

STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966 (EXCERPT)
Act 346 of 1966

125.1444f Loan for housing project in effectively treatable area; demonstration of community support; return on investment.

Sec. 44f.

(1) The authority may make a loan to any person or entity, whether for profit or not for profit, for predevelopment costs, or for the construction or rehabilitation, and for the long-term financing, of a 2 to 49 unit housing project located in an effectively treatable area, which project meets the 20-50 or 40-60 test established in section 142 of the internal revenue code, 26 USC 142. For rehabilitation of a housing project in an effectively treatable area by more than 1 owner, the 20-50 or 40-60 test may be met on an aggregate basis.

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

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

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

(c) The average income of the area is less than 80% of the statewide or area median, whichever is greater, as determined using the most recent federal decennial census.

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

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

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

History: Add. 1987, Act 180, Imd. Eff. Nov. 25, 1987 ;-- Am. 2004, Act 535, Imd. Eff. Jan. 3, 2005