

HOUSE BILL No. 5443

January 14, 1998, Introduced by Reps. Hanley, Schauer, Scott, Thomas, Wojno, Hale, Martinez, Price, DeHart, Prusi, Brewer, Vaughn, Kelly, LaForge, Brater, Profit, Bogardus, Parks, Mans, Freeman, Gubow, Jellema, Godchaux, Stallworth, Basham, Leland and Rison and referred to the Committee on Urban Policy and Economic Development.

A bill to establish the Michigan affordable housing 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 affordable housing fund act".

3 Sec. 2. As used in this act:

4 (a) "Department" means the department of treasury.

5 (b) "MSHDA" means the Michigan state housing development
6 authority.

7 (c) "Michigan affordable housing fund" or "fund" means the
8 Michigan affordable housing fund created in section 3.

1 Sec. 3. (1) The Michigan affordable housing fund is created
2 as a separate fund in the department.

3 (2) The fund shall be administered by MSHDA and money in the
4 fund shall be expended only as provided in this act.

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

8 (4) The state treasurer shall invest the money in the fund
9 and the earnings from those investments shall be credited to the
10 fund.

11 (5) Money appropriated or money received as contributions to
12 the fund shall be available for disbursement upon appropriation.

13 Sec. 4. Persons subject to taxation under the single busi-
14 ness tax act, 1975 PA 228, MCL 208.1 to 208.145, may claim the
15 credit allowed under section 39c of the single business tax act,
16 1975 PA 228, MCL 208.39c, for contributions to the fund.

17 Sec. 5. Notwithstanding any other allocations and disburse-
18 ments, an amount equal to the cumulative contributions made to
19 the fund, less any amount appropriated to the department for the
20 purpose of implementing this act, shall be deposited in the fund
21 and shall be appropriated annually solely for the purposes of the
22 fund.

23 Sec. 6. (1) Money in the fund shall be allocated to organi-
24 zations exempt from taxation under section 501(c)(3) or (4) of
25 the internal revenue code of 1986 for housing projects if the
26 organization has conducted a market survey to ensure that there
27 is a demand and need for the housing project proposed.

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

4 (3) MSHDA shall encourage housing projects that are part of
5 a planned community revitalization strategy.

6 Sec. 7. (1) Money from the fund shall be used to provide
7 grants, mortgage loans, and other loans including, but not
8 limited to, construction loans, bridge loans, and predevelopment
9 loans to provide housing for low-income individuals and very
10 low-income individuals.

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

13 (3) A portion of the allocations each year, as determined by
14 MSHDA, shall be used to provide housing for all of the
15 following:

16 (a) Homeless persons.

17 (b) Persons with physical and mental disabilities.

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

19 (4) Money in the fund may be used for all of the following:

20 (a) Acquisition of land and buildings.

21 (b) New construction or rehabilitation of existing
22 buildings.

23 (c) Predevelopment and development costs other than costs of
24 new construction and rehabilitation.

25 (d) Costs to preserve existing housing units.

26 (e) Infrastructure that directly supports housing
27 development.

(f) Insurance premiums.

(g) Operating and replacement reserves.

(h) Down payment and security deposit assistance.

(i) Supportive services.

Sec. 8. (1) MSHDA shall develop annual priorities based on the allowable purposes under section 7 and allocate the money in the fund based upon those priorities.

(2) Each year, prior to the allocation of money from the fund, MSHDA shall hold public hearings in at least 3 separate locations throughout this state on the priorities and proposed allocations for the upcoming year.

Sec. 9. (1) MSHDA shall develop an allocation plan each year based on the annual priorities developed under section 8 that includes but is not limited to how MSHDA will identify, select, and make financing available to applicants to develop fundable projects. The plan shall include how MSHDA will provide advice and guidance through technical assistance from MSHDA staff to applicants for funding.

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

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

(b) Any preferences for identified special population groups.

(c) Any geographic targeting in designated revitalization areas including, but not limited to, MSHDA's neighborhood preservation program areas, renaissance zones, federally designated

1 empowerment and enterprise zones, and community or homeownership
2 zones.

3 (d) The allocation funding formula as prescribed in subsec-
4 tion (3).

5 (3) MSHDA shall determine a formula for allocating funds
6 throughout the state using all of the following factors:

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

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

9 (c) Any other factor that supports the need for affordable
10 housing as determined by MSHDA and included in the allocation
11 plan.

12 Sec. 10. Any balance remaining in the fund at the end of
13 any fiscal year shall not revert to the general fund but shall
14 remain in the fund and continue to be available for the purposes
15 authorized in this act.

16 Enacting section 1. This act does not take effect unless
17 Senate Bill No. _____ or House Bill No. _____ (request
18 no. 03689'97) of the 89th Legislature is enacted into law.