

**SUBSTITUTE FOR
HOUSE BILL NO. 5538**

A bill to amend 1966 PA 346, entitled "State housing development authority act of 1966," by amending sections 21, 22b, 22c, 32, 32a, 32b, 44, 44a, and 46 (MCL 125.1421, 125.1422b, 125.1422c, 125.1432, 125.1432a, 125.1432b, 125.1444, 125.1444a, and 125.1446), section 21 as amended by 1983 PA 49, sections 22b, 22c, 32, 32a, and 44a as amended by 1996 PA 475, sections 32b and 44 as amended by 1998 PA 33, and section 46 as amended by 1993 PA 220.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 21. (1) There is created a public body corporate and
2 politic to be known as the "Michigan state housing development
3 authority". The authority shall consist of ~~the director of~~
4 ~~social services, the director of commerce, the state treasurer,~~
5 and 3 HEADS OF PRINCIPAL DEPARTMENTS OF THE EXECUTIVE BRANCH OF
6 THE STATE GOVERNMENT AND 4 persons appointed by the governor with

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1 the advice and consent of the senate. [Not EXCLUDING THE 3 HEADS OF
2 PRINCIPAL DEPARTMENTS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT,
3 NOT] more than 2 of the
4 persons appointed shall be members of the same political party.
5 ~~Of the members first appointed by the governor, 2 shall be des-~~
6 ~~ignated to serve for a term of 3 years and 2 for a term of 4~~
7 ~~years from the dates of their appointments.~~ Upon completion of
8 each term, a person shall be appointed for a term of 4 years,
9 except that a vacancy shall be filled for the unexpired term. A
10 member of the authority shall not receive compensation for serv-
11 ices but ~~shall be~~ IS entitled to the necessary expenses,
12 including traveling expenses, incurred in the discharge of the
13 member's duties. Each member shall hold office until a successor
14 has been appointed and has qualified. A certificate of appoint-
15 ment or reappointment of a member shall be filed with the author-
16 ity and this certificate shall be conclusive evidence of the
17 proper appointment of that member.

18 (2) [

19] ONE OF THE 4

20 GUBERNATORIALLY APPOINTED MEMBERS SHALL BE THE DESIGNATED RESI-
21 DENT MEMBER. THE RESIDENT MEMBER SHALL MEET BOTH OF THE FOLLOW-
22 ING REQUIREMENTS:

23 (A) THE PERSON IS AN INDIVIDUAL DIRECTLY ASSISTED BY A FED-
24 ERAL HOUSING PROGRAM ADMINISTERED THROUGH THE AUTHORITY. AS USED
25 IN THIS SUBDIVISION, "DIRECTLY ASSISTED" MEANS RESIDING IN
26 FEDERALLY-SUPPORTED PUBLIC HOUSING OR RECEIVING SECTION 8
TENANT-BASED ASSISTANCE. DIRECTLY ASSISTED DOES NOT INCLUDE A
STATE-FINANCED HOUSING ASSISTANCE PROGRAM, SECTION 8

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1 PROJECT-BASED ASSISTANCE, OR SECTION 8 NEW CONSTRUCTION

2 ASSISTANCE.

3 (B) THE PERSON IS AN ELIGIBLE RESIDENT. AS USED IN THIS
4 SUBDIVISION, "ELIGIBLE RESIDENT" MEANS A PERSON WHOSE NAME
5 APPEARS ON THE LEASE OF THE ASSISTED HOUSING WHO IS 18 YEARS OF
6 AGE OR OLDER.

7 (3) A PERSON WHO NO LONGER MEETS EITHER REQUIREMENT OF SUB-
8 SECTION (2)(A) OR (B) IS REMOVED FROM THE AUTHORITY FOR CAUSE
9 UPON THE APPOINTMENT OF ANOTHER PERSON AS THE RESIDENT MEMBER
10 POSITION.

11 (4) ~~(2)~~ The powers of the authority shall be vested in the
12 members in office. A majority of the members of the authority
13 constitutes a quorum for the purpose of conducting the
14 authority's business, for exercising the authority's powers, and
15 for other purposes, notwithstanding the existence of any
16 vacancies. Action may be taken by the authority upon a vote of a
17 majority of the members present, unless the bylaws of the author-
18 ity require a larger number [. A MEMBER SHALL NOT TAKE PART IN,
19 VOTE ON, OR EXERCISE THE POWERS OF THE AUTHORITY IN A MATTER THAT
20 UNIQUELY APPLIES TO THE MEMBER.

21

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23] In the absence of fraud, a determination of the
24 authority with respect to findings of fact made by the authority
25 acting within the scope of its powers ~~shall be~~ IS conclusive,
26 except with respect to the approval of the municipal finance
27 commission or its successor agency as required by law.

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1 (5) Meetings of the members of the authority may be held
2 anywhere in this state. The business ~~which~~ THAT the authority
3 may perform shall be conducted at a public meeting of the author-
4 ity held in compliance with ~~Act No. 267 of the Public Acts of~~
5 ~~1976, as amended, being sections 15.261 to 15.275 of the Michigan~~
6 ~~Compiled Laws~~ THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO
7 15.275. Public notice of the time, date, and place of the meet-
8 ing shall be given in the manner required by ~~Act No. 267 of the~~
9 ~~Public Acts of 1976, as amended~~ THE OPEN MEETINGS ACT, 1976
10 PA 267, MCL 15.261 TO 15.275.

11 (6) ~~(3)~~ The authority shall elect a chairperson and
12 vice-chairperson. The authority shall employ an executive direc-
13 tor, legal and technical experts, and other officers, agents, and
14 employees, permanent and temporary, as the authority requires,
15 and shall determine their qualifications, duties, and
16 compensation. The authority may delegate to 1 or more agents or
17 employees those powers or duties as the authority considers
18 proper.

19 (7) ~~(4)~~ The authority shall be within the department of
20 ~~commerce~~ CONSUMER AND INDUSTRY SERVICES and shall exercise the
21 authority's prescribed statutory powers, duties, and functions
22 independently of the head of that department. However, the bud-
23 geting, procurement, and related functions of the authority shall
24 be performed under the direction and supervision of the director
25 of ~~commerce~~ CONSUMER AND INDUSTRY SERVICES.

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1 (8) AS USED IN THIS SECTION, "SECTION 8" MEANS SECTION 8 OF
2 THE UNITED STATES HOUSING ACT OF 1937, CHAPTER 896, 88 STAT. 662,
3 42 U.S.C. 1437f.

4 Sec. 22b. (1) The authority is designated as the housing
5 credit agency for the state for the purpose of allocating and
6 administering the low income housing credit established under
7 section 42 of the internal revenue code OF 1986.

8 (2) The state's housing credit ceiling applicable for a cal-
9 endar year shall be an amount equal to the sum of all of the
10 following:

11 (a) One dollar and twenty-five cents multiplied by the
12 state's population, unless a different amount is authorized by
13 section 42 of the internal revenue code OF 1986. The state's
14 population shall be determined by the most recent census esti-
15 mates of the state's population published by the United States
16 bureau of census before the beginning of the calendar year or by
17 another method as authorized by the internal revenue code OF
18 1986.

19 (b) The unused state housing credit ceiling, if any, of the
20 state for the preceding calendar year, for years subsequent to
21 1989.

22 (c) The amount of state housing credit ceiling returned in
23 the calendar year, for years subsequent to 1989.

24 (d) The amount, if any, allocated to the state under section
25 ~~42(h)(3)(d)~~ 42(h)(3)(D) of the internal revenue code OF 1986.

26 (3) An applicant for an allocation of low income housing tax
27 credit shall be qualified to receive the credit pursuant to the

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1 requirements of the internal revenue code OF 1986 and the
2 regulations, guidelines, rulings, and interpretations issued by
3 the United States treasury department or the internal revenue
4 service, ~~which shall control~~ THAT CONTROLS in the event of con-
5 flict with a requirement of this section.

6 (4) The state's low income housing tax credit is allocable
7 pursuant to a qualified allocation plan prepared by the authori-
8 ty, submitted to the legislature, and approved by the governor
9 after notice to the public and public hearing. The plan shall
10 set forth criteria to be used to determine housing priorities of
11 the state, and shall give the highest priority to those projects
12 in which the highest percentage of the housing credit dollar
13 amount is to be used for project costs other than the cost of
14 intermediaries, unless granting such priority would impede the
15 development of projects in hard-to-develop areas. In allocating
16 low income housing tax credit dollar amounts among selected
17 projects, the allocation plan shall give preference to projects
18 serving the lowest income tenants and projects obligated to serve
19 qualified tenants for the longest periods, and shall provide a
20 procedure that the authority will follow in notifying the inter-
21 nal revenue service of noncompliance with the provisions of sec-
22 tion 42 of the internal revenue code OF 1986 of which the author-
23 ity becomes aware. The plan shall set forth the process for
24 selecting eligible projects and may be amended from time to time
25 in accordance with its terms and the requirements of section 42
26 of the internal revenue code OF 1986. The selection criteria in

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1 the qualified allocation plan shall include those set forth in
2 section 42 of the internal revenue code OF 1986.

3 (5) The state's low income housing tax credit authority
4 shall be distributed in accordance with the qualified allocation
5 plan. Amounts allocable under subsection (2) shall be set aside
6 as follows:

7 (a) Qualified nonprofit organizations as required by
8 section 42 of the internal revenue code OF 1986 - not less than
9 10%.

10 (b) Rural housing ~~service~~ projects - not less than
11 [5%].

12 (c) Housing projects in eligible distressed areas - not less
13 than 30%.

14 (d) Housing projects for the elderly - not less than 10%.
15 Projects counted in 1 category shall not count in another cate-
16 gory towards meeting the minimum set-aside requirements.

17 (6) Except for the amount for qualified nonprofit organiza-
18 tions, if the low income housing tax credit set aside under sub-
19 section (5) is not allocated before October 1 of the year in
20 which that credit amount is authorized under subsection (2)(a),
21 the authority may reapportion the unallocated credit amounts in a
22 reasonable manner pursuant to the state's qualified allocation
23 plan.

24 (7) All applications for low income housing tax credit shall
25 be on the authority's prescribed forms and shall include informa-
26 tion necessary pursuant to the qualified allocation plan and
27 section 42 of the internal revenue code OF 1986.

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1 (8) The authority may charge applicants reasonable fees
2 under the low income housing tax credit program.

3 (9) FOR THE PURPOSES OF THIS SECTION, "RURAL HOUSING
4 PROJECTS" MEANS PROPOSED OR EXISTING HOUSING PROJECTS THAT FALL
5 INTO 1 OR MORE OF THE FOLLOWING CATEGORIES:

6 (A) LOCATED IN AN AREA OTHER THAN A METROPOLITAN COUNTY.

7 (B) FUNDED BY A FEDERAL PROGRAM FOR THE DEVELOPMENT OF RURAL
8 HOUSING.

9 (C) FINANCED BY A LOAN GUARANTEED BY RURAL HOUSING SERVICES
10 OR A SUCCESSOR AGENCY.

11 Sec. 22c. (1) The authority may incorporate 1 or more non-
12 profit housing corporations for ~~the purposes of owning,~~ 1 OR
13 MORE OF THE FOLLOWING PURPOSES:

14 (A) OWNING, holding, maintaining, improving, completing,
15 receiving subsidy payments for, or transferring ownership of a
16 housing project or housing unit either acquired through foreclo-
17 sure or deed in lieu of foreclosure or over which the authority
18 has, following a declaration of default, otherwise obtained
19 control. ~~In order to preserve housing for low and moderate~~
20 ~~income persons, the authority may also incorporate or cause the~~
21 ~~incorporation of 1 or more nonprofit housing corporations for the~~
22 ~~purpose of acquiring~~

23 (B) ACQUIRING housing projects or an interest in the owner-
24 ship of 1 or more housing projects and owning, holding, maintain-
25 ing, or improving the housing projects, if regulatory or contrac-
26 tual restrictions assuring occupancy of some or all of the units
27 in 1 or more of the housing projects by families and persons of

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1 low or moderate income are subject to termination within a 2-year
2 period following the acquisition of the housing project. A non-
3 profit housing corporation incorporated under this subsection may
4 acquire a housing project only if all of the following require-
5 ments are met:

6 (i) ~~(a)~~ At least 6 months have passed since the eighteenth
7 anniversary of the commencement of amortization of the project's
8 permanent mortgage loan on the housing project.

9 (ii) ~~(b)~~ The authority by resolution determines all of the
10 following:

11 (A) ~~(i)~~ The tenants residing in the housing project have
12 been notified of the opportunity to acquire the housing project
13 in accordance with the Cranston-Gonzalez national affordable
14 housing act, Public Law 101-625, 104 Stat. 4079.

15 (B) ~~(ii)~~ No tenant organization that the authority deter-
16 mines to have the legal, financial, and managerial capabilities
17 to acquire the housing project has developed and submitted to the
18 housing project owners an acquisition proposal with respect to
19 which negotiations are ongoing.

20 (C) ~~(iii)~~ No local or statewide nonprofit housing corpora-
21 tion that the authority determines to have the legal, financial,
22 and managerial capabilities to acquire the project has submitted
23 to the housing project owners an acquisition proposal with
24 respect to which negotiations are ongoing.

25 (iii) ~~(c)~~ The nonprofit housing corporation incorporated
26 pursuant to this section contracts with a private firm for the
27 management of the housing project.

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1 (C) CARRYING OUT PROGRAMS AND OVERSIGHT RESPONSIBILITIES ON
2 BEHALF OF OR IN CONJUNCTION WITH THE UNITED STATES DEPARTMENT OF
3 HOUSING AND URBAN DEVELOPMENT WITH RESPECT TO FEDERAL HOUSING
4 PROGRAMS.

5 (2) A subsidiary nonprofit housing corporation may sue and
6 be sued in its own name, and the circuit court of Ingham county
7 has exclusive jurisdiction over all actions brought against a
8 subsidiary nonprofit housing corporation, except if jurisdiction
9 over the action is in the supreme court, the court of appeals, or
10 the court of claims.

11 (3) A subsidiary nonprofit housing corporation is a separate
12 legal entity. The authority is not liable for the debts or obli-
13 gations or for any actions or inactions of the subsidiary non-
14 profit housing corporation unless it expressly agrees otherwise.
15 A member, officer, or employee of a subsidiary nonprofit housing
16 corporation is not individually liable for actions undertaken or
17 failure to act on behalf of the subsidiary nonprofit housing cor-
18 poration so long as the individual is acting or reasonably
19 believes he or she is acting within the scope of his or her
20 authority as a member, officer, or employee of the subsidiary
21 nonprofit housing corporation.

22 (4) The authority may make loans or grants to a subsidiary
23 nonprofit housing corporation to enable the subsidiary nonprofit
24 housing corporation to carry out any of its purposes.

25 Sec. 32. (1) The authority may create and establish 1 or
26 more special funds called capital reserve funds to secure notes
27 and bonds of the authority. The authority shall pay into a

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1 capital reserve fund money appropriated and made available by
2 this state for the purposes of the fund, the proceeds of the sale
3 of notes or bonds to the extent provided in the resolution of the
4 authority authorizing the issuance of the notes or bonds, and
5 other money that is made available to the authority for the pur-
6 pose of a fund from any other source. In addition to, or in lieu
7 of, depositing money in a capital reserve fund, the authority may
8 obtain and pledge letters of credit and, effective retroactively
9 as of June 1, 1993, insurance policies, surety bonds, guarantees,
10 or other security arrangements if those other security arrange-
11 ments are approved by the state treasurer, for the purposes of
12 the capital reserve fund. The amount available under letters of
13 credit, insurance policies, surety bonds, guarantees, or other
14 security arrangements pledged to a capital reserve fund shall be
15 credited toward the satisfaction of a capital reserve fund
16 requirement. All money and proceeds under letters of credit,
17 insurance policies, surety bonds, guarantees, or other security
18 arrangements held in ~~any~~ A capital reserve fund, except as spe-
19 cifically provided, shall be used as required solely for the pay-
20 ment of the principal of notes or bonds of the authority secured
21 in whole or in part by the capital reserve fund, for the purchase
22 or redemption of notes or bonds, for the payment of interest on
23 the notes or bonds, or for the payment of ~~any~~ A redemption pre-
24 mium required to be paid when the notes or bonds are redeemed
25 prior to maturity. However, the authority shall not use the cap-
26 ital reserve fund for ~~any~~ AN optional purchase or optional
27 redemption of notes or bonds if the use would reduce the total of

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1 the money on deposit in the capital reserve fund and amounts
2 available under ~~any~~ A letter of credit, insurance policy,
3 surety bond, guarantee, or other security arrangement pledged to
4 a capital reserve fund to less than the capital reserve fund
5 requirement established for the fund. ~~Any income~~ INCOME or
6 interest earned by, or increment to, a capital reserve fund due
7 to the investment of the money in the capital reserve fund may be
8 transferred by the authority to other funds or accounts of the
9 authority to the extent that the transfer does not reduce the
10 total of the amount of money in a capital reserve fund and
11 amounts available under ~~any~~ A letter of credit, insurance
12 policy, surety bond, guarantee, or other security arrangement
13 pledged to the capital reserve fund below the capital reserve
14 fund requirement for a fund.

15 (2) The authority shall not at any time issue notes or bonds
16 secured in whole or in part by a capital reserve fund if, upon
17 the issuance of the notes or bonds, the amount in the capital
18 reserve fund, including the amounts available under ~~any~~ A
19 letter of credit, insurance policy, surety bond, guarantee, or
20 other security arrangement pledged to ~~a~~ THE capital reserve
21 fund, would be less than the capital reserve fund requirement for
22 the fund, unless the authority, at the time of issuance of the
23 notes or bonds, deposits in the fund from the proceeds of the
24 notes or bonds to be issued, or from other sources, an amount
25 that, together with the amount then in the fund, is not less than
26 the capital reserve fund requirement for the fund, or obtains a
27 letter of credit, insurance policy, surety bond, guarantee, or

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1 other security arrangement in an amount that, together with the
2 amount then in the fund, is not less than the capital reserve
3 fund requirement for the fund. For THE purposes of this section,
4 "capital reserve fund requirement" means the requirement provided
5 in the resolution of the authority authorizing the notes or bonds
6 with respect to which the fund is established, which amount shall
7 not exceed the maximum amount of principal and interest maturing
8 and becoming due in ~~any~~ A succeeding calendar year on the notes
9 or bonds of the authority secured in whole or part by the fund.

10 (3) The authority has, before January 9, 1977, in connection
11 with its housing development bonds issued pursuant to a bond res-
12 olution dated June 10, 1971, established within the capital
13 reserve fund relating to housing development bonds, a capital
14 reserve account and a capital reserve capital account. This cap-
15 ital reserve account constitutes a capital reserve fund under
16 this act. Money in this capital reserve account shall secure
17 only housing development bonds issued pursuant to the June 10,
18 1971 bond resolution. Unless otherwise provided by the authori-
19 ty, money in the capital reserve capital account shall secure all
20 bonds and notes of the authority. In determining whether the
21 capital reserve fund requirement established for ~~any~~ A capital
22 reserve fund has been met, the authority shall not include or
23 take into account money in the capital reserve capital account.

24 (4) The authority has, before January 9, 1977, in connection
25 with its insured mortgage revenue bonds issued pursuant to a bond
26 resolution dated May 11, 1976, established a bond reserve fund.

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1 This bond reserve fund constitutes a capital reserve fund under
2 this act.

3 (5) The authority may issue notes and bonds subject to the
4 following limitations:

5 (a) The authority shall not have outstanding at any time
6 bonds and notes for any of its corporate purposes in an aggregate
7 principal amount exceeding \$4,200,000,000.00, excluding all of
8 the following:

9 (i) The principal amount of bonds and notes issued TO refund
10 outstanding bonds and notes.

11 (ii) The principal amount of bonds and notes that appreciate
12 in principal amount, except to the extent of the principal amount
13 of these bonds and notes payable at such time.

14 (iii) The principal amount of notes and bonds representing
15 original issue discount, if any.

16 (b) After November 1, ~~1999~~ 2002, the limitation on the
17 aggregate principal amount of notes and bonds provided in subdi-
18 vision (a) is reduced to \$3,000,000,000.00.

19 (6) Subject to the limitation in subsection (5), that por-
20 tion of the state ceiling to be used for qualified mortgage
21 bonds, mortgage credit certificates, or bonds to finance quali-
22 fied residential rental projects shall be allocated to the
23 authority unless the authority elects by resolution to allow
24 another issuer to issue qualified mortgage bonds, mortgage credit
25 certificates, or bonds to finance qualified residential rental
26 projects. As used in this subsection:

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1 (a) "State ceiling" means the aggregate amount of certain
2 private activity bonds, including qualified mortgage bonds, that
3 may be issued in any calendar year in this state pursuant to sec-
4 tion 146 of the internal revenue code OF 1986.

5 (b) "Qualified mortgage bond", "mortgage credit
6 certificate", and "qualified residential rental project" mean
7 those terms as defined in the internal revenue code OF 1986.

8 (7) To assure the continued operation and solvency of the
9 authority for the carrying out of the public purposes of this
10 act, the authority shall accumulate in each capital reserve fund
11 an amount equal to the capital reserve fund requirement for that
12 fund. If at any time the capital reserve fund requirement for a
13 capital reserve fund exceeds the amount of the capital reserve
14 fund, the authority shall transfer to this fund from the capital
15 reserve capital account established by the authority's June 10,
16 1971 bond resolution the amount necessary to restore the capital
17 reserve fund to an amount equal to the capital reserve fund
18 requirement. If a deficiency exists in more than 1 capital
19 reserve fund and the amount in the capital reserve capital
20 account is not sufficient to fully restore the capital reserve
21 funds, the money in the capital reserve capital account shall be
22 allocated between the deficient capital reserve funds pro rata
23 according to the amounts of the deficiencies. If at any time the
24 capital reserve capital account has been exhausted and the capi-
25 tal reserve fund requirement for a capital reserve fund exceeds
26 the amount of the capital reserve fund, the chairperson of the
27 authority on or before September 1 shall certify to the governor

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1 and budget director the amount, if any, necessary to restore a
2 capital reserve fund to an amount equal to the capital reserve
3 fund requirement. The governor and the budget director shall
4 include in the annual budget the amount certified by the chair-
5 person of the authority.

6 (8) In computing the amount of a capital reserve fund for
7 the purposes of this section, securities in which all or a por-
8 tion of the fund is invested shall be valued at par. If the
9 securities are purchased at other than par, the securities may be
10 valued at their cost to the authority, as adjusted by amortiza-
11 tion of the discount or premium paid upon purchase of the securi-
12 ties on a pro rata basis to the maturity date of the securities.

13 (9) To the extent possible and consistent with sound fiscal
14 management and good housing development planning, the authority
15 shall make full use of available federal housing subsidy
16 programs. The authority shall recommend programs and legislation
17 to better maintain and improve existing housing stock.

18 (10) The authority shall require that not less than 15% of
19 the multifamily dwelling units financed by mortgage loans from
20 the authority in ~~any~~ A calendar year under federal government
21 subsidy programs, subject to applicable federal regulations, be
22 offered on a priority basis to low income families and persons
23 receiving their primary incomes from social security programs or
24 state and federal public assistance programs.

25 (11) The authority shall implement a program of loans for
26 mobile homes as soon as is reasonably feasible. The authority
27 shall develop a program for financing the construction or

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1 rehabilitation of mobile home parks and mobile home condominium
2 projects within 24 months after December 31, 1982, subject to a
3 determination of feasibility by the authority and the authority's
4 ability to sell bonds.

5 (12) The authority shall implement a program of loans for
6 consumer housing cooperatives as soon as is reasonably feasible.
7 The authority shall develop a program for financing the construc-
8 tion or rehabilitation of consumer housing cooperative projects
9 within 12 months after July 10, 1984, subject to a determination
10 of feasibility by the authority and the authority's ability to
11 sell bonds.

12 (13) In addition to the powers granted the authority in this
13 act to promulgate rules in accordance with the administrative
14 procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~
15 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws~~
16 1969 PA 306, MCL 24.201 TO 24.328, the authority shall furnish to
17 each member of the legislature a copy of notice of a public hear-
18 ing or proposed rule change at least 10 days before the public
19 hearing and at least 20 days before the adoption of the rule.

20 (14) Before October 1 of each year, the authority shall
21 identify housing production goals for housing projects financed
22 with bonds and notes issued under the limitations provided in
23 section 32a. The authority shall identify a goal for the author-
24 ity as a whole and a specific goal for each program. The author-
25 ity shall submit those goals in an annual report to the governor
26 and to the house committee on urban affairs and the senate
27 committee on finance, or their successor committees.

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1 (15) Within 6 months after the legislature enacts or the
2 authority adopts a new program, the authority shall submit an
3 interim report to the same persons to ~~which~~ WHOM an annual
4 report is submitted. If both the legislature and the authority
5 establish a program, the authority shall submit the interim
6 report within 6 months after the effective date of the act estab-
7 lishing the program. The authority shall include in an interim
8 report all of the information required in an annual report that
9 is specific to that program.

10 (16) After the initial or an interim report, the authority
11 shall include in an annual report all of the following for each
12 program:

13 (a) Whether the production goals for the previous 12-month
14 period have been met. If those production goals have not been
15 met, the authority shall explain in the report the reasons why
16 those production goals have not been met.

17 (b) Any significant obstacles to the development of housing
18 for low and moderate income persons that have been encountered by
19 the authority.

20 (c) The estimated economic and social benefits of these
21 housing projects to the immediate neighborhoods in which the
22 housing projects have been constructed.

23 (d) The estimated economic and social benefits of these
24 housing projects to the municipalities in which the housing
25 projects have been constructed.

26 (e) The extent of displacement, direct and indirect, of
27 lower income persons caused by these housing projects, and steps

1 taken by the authority and other governmental and private parties
2 to ameliorate the displacement, and the results of those
3 efforts.

4 (f) The estimated extent of additional reinvestment activi-
5 ties by private lenders attributable to the authority's financing
6 of these housing projects.

7 (g) The age, race, family size, median income, and average
8 income of the tenants of these housing projects.

9 (h) The estimated economic impact of these housing projects,
10 including the number of construction jobs created, wages paid,
11 and taxes and payments in lieu of taxes paid.

12 (i) The progress in developing mobile home parks and mobile
13 home condominium projects, in financing the construction or reha-
14 bilitation of consumer housing cooperative projects, and in
15 financing the construction or rehabilitation of nonprofit housing
16 corporation projects.

17 (j) A report on the neighborhood preservation program under
18 section 44f shall include information about the progress in
19 developing the program, the neighborhoods identified as being
20 eligible for the program, the neighborhoods or municipalities
21 that have applied for the program, the neighborhoods that have
22 received funds from the program, and the reasons that neighbor-
23 hoods or municipalities have been denied funds from the program.

24 (k) A report on the status of federal programs that provide
25 assistance to low income tenants displaced as the result of pre-
26 payments of federally and authority assisted loans. If the
27 authority determines that federal programs are inadequate for

1 tenants of authority-financed housing projects, the authority
2 will provide recommendations to the legislature as to how to
3 address this problem on or before May 1, 1989.

4 (l) A report on the low income housing tax credit program
5 under section 22b, ~~which~~ THAT shall include information regard-
6 ing the amount of tax credits allocated to the state under each
7 of the subdivisions of section 22b(2); the projects that have
8 received tax credits; and the reasons why projects have been
9 denied tax credits under the program; a geographical description
10 of the distribution of those tax credits; and a description of
11 ~~any~~ amendments to the allocation plan made during that year.

12 (m) A report on education and training opportunities pro-
13 vided by the authority under section 17 ~~which~~ THAT will indi-
14 cate the types of education and training opportunities made
15 available and the amount of funding committed to these
16 activities.

17 (17) The authority shall insure that the income characteris-
18 tics of individuals served by an authority program are provided
19 in a manner that insures each individual's confidentiality. The
20 authority shall also insure that proprietary information in its
21 reports under this section concerning an individual, corporation,
22 cooperative, or association is not released without the permis-
23 sion of that individual, corporation, cooperative, or
24 association.

25 Sec. 32a. With respect to bonds, other than refunding
26 bonds, issued to finance single family homes after November 1,
27 1989, for the first [120] days following the announcement of a

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1 program funded by the proceeds of those bonds, 50% of the
2 proceeds of those bonds available to make loans, as determined by
3 the preliminary information obtained by originating lenders at
4 the time a reservation is submitted, shall be reserved for appli-
5 cants with gross annual incomes at or below ~~55%~~ 60% of the
6 statewide median gross income. [THE AUTHORITY MAY, BY RESOLUTION,
WAIVE THIS REQUIREMENT. THE AUTHORITY SHALL ADVISE THE HOUSE OF
REPRESENTATIVES AND SENATE STANDING COMMITTEES WITH JURISDICTION
OVER HOUSING ISSUES 5 DAYS PRIOR TO ADOPTING A RESOLUTION WAIVING
THIS REQUIREMENT.] With respect to bonds, other than
7 refunding bonds, issued to finance single family homes after
8 November 1, 1989, not more than 50% of the proceeds of those
9 bonds may be used to finance single family homes for homebuyers
10 who previously have had an ownership interest in a residence.
11 For purposes of this section, a previous ownership interest in a
12 mobile home shall not be considered to be an ownership interest
13 in a residence. The authority may rely on the applicant's affi-
14 davit to determine whether or not the applicant has had a prior
15 ownership interest in a residence. The authority shall publicize
16 the programs funded under this section by using all reasonable
17 means available, including, but not limited to, public interest
18 announcements in the media, and announcements to lending institu-
19 tions, community groups, and real estate organizations. The
20 authority shall submit a report annually to the legislature con-
21 taining all statistics necessary to indicate its compliance with
22 this section.

23 Sec. 32b. (1) The authority is designated as the adminis-
24 trator of the mortgage credit certificate program for this state
25 permitted under section 25 of the internal revenue code OF 1986.
26 The authority shall elect under section 25 of the internal
27 revenue code OF 1986 to convert at least \$59,000,000.00 of 1985

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1 federal mortgage revenue bond authority into mortgage credit
2 certificate authority.

3 (2) The authority shall prepare guidelines that would allow
4 for the implementation of a mortgage credit certificate program
5 through mortgage lenders.

6 (3) To qualify for receipt of a mortgage credit certificate
7 with respect to the acquisition of an existing housing unit,
8 including a residential condominium or mobile home, ~~the purchase~~
9 ~~price with respect to the unit shall not exceed \$80,000.00 and~~
10 ~~the borrower's family income shall not exceed~~ BOTH OF the fol-
11 lowing APPLY:

12 ~~(a) If the housing unit is located in an eligible dis-~~
13 ~~tressed area, \$47,900.00 on or before May 1, 1995, and \$50,055.00~~
14 ~~after that date.~~

15 ~~(b) If the housing unit is located in an area other than an~~
16 ~~eligible distressed area, \$41,700.00 on or before May 1, 1995,~~
17 ~~and \$43,575.00 after that date.~~

18 (A) THE PURCHASE PRICE WITH RESPECT TO THE UNIT SHALL NOT
19 EXCEED THE FOLLOWING:

20 (i) \$99,000.00 UNTIL NOVEMBER 1, 2001.

21 (ii) \$102,000.00 UNTIL NOVEMBER 1, 2002.

22 (iii) ON AND AFTER NOVEMBER 1, 2002, \$105,000.00.

23 (B) THE BORROWER'S FAMILY INCOME DOES NOT EXCEED EITHER OF
24 THE FOLLOWING:

25 (i) IF THE HOUSING UNIT IS LOCATED IN A METROPOLITAN AREA,
26 \$52,900.00 ON OR BEFORE NOVEMBER 1, 2001, \$54,750.00 FROM

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1 NOVEMBER 2, 2001 UNTIL NOVEMBER 1, 2002, AND \$56,650.00 ON AND
2 AFTER NOVEMBER 1, 2002.

3 (ii) IF THE HOUSING UNIT IS LOCATED IN A NONMETROPOLITAN
4 AREA, \$43,575.00 ON OR BEFORE NOVEMBER 1, 2002. AFTER NOVEMBER
5 1, 2002, THE FAMILY INCOME LIMIT INCREASES TO THE LESSER OF THE
6 HUD NONMETROPOLITAN MEDIAN INCOME OR \$44,000.00.

7 (4) To qualify for receipt of a mortgage credit certificate
8 with respect to the acquisition of a new housing unit, including
9 a residential condominium or mobile home, ~~the purchase price~~
10 ~~with respect to the unit shall not exceed \$99,000.00 and the~~
11 ~~borrower's family income shall not exceed~~ BOTH OF the following
12 APPLY:

13 ~~(a) If the housing unit is located in an eligible dis-~~
14 ~~tressed area, \$47,900.00 on or before May 1, 1995, and \$50,055.00~~
15 ~~after that date.~~

16 ~~(b) If the housing unit is located in an area other than an~~
17 ~~eligible distressed area, \$41,700.00 on or before May 1, 1995,~~
18 ~~and \$43,575.00 after that date.~~

19 (A) THE PURCHASE PRICE WITH RESPECT TO THE UNIT SHALL NOT
20 EXCEED THE FOLLOWING:

21 (i) \$120,000.00 UNTIL NOVEMBER 1, 2001.

22 (ii) \$124,000.00 UNTIL NOVEMBER 1, 2002.

23 (iii) ON AND AFTER NOVEMBER 1, 2002, \$128,000.00.

24 (B) THE BORROWER'S FAMILY INCOME DOES NOT EXCEED EITHER OF
25 THE FOLLOWING:

26 (i) IF THE HOUSING UNIT IS LOCATED IN A METROPOLITAN AREA,
27 \$52,900.00 ON OR BEFORE NOVEMBER 1, 2001, \$54,750.00 FROM

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24

1 NOVEMBER 2, 2001 UNTIL NOVEMBER 1, 2002, AND \$56,650.00 ON AND
2 AFTER NOVEMBER 1, 2002.

3 (ii) IF THE HOUSING UNIT IS LOCATED IN A NONMETROPOLITAN
4 AREA, \$43,575.00 ON OR BEFORE NOVEMBER 1, 2002.

5 (iii) AFTER NOVEMBER 1, 2002, THE FAMILY INCOME LIMIT
6 INCREASES TO THE LESSER OF THE HUD NONMETROPOLITAN MEDIAN INCOME
7 OR \$44,000.00.

8 (5) The authority may increase the purchase price limit in
9 subsection (3) to cover the cost of improvements to adapt the
10 property for use by disabled individuals OR UNEXPECTED COST
11 INCREASES DURING CONSTRUCTION. The amount of the increase shall
12 be the amount of the costs described in this subsection or the
13 sum of \$3,500.00, whichever is less.

14 ~~(6) The authority may increase the purchase price limit in~~
15 ~~subsection (4) to cover unexpected cost increases during con-~~
16 ~~struction or the cost of improvements to adapt the property for~~
17 ~~use by disabled individuals. The amount of the increase shall be~~
18 ~~the amount of the costs described in this subsection or the sum~~
19 ~~of \$3,500.00, whichever is less.~~

20 (6) ~~(7)~~ To qualify for receipt of a mortgage credit cer-
21 tificate with respect to the improvement or rehabilitation of an
22 existing housing unit, including a residential condominium or
23 mobile home, the borrower's family income shall not exceed the
24 following:

25 (a) ~~If the housing unit is located in an eligible dis-~~
26 ~~trressed area, \$47,900.00 on or before May 1, 1995, and \$50,055.00~~
27 ~~after that date.~~ FOR A UNIT LOCATED IN A METROPOLITAN COUNTY,

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1 \$52,900.00 ON OR BEFORE NOVEMBER 1, 2001, \$54,750.00 FROM
2 NOVEMBER 2, 2001 UNTIL NOVEMBER 1, 2002, AND \$56,650.00 ON AND
3 AFTER NOVEMBER 1, 2002.

4 (b) ~~If the housing unit is located in an area other than an~~
5 ~~eligible distressed area, \$41,700.00 on or before May 1, 1995,~~
6 ~~and \$43,575.00 after that date.~~ FOR A UNIT LOCATED IN A NONMET-
7 ROPOLITAN COUNTY, \$43,575.00 ON OR BEFORE NOVEMBER 1, 2002.
8 AFTER NOVEMBER 1, 2002, THE FAMILY INCOME LIMIT INCREASES TO THE
9 LESSER OF THE HUD NONMETROPOLITAN MEDIAN INCOME OR \$44,000.00.

10 (7) ~~(8)~~ If an income or purchase price limit prescribed by
11 subsection (3), (4), (5), OR (6) ~~, or (7)~~ exceeds an applicable
12 limit prescribed by the internal revenue code OF 1986, the inter-
13 nal revenue code OF 1986 limit applies. Except with respect to
14 newly constructed housing units, the authority may at any time by
15 resolution establish, for ~~any~~ A length of time it ~~deems~~
16 CONSIDERS appropriate, maximum borrower income or purchase price
17 limits more restrictive than those maximum limitations set forth
18 in this section. The authority shall advise the appropriate
19 house and senate standing committees 5 days prior to the adoption
20 of a resolution establishing more restrictive income or purchase
21 price limits.

22 (8) ~~(9)~~ The changes made BY 1995 PA 186 to purchase price
23 limits in THE SUBSECTIONS THAT AT THE TIME WERE DESIGNATED
24 subsections (3) and (4) ~~by 1995 PA 186 are~~ WERE retroactive,
25 effective as of October 29, 1993.

26 Sec. 44. (1) (a) The authority may make loans to ~~any~~ A
27 nonprofit housing corporation, consumer housing cooperative,

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1 limited dividend housing corporation, limited dividend housing
2 association, mobile home park corporation, or mobile home park
3 association or to ~~any~~ A public body or agency for the construc-
4 tion or rehabilitation, and for the long-term financing, of the
5 following:

6 (i) Housing for low income or moderate income persons.

7 (ii) For the period of time beginning May 1, 1984, and
8 ending November 1, 1987, housing projects in which not less than
9 20% of the dwelling units are allotted to individuals of low or
10 moderate income within the meaning of former section 103(b)(4)(A)
11 of the internal revenue code OF 1986; not less than 60% of the
12 dwelling units are available to persons and families whose gross
13 household income does not exceed 125% of the higher of either the
14 median income for a family in this state or the median income for
15 a family within the nonmetropolitan county or metropolitan sta-
16 tistical area in which the housing project is located, as deter-
17 mined by the authority; and not more than 20% of the dwelling
18 units are available for occupancy without regard to income. The
19 enactment of this subparagraph or the expiration of the authority
20 granted by it ~~shall~~ DOES not affect rules in effect before
21 July 10, 1984, or promulgated after July 9, 1984, to define low
22 or moderate income persons.

23 (iii) For the period of time beginning May 1, 1984, and
24 ending November 1, 1987, housing projects in eligible distressed
25 areas in which housing projects not less than 20% of the dwelling
26 units are allotted to individuals of low or moderate income
27 within the meaning of former section 103(b)(4)(A) of the internal

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1 revenue code OF 1986; not less than 60% of the dwelling units are
2 available to persons and families whose gross household income
3 does not exceed 150% of the higher of either the median income
4 for a family in this state or the median income for a family
5 within the nonmetropolitan county or metropolitan statistical
6 area in which the housing project is located, as determined by
7 the authority, and not more than 20% of the dwelling units are
8 available for occupancy without regard to income.

9 (iv) Beginning November 1, 1987, multifamily housing
10 projects that meet the 20-50 OR 40-60 test established in section
11 142 of the internal revenue code OF 1986 and, in addition, in
12 which not less than 15% of the dwelling units are allotted to
13 persons and families whose gross household income does not exceed
14 125% of the higher of either the median income for a family in
15 this state or the median income for a family within the nonmetro-
16 politan county or metropolitan statistical area in which the
17 housing project is located, as determined by the authority, or to
18 the elderly; not less than 15% of the dwelling units are allotted
19 to persons and families whose gross household income does not
20 exceed 150% of the median income for a family in this state or
21 the median income for a family within the nonmetropolitan county
22 or metropolitan statistical area in which the housing project is
23 located, as determined by the authority, or to the elderly; and
24 not more than 50% of the dwelling units are available for occu-
25 pancy without regard to income.

26 (v) Beginning November 1, 1987, multifamily housing projects
27 in eligible distressed areas that meet the 20-50 OR 40-60 test

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1 established in section 142 of the internal revenue code OF 1986
2 and, in addition, in which ~~not more than 80% of~~ the REMAINING
3 dwelling units are available for occupancy without regard to
4 income.

5 (vi) Social, recreational, commercial, or communal facili-
6 ties necessary to serve and improve the residential area in which
7 an authority-financed housing project is located or is planned to
8 be located thereby enhancing the viability of ~~such~~ THE
9 housing.

10 (b) Notwithstanding the provisions of this section, the
11 authority may establish by resolution ~~such~~ higher income limits
12 ~~as~~ THAT it considers necessary to achieve sustained occupancy
13 of a housing project financed under subsection (1)(a)(i), (ii),
14 (iii), (iv), or (v) if the authority determines ~~all~~ BOTH of the
15 following:

16 (i) The owner of the housing project exercised reasonable
17 efforts to rent the dwelling units to persons and families whose
18 incomes did not exceed the income limitations originally
19 applicable.

20 (ii) For ~~any~~ AN annual period after the first tenant has
21 occupied the housing project, the owner of the housing project
22 has been unable to attain and sustain at least a 95% occupancy
23 level at the housing project.

24 (c) A loan under this section may be in an amount not to
25 exceed 90% of the project cost as approved by the authority. For
26 purposes of this section, the term "project cost" includes all
27 items included in the definition of a project cost in section 11

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1 and also includes a builder's fee equal to an amount up to 5% of
2 the amount of the construction contract, developer overhead
3 allowance and fee of 5% of the amount of the project cost, the
4 cost of furnishings, and a sponsor's risk allowance equal to 10%
5 of the project cost. A loan shall not be made under this section
6 unless a market analysis has been conducted that demonstrates a
7 sufficient market exists for the housing project.

8 (d) After November 1, 1987, the authority may continue to
9 finance multifamily housing projects for families or persons
10 whose incomes do not exceed the limits provided in subsection
11 (1)(a)(ii) or (iii) or (1)(b), until funds derived from the pro-
12 ceeds of bonds or notes issued before November 2, 1987, for that
13 purpose, including the proceeds of prepayments or recovery pay-
14 ments with respect to these multifamily housing projects, have
15 been expended. Multifamily housing projects or single family
16 housing units in an eligible distressed area ~~which~~ THAT are
17 financed by proceeds of notes or bonds issued before June 30,
18 1984, and ~~which~~ THAT the authority has designated for occupancy
19 by persons and families without regard to income pursuant to this
20 act shall remain eligible for occupancy by families and persons
21 without regard to income until the authority's mortgage loan
22 issued with respect to these multifamily housing projects is
23 fully repaid.

24 (e) Notwithstanding the expiration of lending authority
25 under subsection (1)(a)(ii), (iii), (iv), or (v), multifamily
26 housing projects financed under those subparagraphs may continue
27 to remain eligible for occupancy by persons and families whose

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1 incomes do not exceed the limits provided in those subparagraphs
2 or subsection (1)(b).

3 (f) For purposes of this subsection:

4 (i) "Gross household income" means gross income of a house-
5 hold as those terms are defined in rules of the authority.

6 (ii) "Median income for a family in this state" and "median
7 income for a family within the nonmetropolitan county or metro-
8 politan statistical area" mean those income levels as determined
9 by the authority.

10 (2) (a) The authority may make loans to ~~any~~ A nonprofit
11 housing corporation, limited dividend housing corporation, mobile
12 home park corporation, or mobile home park association for the
13 construction or rehabilitation of housing units, including resi-
14 dential condominium units as defined in section 4 of the condo-
15 minium act, 1978 PA 59, MCL 559.104, for sale to individual pur-
16 chasers of low or moderate income or to individual purchasers
17 without regard to income when the housing units are located in an
18 eligible distressed area. ~~The authority may make or purchase~~
19 ~~loans to individual purchasers for the long-term financing of a~~
20 ~~newly rehabilitated, newly constructed, or existing housing unit,~~
21 ~~including a residential condominium unit as defined in section 4~~
22 ~~of the condominium act, 1978 PA 59, MCL 559.104. For a loan for~~
23 ~~a newly rehabilitated or newly constructed housing unit, includ-~~
24 ~~ing a residential condominium unit, the borrower's family income~~
25 ~~shall not exceed \$41,700.00 on or before May 1, 1995, and~~
26 ~~\$43,575.00 after that date and the purchase price of the housing~~
27 ~~unit shall not exceed \$99,000.00. For unexpected cost increases~~

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~~1 during construction or improvements to adapt the property for use
2 by disabled individuals, the authority may increase the purchase
3 price limit by an amount sufficient to cover those cost
4 increases, but not to exceed \$3,500.00. For a loan for an exist=
5 ing housing unit, including a residential condominium unit, the
6 borrower's family income shall not exceed \$41,700.00 on or before
7 May 1, 1995, and \$43,575.00 after that date and the purchase
8 price of the housing unit shall not exceed \$80,000.00. For costs
9 for improvements to adapt an existing housing unit for use by
10 disabled individuals, the authority may increase the purchase
11 price limit by an amount sufficient to cover those cost
12 increases, but not to exceed \$3,500.00. If an income or purchase
13 price limit prescribed by this subsection exceeds an applicable
14 limit prescribed by the internal revenue code, the internal reve=
15 nue code limit applies. Except with respect to newly constructed
16 housing units, the authority may at any time by resolution estab=
17 lish, for any length of time it considers appropriate, maximum
18 borrower income or purchase price limits more restrictive than
19 those maximum limitations set forth in this section. The author=
20 ity shall advise the appropriate house and senate standing com=
21 mittees 5 days prior to the adoption of a resolution establishing
22 more restrictive maximum borrower income or purchase price
23 limits. Before making any loan under this section, authority
24 staff shall determine that the borrower has the ability to repay
25 the loan. A loan made or purchased to finance the acquisition of
26 an existing housing unit may include funds for rehabilitation. A
27 loan under this section may be in an amount not to exceed 100% of~~

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1 the project cost as approved by the authority in the case of a
2 nonprofit housing corporation or individual purchaser, and in an
3 amount not to exceed 90% of the project cost as approved by the
4 authority in the case of a limited dividend housing corporation,
5 mobile home park corporation, or mobile home park association.
6 ~~The limits on purchase price prescribed by this subsection are~~
7 ~~effective retroactively as of October 29, 1993.~~

8 (b) While a loan under this subsection is outstanding, ~~any~~
9 A sale by a nonprofit housing corporation or limited dividend
10 housing corporation or ~~any~~ A subsequent resale is subject to
11 approval by the authority. The authority shall provide in its
12 rules concerning these sales and resales that the price of the
13 housing unit sold, the method of making payments after the sale,
14 the security afforded, and the interest rate, fees, and charges
15 to be paid shall at all times be sufficient to permit the author-
16 ity to make the payments on its bonds and notes and to meet
17 administrative or other costs of the authority in connection with
18 the transactions. Housing units shall be sold under terms that
19 provide for monthly payments including principal, interest,
20 taxes, and insurance.

21 (c) While a loan under this subsection is outstanding, the
22 authority, before the approval of sale by a nonprofit housing
23 corporation, limited dividend housing corporation, mobile home
24 park corporation, or mobile home park association, shall satisfy
25 itself that the sale is to persons of low or moderate income if
26 the housing unit is not located in an eligible distressed area,

1 or to persons without regard to income if the housing unit is
2 located in an eligible distressed area.

3 (d) Upon the sale by a nonprofit housing corporation,
4 limited dividend housing corporation, mobile home park corpora-
5 tion, or mobile home park association of ~~any~~ A housing unit to
6 an individual purchaser of low or moderate income or to an indi-
7 vidual purchaser without regard to income if the unit is located
8 in an eligible distressed area under this subsection to whom a
9 loan is being made by the authority, the housing unit shall be
10 released from the mortgage running from the nonprofit housing
11 corporation, limited dividend housing corporation, mobile home
12 park corporation, or mobile home park association to the authori-
13 ty, and the mortgage shall be replaced as to the housing unit by
14 a mortgage running from the individual purchaser to the
15 authority.

16 (e) The authority shall encourage nonprofit housing corpora-
17 tions and limited dividend housing corporations engaged in con-
18 struction or rehabilitation under this subsection to utilize the
19 labor of prospective individual purchasers of low or moderate
20 income in the construction or rehabilitation of the housing units
21 involved. The value of the labor of the prospective purchasers
22 so utilized shall be used to reduce the project costs of the
23 housing units involved.

24 (f) In the construction of housing units to be sold to the
25 individual purchasers of low or moderate income at a price not to
26 exceed \$12,000.00, the individual purchasers may be required to
27 perform, in a manner and under conditions to be specified by the

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1 authority in its rules, a minimum number of hours of labor. The
2 value of the labor shall be credited to the purchase price.

3 (3) THE AUTHORITY MAY MAKE OR PURCHASE LOANS MADE TO AN
4 INDIVIDUAL PURCHASER FOR LONG-TERM FINANCING OF A NEWLY REHABILI-
5 TATED, NEWLY CONSTRUCTED, OR EXISTING HOUSING UNIT, INCLUDING A
6 RESIDENTIAL CONDOMINIUM UNIT AS DEFINED IN SECTION 4 OF THE CON-
7 DOMINIUM ACT, 1978 PA 59, MCL 559.104. TO QUALIFY, ALL OF THE
8 FOLLOWING APPLY:

9 (A) THE BORROWER'S FAMILY INCOME SHALL NOT EXCEED EITHER OF
10 THE FOLLOWING:

11 (i) IF THE HOUSING UNIT IS LOCATED IN A METROPOLITAN AREA,
12 \$52,900.00 ON OR BEFORE NOVEMBER 1, 2001, \$54,750.00 FROM
13 NOVEMBER 2, 2001 UNTIL NOVEMBER 1, 2002, AND \$56,650.00 ON AND
14 AFTER NOVEMBER 1, 2002.

15 (ii) IF THE HOUSING UNIT IS LOCATED IN A NONMETROPOLITAN
16 AREA, \$43,575.00 ON OR BEFORE NOVEMBER 1, 2002. AFTER NOVEMBER
17 1, 2002, THE FAMILY INCOME LIMIT INCREASES TO THE LESSER OF THE
18 HUD NONMETROPOLITAN MEDIAN INCOME OR \$44,000.00.

19 (B) THE PURCHASE PRICE WITH RESPECT TO THE UNIT DOES NOT
20 EXCEED THE FOLLOWING:

21 (i) FOR AN EXISTING HOUSING UNIT, \$99,000.00 ON OR BEFORE
22 NOVEMBER 1, 2001, \$102,000.00 FROM NOVEMBER 2, 2001 UNTIL
23 NOVEMBER 1, 2002, AND \$105,000.00 ON AND AFTER NOVEMBER 1, 2002.

24 (ii) FOR A NEWLY REHABILITATED OR A NEWLY CONSTRUCTED HOUS-
25 ING UNIT, \$120,000.00 ON OR BEFORE NOVEMBER 1, 2001, \$124,000.00
26 FROM NOVEMBER 2, 2001 UNTIL NOVEMBER 1, 2002, AND \$128,000.00 ON
27 AND AFTER NOVEMBER 1, 2002.

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1 (C) FOR UNEXPECTED COST INCREASES DURING CONSTRUCTION OR
2 IMPROVEMENTS TO ADAPT NEW OR EXISTING PROPERTY FOR USE BY DIS-
3 ABLED INDIVIDUALS, THE AUTHORITY MAY INCREASE THE PURCHASE PRICE
4 LIMIT BY AN AMOUNT SUFFICIENT TO COVER THESE COST INCREASES, BUT
5 NOT TO EXCEED \$3,500.00.

6 (D) IF AN INCOME OR PURCHASE PRICE LIMIT PRESCRIBED BY THIS
7 SUBSECTION EXCEEDS AN APPLICATION LIMIT PRESCRIBED BY THE INTER-
8 NAL REVENUE CODE OF 1986, THE INTERNAL REVENUE CODE OF 1986 LIMIT
9 APPLIES.

10 (E) EXCEPT WITH RESPECT TO NEWLY CONSTRUCTED HOUSING UNITS,
11 THE AUTHORITY MAY BY RESOLUTION ESTABLISH, FOR A LENGTH OF TIME
12 THE AUTHORITY CONSIDERS APPROPRIATE, MAXIMUM BORROWER INCOME OR
13 PURCHASE PRICE LIMITS MORE RESTRICTIVE THAN THOSE MAXIMUM LIMITA-
14 TIONS SET FORTH IN THIS SECTION. THE AUTHORITY SHALL ADVISE THE
15 APPROPRIATE HOUSE AND SENATE STANDING COMMITTEES 5 DAYS PRIOR TO
16 ADOPTING A RESOLUTION ESTABLISHING MORE RESTRICTIVE MAXIMUM BOR-
17 ROWER INCOME OR PURCHASE PRICE LIMITS.

18 (F) BEFORE MAKING A LOAN UNDER THIS SECTION, AUTHORITY STAFF
19 SHALL DETERMINE THAT THE BORROWER HAS THE ABILITY TO REPAY THE
20 LOAN.

21 (G) A LOAN MADE OR PURCHASED TO FINANCE THE ACQUISITION OF
22 AN EXISTING HOUSING UNIT MAY INCLUDE FUNDS FOR REHABILITATION.

23 (4) ~~(3)~~ A loan shall be secured in a manner and be repaid
24 in a period, not exceeding 50 years, as may be determined by the
25 authority. A loan shall bear interest at a rate determined by
26 the authority.

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1 (5) ~~(4)~~ A person who, for purposes of securing a loan
2 under this act, misrepresents his or her income, including taking
3 a leave of absence from his or her employment for purposes of
4 diminishing his or her income, is not to be eligible for a loan
5 under this act.

6 Sec. 44a. (1) The authority may make, purchase, or partici-
7 pate in loans, grants, or deferred payment loans to persons and
8 families of low and moderate income to finance the rehabilitation
9 of residential real property designed for occupancy by not more
10 than ~~4~~ 11 families ~~which~~ THAT is owned or is being purchased
11 by 1 or more persons or families of low and moderate income and
12 ~~which~~ THAT is for occupancy by persons or families of low and
13 moderate income.

14 (2) The authority, without regard to the income of the
15 owners or occupants of residential rental property, may make,
16 purchase, or participate in loans, grants, or deferred payment
17 loans for the rehabilitation of residential rental property to
18 persons or entities owning residential rental property located in
19 areas of chronic economic distress and moderate cost residential
20 rental property located elsewhere in this state.

21 (3) A loan under this section may be secured or unsecured as
22 determined by the authority. If the loan is unsecured, it shall
23 be accepted for insurance under title 1 of the national housing
24 act, CHAPTER 847, 48 STAT. 1246, 12 U.S.C. 1702, 1703, 1705, and
25 1706b to 1706d, or another federal or private insurance program
26 providing coverage at least equal to that provided by that title,
27 or the authority shall establish a reserve for losses on

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1 uninsured loans made under this section and shall deposit into
2 that reserve an amount equal to 5% of the principal amount of
3 each such uninsured loan on or before the making of the loan.
4 Money may be withdrawn by the authority from this reserve for
5 application as loan repayments in connection with loans that are
6 delinquent. In addition, upon repayment of a loan made, pur-
7 chased, or participated in under this section, the authority may
8 withdraw the amount deposited in the reserve in connection with
9 that loan, reduced by ~~any~~ amounts withdrawn as loan repayments
10 in connection with the loan, and may apply the amounts to any of
11 the authority's programs and purposes. ~~Any income~~ INCOME or
12 interest earned by or increment to the reserve due to the invest-
13 ment of the money in the reserve may, at ~~such~~ THE times ~~as~~
14 DETERMINED BY the authority, ~~shall determine,~~ be transferred by
15 the authority to other funds or accounts of the authority and
16 applied to any of the corporate purposes of the authority. A
17 loan under this section shall bear interest at a rate and be
18 repaid in the period, not exceeding 20 years, as ~~may be~~ deter-
19 mined by the authority and under additional terms and conditions
20 as ~~may be~~ determined by the authority.

21 (4) A deferred payment loan or grant may be secured or unse-
22 cured as determined by the authority, and shall be made under
23 additional terms and conditions determined by the authority.

24 (5) In recognition of the need for rehabilitation loans,
25 grants, and deferred payment loans in all geographic areas of the
26 state, the authority shall promulgate rules that provide for the
27 availability of loans, grants, and deferred payment loans on an

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1 equitable basis to qualified applicants in all geographic areas
2 of this state. With respect to loans, grants, and deferred pay-
3 ment loans made pursuant to this section that are not based on
4 residency in a neighborhood selected under section 22a(5), eligi-
5 bility for loans, grants, or deferred payment loans shall not be
6 based upon the number of qualified applicants in the geographic
7 area in which the individual resides.

8 (6) For purposes of this section, persons and families of
9 low and moderate income means persons and families whose family
10 income does not exceed ~~\$41,700.00 on or before May 1, 1995, and~~
11 ~~\$43,575.00 after that date.~~ EITHER OF THE FOLLOWING:

12 (A) IF THE HOUSING UNIT IS LOCATED IN A METROPOLITAN AREA,
13 \$52,900.00 ON OR BEFORE NOVEMBER 1, 2001, \$54,750.00 FROM
14 NOVEMBER 2, 2001 UNTIL NOVEMBER 1, 2002, AND \$56,650.00 ON AND
15 AFTER NOVEMBER 1, 2002.

16 (B) IF THE HOUSING UNIT IS LOCATED IN A NONMETROPOLITAN
17 AREA, \$43,575.00 ON OR BEFORE NOVEMBER 1, 2002. AFTER NOVEMBER
18 1, 2002, THE FAMILY INCOME LIMIT INCREASES TO THE LESSER OF THE
19 HUD NONMETROPOLITAN MEDIAN INCOME OR \$44,000.00. The authority
20 may ~~at any time~~ by resolution establish, for ~~any~~ A length of
21 time it considers appropriate, maximum family income limits more
22 restrictive than those maximum limitations set forth in this
23 section. The authority shall advise the appropriate house and
24 senate standing committees 5 days prior to the adoption of a res-
25 olution establishing more restrictive maximum family income
26 limits.

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1 (7) ~~For home improvement loans insured under title I of the~~
2 ~~national housing act, the~~ THE maximum principal loan amounts FOR
3 HOME IMPROVEMENT LOANS, exclusive of finance charges, are as
4 follows:

5 (a) \$25,000.00 for A residential ~~structures~~ STRUCTURE con-
6 taining 1 dwelling unit, UNLESS THE LOAN IS MADE IN CONJUNCTION
7 WITH ADDITIONAL MONEY PROVIDED BY A MUNICIPALITY OR NONPROFIT
8 COMMUNITY-BASED ORGANIZATION, IN WHICH CASE A LOAN FOR A RESIDEN-
9 TIAL STRUCTURE CONTAINING 1 DWELLING UNIT IS \$35,000.00.

10 (b) ~~\$12,000.00~~ \$15,000.00 per dwelling unit for A residen-
11 tial ~~structures~~ STRUCTURE containing 2 to ~~4~~ 11 dwelling
12 units.

13 (8) A STRUCTURE IS NOT REQUIRED TO BE OF A MINIMUM AGE TO BE
14 ELIGIBLE FOR REHABILITATION UNDER THIS SECTION.

15 Sec. 46. The authority shall require that occupancy of
16 housing projects and residential real property assisted under
17 this act shall be open to all regardless of sex, race, religion,
18 color, national origin, age, ~~or~~ marital status, FAMILIAL
19 STATUS, OR DISABILITY and that contractors and subcontractors
20 engaged in the construction of housing projects and lending
21 institutions engaged in making residential mortgages, shall take
22 affirmative action to assure an equal opportunity for employment
23 and borrowing. This section does not apply, with respect to the
24 age ~~provision~~ AND FAMILIAL STATUS PROVISIONS only, to the sale,
25 rental, or lease of housing accommodations meeting the require-
26 ments of federal, state, or local housing programs for senior
27 citizens, or HOUSING accommodations otherwise intended,

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1 advertised, designed, or operated, bona fide, for the purpose of
2 providing housing accommodations for persons 55 years of age or
3 older.