with a population of 500 or more as reported in  
15 the 1990 federal decennial census located in an area designated as  
16 a rural enterprise community before 1998 under title XIII of the  
17 omnibus budget reconciliation act of 1993, Public Law 103-66.

18 (iv) A city that meets all of the following criteria:

19 (A) Has a population of more than 20,000 or less than 5,000  
20 and is located in a county with a population of 2,000,000 or more  
21 according to the 1990 federal decennial census.

22 (B) As of January 1, 2000, has an overall increase in the  
23 state equalized valuation of real and personal property of less  
24 than 65% of the statewide average increase since 1972 as determined  
25 for the designation of eligible distressed areas under section  
26 11(u) (ii) (B) .

27 Enacting section 1. This amendatory act does not take effect  
28 unless Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
29 04434'23) of the 102nd Legislature is enacted into law.