

SENATE BILL No. 524

May 28, 2003, Introduced by Senators BIRKHOLZ, BERNERO, BRATER, GARCIA, GOSCHKA, HARDIMAN and ALLEN and referred to the Committee on Local, Urban and State Affairs.

A bill to establish the Michigan housing and community development fund in the department of treasury; to provide for the administration of the fund; to provide for the deposit of certain money in that fund; to provide for the distribution of the money in that fund and to limit the use of the money in that fund; and to prescribe the powers and duties of certain state officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan housing and community development fund act".

3 Sec. 2. As used in this act:

4 (a) "Authority" means the Michigan state housing development
5 authority created in section 21 of the state housing development
6 authority act of 1966, 1966 PA 346, MCL 125.1421.

7 (b) "Department" means the department of treasury.

1 (c) "Eligible applicant" means that term as defined in
2 section 58 of the Michigan state housing development authority
3 act of 1966, 1966 PA 346, MCL 125.1458.

4 (d) "Low income household", "very low income household", and
5 "extremely low income household" mean those terms as defined in
6 section 58 of the Michigan state housing development authority
7 act of 1966, 1966 PA 346, MCL 125.1458.

8 (e) "Michigan housing and community development fund" or
9 "fund" means the Michigan housing and community development fund
10 created in section 3.

11 Sec. 3. (1) The Michigan housing and community development
12 fund is created as a separate fund in the department.

13 (2) The fund shall be administered by the authority, and
14 money in the fund shall be expended only as provided in this
15 act.

16 (3) The department shall credit to the fund all amounts
17 appropriated for the purposes under this act and any money
18 received as contributions for purposes under this act.

19 (4) The state treasurer shall invest the money in the fund
20 and credit the earnings from the investments to the fund.

21 (5) Money appropriated or money received as a contribution to
22 the fund shall be available for disbursement upon appropriation.

23 Sec. 4. Notwithstanding another allocation or disbursement,
24 an amount equal to the cumulative contribution made to the fund,
25 less an amount appropriated to the department for the purpose of
26 implementing this act, shall be deposited in the fund and shall
27 be appropriated annually solely for the purpose of the fund.

1 Sec. 5. (1) Money in the fund shall be allocated to
2 eligible applicants for housing projects if the eligible
3 applicant has conducted a market study or review to ensure that
4 there is a demand and need for the housing project proposed.

5 (2) Housing developed with money from the fund shall be
6 consistent in nature with housing already provided in the area to
7 be developed.

8 (3) The authority shall encourage housing projects that are
9 part of a planned community revitalization strategy.

10 Sec. 6. (1) Money from the fund shall be used to provide
11 grants, mortgage loans, and other loans including, but not
12 limited to, construction loans, bridge loans, and predevelopment
13 loans to provide housing for low income, very low income, and
14 extremely low income households.

15 (2) Money from the fund may be used to provide single-family
16 or multifamily housing.

17 (3) A portion of the allocation each year, as determined by
18 the authority, shall be used to provide housing for all of the
19 following:

20 (a) Homeless persons.

21 (b) Persons with physical and mental disabilities.

22 (c) Persons living in distressed or rural areas.

23 (4) Money in the fund may be used according to the provisions
24 of section 58c(1) of the Michigan state housing development
25 authority act of 1966, 1966 PA 346, MCL 125.1458c.

26 Sec. 7. (1) The authority shall develop annual priorities
27 based on the allowable purposes under section 6 and allocate the

1 money in the fund based upon those priorities.

2 (2) Each year, the authority shall hold public hearings in at
3 least 3 separate locations throughout this state on the
4 priorities and draft allocation plan for the upcoming year.

5 Sec. 8. (1) The authority shall develop an allocation plan
6 each year based on the annual priorities developed under
7 section 7 that includes, but is not limited to, how the authority
8 will identify, select, and make financing available to applicants
9 to develop fundable projects. The plan shall include how the
10 authority will allocate money to provide technical assistance to
11 eligible applicants.

12 (2) The allocation plan shall include all of the following:

13 (a) A list of the organizations and types of organizations
14 eligible to receive money from the fund.

15 (b) Any preference for identified special population groups.

16 (c) Any geographic targeting in designated revitalization
17 areas including, but not limited to, the authority's neighborhood
18 preservation program areas, renaissance zones, federally
19 designated empowerment and enterprise zones, and community or
20 homeownership zones.

21 (d) The allocation funding formula as prescribed in
22 subsection (3).

23 (3) The authority shall determine a formula for allocating
24 money throughout the state using all of the following factors:

25 (a) The number of persons in poverty in a geographic area.

26 (b) The level of housing distress in a geographic area.

27 (c) Any other factor that supports the need for affordable

1 housing as determined by the authority and included in the
2 allocation plan.

3 Sec. 9. Any balance remaining in the fund at the end of any
4 fiscal year shall not revert to the general fund but shall remain
5 in the fund and continue to be available for the purposes
6 authorized in this act.

7 Enacting section 1. This act does not take effect unless
8 Senate Bill No. 522
9 of the 92nd Legislature is enacted into law.