

## BLIGHTED AREA REHABILITATION

### Act 344 of 1945

AN ACT to authorize counties, cities, villages and townships of this state to adopt plans to prevent blight and to adopt plans for the rehabilitation of blighted areas; to authorize assistance in carrying out such plans by the acquisition of real property, the improvement of such real property and the disposal of real property in such areas; to prescribe the methods of financing the exercise of these powers; and to declare the effect of this act.

**History:** 1945, Act 344, Imd. Eff. May 31, 1945 ;-- Am. 1986, Act 320, Imd. Eff. Dec. 26, 1986

*The People of the State of Michigan enact:*

#### 125.71 Legislative findings and declaration.

##### Sec. 1.

The legislature finds and declares that large areas in the municipalities of the state have become blighted and significant areas in the municipalities of the state are deteriorating in a manner which leads to severe blight, with the consequent impairment of taxable values upon which, in large part, municipal revenues depend; that those blighted areas are detrimental or inimical to the health, safety, morals, and general welfare of the citizens, and to the economic welfare of the municipality; that in order to improve and maintain the general character of the municipality, it is necessary to rehabilitate those blighted areas; that the conditions found in blighted areas cannot be remedied by the ordinary operations of private enterprise, with due regard to the general welfare of the public, without public participation in the planning, property acquisition or disposition, and related implementation and financing of the remedies; that the purposes of this act are to rehabilitate those areas by improving or acquiring and developing properties within the areas for the protection of the health, safety, morals and general welfare of the municipality, to preserve existing values of other properties within or adjacent to the areas, and to preserve the taxable value of the property within the areas; and that the necessity in the public interest for provisions enacted in this act is hereby declared as a matter of legislative determination to be a public purpose and a public use.

**History:** 1945, Act 344, Imd. Eff. May 31, 1945 ;-- CL 1948, 125.71 ;-- Am. 1986, Act 320, Imd. Eff. Dec. 26, 1986

#### 125.72 Definitions.

##### Sec. 2.

As used in this act:

(a) "Blighted area" means a portion of a municipality, developed or undeveloped, improved or unimproved, with business or residential uses, marked by a demonstrated pattern of deterioration in physical, economic, or social conditions, and characterized by such conditions as functional or economic obsolescence of buildings or the area as a whole, physical deterioration of structures, substandard building or facility conditions, improper or inefficient division or arrangement of lots and ownerships and streets and other open spaces, inappropriate mixed character and uses of the structures, deterioration in the condition of public facilities or services, or any other similar characteristics which endanger the health, safety, morals, or general welfare of the municipality, and which may include any buildings or improvements not in themselves obsolescent, and any real property, residential or nonresidential, whether improved or unimproved, the acquisition of which is considered necessary for rehabilitation of the area. It is expressly recognized that blight is observable at different stages of severity, and that moderate blight unremedied creates a strong probability that severe blight will follow. Therefore, the conditions that constitute blight are to be broadly construed to permit a municipality to make an early identification of problems and to take early remedial action to correct a demonstrated pattern of deterioration and to prevent worsening of blight conditions.

(b) "Blighted property" means property that meets any of the following criteria:

- (i) The property has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
- (ii) The property is an attractive nuisance because of physical condition or use.
- (iii) The property is a fire hazard or is otherwise dangerous to the safety of persons or property.
- (iv) The property has had the utilities, plumbing, heating, or sewerage disconnected, destroyed, removed, or rendered ineffective for a period of 1 year or more so that the property is unfit for its intended use.
- (v) The property is tax reverted property owned by a municipality, by a county, or by this state. The sale, lease, or transfer of tax reverted property by a municipality, a county, or this state shall not result in the loss to the property of eligibility for any project authorized under this act for the rehabilitation of a blighted area, platting authorized under this act, or tax relief or assistance, including financial assistance, authorized under this act or any other act.
- (vi) The property is owned or is under the control of a land bank fast track authority under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774. The sale, lease, or transfer of the property by a land bank fast track authority shall not result in the loss to the property of eligibility for any project authorized under this act for the rehabilitation of a blighted area, platting authorized under this act, or tax relief or assistance, including financial assistance, authorized under this act or any other act.
- (vii) The property is improved real property that has remained vacant for 5 consecutive years and that is not maintained in accordance with applicable local housing or property maintenance codes or ordinances.
- (viii) The property has code violations posing a severe and immediate health or safety threat and has not been substantially rehabilitated within 1 year after the receipt of notice to rehabilitate from the appropriate code enforcement agency or final determination of any appeal, whichever is later.
- (c) "Municipality" means a county, city, village, or township in the state.
- (d) "Development plan" means a plan for the rehabilitation of all or any part of a blighted area.
- (e) "Development area" means that portion of a blighted area to which a development plan is applicable.
- (f) "Real property" means land, buildings, improvements, land under water, waterfront property, and any and all easements, franchises and hereditaments, corporeal or incorporeal, and every estate, interest, privilege, easement, franchise and right therein, or appurtenant thereto, legal or equitable, including rights of way, terms for years, and liens, charges, or incumbrances by mortgage, judgment, or otherwise.
- (g) "Local taxes" means state, county, city, village, township and school taxes, any special district taxes, and any other tax on real property, but does not include special assessment for local benefit improvements.
- (h) "Public use" when used with reference to land reserved for public use means only such uses as are for the general use and benefit of the public as a whole, such as schools, libraries, public institutions, administration buildings, parks, boulevards, playgrounds, streets, alleys, or easements for sewers, public lighting, water, gas, or other similar utilities.
- (i) "Project" means all of the undertakings authorized in this act for the rehabilitation of a blighted area.

**History:** 1945, Act 344, Imd. Eff. May 31, 1945 ;-- Am. 1947, Act 237, Eff. Oct. 11, 1947 ;-- CL 1948, 125.72 ;-- Am. 1952, Act 222, Imd. Eff. May 2, 1952 ;-- Am. 1957, Act 296, Eff. Sept. 27, 1957 ;-- Am. 1965, Act 227, Imd. Eff. July 16, 1965 ;-- Am. 1986, Act 320, Imd. Eff. Dec. 26, 1986 ;-- Am. 2006, Act 677, Imd. Eff. Jan. 10, 2007

**Compiler's Notes:** In subdivision (a) of this section, the word "abolished" evidently should read "abolished".

## 125.73 Powers of municipality.

### Sec. 3.

A municipality may bring about the rehabilitation of blighted areas and the prevention, reduction, or elimination of blight, blighting factors, or causes of blight, and for that purpose may do any of the following:

- (a) Acquire real property by purchase, gift, or exchange.
- (b) Acquire under this act blighted property by condemnation.
- (c) Lease, sell, renovate, improve, or exchange blighted property or other real property acquired by other means in accordance with the state constitution of 1963 and this act.

**History:** 1945, Act 344, Imd. Eff. May 31, 1945 ;-- CL 1948, 125.73 ;-- Am. 1986, Act 320, Imd. Eff. Dec. 26, 1986 ;-- Am. 2006, Act 677, Imd. Eff. Jan. 10, 2007

**125.74 Plans, statements, and actions as requirements and conditions for exercise of powers; plans to be adopted by local legislative body; designation of district areas; provisions governing citizens' district councils; consultation between local official and citizens' district council; record; notice of zoning change, hearing, or condemnation proceedings; public hearing; information; coordinating council on community redevelopment; adoption of development plan; compliance; information on housing available to displaced families and individuals; conditions to determination of blighted area; notice of approval or disapproval of development plan.**

Sec. 4.

(1) As used in this section:

(a) "District area" means a portion of a municipality consisting of 1 or more adjacent or nearby development areas and any surrounding territory that will be significantly affected by the plan for the development area or areas, where a majority of residents in the district area reside in the development area or areas.

(b) "Development plan" and "development area" mean those terms as defined in section 2.

(c) "Citizens' district council" means a citizens' district council established under this act.

(d) "Coordinating council on community redevelopment" means any coordinating council on community redevelopment established under this act.

(2) Except as provided in subsection (7), the plans, statements, and actions prescribed in subsections (3) to (11) are requirements and conditions for the exercise of the powers granted by this act for the acquisition, sale, or lease of real property for the carrying out of a development plan in a development area.

(3) The following plans shall be adopted by the local legislative body of the municipality in which the development area is located:

(a) A master plan of the municipality or a master plan which is sufficiently advanced to designate areas in need of rehabilitation or in need of measures to prevent blight.

(b) A plan of the general features of development of the district within which the development area lies and of other districts adjacent to the development area, of such extent, content, and particularity as is necessary to the coordination of the development area plan with the future development of the territory surrounding the development area, or, if no future development is planned, then in coordination with the present development.

(4) District areas shall be designated for all development areas that have been approved by a local legislative body and subject to the terms of this act as of January 1, 1968, and all subsequent development areas that are so approved. A district area shall not be designated unless the local legislative body first holds a public hearing on the designation. The legislative body shall give notice of the public hearing not less than 20 nor more than 30 days before the date for the public hearing.

(5) Citizens' district councils are governed by the following:

(a) Except as otherwise provided in this subdivision, for each district area, a citizens' district council of not less than 12 nor more than 25 members shall be selected in a manner that ensures that the citizens' district council is to the maximum extent possible representative of the residents of the area and of other persons with a demonstrable and substantial interest in the area. The majority of the citizens' district council shall be composed of citizens living in the development area.

(b) The term of office on the councils shall be 3 years. If terms of council members are not staggered, then, upon the expiration of the terms of the members of the citizens' district council, 1/3 shall be elected or appointed for 3 years, 1/3 for 2 years and 1/3 for 1 year.

(c) Members of the council may be selected by direct election by the residents of the area and other persons with a demonstrable and substantial interest in the area, or may be appointed by the chief executive officer of the municipality after consultation with local community groups and residents of the area, or by a combination of appointment and election. The method of selection of the citizens' district council, and any appointments to the council by the chief executive officer, shall be determined with the approval of the local legislative body after a public hearing has been held, with public notice of such hearing distributed throughout the district area at least 20 days before the date of the hearing. Citizens' district councils shall be established within 45 days of any initial designation of a development area by any local planning agency or local legislative body.

(d) In a city of over 1,000,000, the local legislative body shall adopt an ordinance governing the composition and method of selecting the members of the citizens' district councils, with the limitation that such an ordinance shall provide for a majority of the citizens' district council to be composed of citizens living in a development area or areas.

(6) The local official responsible for preparation of the development plan within the district area shall periodically consult with and advise the citizens' district council regarding all aspects of the plan, including the development of new housing for relocation purposes located either inside or outside of the development area. The consultation shall begin before any final decisions by any local planning agency or local legislative body regarding the development plan other than the designation of the development area. The consultation shall continue throughout the various

stages of the development plan, including the final implementation of the plan. The local officials responsible for the development of the plan shall incorporate into the development plan the desires and suggestions of the citizens' district council to the extent feasible. A local commission, public agency, or local legislative body of any municipality shall not approve any development plan for a development area unless there has previously been consultation between the citizens' district council and the local officials responsible for the development plan. A record of the meetings, including information and data presented, shall be maintained and included in official presentation of the proposed development plan to the local legislative body.

(7) The chief executive officer of the municipality shall give the citizens' district council written notice of any contemplated zoning change, hearing, or condemnation proceedings within the district area. The notice shall be given at least 20 days before the effective date of the change or the date of the hearing or proceedings. Upon receiving a request from the citizens' district council, the local legislative body shall hold a public hearing on the proposed zoning change or condemnation proceedings. Each citizens' district council may call upon any city department for information.

(8) In a municipality with 2 or more district areas, each citizens' district council shall elect 4 of its members who shall compose the entire membership of the coordinating council on community redevelopment. The committee shall advise local units of government on proposed policy on urban renewal, make recommendations for new projects, and promote better relations between local units of government and residents of urban renewal areas. Notwithstanding any other provisions of this act, the formation of a coordinating council on community redevelopment shall not be a requisite for or condition of the exercise of the powers granted by this act for the acquisition, sale, or lease of real property, or the carrying out of a development plan in a development area.

(9) The local legislative body shall adopt a development plan after consultation with a citizens' district council, if required, and a public hearing on the development plan as provided in subsection (11), for the development area in which the land proposed to be acquired is located or for the effectuation or protection of which development the proposed land acquisition is deemed necessary. A development plan shall comply with the following:

(a) The plan shall designate the location and extent of streets and other public facilities within the area and shall designate the location, character, and extent of the categories of public and private land uses proposed for and within the area, such as residential, recreation, business, industry, schools, open spaces, and others, and shall also include a feasible method for the relocation of families who will be displaced from the area in decent, safe, and sanitary dwelling accommodations and without undue hardship to those families, and such other general features of the proposed rehabilitation as may be determined by the local legislative body. A feasible method for relocation of displaced families shall demonstrate that standard housing units are or will be available to the displaced families and individuals at rents or prices within their financial means, in reasonably convenient locations not less desirable than the development area with respect to utilities and facilities.

(b) The plan shall designate the location, extent, character, and estimated cost of the improvements contemplated for the area and may include any or all of the following improvements:

- (i) Partial or total vacation of plats, or replatting.
- (ii) Opening, widening, straightening, extending, vacating, or closing streets, alleys, or walkways.
- (iii) Locating or relocating water mains, sewers, or other public or private utilities.
- (iv) Paving of streets, alleys, or sidewalks in special situations.
- (v) Acquiring parks, playgrounds, or other recreational areas or facilities.
- (vi) Street tree planting, green belts, or buffer strips.
- (vii) Property renovation in accordance with this act.
- (viii) Parking facilities.
- (ix) Commercial area promotion.
- (x) Economic restructuring of commercial areas.
- (xi) Recruiting of new businesses.
- (xii) Other appropriate public improvements and activities which address rehabilitation or blight prevention in accordance with this act.

(c) The plan shall include estimates of the number of persons residing in the development area and the number of families and individuals to be displaced; a survey of their income and racial composition; a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the annual rate of turnover of the various types of housing, and the range of rents and sale prices; an estimate of the total demand for housing in the community; and the estimated capacity of private and public housing available to displaced families and individuals.

(10) A local administrative agency shall be designated to provide information concerning private and public housing available to displaced families and individuals and to advise and assist in their relocation.

(11) Before the determination of a blighted area and a determination that there is a feasible method for relocation of families and individuals who will be displaced from the area, and before adoption of a development plan, the local legislative body shall hold a public hearing, which hearing shall comply with the following:

(a) Notice of the time and place of the hearing shall be given by publication in a newspaper of general circulation not less than 30 days before the date set for the hearing. Notice of the hearing shall be distributed in the blighted

area at least 25 days before the hearing. Notice of the hearing shall be mailed at least 25 days before the hearing to the last known owner of each parcel of land in the blighted area at the last known address of that owner as shown by the records of the assessor. The notice shall contain a description of the development area. For purposes of this notice it shall be sufficient to describe the boundaries of the development area by its location in relation to highways, streets, streams, or otherwise. The notice shall further contain a statement that maps, plats, and a particular description of the development plan, including the method of relocating families and individuals who will be displaced from the area, are available for public inspection at a place to be designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing.

(b) At the time set for hearing the local legislative body shall provide an opportunity for all persons interested to be heard and shall receive and consider communications in writing with reference to the development plan. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits of the development plan, and for introduction of documentary evidence pertinent to the development plan.

(c) The local legislative body shall make and preserve a record of the public hearing, including specific findings of fact with respect to its determination of the blighted area and its determination that there is a feasible method for relocation of families and individuals who will be displaced from the area, all data presented at the public hearing and all other data which the legislative body considered in making its determinations. If no individuals reside in the development area, the legislative body is not required to determine a feasible method for relocating residents.

(12) Within 10 days after the completion of the public hearing as provided in subsection (11), the citizens' district council for the district within which the proposed development area is located shall notify the local legislative body in writing of its approval or disapproval of the development plan. If the citizens' district council approves the plan or fails to notify the local legislative body of its approval or disapproval of the plan, the local legislative body is free to act on the plan. If the citizens' district council disapproves the plan and so notifies in writing the local legislative body, the local legislative body shall not adopt the plan for at least 30 days after receipt of the notice and during that period shall consult with the citizens' district council concerning its objections.

**History:** 1945, Act 344, Imd. Eff. May 31, 1945 ;-- Am. 1947, Act 237, Eff. Oct. 11, 1947 ;-- CL 1948, 125.74 ;-- Am. 1957, Act 296, Eff. Sept. 27, 1957 ;-- Am. 1968, Act 189, Imd. Eff. June 22, 1968 ;-- Am. 1969, Act 173, Imd. Eff. Aug. 5, 1969 ;-- Am. 1986, Act 320, Imd. Eff. Dec. 26, 1986

#### **125.74a Racial segregation in housing; consultation and assistance of state civil rights commission.**

##### **Sec. 4a.**

No action taken under this act shall have the effect of promoting or perpetuating racial segregation in housing. To secure this objective, the local legislative body, municipal officials and agencies, citizens' district councils, and the coordinating council on urban redevelopment may consult with and seek the assistance of the state civil rights commission.

**History:** Add. 1968, Act 189, Imd. Eff. June 22, 1968

#### **125.75 Rehabilitation of blighted areas; acquisition of property; proceedings under power of eminent domain; condemnation; dispossession.**

##### **Sec. 5.**

(1) For the accomplishment of the purposes of this act, the municipality shall acquire fee simple title in real property by purchase, gift, or exchange, and may acquire under this act title to blighted property by condemnation. The municipality shall then apply that blighted property acquired by condemnation under this act and other real property acquired by other means to the expressed purposes of this act.

(2) By authority of this act for blighted property, or by authority of other state law authorizing the condemnation of property for other public uses, the local legislative body may institute and prosecute proceedings under the power of eminent domain in accordance with the state constitution of 1963 and the laws of the state or provisions of any local charter relative to condemnation. A resident owner in a development area may not be dispossessed after condemnation under the provisions of this act until other adequate housing accommodations are available, to



the people displaced.

**History:** 1945, Act 344, Imd. Eff. May 31, 1945 ;-- Am. 1947, Act 237, Eff. Oct. 11, 1947 ;-- CL 1948, 125.75 ;-- Am. 1957, Act 296, Eff. Sept. 27, 1957 ;-- Am. 2006, Act 677, Imd. Eff. Jan. 10, 2007

### **125.75a Rehabilitation of blighted areas; urban renewal plat.**

#### **Sec. 5a.**

Where, pursuant to the development of a project, disposition of acquired lands in accordance with the development plan is hampered by reason of the size or character of the lots or tracts of land within the development area, and where diversification of ownership within the development area prohibits redesign by means of a proprietor's plat, the municipality, by action of its governing body, may authorize a plat or replat of the area or any part thereof to be made by a registered civil engineer or a registered land surveyor.

The plat shall be prepared, approved and recorded as provided in Act No. 172 of the Public Acts of 1929, as amended, being sections 560.1 to 560.80 of the Compiled Laws of 1948, except that the certificate of the county and city treasurer relating to tax titles and tax liens shall not be required, and in lieu of the signature of the proprietor of the land the dedication shall be signed by the director of urban renewal or by the administrative officer of the municipality and shall refer to this act as the authority for certification. There shall be set forth in the title of the plat the words "urban renewal plat" or "urban renewal replat". Unplatted and previously platted lands may be included in the same plat, and such plat shall supersede all previously recorded plats in the area covered by the urban renewal plat or urban renewal replat.

All lands within the development area, whether publicly or privately owned, may be included in the urban renewal plat or urban renewal replat, and all land so platted shall be divided into lots and be numbered in accordance with the development plan, except that no lot shall include property in both public and private ownership, nor in 2 or more individual private ownerships, unless such division is of a lot in a recorded subdivision which was so divided prior to the making of the urban renewal plat or urban renewal replat.

The plat or replat shall state in the dedication that necessary rights to all highways, streets, alleys and public places, including parks, green belts and buffer strips, have been acquired by the municipality by purchase, dedication, condemnation or adverse possession for public use, prior to the making of the urban renewal plat or urban renewal replat.

All easements retained by the municipality for the development of the project shall be designated on the urban renewal plat or urban renewal replat and become a part thereof.

An urban renewal plat or urban renewal replat shall conform in all respects to the urban renewal project plan for the area in which said plat or replat may be located. An urban renewal plat or urban renewal replat, when approved by the governing body where the lands are located, shall not be rejected for the reason that any lot shown thereon fails to meet minimum requirements as to width as prescribed by Act No. 172 of the Public Acts of 1929, as amended.

An urban renewal plat or urban renewal replat, when recorded and filed, shall be treated in respect to assessment, return of taxes and sale of lands for delinquent taxes and for all other purposes, the same as if made by the proprietor under the general provisions of Act No. 172 of the Public Acts of 1929, as amended.

**History:** Add. 1959, Act 244, Imd. Eff. Aug. 13, 1959

### **125.76 Acquisition of property; jurisdiction of public agencies.**

#### **Sec. 6.**

After the acquisition of the real property, such property as will be used by public agencies shall be transferred to or placed under the jurisdiction of the appropriate public agencies for public use as defined in this act. The remainder of the land which, in accordance with the development plan, is to be devoted to private uses shall be sold, leased or exchanged to corporations, companies or individuals, or to urban redevelopment corporations whose use of such property shall be in accordance with the limitations and conditions provided in the development plan.

Any such sale, lease or exchange may be made without public bidding but only after public hearing by the local legislative body upon the proposed sale, lease or exchange and the provisions thereof. The sale, lease or exchange shall be under terms and conditions fixed by the local legislative body and shall contain provisions that the development plan for the property shall be carried out.

**History:** 1945, Act 344, Imd. Eff. May 31, 1945 ;-- CL 1948, 125.76

## **125.77 Repealed. 1957, Act 296, Eff. Sept. 27, 1957.**

**Compiler's Notes:** The repealed sections authorized municipalities to finance rehabilitation of blighted areas by taxation, bonds, or assessment to a special district.

### **125.77a Municipal bonds or notes.**

Sec. 7a.

A municipality may issue bonds or notes from time to time in its discretion to finance the undertaking of any project authorized by this act including, but not limited to, the payment of principal and interest on advances or loans made for surveys and plans for projects authorized by this act. The bonds or notes shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues, and funds of the municipality derived from or held in connection with its undertaking and carrying out of projects under this act. Payment of the bonds or notes both as to principal and interest, may be further secured by a pledge of any loan, grant, or contribution due or to become due from the federal government or other source in aid of projects of the municipality under this act. Bonds or notes issued under this section shall not constitute an indebtedness within the meaning of constitutional, statutory, or charter debt limitations or restrictions, and may be issued without vote of the electors of the municipality. Bonds or notes issued under this section are declared to be issued for an essential public and, governmental purpose, and, together with interest thereon and income therefrom, shall be exempted from all taxes. Bonds or notes issued under this section shall be authorized by resolution or ordinance of the legislative body of the municipality. Bonds and notes issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

**History:** Add. 1957, Act 296, Eff. Sept. 27, 1957 ;-- Am. 1974, Act 65, Imd. Eff. Apr. 1, 1974 ;-- Am. 1983, Act 32, Imd. Eff. May 6, 1983 ;-- Am. 2002, Act 202, Imd. Eff. Apr. 29, 2002

**125.77b General obligation bonds of municipality; purpose; resolution; pledge of full faith and credit; cost of any project and net project cost defined; issuance and sale of bonds; maximum amount; designation and approval of bonds; legislative determination; assessed value of real and personal property; validation of actions and bonds; limitation on time of sale; provisions governing bonds.**

Sec. 7b.

(1) For the purpose of providing funds to pay all or part of the cost of any project undertaken under this act or the net project cost of any project undertaken under this act with federal financial assistance, a municipality may provide by resolution duly adopted by its legislative body and without vote of the electors of the municipality for borrowing money and issuing general obligation bonds of the municipality, which bonds shall pledge the full faith and credit of the municipality.

(2) As used in this section:

(a) "Cost of any project" means any or all of the following items: Cost of land acquisition, demolition of buildings, land and site improvements, plans, surveys, appraisals, and all other costs relating to the acquisition, rehabilitation, financing, and disposal of any project or any part of a project under the terms of this act.

(b) "Net project cost" means that term as defined in former section 110 of the housing act of 1949, 42 U.S.C. 1460.

(3) The bonds may be issued and sold from time to time during the progress of any project undertaken under this act, in which event the maximum amount of bonds issued shall not exceed the estimated cost of any project undertaken under this act or the estimated net cost of any project undertaken under this act with federal assistance. The legislative body in the resolution authorizing issuance of the bonds shall set forth the estimate or the bonds may be issued when any project has been completed. Bonds issued under this section shall be designated "rehabilitation bonds". All bonds issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. It being the determination of this legislature that urban blight constitutes a serious menace to public health, welfare, and safety of municipalities and their inhabitants and that the financing of projects designed to prevent or eliminate urban blight is necessary for the public health, welfare, and safety, the bonds authorized to be issued under this section are declared to be issued for an essential public and governmental purpose. The maximum principal amount of bonds that may be authorized under this section in any year shall not exceed an amount equal to 5% of the assessed value of the real and personal property in the municipality less the taxes actually levied for the year exclusive of debt service tax levies and taxes levied under other laws, and less budget bonds authorized for the year issued or authorized to be issued and less any bonds authorized in the year to be issued under sections 6a and 6b of 1949 PA 208, MCL 125.946a and 125.946b. For the purposes of this section, the assessed value of real and personal property in the municipality shall include the assessed value equivalent of money received during the municipality's fiscal year under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. All actions previously taken by a municipality authorizing the issuance of bonds and all bonds previously issued by a municipality are validated. Any bonds authorized to be issued under this section shall be sold not later than 3 full fiscal years from the end of the fiscal year in which the bonds are authorized to be issued. The maximum amount of bonds issued under this section that may be outstanding at any one time shall not, together with other outstanding indebtedness of the municipality, exceed the maximum limitations on bonded indebtedness of the municipality imposed by law.

(4) Except as otherwise provided in this act, the bonds shall not be subject to the provisions of any other law or charter provision relating to their issuance or sale.

(5) The legislative body of any municipality issuing bonds under this section in the resolution authorizing issuance of the bonds shall estimate the period of usefulness of the planned improvements to be installed in the development area after the project is completed.

**History:** Add. 1957, Act 296, Eff. Sept. 27, 1957 ;-- Am. 1958, Act 60, Imd. Eff. Apr. 8, 1958 ;-- Am. 1970, Act 223, Eff. Apr. 1, 1971 ;-- Am. 1972, Act 119, Imd. Eff. Apr. 18, 1972 ;-- Am. 1973, Act 76, Imd. Eff. July 31, 1973 ;-- Am. 1978, Act 346, Imd. Eff. July 12, 1978 ;-- Am. 1983, Act 32, Imd. Eff. May 6, 1983 ;-- Am. 1986, Act 320, Imd. Eff. Dec. 26, 1986 ;-- Am. 2002, Act 202, Imd. Eff. Apr. 29, 2002

## **125.77c Tax revenues.**

### **Sec. 7c.**

As an additional and alternative method of financing part or all of the costs of any project undertaken under this act, any municipality may use general tax revenues levied for the purpose or not otherwise earmarked.

**History:** Add. 1957, Act 296, Eff. Sept. 27, 1957

## **125.78 Loans and grants; acceptance, federal assistance, conditions; labor wages and standards.**

### **Sec. 8.**

Municipalities are authorized and permitted to accept loans and grants from other government agencies to finance the purposes of this act, to borrow money and may issue bonds or notes therefor, to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the federal government, the state, county, municipality or other public body or from any sources, public or private, for the purposes of this act, to give such security as may be required and to enter into and carry out contracts in connection therewith. A municipality, notwithstanding the provisions of any other law, may include in any contract for financial assistance



with the federal government for a project as defined in this act such conditions imposed pursuant to federal law, to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law, in the undertaking or carrying out of a project as defined in this act as the municipality may deem reasonable and appropriate and which are not inconsistent with the purposes of this act, and to include in any contract let in connection with such a project provisions to fulfill such of said conditions as it may deem reasonable and appropriate, including the payment of prevailing salaries and wages and compliance with federal labor standards.

**History:** 1945, Act 344, Imd. Eff. May 31, 1945 ;-- CL 1948, 125.78 ;-- Am. 1952, Act 222, Imd. Eff. May 2, 1952 ;-- Am. 1957, Act 296, Eff. Sept. 27, 1957

#### **125.79 Modification of plan; hearing.**

##### **Sec. 9.**

If previous to the lease, sale or exchange of any real property in the development area, the local legislative body desires to modify the development plan, it shall hold a public hearing thereon, notice of such hearing to be given as provided in section 4 of this act. If the modification be approved by the local legislative body, it shall become a part of the approved development plan.

The part of a development plan which directly applies to a parcel of real property in the area, may be modified by the local legislative body at any time or times after the transfer or lease or sale of the parcel of real property in the area provided that the modification be consented to by the lessee or purchaser.

**History:** 1945, Act 344, Imd. Eff. May 31, 1945 ;-- CL 1948, 125.79

#### **125.80 Work done in accordance with plan.**

##### **Sec. 10.**

On and after the date when a plan has been approved for the rehabilitation of an area by the local legislative body, no permit shall be issued for work or work done in the area which is not in accordance with the plan officially adopted and made effective by the local legislative body: Provided, however, That the local legislative body shall provide by ordinance that the zoning board of appeals, if the municipality has such a board, or if not, then a board of appeals created for the purpose, shall have the power on appeal filed with it by the owner of real property in the area to approve a minor deviation from the plan for the area in any case in which such board finds upon the evidence presented to it, that the application of the plan results in unnecessary hardship or practical difficulties and a minor deviation from the development plan is required by considerations of justice and equity. Before taking any such action, the board shall hold a public hearing thereon, at least 10 days' notice of the time and place of which shall be given by public notice in a newspaper published or circulated generally in the municipality and by notice to all property owners within 200 feet of the property in question, such notice to be by mail addressed to the respective owners at the address given in the last assessment roll.

**History:** 1945, Act 344, Imd. Eff. May 31, 1945 ;-- CL 1948, 125.80

#### **125.81 Designation of administrative agency.**

##### **Sec. 11.**

The local legislative body may designate an administrative agency to be responsible for the administration of this act or by ordinance may create a commission for that purpose consisting of not more than 7 members, the majority

of whom shall be residents of the municipality, and by suitable action shall establish regulations for the guidance of the agency or commission in the effectuation of the purposes of this act.

**History:** 1945, Act 344, Imd. Eff. May 31, 1945 ;-- CL 1948, 125.81 ;-- Am. 1961, Act 147, Imd. Eff. May 31, 1961

#### **125.82 Action by ordinance or resolution; validation of prior actions.**

##### **Sec. 12.**

All actions of local legislative bodies under the provisions of this act shall be by ordinance or resolution and such ordinance or resolution shall be subject to the same provisions regarding procedure and executive veto as are applicable to other ordinances or resolutions of the legislative body. Any provision in this or any other act or in the charter of any municipality to the contrary notwithstanding, any action of local legislative bodies relating to the approval or modification of a development plan heretofore taken under the provisions of this act by resolution and all actions subsequent thereto dependent on such earlier actions are validated. Any development plan heretofore approved by resolution may thereafter be modified by resolution.

**History:** 1945, Act 344, Imd. Eff. May 31, 1945 ;-- CL 1948, 125.82 ;-- Am. 1968, Act 189, Imd. Eff. June 22, 1968

#### **125.83 Powers deemed additional.**

##### **Sec. 13.**

The powers granted in this act shall be in addition to powers granted to municipalities, the local legislative bodies thereof and other officials and bodies thereof under the statutes and local charters. Nothing herein contained shall be construed to amend or repeal any of the provisions of Act No. 18 of the Public Acts of 1933 as amended.

**History:** 1945, Act 344, Imd. Eff. May 31, 1945 ;-- CL 1948, 125.83

**Compiler's Notes:** "Act No. 18 of the Public Acts of 1933" evidently should read "Act No. 18 of the Public Acts of 1933, Ex. Sess." See MCL 125.651 et seq.

#### **125.84 Urban renewal projects.**

##### **Sec. 14.**

For any urban renewal project initiated under this act:

(a) Where the project was initiated prior to June 22, 1968, the local legislative body by resolution may exempt the project from the provisions of section 4, as amended, relating to district areas, citizens' district councils and coordinating councils on community redevelopment if on that date, of the persons residing in the project area at the time of project initiation and requiring relocation, 50% of such persons had relocated in accordance with law, or if on June 22, 1968, there were fewer than 100 such persons remaining to be relocated. The provisions of this subsection do not apply to a city of over 500,000 population.

(b) Where the number of business establishments in the project area exceeds the number of occupied dwelling units in the area, the majority of the citizens' district council need not be composed of citizens living in the development area.

(c) Where a citizens' district council is established pursuant to this act, it shall serve in lieu of and shall be deemed to satisfy all requirements relating to an urban renewal neighborhood advisory council required to be appointed pursuant to section 3 of Act No. 323 of the Public Acts of 1966, being section 125.963 of the Compiled Laws of 1948.

(d) Where a hearing is required to be held prior to the adoption of a development plan, in the case of a

neighborhood development program to be carried out under applicable regulations and guidelines of the United States department of housing and urban development, notwithstanding the notice requirements of section 4, notice of the hearing shall be deemed sufficient if such notice is distributed door-to-door and mailed to known property owners only in the specific area or areas where property is to be acquired or rehabilitated and mailed to all community organizations known to be interested in the project and posted in appropriate public buildings and appropriate other places of public gathering.

(e) The boundaries of the district area may be revised by the local legislative body if the existing citizens' district council is notified in writing by the local legislative body at least 10 days prior to final action on the revised boundaries. If new area is included in the revised district area, persons residing in or having a demonstrable and substantial interest in the newly included area may be elected or appointed to the revised citizens' district council in the same manner of selection as the original citizens' district council. Notwithstanding the maximum size prescribed for citizens' district councils, the number of persons to be selected to represent the newly included area shall be determined by the local legislative body. If the existing citizens' district council disapproves the revised boundaries or number of persons to be elected or appointed to the revised citizens' district council and so notifies the local legislative body in writing within the 10-day period, final action on the revised boundaries or the number of persons to be elected or appointed to the revised citizens' district council shall not be taken by the local legislative body for at least 30 days after receipt of the disapproval notice, during which time the local legislative body shall consult with the citizens' district council concerning its objections. Where a district area is revised persons serving on the citizens' district council as residents of the district area who no longer reside in the revised district area shall not thereafter serve on the citizens' district council for the revised area unless they are reappointed or reelected as persons with a demonstrable and substantial interest in the revised area.

(f) Vacancies on the citizens' district council may be filled by appointment of the chief executive officer of the municipality.

(g) The time provisions of section 4 are directory and not mandatory and any development plan adopted after consultation with a citizens' district council as provided in section 4 shall not be invalid because such time provisions were not strictly complied with.

(h) All citizens' district councils established as of the effective date of this section are validated notwithstanding noncompliance with the provisions of section 4 and all development plans heretofore adopted and all other actions heretofore taken by a municipality after consultation as required in section 4 with a citizens' district council shall not be invalid for any irregularities in the establishment, appointment or selection of such citizens' district council.

**History:** Add. 1969, Act 336, Imd. Eff. Nov. 28, 1969

**Compiler's Notes:** Former MCL 125.84, a severability provision, was repealed by Act 129 of 1947.