

SENATE BILL No. 583

July 10, 2001, Introduced by Senator GARCIA and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend 1966 PA 346, entitled
 "State housing development authority act of 1966,"
 by amending the title and sections 1, 11, 15a, 22, 24b, 32, 32a,
 32b, 44, 44c, 44d, 97, 97a, 97b, 97c, 97d, 97e, 97f, 98, 98a,
 98b, 98c, 98d, 98e, 98f, and 99c (MCL 125.1401, 125.1411,
 125.1415a, 125.1422, 125.1424b, 125.1432, 125.1432a, 125.1432b,
 125.1444, 125.1444c, 125.1444d, 125.1497, 125.1497a, 125.1497b,
 125.1497c, 125.1497d, 125.1497e, 125.1497f, 125.1498, 125.1498a,
 125.1498b, 125.1498c, 125.1498d, 125.1498e, 125.1498f, and
 125.1499c), the title and sections 97c and 98c as amended by 1984
 PA 215, sections 1 and 44d as amended by 1998 PA 33, sections 11,
 44c, and 98a as amended by 1996 PA 475, section 15a as amended by
 1994 PA 363, section 22 as amended by 1999 PA 131, sections 24b,
 97, 97a, 97b, 97d, 97e, 97f, 98, 98b, 98d, 98e, and 98f as

amended by 1983 PA 217, sections 32, 32a, 32b, and 44 as amended by 2000 PA 257, and section 99c as added by 1989 PA 220.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to create a state housing development authority; to
3 define the powers and duties of the authority; to establish a
4 housing development revolving fund; to establish a land acquisi-
5 tion and development fund; to establish a rehabilitation fund; to
6 establish a conversion condominium fund; to authorize the making
7 and purchase of loans, deferred payment loans, and grants to
8 qualified developers, sponsors, individuals, mortgage lenders,
9 and municipalities; to establish and provide acceleration and
10 foreclosure procedures; to provide tax exemption; to authorize
11 payments in lieu of taxes by nonprofit housing corporations, con-
12 sumer housing cooperatives, limited dividend housing corpora-
13 tions, ~~mobile~~ MANUFACTURED home park corporations, and ~~mobile~~
14 MANUFACTURED home park associations; and to prescribe criminal
15 penalties for violations of this act.

16 Sec. 1. (1) The legislature hereby determines that there
17 exists in the state a seriously inadequate supply of, and a
18 pressing need for, safe and sanitary dwelling accommodations
19 within the financial means of low income or moderate income fami-
20 lies or persons, including those families and persons displaced
21 by the clearing of slums and blighted areas or by other public
22 programs; that there exists in this state a high incidence of
23 residential real property occupied by persons of low and moderate
24 income ~~which~~ THAT is not safe, sanitary, or adequate and that

1 there is a pressing need for rehabilitation of that property;
2 that large areas in municipalities have become blighted or,
3 through programs to remove blight, have become vacant, resulting
4 in the impairment or loss of taxable values upon which municipal
5 revenue largely depends; that large numbers of middle and upper
6 income persons and families have left municipalities ~~which~~ THAT
7 have high concentrations of low income persons and families
8 resulting in a high demand for municipal services notwithstanding
9 a low potential for generating revenues necessary to pay for
10 those services; that the existence of blight, the inability to
11 redevelop cleared areas, and the lack of economic integration is
12 detrimental to the general welfare of the citizens of this state
13 and the economic welfare of municipalities in this state; that
14 the financing of housing for persons and families without regard
15 to income will assist in preserving existing values of property
16 within or adjacent to blighted or cleared areas; that economic
17 integration will promote the financial and social stability of
18 housing for families and persons of low and moderate income; that
19 in order to improve and maintain the general character of munici-
20 palities having the aforesaid characteristics, it is necessary to
21 promote the development of housing for persons and families with-
22 out regard to income; that to increase the availability of safe
23 and sanitary housing generally it is necessary to facilitate the
24 purchase of existing housing by making financing for the purchase
25 of existing housing available at affordable interest rates; that
26 there are inadequate social, recreational, commercial, and
27 communal facilities in residential areas inhabited by low income

1 or moderate income families or persons and in areas blighted or
2 vacant because of slum clearance, and that housing financed pur-
3 suant to this act will not be viable without adequate social,
4 recreational, commercial, and communal facilities in the sur-
5 rounding area; and that it is a valid public purpose to finance
6 the acquisition and rehabilitation of existing housing or the
7 construction of additional housing for those low or moderate
8 income families and persons who would otherwise be unable to
9 obtain adequate and affordable dwellings, to finance the rehabil-
10 itation of residential real property occupied or to be occupied
11 by persons and families of low and moderate income who would oth-
12 erwise be unable to afford the purchase or rehabilitation of res-
13 idential real property ~~which~~ THAT is safe, sanitary, or ade-
14 quate, to finance housing for persons and families without regard
15 to income in areas in municipalities ~~which~~ THAT are experienc-
16 ing blight or inability to redevelop land cleared of blight
17 ~~which~~ THAT are predominately populated by low and moderate
18 income persons and families, to finance social, recreational,
19 commercial, and communal facilities to serve those families or
20 persons, to enhance authority-financed housing, to establish and
21 provide acceleration and foreclosure procedures for
22 authority-financed housing, and to acquire land for present or
23 future development including that housing and social, recreation-
24 al, commercial, and communal facilities; that it is a valid
25 public purpose to finance safe, sanitary, and adequate ~~mobile~~
26 MANUFACTURED homes, ~~mobile~~ MANUFACTURED home parks, and
27 ~~mobile~~ MANUFACTURED home condominium projects for persons and

1 families of low and moderate income in order to facilitate the
2 provision of affordable housing for ~~such~~ THOSE persons, to
3 finance ~~mobile~~ MANUFACTURED homes, ~~mobile~~ MANUFACTURED home
4 parks, and ~~mobile~~ MANUFACTURED home condominium projects with-
5 out regard to income in areas in municipalities ~~which~~ THAT are
6 experiencing blight or inability to redevelop land cleared of
7 blight ~~which~~ THAT are predominately populated by low and moder-
8 ate income persons and families, and to finance social, recrea-
9 tional, commercial, and communal facilities in ~~mobile~~
10 MANUFACTURED home parks and ~~mobile~~ MANUFACTURED home condomin-
11 ium projects, the financing of ~~mobile~~ MANUFACTURED homes,
12 ~~mobile~~ MANUFACTURED home parks, and ~~mobile~~ MANUFACTURED home
13 condominium projects being necessary to fill a gap in the housing
14 market.

15 (2) It is further determined that the supply of low and mod-
16 erate cost housing available for occupancy by certain persons
17 with disabilities and certain elderly persons is being eroded
18 through greatly increasing rental rates, and the conversion of
19 low and moderate cost rental units into condominium units ~~which~~
20 THAT are then sold at prices and under financing terms ~~which~~
21 THAT are not affordable to those persons with disabilities and
22 elderly persons. It is further determined that it is a proper
23 public purpose to prevent the erosion of the supply of existing
24 low and moderate cost housing available for occupancy by certain
25 persons with disabilities and elderly persons by taking appropri-
26 ate action to prevent the displacement of those persons with
27 disabilities and elderly persons from existing low and moderate

1 cost housing, including the making of loans enabling those
2 persons with disabilities and elderly persons to continue to rent
3 the units in which they reside.

4 (3) It is further determined that to assure an adequate
5 supply of safe and sanitary housing for families of low and mod-
6 erate income within the financial means of those families, it is
7 necessary to facilitate the purchase of safe and sanitary exist-
8 ing housing by those families; that, in addition, new
9 single-family housing construction is inhibited by the inability
10 of prospective purchasers to sell existing single-family resi-
11 dences, and that those conditions result in the reduction of the
12 number of safe and sanitary dwellings ~~which~~ THAT would other-
13 wise be made available to persons of low and moderate income; and
14 that the depressed economy and decreased employment in this state
15 are detrimental to the general welfare of the citizens of this
16 state. It is further determined that it is necessary in order to
17 alleviate those conditions and is a valid public purpose to pro-
18 vide for the financing, with the assistance of the authority, of
19 the purchase of existing single-family residences for occupancy
20 by low and moderate income families and families without regard
21 to income in areas in municipalities ~~which~~ THAT are experienc-
22 ing blight or inability to redevelop land cleared of blight and
23 ~~which~~ THAT are predominately populated by low and moderate
24 income persons and families.

25 (4) It is further determined that there exists in this state
26 a high incidence of residential rental property ~~which~~ THAT is
27 not safe, sanitary, adequate, or energy efficient, and that there

1 is a pressing need for the rehabilitation of residential rental
2 property in order to preserve and improve the state's existing
3 housing stock. It is further determined that it is necessary in
4 order to alleviate those conditions and is a valid public purpose
5 to provide for the financing, with the assistance of the authori-
6 ty, of the rehabilitation of existing residential rental property
7 without regard to the income of the persons or entities owning
8 the property or of the tenants of the property.

9 (5) It is further determined that there is a statewide
10 pressing need for programs to alleviate and prevent conditions of
11 unemployment in the housing industry, to preserve existing jobs
12 and create new jobs to meet the employment demands of population
13 growth, to promote the development of construction related busi-
14 ness enterprises, to revitalize and diversify the Michigan econ-
15 omy in general, and to achieve the goals of economic growth and
16 full employment.

17 (6) It is further determined that the construction and reha-
18 bilitation of safe and sanitary dwellings are necessary to the
19 creation and retention of jobs in the state.

20 (7) It is further determined that the retention, promotion,
21 and development of the housing industry require additional means
22 of financing to help existing business enterprises expand more
23 rapidly, to promote the location of additional business enter-
24 prises in this state, and to alleviate and prevent conditions of
25 unemployment.

26 (8) The legislature finds that the conditions described in
27 subsections (1) to (7) cannot be remedied by the ordinary

1 operation of private enterprise without supplementary public
2 participation and that the authority and powers conferred by this
3 act constitute a necessary program and serve a valid public
4 purpose.

5 Sec. 11. As used in this act:

6 (a) "Authority" means the Michigan state housing development
7 authority created in this act.

8 (b) "Development costs" means the costs that have been
9 approved by the authority as appropriate expenditures, and
10 includes:

11 (i) Payments for options to purchase properties on the pro-
12 posed housing project site, deposits on contracts of purchase,
13 or, with the prior approval of the authority, payments for the
14 purchases of those properties.

15 (ii) Legal, organizational, and marketing expenses, includ-
16 ing payment of attorneys' fees, project manager and clerical
17 staff salaries, office rent, and other incidental expenses.

18 (iii) Payment of fees for preliminary feasibility studies,
19 advances for planning, engineering, and architectural work.

20 (iv) Expenses for surveys as to need, and market analyses.

21 (v) Necessary application and other fees to federal and
22 other government agencies.

23 (vi) Other expenses incurred by the nonprofit housing corpo-
24 ration, consumer housing cooperative, limited dividend housing
25 corporation, ~~mobile~~ MANUFACTURED home park corporation, or
26 ~~mobile~~ MANUFACTURED home park association that the authority
27 considers appropriate to effectuate the purposes of this act.

1 (c) "Federally-aided mortgage" means ~~any~~ 1 OR MORE of the
2 following:

3 (i) A below market interest rate mortgage insured, pur-
4 chased, or held by the secretary of the department of housing and
5 urban development.

6 (ii) A market interest rate mortgage insured by the secre-
7 tary of the department of housing and urban development and aug-
8 mented by a program of rent supplements.

9 (iii) A mortgage receiving interest reduction payments pro-
10 vided by the secretary of the department of housing and urban
11 development.

12 (iv) A mortgage on a housing project to which the authority
13 allocates low income housing tax credits under section 22b.

14 (v) A mortgage receiving special benefits under other fed-
15 eral law designated specifically to develop low and moderate
16 income housing, consistent with this act.

17 (d) "Fund" means the housing development fund created by
18 ~~this act~~ SECTION 23.

19 (e) "Project cost" means the sum total of all reasonable or
20 necessary costs incurred by the nonprofit housing corporation,
21 consumer housing cooperative, limited dividend housing corpora-
22 tion, ~~mobile~~ MANUFACTURED home park corporation, or ~~mobile~~
23 MANUFACTURED home park association for carrying out all works and
24 undertakings for the completion of a housing project and approved
25 by the authority. In addition to other reasonable and necessary
26 costs, "project costs" includes costs for all of the following:
27 studies and surveys; plans, specifications, and architectural and

1 engineering services; legal, organization, marketing, or other
2 special services; financing, acquisition, demolition, construc-
3 tion, equipment, and site development of new and rehabilitated
4 buildings; movement of existing buildings to other sites; reha-
5 bilitation, reconstruction, repair, or remodeling of existing
6 buildings; carrying charges during construction; the cost of
7 placement of tenants or occupants, and relocation services in
8 connection with a housing project; and, to the extent not already
9 included, all development costs.

10 (f) "Housing project" means ~~any~~ 1 OR MORE of the
11 following:

12 (i) Residential real property developed or to be developed
13 or receiving benefits under this act.

14 (ii) A specific work or improvement either for rental or for
15 subsequent sale to an individual purchaser undertaken by a non-
16 profit housing corporation, consumer housing cooperative, limited
17 dividend housing corporation, ~~mobile~~ MANUFACTURED home park
18 corporation, or ~~mobile~~ MANUFACTURED home park association pur-
19 suant to or receiving benefits under this act to provide dwelling
20 accommodations, including the acquisition, construction, or reha-
21 bilitation of lands, buildings, and improvements.

22 (iii) Social, recreational, commercial, and communal facili-
23 ties that the authority finds necessary to serve and improve a
24 residential area in which housing described in subparagraph (i)
25 or (ii) is located or is planned to be located, thereby enhancing
26 the viability of the housing.

1 (g) "Low income or moderate income persons" means families
2 and persons who cannot afford to pay the amounts at which private
3 enterprise, without federally-aided mortgages or loans from the
4 authority, is providing a substantial supply of decent, safe, and
5 sanitary housing and who fall within income limitations set in
6 this act or by the authority in its rules. Among low income or
7 moderate income persons, preference shall be given to the elderly
8 and those displaced by urban renewal, slum clearance, or other
9 governmental action.

10 (h) "Municipality" means a city, village, or township in
11 this state.

12 (i) "County" means a county within this state.

13 (j) "Governing body" means in the case of a city, the coun-
14 cil or commission of the city; in the case of a village, the
15 council, commission, or board of trustees of the village; in the
16 case of a township, the township board; and in the case of a
17 county, the county board of commissioners.

18 (k) "Nonprofit housing corporation" means a nonprofit corpo-
19 ration incorporated under the corporation laws of this state and
20 chapter 4.

21 (l) "Consumer housing cooperative" means a nonprofit corpo-
22 ration incorporated pursuant to the corporation laws of this
23 state and chapter 5.

24 (m) "Annual shelter rent" means the total collections during
25 an agreed annual period from all occupants of a housing project
26 representing rent or occupancy charges, exclusive of charges for

1 gas, electricity, heat, or other utilities furnished to the
2 occupants.

3 (n) "Taxing jurisdiction" means a municipality, county, or
4 district, including a school district or ~~any~~ A special district
5 having the power to levy or collect taxes upon real property or
6 in whose behalf taxes may be levied or collected.

7 (o) "Elderly" means a single person who is 55 years of age
8 or older or a household in which at least 1 member is 55 years of
9 age or older and all other members are 50 years of age or older.

10 (p) "Housing development" means a development that contains
11 a significant element of housing for persons of low or moderate
12 income and elements of other housing and commercial, recreation-
13 al, industrial, communal, and educational facilities that the
14 authority determines improve the quality of the development as it
15 relates to housing for persons of low or moderate income.

16 (q) "Limited dividend housing corporation" means a corpora-
17 tion incorporated or qualified pursuant to the corporation laws
18 of this state and chapter 6 and a limited dividend housing asso-
19 ciation organized and qualified ~~pursuant~~ ACCORDING to chapter
20 7.

21 (r) "Residential real property" means real property located
22 in this state, used for residential purposes, and improved or to
23 be improved by a residential structure. Residential real prop-
24 erty includes a ~~mobile~~ MANUFACTURED home, a ~~mobile~~
25 MANUFACTURED home park, and a ~~mobile~~ MANUFACTURED home condo-
26 minium project. When the terms "rehabilitate" or
27 "rehabilitation" are used in conjunction with residential real

1 property, residential real property refers to property improved
2 by a residential structure.

3 (s) "Rehabilitation" means all or part of those repairs and
4 improvements necessary to make residential real property safe,
5 sanitary, or adequate.

6 (t) "Deferred payment loan" means a loan that is repayable
7 or partially repayable upon the occurrence of a specified event
8 as determined by the authority.

9 (u) "Eligible distressed area" means ~~any~~ 1 OR MORE of the
10 following:

11 (i) An area located in a city with a population of at least
12 10,000, which area is either designated as a "blighted area" by a
13 local legislative body ~~pursuant~~ ACCORDING to ~~Act No. 344 of~~
14 ~~the Public Acts of 1945, being sections 125.71 to 125.84 of the~~
15 ~~Michigan Compiled Laws~~ 1945 PA 344, MCL 125.71 TO 125.84, or
16 which area is determined by the authority to be blighted or
17 largely vacant by reason of clearance of blight, if, with respect
18 to the area, the authority determines all of the following:

19 (A) That private enterprise has failed to provide a supply
20 of adequate, safe, and sanitary dwellings sufficient to meet
21 market demand.

22 (B) That approval of elimination of income limits applicable
23 in connection with authority loans has been received from the
24 city in the form of either a resolution adopted by the highest
25 legislative body of the city or, if the city charter provides for
26 the mayor to be elected at large with that office specifically
27 designated on the ballot, provides that the office of mayor is a

1 full-time position, and provides that the mayor has the power to
2 veto legislative actions of the legislative body of that city, a
3 written communication from the mayor of that city.

4 (ii) A municipality that meets all of the following
5 requirements:

6 (A) The municipality shows a negative population change from
7 1970 to the date of the most recent federal decennial census.

8 (B) The municipality shows an overall increase in the state
9 equalized value of real and personal property of less than the
10 statewide average increase since 1972.

11 (C) The municipality has a poverty rate, as defined by the
12 most recent federal decennial census, greater than the statewide
13 average.

14 (D) The municipality has had an unemployment rate higher
15 than the statewide average unemployment rate for 3 of the preced-
16 ing 5 years.

17 (iii) An area located in a local unit of government certi-
18 fied by the Michigan enterprise zone authority as meeting the
19 criteria prescribed in section 2(d) of the neighborhood enter-
20 prise zone act, ~~Act No. 147 of the Public Acts of 1992, being~~
21 ~~section 207.772 of the Michigan Compiled Laws~~ 1992 PA 147, MCL
22 207.772.

23 (v) ~~"Mobile"~~ "MANUFACTURED home" means a structure, trans-
24 portable in 1 or more sections, that is built on a chassis and is
25 designed to be used as a dwelling with or without permanent foun-
26 dation, when connected to the required utilities, and includes
27 the plumbing, heating, air conditioning, and electrical systems

1 contained in the structure. ~~Mobile~~ MANUFACTURED home may, but
2 need not, include the real property to which the ~~mobile~~
3 MANUFACTURED home may be attached. ~~Mobile~~ MANUFACTURED home
4 does not include a recreational vehicle. MANUFACTURED HOME
5 INCLUDES A MANUFACTURED HOME AS DEFINED IN SECTION 603(6) OF THE
6 NATIONAL MANUFACTURED HOUSING CONSTRUCTION AND SAFETY STANDARDS
7 ACT OF 1974, TITLE VI OF THE HOUSING AND COMMUNITY DEVELOPMENT
8 ACT OF 1974, PUBLIC LAW 93-383, 42 U.S.C. 5402(6).

9 (w) ~~"Mobile"~~ "MANUFACTURED home condominium project" means
10 a condominium project in which ~~mobile~~ MANUFACTURED homes are
11 intended to be located upon separate sites that constitute indi-
12 vidual condominium units and that complies with the condominium
13 act, ~~Act No. 59 of the Public Acts of 1978, being sections~~
14 ~~559.101 to 559.275 of the Michigan Compiled Laws~~ 1978 PA 59, MCL
15 559.101 TO 559.275.

16 (x) ~~"Mobile"~~ "MANUFACTURED home park" means a parcel or
17 tract of land under the control of a person or entity ~~upon~~
18 ~~which~~ WHERE 3 or more ~~mobile~~ MANUFACTURED homes are located on
19 a continual, nonrecreational, residential basis and that is
20 offered to the public for general public use for continual, non-
21 recreational, residential purposes regardless of whether a charge
22 is made for that use, together with ~~any~~ social, recreational,
23 commercial, and communal facilities used or intended for use
24 incident to the occupancy of a ~~mobile~~ MANUFACTURED home.
25 ~~Mobile~~ MANUFACTURED home park does not include A trailer ~~parks~~
26 ~~and courts~~ PARK OR COURT for use on a transient basis.

1 (y) ~~"Mobile"~~ "MANUFACTURED home park association" means a
2 ~~mobile~~ MANUFACTURED home park association organized and
3 qualified in accordance with chapter 9.

4 (z) ~~"Mobile"~~ "MANUFACTURED home park corporation" means a
5 corporation incorporated ~~pursuant~~ ACCORDING to the corporation
6 laws of this state and qualified in accordance with chapter 8.

7 (aa) "Housing unit" means living accommodations that are
8 intended for occupancy by up to 4 families, with a separate
9 dwelling unit for each family, that may be site constructed or
10 may be a ~~mobile~~ MANUFACTURED home or other form of manufactured
11 housing, and with respect to which either of the following
12 applies:

13 (i) The owner of the housing occupies at least 1 of the
14 dwelling units.

15 (ii) A cooperative shareholder or member has a proprietary
16 lease of the housing unit.

17 (bb) "Moderate cost residential rental property" means
18 dwelling units for which the rental payments are equal to or less
19 than that established from time to time as the fair market rents
20 for existing housing in accordance with 1 of the following:

21 (i) The section 8 leased housing program established under
22 section 8 of TITLE I OF the United States housing act of 1937,
23 CHAPTER 896, 88 STAT. 662, 42 U.S.C. 1437f, and the regulations
24 promulgated under that act, or a substantially equivalent succes-
25 sor federal program.

26 (ii) A determination made by the authority of the average
27 fair market rent for existing rental property.

1 (cc) "Area of chronic economic distress" means an area that
2 qualifies as a "qualified census tract" or an "area of chronic
3 economic distress" as defined in former section 103A(k) of the
4 internal revenue code OF 1986, or an eligible distressed area.

5 (dd) "Mortgage lender" means a state or national bank, state
6 or federal savings and loan association, mortgage company, insur-
7 ance company, state pension fund, or any other financial institu-
8 tion, intermediary, or entity authorized to make mortgage loans
9 in this state.

10 (ee) "Authority-aided mortgage" means a mortgage made, held,
11 purchased, or assisted by the authority.

12 (ff) "Subsidiary nonprofit housing corporation" means an
13 entity created under section 22c.

14 (gg) "Family income" means all income that is included in a
15 determination of family income under section 143(f) of the inter-
16 nal revenue code OF 1986 together with the income of all adults
17 who will reside in the residence, which income might otherwise be
18 excluded from consideration because the individual was not
19 expected to both live in the residence and be primarily or secon-
20 darily liable on the mortgage note.

21 (hh) "Statewide median gross income" means the statewide
22 median gross income as determined under section 143(f) of the
23 internal revenue code OF 1986.

24 (ii) "Mutual housing association" means a corporation orga-
25 nized in accordance with chapter 10.

26 Sec. 15a. (1) If a housing project owned by a nonprofit
27 housing corporation, consumer housing cooperative, limited

1 dividend housing corporation, ~~mobile~~ MANUFACTURED home park
2 corporation, or ~~mobile~~ MANUFACTURED home park association is
3 financed with a federally-aided or authority-aided mortgage or
4 advance or grant from the authority, then, except as provided in
5 this section, the housing project is exempt from all ad valorem
6 property taxes imposed by this state or by ~~any~~ A political sub-
7 division, public body, or taxing district in which the project is
8 located. The owner of a housing project eligible for the exemp-
9 tion shall file with the local assessing officer a notification
10 of the exemption, ~~which~~ THAT shall be in an affidavit form as
11 provided by the authority. The completed affidavit form first
12 shall be submitted to the authority for certification by the
13 authority that the project is eligible for the exemption. The
14 owner then shall file the certified notification of the exemption
15 with the local assessing officer before November 1 of the year
16 preceding the tax year in which the exemption is to begin.

17 (2) The owner of a housing project exempt from taxation
18 under this section shall pay to the municipality in which the
19 project is located an annual service charge for public services
20 in lieu of all taxes. Subject to subsection (6), the amount to
21 be paid as a service charge in lieu of taxes ~~shall be~~ IS for
22 new construction projects the greater of, and for rehabilitation
23 projects the lesser of, the tax on the property on which the
24 project is located for the tax year before the date when con-
25 struction or rehabilitation of the project was commenced or 10%
26 of the annual shelter rents obtained from the project. A
27 municipality, by ordinance, may establish or change, by any

1 amount it chooses, the service charge to be paid in lieu of taxes
2 by all or any class of housing projects exempt from taxation
3 under this act. However, the service charge shall not exceed the
4 taxes that would be paid but for this act.

5 (3) The exemption from taxation granted by this section
6 ~~shall remain~~ REMAINS in effect for as long as the
7 federally-aided or authority-aided mortgage or advance or grant
8 from the authority is outstanding, but not more than 50 years.
9 The municipality may establish by ordinance a different period of
10 time for the exemption to remain in effect.

11 (4) Except as otherwise provided in this subsection, ~~any~~
12 payments for public services received by a municipality in lieu
13 of taxes under this section shall be distributed by the munici-
14 pality to the several units levying the general property tax in
15 the same proportion as prevailed with the general property tax in
16 the previous calendar year. For payments in lieu of taxes col-
17 lected after June 30, 1994, the distribution to the several units
18 shall be made as if the number of mills levied for local school
19 district operating purposes were equal to the number of mills
20 levied for those purposes in 1993 minus the number of mills
21 levied under the state education tax act, ~~Act No. 331 of the~~
22 ~~Public Acts of 1993, being sections 211.901 to 211.906 of the~~
23 ~~Michigan Compiled Laws~~ 1993 PA 331, MCL 211.901 TO 211.906, for
24 the year for which the distribution is calculated. For tax years
25 after 1993, the amount of payments in lieu of taxes to be dis-
26 tributed to a local school district for operating purposes under
27 this subsection shall not be distributed to the local school

1 district but instead shall be paid to the state treasury and
2 credited to the state school aid fund established by section 11
3 of article IX of the state constitution of 1963.

4 (5) Notwithstanding subsection (1), a municipality may pro-
5 vide by ordinance that the tax exemption established in subsec-
6 tion (1) ~~shall~~ DOES not apply to all or any class of housing
7 projects within its boundaries to which subsection (1) applies.
8 If the municipality makes that provision, the tax exemption
9 established in subsection (1) ~~shall~~ DOES not apply to the class
10 of housing projects designated in the ordinance. If the ordi-
11 nance ~~so~~ provides, the ordinance ~~shall be~~ IS effective with
12 respect to housing projects for which an exemption has already
13 been granted on December 31 of the year in which the ordinance is
14 adopted, but not before. A municipality that has adopted an
15 ordinance described in this subsection may repeal that ordinance,
16 and the repeal shall become effective on the date designated in
17 the repealing ordinance.

18 (6) Notwithstanding subsection (2), the service charge to be
19 paid each year in lieu of taxes for that part of a housing
20 project that is tax exempt under subsection (1) and that is occu-
21 pied by other than low income persons or families shall be equal
22 to the full amount of the taxes that would be paid on that por-
23 tion of the project if the project were not tax exempt. The ben-
24 efits of ~~any~~ A tax exemption granted under this section shall
25 be allocated by the owner of the housing project exclusively to
26 low income persons or families in the form of reduced housing
27 charges.

1 (7) For purposes of this section only, "low income persons
2 and families" means, with respect to ~~any~~ A housing project that
3 is tax exempt, persons and families eligible to move into that
4 project. For purposes of this subsection, the authority may
5 promulgate rules to redefine low income persons or families for
6 each municipality on the basis of conditions existing in that
7 municipality.

8 (8) This state shall not reimburse ~~any~~ A unit of govern-
9 ment for a tax exemption granted to ~~any~~ A housing project under
10 this section.

11 Sec. 22. The authority ~~shall possess~~ POSSESSES all powers
12 necessary or convenient to carry out this act, including the fol-
13 lowing powers in addition to other powers granted by other provi-
14 sions of this act:

15 (a) To sue and to be sued; to have a seal and to alter the
16 seal at pleasure; to have perpetual succession; to make and exe-
17 cute contracts and other instruments necessary or convenient to
18 the exercise of the powers of the authority; and to make, amend,
19 and repeal bylaws and rules.

20 (b) To undertake and carry out studies and analyses of hous-
21 ing needs within this state and ways of meeting those needs,
22 including data with respect to population and family groups, the
23 distribution of population and family groups according to income,
24 and the amount and quality of available housing and its distribu-
25 tion according to rentals and sales prices, employment, wages,
26 and other factors affecting housing needs and the meeting of
27 housing needs; to make the results of those studies and analyses

1 available to the public and the housing and supply industries;
2 and to engage in research and disseminate information on
3 housing.

4 (c) To agree and comply with conditions attached to federal
5 financial assistance.

6 (d) To survey and investigate housing conditions and needs,
7 both urban and rural, throughout this state and make recommenda-
8 tions to the governor and the legislature regarding legislation
9 and other measures necessary or advisable to alleviate ~~any~~ AN
10 existing housing shortage in this state.

11 (e) To establish and collect fees and charges in connection
12 with the sale of the authority's publications and the authority's
13 loans, commitments, and servicing, including but not limited to
14 the reimbursement of costs of financing by the authority, service
15 charges, and insurance premiums as the authority determines to be
16 reasonable and as approved by the authority. Fees and charges
17 shall be determined by the authority and shall not be considered
18 to be interest. The authority may use ~~any~~ accumulated fees and
19 charges and interest income for achieving ~~any of~~ the corporate
20 purposes of the authority, to the extent that the fees, charges,
21 and interest income are not pledged to the repayment of bonds and
22 notes of the authority or the interest on those bonds and notes.

23 (f) To encourage community organizations to assist in initi-
24 ating housing projects as provided in this act.

25 (g) To encourage the salvage of all possible usable housing
26 scheduled for demolition because of highway, school, urban
27 renewal, or other programs by seeking authority for the sponsors

1 of the programs to use funds provided for the demolition of the
2 buildings, to be allocated to those sponsors approved by the
3 authority to defray moving and rehabilitation costs of the
4 buildings.

5 (h) To engage and encourage research in, and to formulate
6 demonstration projects to develop, new and better techniques and
7 methods for increasing the supply of housing for persons eligible
8 for assistance as provided in this act; and to provide technical
9 assistance in the development of housing projects and in the
10 development of programs to improve the quality of life for all
11 the people of this state.

12 (i) To make or purchase loans, including loans for condomin-
13 ium units as defined in section 4 of the condominium act, 1978 PA
14 59, MCL 559.104, and including loans to mortgage lenders, which
15 are unsecured or the repayments of which are secured by mort-
16 gages, security interests, or other forms of security; to pur-
17 chase and enter into commitments for the purchase of securities,
18 certificates of deposits, time deposits, or mortgage loans from
19 mortgage lenders; to participate in the making or purchasing of
20 unsecured or secured loans and undertake commitments to make or
21 purchase unsecured or secured loans; to sell mortgages, security
22 interests, notes, and other instruments or obligations evidencing
23 or securing loans, including certificates evidencing interests in
24 1 or more loans, at public or private sale; in connection with
25 the sale of an instrument or obligation evidencing or securing 1
26 or more loans, to service, guarantee payment on, or repurchase
27 the instrument or obligation, whether or not it is in default; to

1 modify or alter mortgages and security interests; to foreclose on
2 ~~any~~ A mortgage, security interest, or other form of security;
3 to finance housing units; to commence an action to protect or
4 enforce a right conferred upon the authority by law, mortgage,
5 security agreement, contract, or other agreement; to bid for and
6 purchase property that was the subject of the mortgage, security
7 interest, or other form of security, at a foreclosure or at ~~any~~
8 ~~other~~ A sale, and to acquire or take possession of the
9 property. Upon acquiring or taking possession of the property,
10 the authority may complete, administer, and pay the principal and
11 interest of obligations incurred in connection with the property,
12 and may dispose of and otherwise deal with the property in ~~any~~
13 A manner necessary or desirable to protect the interests of the
14 authority in the property. If the authority or an entity that
15 provides mortgage insurance to the authority acquires property
16 upon the default of a borrower, the authority may make a mortgage
17 loan to a subsequent purchaser of that property even if the pur-
18 chaser does not meet otherwise applicable income limitations and
19 purchase price limits.

20 (j) To set standards for housing projects that receive loans
21 under this act and to provide for inspections to determine com-
22 pliance with those standards. The standards for construction and
23 rehabilitation of ~~mobile~~ MANUFACTURED homes, ~~mobile~~
24 MANUFACTURED home parks, and ~~mobile~~ MANUFACTURED home condomin-
25 ium projects shall be established jointly by the authority and
26 the ~~mobile home~~ MANUFACTURED HOUSING commission, created in the
27 ~~mobile home~~ MANUFACTURED HOUSING commission act, 1987 PA 96,

1 MCL 125.2301 to 125.2349. However, financing standards shall be
2 established solely by the authority.

3 (k) To accept gifts, grants, loans, appropriations, or other
4 aid from the federal, state, or local government, from a subdivi-
5 sion, agency, or instrumentality of a federal, state, or local
6 government, or from a person, corporation, firm, or other
7 organization.

8 (l) To acquire or contract to acquire from a person, firm,
9 corporation, municipality, or federal or state agency, by grant,
10 purchase, or otherwise, leaseholds or real or personal property,
11 or ~~any~~ AN interest in a leasehold or real or personal property;
12 to own, hold, clear, improve, and rehabilitate and to sell,
13 assign, exchange, transfer, convey, lease, mortgage, or otherwise
14 dispose of or encumber ~~any~~ AN interest in a leasehold or real
15 or personal property. This act ~~shall~~ DOES not impede the oper-
16 ation and effect of local zoning, building, and housing ordi-
17 nances, ordinances relating to subdivision control, land develop-
18 ment, or fire prevention, or other ordinances having to do with
19 housing or the development of housing.

20 (m) To procure insurance against ~~any~~ A loss in connection
21 with the property and other assets of the authority.

22 (n) To invest, at the discretion of the authority, funds
23 held in reserve or sinking funds, or ~~moneys~~ MONEY not required
24 for immediate use or disbursement, in obligations of this state
25 or of the United States, in obligations the principal and inter-
26 est of which are guaranteed by this state or the United States,

1 or in other obligations as may be approved by the state
2 treasurer.

3 (o) To promulgate rules necessary to carry out the purposes
4 of this act and to exercise the powers expressly granted in this
5 act in accordance with the administrative procedures act of 1969,
6 1969 PA 306, MCL 24.201 to 24.328.

7 (p) To enter into agreements with nonprofit housing corpora-
8 tions, consumer housing cooperatives, limited dividend housing
9 corporations, mobile home park corporations, and mobile home park
10 associations that provide for regulation by the authority of the
11 planning, development, and management of any housing project
12 undertaken by nonprofit housing corporations, consumer housing
13 cooperatives, limited dividend housing corporations, ~~mobile~~
14 MANUFACTURED home park corporations, and ~~mobile~~ MANUFACTURED
15 home park associations and ~~which~~ THAT provide for the disposi-
16 tion of the property and franchises of those corporations, coop-
17 eratives, and associations.

18 (q) To appoint to the board of directors of a nonprofit
19 housing corporation, consumer housing cooperative, limited divi-
20 dend housing corporation, ~~mobile~~ MANUFACTURED home park corpo-
21 ration, or ~~mobile~~ MANUFACTURED home park association, a number
22 of new directors sufficient to constitute a majority of the board
23 notwithstanding other provisions of the articles of incorporation
24 or other provisions of law. ~~Directors~~ A DIRECTOR appointed
25 under this subsection need not be ~~stockholders~~ A STOCKHOLDER or
26 ~~members~~ A MEMBER or meet other qualifications that may be
27 described by the certificate of incorporation or bylaws. In the

1 absence of fraud or bad faith, ~~directors~~ A DIRECTOR appointed
2 under this subsection ~~shall~~ IS not ~~be~~ personally liable for
3 debts, obligations, or liabilities of the corporation or
4 association. The authority may appoint ~~directors~~ A DIRECTOR
5 under this subsection only if 1 or more of the following occur:

6 (i) The nonprofit housing corporation, consumer housing
7 cooperative, limited dividend housing corporation, ~~mobile~~
8 MANUFACTURED home park corporation, or ~~mobile~~ MANUFACTURED home
9 park association has received a loan or advance, as provided for
10 in this act, and the authority determines that the loan or
11 advance is in jeopardy of not being repaid.

12 (ii) The nonprofit housing corporation, consumer housing
13 cooperative, limited dividend housing corporation, ~~mobile~~
14 MANUFACTURED home park corporation, or ~~mobile~~ MANUFACTURED home
15 park association received a loan or advance as provided for in
16 this act and the authority determines that the proposed housing
17 project for which the loan or advance was made is in jeopardy of
18 not being constructed.

19 (iii) The authority determines that some part of the net
20 income or net earnings of the nonprofit housing corporation is
21 inuring to the benefit of a private individual, firm, corpora-
22 tion, partnership, or association; the authority determines that
23 an unreasonable part of the net income or net earnings of the
24 consumer housing cooperative is inuring to the benefit of a pri-
25 vate individual, firm, corporation, partnership, or association;
26 or the authority determines that some part of the net income or
27 net earnings of the limited dividend housing corporation, in

1 excess of that permitted by other provisions of this act, is
2 inuring to the benefit of a private individual, firm, corpora-
3 tion, partnership, or association.

4 (iv) The authority determines that the nonprofit corporation
5 or consumer housing cooperative is in some manner controlled by,
6 under the direction of, or acting in the substantial interest of
7 a private individual, firm, corporation, partnership, or associa-
8 tion seeking to derive benefit or gain from, or seeking to elimi-
9 nate or minimize losses in ~~any~~ dealings or transactions with,
10 the nonprofit corporation or consumer housing cooperative.

11 However, this subparagraph ~~shall apply~~ APPLIES to AN individual
12 ~~cooperators~~ COOPERATOR in A consumer housing ~~cooperatives~~
13 COOPERATIVE only in circumstances defined by the authority in its
14 rules.

15 (v) The authority determines that the nonprofit housing cor-
16 poration, consumer housing cooperative, limited dividend housing
17 corporation, ~~mobile~~ MANUFACTURED home park corporation, or
18 ~~mobile~~ MANUFACTURED home park association is in violation of
19 the rules promulgated under this section.

20 (vi) The authority determines that the nonprofit housing
21 corporation, consumer housing cooperative, limited dividend hous-
22 ing corporation, ~~mobile~~ MANUFACTURED home park corporation, or
23 ~~mobile~~ MANUFACTURED home park association is in violation of 1
24 or more agreements entered into with the authority that provide
25 for regulation by the authority of the planning, development, and
26 management of a housing project undertaken by the nonprofit
27 housing corporation, consumer housing cooperative, limited

1 dividend housing corporation, ~~mobile~~ MANUFACTURED home park
2 corporation, or ~~mobile~~ MANUFACTURED home park association or
3 that provide for the disposition of the property and ~~franchises~~
4 A FRANCHISE of the corporation, or cooperative, or association.

5 (r) To give approval or consent to the articles of incorpo-
6 ration submitted to the authority by a corporation seeking
7 approval as a nonprofit housing corporation, consumer housing
8 cooperative, limited dividend housing corporation, or ~~mobile~~
9 MANUFACTURED home park corporation under chapter 4, 5, 6, or 8;
10 to give approval or consent to the partnership agreement, joint
11 venture agreement, trust agreement, or other document of basic
12 organization of a limited dividend housing association under
13 chapter 7 or ~~mobile~~ MANUFACTURED home park association under
14 chapter 9.

15 (s) To engage the services of private consultants on a con-
16 tract basis for rendering professional and technical assistance
17 and advice.

18 (t) To lease real or personal property and to accept federal
19 funds for, and participate in, federal programs of housing
20 assistance.

21 (u) To review and approve rental charges for
22 authority-financed housing projects and require whatever changes
23 the authority determines to be necessary. The changes shall
24 become effective after not less than 30 days' written notice is
25 given to the residents of the affected authority-financed housing
26 projects.

1 (v) To set forth in the various loan documents of the
2 authority those restrictions on the sale, conveyance by land
3 contract, or transfer of residential real property, housing
4 projects, or housing units for which a note is held by the
5 authority and restrictions on the assumption by subsequent pur-
6 chasers of loans originated by and held by, or originated for
7 purchase by and held by, the authority as the authority deter-
8 mines to be necessary in order to comply with requirements of
9 federal statutes, federal rules or regulations promulgated under
10 sections 551 to 559 of title 5 of the United States Code, 5
11 U.S.C. 551 to 559, state statutes, or state rules promulgated
12 under the administrative procedures act of 1969, 1969 PA 306, MCL
13 24.201 to 24.328, or to obtain and maintain the tax exempt status
14 of authority bonds and notes. However, the authority shall not
15 use a due on sale or acceleration clause solely for the purpose
16 of renegotiating the interest rate on a loan made with respect to
17 an owner-occupied single-family housing unit. Without limiting
18 the authority's power to establish other restrictions, as pro-
19 vided in this section, on the sale, conveyance by land contract,
20 or transfer of residential real property, housing projects, or
21 housing units for which a note is held by the authority and the
22 assumption by subsequent purchasers of loans made or purchased by
23 the authority, the authority shall provide in its loan documents
24 relating to a single family loan that the single family loan may
25 be assumed by a new purchaser only when the new purchaser quali-
26 fies under the authority income limitations rules except where
27 such a restriction diminishes or precludes the insurance or a

1 guarantee by an agency of the federal government with respect to
2 the single family loan. A loan made for a ~~mobile~~ MANUFACTURED
3 home that the borrower does not intend to permanently affix to
4 real property ~~shall become~~ BECOMES immediately due and payable
5 in the event the ~~mobile~~ MANUFACTURED home is moved out of the
6 state. ~~Any restrictions~~ A RESTRICTION on conveyance by sale,
7 conveyance by land contract, or transfer that ~~are~~ IS authorized
8 in this section ~~shall apply~~ APPLIES only to ~~loans~~ A LOAN
9 originated by and held by, or originated for purchase by and held
10 by, the authority and may, at the option of the authority, be
11 enforced by accelerating and declaring immediately due and pay-
12 able all sums evidenced by the note held by the authority. An
13 acceleration and declaration of all sums to be due and payable on
14 conveyance by sale, land contract, or transfer is not an unrea-
15 sonable restraint on alienation. An acceleration and declara-
16 tion, unless otherwise prohibited in this subdivision, of all
17 sums to be due and payable under this subdivision is enforceable
18 in ~~any~~ A court of competent jurisdiction. This subdivision is
19 applicable to secured and unsecured loans. This subdivision is
20 also applicable to loan documents utilized in conjunction with an
21 authority-operated program of residential rehabilitation by an
22 entity cooperating or participating with the authority under sec-
23 tion 22a(4), which loans are originated with the intent to sell
24 those loans to the authority.

25 (w) To set forth in the various loan documents of the
26 authority those remedies for the making of a false statement,
27 representation, or pretense or a material misstatement by a

1 borrower during the loan application process. Without limiting
2 the authority's power to pursue other remedies, the authority
3 shall provide in its loan documents that, if a borrower makes a
4 false statement, representation, or pretense or a material mis-
5 statement during the loan application process, the authority, at
6 its option, may accelerate and declare immediately due and pay-
7 able all sums evidenced by the note held by the authority. An
8 acceleration and declaration of all sums to be due as authorized
9 under this subdivision and payable as provided in this subdivi-
10 sion is enforceable in ~~any~~ A court of competent jurisdiction.
11 This subdivision is applicable to secured and unsecured loans.

12 (x) To collect interest on a real estate loan, the primary
13 security for which is not a first lien on real estate, at the
14 rate of 15% or less per annum on the unpaid balance. This subdivi-
15 sion does not impair the validity of a transaction or rate of
16 interest that is lawful without regard to this subdivision.

17 (y) To encourage and engage or participate in programs to
18 accomplish the preservation of housing in this state available
19 for occupancy by persons and families of low or moderate income.

20 (z) To verify for the state treasurer statements submitted
21 by a city, village, township, or county as to exempt properties
22 under section 7d of the general property tax act, 1893 PA 206,
23 MCL 211.7d.

24 (aa) To enter into interest rate exchanges or swaps, hedges,
25 or similar agreements with respect to its bonds or notes in the
26 same manner and subject to the same limitations and conditions

1 provided for a municipality in section 15 of chapter III of the
2 municipal finance act, 1943 PA 202, MCL 133.15.

3 (bb) To make working capital loans to contractors or subcon-
4 tractors on housing projects financed by the authority. The
5 authority shall submit an annual report to the legislature con-
6 taining the amount, recipient, duration, circumstance, and other
7 related statistics for each capital loan made to a contractor or
8 subcontractor under this subdivision. The authority shall
9 include in the report statistics related to the cost of improve-
10 ments made to adapt property for use by disabled individuals as
11 provided in section 32b(5) or (6) or section 44(2)(a).

12 (cc) Subject to rules of the civil service commission, to
13 adopt a code of ethics with respect to its employees that
14 requires disclosure of financial interests, defines and precludes
15 conflicts of interest, and establishes reasonable post-employment
16 restrictions for a period of up to 1 year after an employee ter-
17 minates employment with the authority.

18 (dd) To impose covenants running with the land in order to
19 satisfy requirements of applicable federal law with respect to
20 housing assisted or to be assisted through federal programs such
21 as the low income housing tax credit program or the home invest-
22 ment partnerships program by executing and recording regulatory
23 agreements between the authority or ~~such~~ municipality or other
24 entity as may be designated by the authority and the person or
25 entity to be bound. These covenants shall run with the land and
26 be effective with respect to the parties making the covenants and
27 other intended beneficiaries of the covenants, even though there

1 is no privity of estate or privity of contract as between the
2 authority and the persons or entities to be bound.

3 (ee) To impose covenants running with the land in order to
4 satisfy requirements of applicable state or federal law with
5 respect to housing financed by the authority by executing and
6 recording regulatory agreements between the authority and the
7 person or entity to be bound. These covenants shall run with the
8 land and be effective with respect to the parties making the cov-
9 enants and other intended beneficiaries of the covenants, even
10 though there is no privity of estate or privity of contract as
11 between the authority and the persons or entities to be bound.
12 With respect to the application of ~~any~~ applicable environmental
13 laws, this subdivision shall not be construed to grant to the
14 authority ~~any~~ additional rights, privileges, or immunities not
15 otherwise afforded to a private lender that is not in the chain
16 of title for the land.

17 (ff) To participate in programs designed to assist persons
18 and families whose incomes do not exceed 115% of the greater of
19 statewide median gross income or the area median gross income
20 become homeowners where loans are made by private lenders for
21 purchase by the government national mortgage association, federal
22 national mortgage association, federal home loan mortgage corpo-
23 ration, or other federally chartered organizations.
24 Participation may include providing or funding homeownership
25 counseling and providing some or all of a reserve fund to be used
26 to pay for losses in excess of insurance coverage.

1 (gg) To invest up to 20% of funds held by or for the
2 authority in escrow accounts for the benefit of the authority or
3 mortgagors of authority-financed housing in loans originated or
4 purchased by the authority, under the conditions prescribed in
5 this subdivision and without the consent of the escrow
6 depositors. In connection with loans described in this subdivi-
7 sion, the authority may charge and retain fees in amounts similar
8 to those charged with respect to similar loans for which the
9 source of funding does not come from escrow funds. The invest-
10 ment authorized by this subdivision shall not be made unless both
11 of the following requirements are met:

12 (i) The return on the loan is approximately equivalent to
13 that which could be obtained from investments of substantially
14 similar credit quality and maturity, as determined by the
15 authority.

16 (ii) The authority agrees to repurchase from its own funds
17 and at the same prices ~~at which~~ THAT the loans were sold to the
18 escrow funds, as adjusted for the accretion of discount or amor-
19 tization of premium, plus accrued interest, any loans that become
20 delinquent in excess of 30 days. This subdivision does not obli-
21 gate the authority to purchase a delinquent loan so long as with
22 respect to that loan the authority advances money from its own
23 funds in the amount of the delinquent payments. The authority's
24 election to advance payments does not ~~in any manner~~ abate or
25 cure the delinquency of the loan and the authority may resort to
26 any remedies that would exist in the absence of that payment.

1 (hh) To acquire, develop, rehabilitate, own, operate, and
2 enter into contracts with respect to the management and operation
3 of real and personal property to use as office facilities by the
4 authority and to enter into leases with respect to facilities not
5 immediately necessary for the activities of the authority.

6 (ii) To make loans to certain qualified buyers and resident
7 organizations and to make grants to resident organizations as
8 provided in the following:

9 (i) The urban homestead act, 1999 PA 127, MCL 125.2701 TO
10 125.2709.

11 (ii) The urban homesteading on vacant land act, 1999 PA 129,
12 MCL 125.2741 TO 125.2748.

13 (iii) The urban homesteading in single-family public housing
14 act, 1999 PA 128, MCL 125.2761 TO 125.2770.

15 (iv) The urban homesteading in multifamily public housing
16 act, 1999 PA 84, MCL 125.2721 TO 125.2734.

17 Sec. 24b. (1) The authority may use the money held in the
18 land acquisition and development fund to lease, acquire, or con-
19 tract to acquire real property by grant, purchase, or otherwise
20 from ~~any~~ A person, firm, partnership, corporation, municipali-
21 ty, county, or federal or state agency, upon determining that the
22 real property may be suitable for a future housing development or
23 housing project; or is located in a residential area where the
24 authority has financed or has planned to finance housing and the
25 proposed use of the real property will improve the quality of the
26 residential area by eliminating blight or provide needed public
27 or commercial facilities; or is so situated that the present or

1 future use of the real property, if not acquired by the
2 authority, will adversely affect the value or marketability of
3 the authority financed housing project. The authority may
4 acquire real property in its own name or through and in the name
5 of an agent by means of land contract, option, or other form of
6 deferred payment agreement, or subject to mortgages or other
7 encumbrances, if the authority reserves money in this fund or
8 authorization to issue notes and bonds, the aggregate amount of
9 which equals the unpaid principal balance on the land contracts,
10 options, mortgages, or other encumbrances or deferred payment
11 agreements plus ~~any~~ anticipated carrying charges, including
12 insurance premiums, interest, maintenance expenses, and property
13 taxes. The authority may exchange real property purchased with
14 money from this fund for other real property, if the authority
15 determines that the real property will be acquired for a purpose
16 for which real property can be purchased with money from this
17 fund. Money received by the authority in connection with the
18 exchange and ~~any~~ money received from the sale or rental of the
19 real property shall be deposited in the land acquisition and
20 development fund.

21 (2) The authority may contract for and use money held in the
22 land acquisition and development fund for the following types of
23 improvements to real property purchased or otherwise acquired for
24 the purposes of this fund:

25 (a) Improvements that are necessary to place the real prop-
26 erty in a safe, sanitary, and decent condition, including
27 demolition, excavation, and landscaping.

1 (b) Improvements to real property ~~which~~ THAT is to be
2 dedicated for the public use and enjoyment, including the instal-
3 lation of recreational facilities, benches, shelters, lighting,
4 and walkways.

5 (c) Improvements that are necessary to ~~insure~~ ENSURE the
6 planned development of the real property, including the installa-
7 tion of roads, sidewalks, sewers, and utilities. The authority
8 may contract for and use money held in the land acquisition and
9 development fund for services needed in connection with the
10 acquisition, disposition, planning, development, and maintenance
11 of real property.

12 (3) The authority may use the money held in the land acqui-
13 sition and development fund to pay the following costs on real
14 property purchased or being purchased with money from this fund
15 or acquired by gift, grant, or exchange for the purposes of this
16 fund:

17 (a) The costs of property taxes, insurance premiums, inter-
18 est, maintenance expenses, and other carrying charges on real
19 property notwithstanding the provisions of section 42, during the
20 period when real property is owned or is being purchased by the
21 authority or its agent, the authority shall pay all property
22 taxes levied against the real property unless a taxing jurisdic-
23 tion exempts the real property from property taxes. The assessed
24 valuation of the real property while it is owned or being pur-
25 chased by the authority or its agent shall not be increased by
26 ~~any~~ A taxing jurisdiction, except to reflect the state
27 equalization valuation process.

1 (b) The costs of planning the development of the real
2 property, including, but not limited to, the costs of economic
3 feasibility studies, land use studies, site development planning,
4 architectural and engineering design, market analysis and all
5 related analyses, studies and planning services.

6 (c) The costs incurred in the transfer of real property,
7 including brokerage and appraisal fees, recording expenses, and
8 the costs of surveys and title insurance.

9 (d) The costs of the improvements to real property permitted
10 by subsection (2).

11 (4) Real property may be conveyed by the authority to a non-
12 profit housing corporation, consumer housing cooperative, limited
13 dividend housing corporation, limited dividend housing associa-
14 tion, ~~mobile~~ MANUFACTURED home park corporation, ~~mobile~~
15 MANUFACTURED home park association, or municipality for the pur-
16 pose of constructing housing projects at ~~such~~ A price and on
17 ~~such~~ terms and conditions as ~~shall be determined by~~ the
18 authority DETERMINES. Real property may be conveyed by the
19 authority to the state or federal government, or ~~any~~ A county
20 or municipality for the use and enjoyment of the public upon
21 ~~such~~ THE terms and conditions as ~~shall be determined by~~ the
22 authority DETERMINES. Real property may be sold by the authority
23 to an individual, firm, partnership, corporation, county, munici-
24 pality, authority, or federal or state agency for any purpose at
25 a price, equal to or greater than the lesser of the fair market
26 value of the property at the time of sale or the price paid by
27 the authority to acquire, hold, and improve the real property. —,

1 ~~which~~ THE conveyance ~~shall be~~ IS subject to terms and
2 conditions determined by the authority. In conjunction with a
3 sale or conveyance of real property, the authority may enter into
4 agreements ~~which~~ THAT regulate all aspects of the development
5 of the real property, including, but not limited to, land use
6 planning, site development, construction, architectural and engi-
7 neering design, marketing, management, occupancy, operation, and
8 all factors related to the foregoing.

9 Sec. 32. (1) The authority may create and establish 1 or
10 more special funds called capital reserve funds to secure notes
11 and bonds of the authority. The authority shall pay into a capi-
12 tal reserve fund money appropriated and made available by this
13 state for the purposes of the fund, the proceeds of the sale of
14 notes or bonds to the extent provided in the resolution of the
15 authority authorizing the issuance of the notes or bonds, and
16 other money that is made available to the authority for the pur-
17 pose of a fund from any other source. In addition to, or in lieu
18 of, depositing money in a capital reserve fund, the authority may
19 obtain and pledge letters of credit and, effective retroactively
20 as of June 1, 1993, insurance policies, surety bonds, guarantees,
21 or other security arrangements if those other security arrange-
22 ments are approved by the state treasurer, for the purposes of
23 the capital reserve fund. The amount available under letters of
24 credit, insurance policies, surety bonds, guarantees, or other
25 security arrangements pledged to a capital reserve fund shall be
26 credited toward the satisfaction of a capital reserve fund
27 requirement. All money and proceeds under letters of credit,

1 insurance policies, surety bonds, guarantees, or other security
2 arrangements held in a capital reserve fund, except as specifi-
3 cally provided, shall be used as required solely for the payment
4 of the principal of notes or bonds of the authority secured in
5 whole or in part by the capital reserve fund, for the purchase or
6 redemption of notes or bonds, for the payment of interest on the
7 notes or bonds, or for the payment of a redemption premium
8 required to be paid when the notes or bonds are redeemed prior to
9 maturity. However, the authority shall not use the capital
10 reserve fund for an optional purchase or optional redemption of
11 notes or bonds if the use would reduce the total of the money on
12 deposit in the capital reserve fund and amounts available under a
13 letter of credit, insurance policy, surety bond, guarantee, or
14 other security arrangement pledged to a capital reserve fund to
15 less than the capital reserve fund requirement established for
16 the fund. Income or interest earned by, or increment to, a capi-
17 tal reserve fund due to the investment of the money in the capi-
18 tal reserve fund may be transferred by the authority to other
19 funds or accounts of the authority to the extent that the trans-
20 fer does not reduce the total of the amount of money in a capital
21 reserve fund and amounts available under a letter of credit,
22 insurance policy, surety bond, guarantee, or other security
23 arrangement pledged to the capital reserve fund below the capital
24 reserve fund requirement for a fund.

25 (2) The authority shall not ~~at any time~~ issue notes or
26 bonds secured in whole or in part by a capital reserve fund if,
27 upon the issuance of the notes or bonds, the amount in the

1 capital reserve fund, including the amounts available under a
2 letter of credit, insurance policy, surety bond, guarantee, or
3 other security arrangement pledged to the capital reserve fund,
4 would be less than the capital reserve fund requirement for the
5 fund, unless the authority, at the time of issuance of the notes
6 or bonds, deposits in the fund from the proceeds of the notes or
7 bonds to be issued, or from other sources, an amount that,
8 together with the amount then in the fund, is not less than the
9 capital reserve fund requirement for the fund, or obtains a
10 letter of credit, insurance policy, surety bond, guarantee, or
11 other security arrangement in an amount that, together with the
12 amount then in the fund, is not less than the capital reserve
13 fund requirement for the fund. For the purposes of this section,
14 "capital reserve fund requirement" means the requirement provided
15 in the resolution of the authority authorizing the notes or bonds
16 with respect to which the fund is established. ~~—, which~~ THE
17 amount shall not exceed the maximum amount of principal and
18 interest maturing and becoming due in a succeeding calendar year
19 on the notes or bonds of the authority secured in whole or part
20 by the fund.

21 (3) The authority has, before January 9, 1977, in connection
22 with its housing development bonds issued ~~pursuant~~ ACCORDING to
23 a bond resolution dated June 10, 1971, established within the
24 capital reserve fund relating to housing development bonds, a
25 capital reserve account and a capital reserve capital account.
26 This capital reserve account constitutes a capital reserve fund
27 under this act. Money in this capital reserve account shall

1 secure only housing development bonds issued ~~pursuant~~ ACCORDING
2 to the June 10, 1971 bond resolution. Unless otherwise provided
3 by the authority, money in the capital reserve capital account
4 shall secure all bonds and notes of the authority. In determin-
5 ing whether the capital reserve fund requirement established for
6 a capital reserve fund has been met, the authority shall not
7 include or take into account money in the capital reserve capital
8 account.

9 (4) The authority has, before January 9, 1977, in connection
10 with its insured mortgage revenue bonds issued pursuant to a bond
11 resolution dated May 11, 1976, established a bond reserve fund.
12 This bond reserve fund constitutes a capital reserve fund under
13 this act.

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

16 (a) The authority shall not have outstanding at any time
17 bonds and notes for ~~any of~~ its corporate purposes in an aggre-
18 gate principal amount exceeding \$4,200,000,000.00, excluding all
19 of the following:

20 (i) The principal amount of bonds and notes issued to refund
21 outstanding bonds and notes.

22 (ii) The principal amount of bonds and notes that appreciate
23 in principal amount, except to the extent of the principal amount
24 of these bonds and notes payable at ~~such~~ THAT time.

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

1 (b) After November 1, 2002, the limitation on the aggregate
2 principal amount of notes and bonds provided in subdivision (a)
3 is reduced to \$3,000,000,000.00.

4 (6) Subject to the limitation in subsection (5), that por-
5 tion of the state ceiling to be used for qualified mortgage
6 bonds, mortgage credit certificates, or bonds to finance quali-
7 fied residential rental projects shall be allocated to the
8 authority unless the authority elects by resolution to allow
9 another issuer to issue qualified mortgage bonds, mortgage credit
10 certificates, or bonds to finance qualified residential rental
11 projects. As used in this subsection:

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

16 (b) "Qualified mortgage bond", "mortgage credit
17 certificate", and "qualified residential rental project" mean
18 those terms as defined in the internal revenue code of 1986.

19 (7) To assure the continued operation and solvency of the
20 authority for the carrying out of the public purposes of this
21 act, the authority shall accumulate in each capital reserve fund
22 an amount equal to the capital reserve fund requirement for that
23 fund. If at any time the capital reserve fund requirement for a
24 capital reserve fund exceeds the amount of the capital reserve
25 fund, the authority shall transfer to this fund from the capital
26 reserve capital account established by the authority's June 10,
27 1971 bond resolution the amount necessary to restore the capital

1 reserve fund to an amount equal to the capital reserve fund
2 requirement. If a deficiency exists in more than 1 capital
3 reserve fund and the amount in the capital reserve capital
4 account is not sufficient to fully restore the capital reserve
5 funds, the money in the capital reserve capital account shall be
6 allocated between the deficient capital reserve funds pro rata
7 according to the amounts of the deficiencies. If at any time the
8 capital reserve capital account has been exhausted and the capi-
9 tal reserve fund requirement for a capital reserve fund exceeds
10 the amount of the capital reserve fund, the chairperson of the
11 authority on or before September 1 shall certify to the governor
12 and budget director the amount, if any, necessary to restore a
13 capital reserve fund to an amount equal to the capital reserve
14 fund requirement. The governor and the budget director shall
15 include in the annual budget the amount certified by the chair-
16 person of the authority.

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

24 (9) To the extent possible and consistent with sound fiscal
25 management and good housing development planning, the authority
26 shall make full use of available federal housing subsidy

1 programs. The authority shall recommend programs and legislation
2 to better maintain and improve existing housing stock.

3 (10) The authority shall require that not less than 15% of
4 the multifamily dwelling units financed by mortgage loans from
5 the authority in a calendar year under federal government subsidy
6 programs, subject to applicable federal regulations, be offered
7 on a priority basis to low income families and persons receiving
8 their primary incomes from social security programs or state and
9 federal public assistance programs.

10 (11) The authority shall implement a program of loans for
11 ~~mobile~~ MANUFACTURED homes as soon as is reasonably feasible.
12 The authority shall develop a program for financing the construc-
13 tion or rehabilitation of ~~mobile~~ MANUFACTURED home parks and
14 ~~mobile~~ MANUFACTURED home condominium projects within 24 months
15 after December 31, 1982, subject to a determination of feasibil-
16 ity by the authority and the authority's ability to sell bonds.

17 (12) The authority shall implement a program of loans for
18 consumer housing cooperatives as soon as is reasonably feasible.
19 The authority shall develop a program for financing the construc-
20 tion or rehabilitation of consumer housing cooperative projects
21 within 12 months after July 10, 1984, subject to a determination
22 of feasibility by the authority and the authority's ability to
23 sell bonds.

24 (13) In addition to the powers granted the authority in this
25 act to promulgate rules in accordance with the administrative
26 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the
27 authority shall furnish to each member of the legislature a copy

1 of notice of a public hearing or proposed rule change at least 10
2 days before the public hearing and at least 20 days before the
3 adoption of the rule.

4 (14) Before October 1 of each year, the authority shall
5 identify housing production goals for housing projects financed
6 with bonds and notes issued under the limitations provided in
7 section 32a. The authority shall identify a goal for the author-
8 ity as a whole and a specific goal for each program. The author-
9 ity shall submit those goals in an annual report to the governor
10 and to the house committee on urban affairs and the senate com-
11 mittee on finance, or their successor committees.

12 (15) Within 6 months after the legislature enacts or the
13 authority adopts a new program, the authority shall submit an
14 interim report to the same persons to whom an annual report is
15 submitted. If both the legislature and the authority establish a
16 program, the authority shall submit the interim report within 6
17 months after the effective date of the act establishing the
18 program. The authority shall include in an interim report all of
19 the information required in an annual report that is specific to
20 that program.

21 (16) After the initial or an interim report, the authority
22 shall include in an annual report all of the following for each
23 program:

24 (a) Whether the production goals for the previous 12-month
25 period have been met. If those production goals have not been
26 met, the authority shall explain in the report the reasons why
27 those production goals have not been met.

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

4 (c) The estimated economic and social benefits of these
5 housing projects to the immediate neighborhoods in which the
6 housing projects have been constructed.

7 (d) The estimated economic and social benefits of these
8 housing projects to the municipalities in which the housing
9 projects have been constructed.

10 (e) The extent of displacement, direct and indirect, of
11 lower income persons caused by these housing projects, and steps
12 taken by the authority and other governmental and private parties
13 to ameliorate the displacement, and the results of those
14 efforts.

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

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

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

23 (i) The progress in developing ~~mobile~~ MANUFACTURED home
24 parks and ~~mobile~~ MANUFACTURED home condominium projects, in
25 financing the construction or rehabilitation of consumer housing
26 cooperative projects, and in financing the construction or
27 rehabilitation of nonprofit housing corporation projects.

1 (j) A report on the neighborhood preservation program under
2 section 44f shall include information about the progress in
3 developing the program, the neighborhoods identified as being
4 eligible for the program, the neighborhoods or municipalities
5 that have applied for the program, the neighborhoods that have
6 received funds from the program, and the reasons that neighbor-
7 hoods or municipalities have been denied funds from the program.

8 (k) A report on the status of federal programs that provide
9 assistance to low income tenants displaced as the result of pre-
10 payments of federally and authority assisted loans. If the
11 authority determines that federal programs are inadequate for
12 tenants of authority-financed housing projects, the authority
13 will provide recommendations to the legislature as to how to
14 address this problem on or before May 1, 1989.

15 (l) A report on the low income housing tax credit program
16 under section 22b, that shall include information regarding the
17 amount of tax credits allocated to the state under each of the
18 subdivisions of section 22b(2); the projects that have received
19 tax credits; and the reasons why projects have been denied tax
20 credits under the program; a geographical description of the dis-
21 tribution of those tax credits; and a description of amendments
22 to the allocation plan made during that year.

23 (m) A report on education and training opportunities pro-
24 vided by the authority under section 17 that will indicate the
25 types of education and training opportunities made available and
26 the amount of funding committed to these activities.

1 (17) The authority shall ~~insure~~ ENSURE that the income
2 characteristics of individuals served by an authority program are
3 provided in a manner that ~~insures~~ ENSURES each individual's
4 confidentiality. The authority shall also ~~insure~~ ENSURE that
5 proprietary information in its reports under this section con-
6 cerning an individual, corporation, cooperative, or association
7 is not released without the permission of that individual, corpo-
8 ration, cooperative, or association.

9 Sec. 32a. With respect to bonds, other than refunding
10 bonds, issued to finance single family homes after November 1,
11 1989, for the first 120 days following the announcement of a pro-
12 gram funded by the proceeds of those bonds, 50% of the proceeds
13 of those bonds available to make loans, as determined by the pre-
14 liminary information obtained by originating lenders at the time
15 a reservation is submitted, shall be reserved for applicants with
16 gross annual incomes at or below 60% of the statewide median
17 gross income. The authority may, by resolution, waive this
18 requirement. The authority shall advise the house of representa-
19 tives and senate standing committees with jurisdiction over hous-
20 ing issues 5 days prior to adopting a resolution waiving this
21 requirement. With respect to bonds, other than refunding bonds,
22 issued to finance single family homes after November 1, 1989, not
23 more than 50% of the proceeds of those bonds may be used to
24 finance single family homes for homebuyers who previously have
25 had an ownership interest in a residence. For purposes of this
26 section, a previous ownership interest in a ~~mobile~~ MANUFACTURED
27 home shall not be considered to be an ownership interest in a

1 residence. The authority may rely on the applicant's affidavit
2 to determine whether or not the applicant has had a prior owner-
3 ship interest in a residence. The authority shall publicize the
4 programs funded under this section by using all reasonable means
5 available, including, but not limited to, public interest
6 announcements in the media, and announcements to lending institu-
7 tions, community groups, and real estate organizations. The
8 authority shall submit a report annually to the legislature con-
9 taining all statistics necessary to indicate its compliance with
10 this section.

11 Sec. 32b. (1) The authority is designated as the adminis-
12 trator of the QUALIFIED mortgage credit certificate program for
13 this state permitted under section 25 of the internal revenue
14 code of 1986. The authority shall elect under section 25 of the
15 internal revenue code of 1986 to convert at least \$59,000,000.00
16 of 1985 federal mortgage revenue bond authority into mortgage
17 credit certificate authority.

18 (2) The authority shall prepare guidelines that would allow
19 for the implementation of a mortgage credit certificate program
20 through mortgage lenders.

21 (3) To qualify for receipt of a mortgage credit certificate
22 with respect to the acquisition of an existing housing unit,
23 including a residential condominium or ~~mobile~~ MANUFACTURED
24 home, both of the following apply:

25 (a) The purchase price with respect to the unit shall not
26 exceed ANY OF the following:

1 (i) \$99,000.00 until November 1, 2001.

2 (ii) \$102,000.00 until November 1, 2002.

3 (iii) On and after November 1, 2002, \$105,000.00.

4 (b) The borrower's family income does not exceed either of
5 the following:

6 (i) If the housing unit is located in a metropolitan area,
7 \$52,900.00 on or before November 1, 2001, \$54,750.00 from
8 November 2, 2001 until November 1, 2002, and \$56,650.00 on and
9 after November 1, 2002.

10 (ii) If the housing unit is located in a nonmetropolitan
11 area, \$43,575.00 on or before November 1, 2002. After November
12 1, 2002, the family income limit increases to the lesser of the
13 HUD nonmetropolitan median income or \$44,000.00.

14 (4) To qualify for receipt of a mortgage credit certificate
15 with respect to the acquisition of a new housing unit, including
16 a residential condominium or ~~mobile~~ MANUFACTURED home, both of
17 the following apply:

18 (a) The purchase price with respect to the unit shall not
19 exceed ANY OF the following:

20 (i) \$120,000.00 until November 1, 2001.

21 (ii) \$124,000.00 until November 1, 2002.

22 (iii) On and after November 1, 2002, \$128,000.00.

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

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. ~~—(iii)—~~ After
5 November 1, 2002, the family income limit increases to the lesser
6 of the HUD nonmetropolitan median income or \$44,000.00.

7 (5) The authority may increase the purchase price limit in
8 subsection (3) to cover the cost of improvements to adapt the
9 property for use by disabled individuals or unexpected cost
10 increases during construction. The amount of the increase shall
11 be the amount of the costs described in this subsection or the
12 sum of \$3,500.00, whichever is less.

13 (6) To qualify for receipt of a mortgage credit certificate
14 with respect to the improvement or rehabilitation of an existing
15 housing unit, including a residential condominium or ~~mobile~~
16 MANUFACTURED home, the borrower's family income shall not exceed
17 the following:

18 (a) For a unit located in a metropolitan county, \$52,900.00
19 on or before November 1, 2001, \$54,750.00 from November 2, 2001
20 until November 1, 2002, and \$56,650.00 on and after November 1,
21 2002.

22 (b) For a unit located in a nonmetropolitan county,
23 \$43,575.00 on or before November 1, 2002. After November 1,
24 2002, the family income limit increases to the lesser of the HUD
25 nonmetropolitan median income or \$44,000.00.

26 (7) If an income or purchase price limit prescribed by
27 subsection (3), (4), (5), or (6) exceeds an applicable limit

1 prescribed by the internal revenue code of 1986, the internal
2 revenue code of 1986 limit applies. Except with respect to newly
3 constructed housing units, the authority may at any time by reso-
4 lution establish, for a length of time it considers appropriate,
5 maximum borrower income or purchase price limits more restrictive
6 than those maximum limitations set forth in this section. The
7 authority shall advise the appropriate house and senate standing
8 committees 5 days prior to the adoption of a resolution estab-
9 lishing more restrictive income or purchase price limits.

10 (8) The changes made by 1995 PA 186 to purchase price limits
11 in the subsections that at the time were designated
12 subsections (3) and (4) were retroactive, effective as of
13 October 29, 1993.

14 Sec. 44. (1) (a) The authority may make loans to a non-
15 profit housing corporation, consumer housing cooperative, limited
16 dividend housing corporation, limited dividend housing associa-
17 tion, ~~mobile~~ MANUFACTURED home park corporation, or ~~mobile~~
18 MANUFACTURED home park association or to a public body or agency
19 for the construction or rehabilitation, and for the long-term
20 financing, of the following:

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

22 (ii) For the period of time beginning May 1, 1984, and
23 ending November 1, 1987, housing projects in which not less than
24 20% of the dwelling units are allotted to individuals of low or
25 moderate income within the meaning of former section 103(b)(4)(A)
26 of the internal revenue code of 1986; not less than 60% of the
27 dwelling units are available to persons and families whose gross

1 household income does not exceed 125% of the higher of either the
2 median income for a family in this state or the median income for
3 a family within the nonmetropolitan county or metropolitan sta-
4 tistical area in which the housing project is located, as deter-
5 mined by the authority; and not more than 20% of the dwelling
6 units are available for occupancy without regard to income. The
7 enactment of this subparagraph or the expiration of the authority
8 granted by it does not affect rules in effect before July 10,
9 1984, or promulgated after July 9, 1984, to define low or moder-
10 ate income persons.

11 (iii) For the period of time beginning May 1, 1984, and
12 ending November 1, 1987, housing projects in eligible distressed
13 areas in which housing projects not less than 20% of the dwelling
14 units are allotted to individuals of low or moderate income
15 within the meaning of former section 103(b)(4)(A) of the internal
16 revenue code of 1986; not less than 60% of the dwelling units are
17 available to persons and families whose gross household income
18 does not exceed 150% of the higher of either the median income
19 for a family in this state or the median income for a family
20 within the nonmetropolitan county or metropolitan statistical
21 area in which the housing project is located, as determined by
22 the authority, and not more than 20% of the dwelling units are
23 available for occupancy without regard to income.

24 (iv) Beginning November 1, 1987, multifamily housing
25 projects that meet the 20-50 or 40-60 test established in section
26 142 of the internal revenue code of 1986 and, in addition, in
27 which not less than 15% of the dwelling units are allotted to

1 persons and families whose gross household income does not exceed
2 125% of the higher of either the median income for a family in
3 this state or the median income for a family within the nonmetro-
4 politan county or metropolitan statistical area in which the
5 housing project is located, as determined by the authority, or to
6 the elderly; not less than 15% of the dwelling units are allotted
7 to persons and families whose gross household income does not
8 exceed 150% of the median income for a family in this state or
9 the median income for a family within the nonmetropolitan county
10 or metropolitan statistical area in which the housing project is
11 located, as determined by the authority, or to the elderly; and
12 not more than 50% of the dwelling units are available for occu-
13 pancy without regard to income.

14 (v) Beginning November 1, 1987, multifamily housing projects
15 in eligible distressed areas that meet the 20-50 or 40-60 test
16 established in section 142 of the internal revenue code of 1986
17 and, in addition, in which the remaining dwelling units are
18 available for occupancy without regard to income.

19 (vi) Social, recreational, commercial, or communal facili-
20 ties necessary to serve and improve the residential area in which
21 an authority-financed housing project is located or is planned to
22 be located thereby enhancing the viability of the housing.

23 (b) Notwithstanding the provisions of this section, the
24 authority may establish by resolution higher income limits that
25 it considers necessary to achieve sustained occupancy of a hous-
26 ing project financed under subsection (1)(a)(i), (ii), (iii),
27 (iv), or (v) if the authority determines both of the following:

1 (i) The owner of the housing project exercised reasonable
2 efforts to rent the dwelling units to persons and families whose
3 incomes did not exceed the income limitations originally
4 applicable.

5 (ii) For an annual period after the first tenant has occu-
6 pied the housing project, the owner of the housing project has
7 been unable to attain and sustain at least a 95% occupancy level
8 at the housing project.

9 (c) A loan under this section may be in an amount not to
10 exceed 90% of the project cost as approved by the authority. For
11 purposes of this section, the term "project cost" includes all
12 items included in the definition of a project cost in section 11
13 and also includes a builder's fee equal to an amount up to 5% of
14 the amount of the construction contract, developer overhead
15 allowance and fee of 5% of the amount of the project cost, the
16 cost of furnishings, and a sponsor's risk allowance equal to 10%
17 of the project cost. A loan shall not be made under this section
18 unless a market analysis has been conducted that demonstrates a
19 sufficient market exists for the housing project.

20 (d) After November 1, 1987, the authority may continue to
21 finance multifamily housing projects for families or persons
22 whose incomes do not exceed the limits provided in subsection
23 (1)(a)(ii) or (iii) or (1)(b), until funds derived from the pro-
24 ceeds of bonds or notes issued before November 2, 1987, for that
25 purpose, including the proceeds of prepayments or recovery pay-
26 ments with respect to these multifamily housing projects, have
27 been expended. Multifamily housing projects or single family

1 housing units in an eligible distressed area that are financed by
2 proceeds of notes or bonds issued before June 30, 1984, and that
3 the authority has designated for occupancy by persons and fami-
4 lies without regard to income pursuant to this act shall remain
5 eligible for occupancy by families and persons without regard to
6 income until the authority's mortgage loan issued with respect to
7 these multifamily housing projects is fully repaid.

8 (e) Notwithstanding the expiration of lending authority
9 under subsection (1)(a)(ii), (iii), (iv), or (v), multifamily
10 housing projects financed under those subparagraphs may continue
11 to remain eligible for occupancy by persons and families whose
12 incomes do not exceed the limits provided in those subparagraphs
13 or subsection (1)(b).

14 (f) For purposes of this subsection:

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

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

21 (2) (a) The authority may make loans to a nonprofit housing
22 corporation, limited dividend housing corporation, ~~mobile~~
23 MANUFACTURED home park corporation, or ~~mobile~~ MANUFACTURED home
24 park association for the construction or rehabilitation of hous-
25 ing units, including residential condominium units as defined in
26 section 4 of the condominium act, 1978 PA 59, MCL 559.104, for
27 sale to individual purchasers of low or moderate income or to

1 individual purchasers without regard to income when the housing
2 units are located in an eligible distressed area. A loan under
3 this section may be in an amount not to exceed 100% of the
4 project cost as approved by the authority in the case of a non-
5 profit housing corporation or individual purchaser, and in an
6 amount not to exceed 90% of the project cost as approved by the
7 authority in the case of a limited dividend housing corporation,
8 ~~mobile~~ MANUFACTURED home park corporation, or ~~mobile~~
9 MANUFACTURED home park association.

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

23 (c) While a loan under this subsection is outstanding, the
24 authority, before the approval of sale by a nonprofit housing
25 corporation, limited dividend housing corporation, ~~mobile~~
26 MANUFACTURED home park corporation, or ~~mobile~~ MANUFACTURED home
27 park association, shall satisfy itself that the sale is to

1 persons of low or moderate income if the housing unit is not
2 located in an eligible distressed area, or to persons without
3 regard to income if the housing unit is located in an eligible
4 distressed area.

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

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

26 (f) In the construction of housing units to be sold to the
27 individual purchasers of low or moderate income at a price not to

1 exceed \$12,000.00, the individual purchasers may be required to
2 perform, in a manner and under conditions to be specified by the
3 authority in its rules, a minimum number of hours of labor. The
4 value of the labor shall be credited to the purchase price.

5 (3) The authority may make or purchase loans made to an
6 individual purchaser for long-term financing of a newly rehabili-
7 tated, newly constructed, or existing housing unit, including a
8 residential condominium unit as defined in section 4 of the con-
9 dominium act, 1978 PA 59, MCL 559.104. To qualify, all of the
10 following apply:

11 (a) The borrower's family income shall not exceed either of
12 the following:

13 (i) If the housing unit is located in a metropolitan area,
14 \$52,900.00 on or before November 1, 2001, \$54,750.00 from
15 November 2, 2001 until November 1, 2002, and \$56,650.00 on and
16 after November 1, 2002.

17 (ii) If the housing unit is located in a nonmetropolitan
18 area, \$43,575.00 on or before November 1, 2002. After November
19 1, 2002, the family income limit increases to the lesser of the
20 HUD nonmetropolitan median income or \$44,000.00.

21 (b) The purchase price with respect to the unit does not
22 exceed the following:

23 (i) For an existing housing unit, \$99,000.00 on or before
24 November 1, 2001, \$102,000.00 from November 2, 2001 until
25 November 1, 2002, and \$105,000.00 on and after November 1, 2002.

26 (ii) For a newly rehabilitated or a newly constructed
27 housing unit, \$120,000.00 on or before November 1, 2001,

1 \$124,000.00 from November 2, 2001 until November 1, 2002, and
2 \$128,000.00 on and after November 1, 2002.

3 (c) For unexpected cost increases during construction or
4 improvements to adapt new or existing property for use by dis-
5 abled individuals, the authority may increase the purchase price
6 limit by an amount sufficient to cover these cost increases, but
7 not to exceed \$3,500.00.

8 (d) If an income or purchase price limit prescribed by this
9 subsection exceeds an application limit prescribed by the inter-
10 nal revenue code of 1986, the internal revenue code of 1986 limit
11 applies.

12 (e) Except with respect to newly constructed housing units,
13 the authority may by resolution establish, for a length of time
14 the authority considers appropriate, maximum borrower income or
15 purchase price limits more restrictive than those maximum limita-
16 tions set forth in this section. The authority shall advise the
17 appropriate house and senate standing committees 5 days prior to
18 adopting a resolution establishing more restrictive maximum bor-
19 rower income or purchase price limits.

20 (f) Before making a loan under this section, authority staff
21 shall determine that the borrower has the ability to repay the
22 loan.

23 (g) A loan made or purchased to finance the acquisition of
24 an existing housing unit may include funds for rehabilitation.

25 (4) A loan shall be secured in a manner and be repaid in a
26 period, not exceeding 50 years, as may be determined by the

1 authority. A loan shall bear interest at a rate determined by
2 the authority.

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

8 Sec. 44c. (1) If the resolution authorizing the issuance of
9 notes or bonds provides that the notes or bonds are limited and
10 not general obligations of the authority, are not secured by the
11 capital reserve capital account, and are secured solely by reve-
12 nues and property derived from or obtained in connection with the
13 housing project, the authority shall use the proceeds of those
14 notes or bonds to make loans directly, or indirectly by a loan
15 through a mortgage lender, to a nonprofit housing corporation,
16 consumer housing cooperative, limited dividend housing corpora-
17 tion, limited dividend housing association, ~~mobile~~ MANUFACTURED
18 home park corporation, ~~mobile~~ MANUFACTURED home park associa-
19 tion, or public body or agency for the construction, rehabilita-
20 tion, long-term financing or ~~any~~ combination of construction,
21 rehabilitation, or long-term financing of ~~any~~ 1 OR MORE of the
22 following:

23 (a) Multifamily housing projects for low income or moderate
24 income persons.

25 (b) Beginning May 1, 1984, multifamily housing projects in
26 which not less than 20% of the dwelling units are allotted to
27 individuals of low or moderate income within the meaning of

1 former section 103(b)(4)(A) of the internal revenue code OF 1986;
2 not less than 15% of the dwelling units are allotted to persons
3 and families whose gross household income does not exceed 125% of
4 the higher of either the median income for a family in this state
5 or the median income for a family within the nonmetropolitan
6 county or metropolitan statistical area in which the housing
7 project is located, as determined by the authority, or to the
8 elderly; not less than 15% of the dwelling units are allotted to
9 persons and families whose gross household income does not exceed
10 150% of the median income for a family in this state or the
11 median income for a family within the nonmetropolitan county or
12 metropolitan statistical area in which the housing project is
13 located, as determined by the authority, or to the elderly; and
14 not more than 50% of the dwelling units are available for occu-
15 pancy without regard to income.

16 (c) Beginning May 1, 1984, multifamily housing projects in
17 eligible distressed areas in which not less than 20% of the
18 dwelling units are allotted to individuals of low or moderate
19 income within the meaning of former section 103(b)(4)(A) of the
20 internal revenue code OF 1986 and in which not more than 80% of
21 the dwelling units are available for occupancy without regard to
22 income.

23 (d) Social, recreational, commercial, or communal facilities
24 to serve and improve the residential area in which an
25 authority-financed multifamily housing project is located or is
26 planned to be located, thereby enhancing the viability of such
27 housing.

1 (2) To qualify as rehabilitation under this section, the
2 rehabilitation expenditures with respect to the project must
3 equal or exceed 30% of the portion of the cost of acquiring the
4 building and equipment financed with the proceeds of the notes or
5 bonds issued to acquire and rehabilitate the project. For a
6 project located in an eligible distressed area, the amount of
7 rehabilitation may be less than the 30% requirement if the
8 authority determines and expresses by resolution that the likely
9 benefit to the community or the proposed residents of the project
10 merits the use of this financing source. This subsection does
11 not apply to a project for which the authority has authorized a
12 loan commitment under this section before December 18, 1985. The
13 authority shall not provide long-term financing for a project
14 under this section unless the project is constructed or rehabili-
15 tated in anticipation of authority financing, the construction or
16 rehabilitation is undertaken with authority financing, or
17 long-term financing is being provided with respect to a housing
18 project for which regulatory or contractual restrictions assuring
19 occupancy of some or all of the units by families or persons of
20 low or moderate income are subject to termination within a 2-year
21 period following the acquisition of the housing project.

22 (3) Notwithstanding the provisions of this section, the
23 authority shall establish by resolution higher income limits for
24 a housing project financed under either subsection (1)(a) or (b)
25 equal to the income limits of subsection (1)(c) if the authority
26 determines all of the following:

1 (a) The owner of the housing project exercised reasonable
2 efforts to rent the dwelling units to persons and families whose
3 incomes did not exceed the originally applicable income
4 limitations.

5 (b) For ~~any~~ AN annual period after the first tenant has
6 occupied the housing project, the owner of the housing project
7 has been unable to attain and sustain at least a 95% occupancy
8 level at the housing project.

9 (4) Notwithstanding the expiration of lending authority
10 under this section, multifamily housing projects financed under
11 this section may continue to remain eligible for occupancy by
12 persons and families whose incomes do not exceed the limits pro-
13 vided in subsection (1) or (3).

14 (5) A borrower seeking to qualify for a loan under this sec-
15 tion shall file an application with the authority ~~which~~ THAT
16 includes ALL OF the following:

17 (a) A description of the proposed credit enhancement. The
18 proposed credit enhancement may be in the form of a letter of
19 credit, bonding, guarantee, mortgage insurance, or other appro-
20 priate security in an amount sufficient to assure the authority
21 that repayment of notes or bonds issued by the authority is rea-
22 sonably secure.

23 (b) An undertaking to pay all costs of issuing the notes or
24 bonds and to provide compensation for, as considered appropriate
25 by the borrower and at no cost to the authority, ~~any~~ underwrit-
26 ers, trustees, counsel, and other professionals as are necessary
27 to complete the financing.

1 (c) An application fee equal to the greater of \$4,000.00 or
2 0.0005 multiplied by the principal amount of notes or bonds for
3 which issuance is requested. For a project located in an eligi-
4 ble distressed area, the fee required by this subdivision shall
5 be refundable if the notes or bonds are not delivered or may be
6 waived by the authority in the event the owner of the housing
7 project is or will be a nonprofit housing corporation qualified
8 under section 501(c)(3) of the internal revenue code OF 1986. In
9 all other cases the fee is nonrefundable.

10 (6) So long as there is uncommitted bonding capability under
11 the limitations of section 32, the authority shall issue a
12 6-month commitment to loan funds, subject to sale by the author-
13 ity of its notes and bonds in compliance with applicable law and
14 pursuant to terms and conditions ~~which~~ THAT permit the funding
15 of ~~such~~ THE loan, either directly or indirectly by a loan
16 through a mortgage lender, to the borrower in the amount of the
17 total development cost of the proposed multifamily housing
18 project or \$25,000,000.00, whichever is less, or if the proposed
19 multifamily housing project is located in an eligible distressed
20 area, in the amount of the total development cost of the proposed
21 project or \$50,000,000.00, whichever is less, upon the determina-
22 tion by the authority of all of the following:

23 (a) The housing project is eligible for financing under this
24 section.

25 (b) The borrower is an eligible borrower under this act.

26 (c) The requirements of subsection (5) have been met.

1 (d) The borrower has provided evidence of a commitment to
2 issue a credit enhancement in the form of a letter of credit,
3 bonding, guarantee, mortgage insurance, or other appropriate
4 security in a form and amount sufficient to assure the authority
5 that the repayment of notes or bonds issued by the authority for
6 purposes of making a loan to the borrower is reasonably secure.
7 If the authority determines that repayment of the notes or bonds
8 will be reasonably secure, the authority's review of the credit
9 enhancement shall take the place of the authority's normal under-
10 writing and feasibility review.

11 (e) If the loan is made indirectly by a loan through a mort-
12 gage lender, the requirements of section 44b have been met.

13 (7) Unless a borrower is a nonprofit housing corporation
14 qualified under section 501(c)(3) of the internal revenue code OF
15 1986, a borrower and ~~any~~ A person who is a related person to
16 the borrower as defined in section 144(a)(3) of the internal rev-
17 enue code OF 1986 shall not have outstanding loan commitments
18 under this section ~~which~~ THAT total more than the greater of
19 \$25,000,000.00 or the amount of financing approved for a single
20 project under subsection (6). Once a loan has been made under
21 this section, the commitment made with respect to the loan shall
22 no longer be considered to be outstanding.

23 (8) Simultaneously with the issuance of the loan commitment
24 by the authority, the borrower shall pay a commitment fee in the
25 amount of not more than 0.1% of the principal amount of notes or
26 bonds to be issued. The authority shall credit the amount paid
27 by the borrower as an application fee under subsection (5)

1 against this commitment fee. The authority shall extend a
2 6-month loan commitment issued under subsection (6) for an addi-
3 tional 6 months upon payment by the borrower of a nonrefundable
4 extension fee of \$5,000.00 which fee shall not be credited
5 against any other fee or payment to the authority.

6 (9) Within the period during which the commitment is effec-
7 tive, the authority, upon a determination that the terms and con-
8 ditions of the commitment have been satisfied, shall make its
9 loan directly, or indirectly through a loan to a mortgage lender,
10 to the borrower.

11 (10) Except as otherwise provided in this subsection, upon
12 issuance of ~~any~~ notes or bonds to finance a housing project
13 under this section, the borrower shall pay at the time the notes
14 or bonds are issued, in addition to ~~any~~ A commitment or exten-
15 sion fee paid under subsection (8), a fee of either not more than
16 0.9% of the principal amount of the notes or bonds for a loan
17 made for a project located in an eligible distressed area or not
18 more than 1.9% of the principal amount of the notes or bonds for
19 a loan made for a project located in other than an eligible dis-
20 tressed area. If notes or bonds have been issued under this sec-
21 tion for a project owned by the borrower located in an eligible
22 distressed area within 180 days before the issuance of notes or
23 bonds for the next project financed by that borrower, which next
24 project is located in other than an eligible distressed area, the
25 fee under this subsection shall be not more than 0.9% of the
26 principal amount of the notes or bonds. If notes or bonds have
27 been issued under this section for a project located in other

1 than an eligible distressed area and the borrower has paid the
2 1.9% fee, the authority shall not charge a fee under this subsec-
3 tion for the next project financed by that borrower if that next
4 project is located in an eligible distressed area and if the
5 notes or bonds are issued within 180 days after the notes or
6 bonds were issued for the project located in other than an eligi-
7 ble distressed area.

8 (11) Subject to any rights of the holders of ~~any~~ notes or
9 bonds issued to finance a multifamily housing project under this
10 section, if the owner of a multifamily housing project financed
11 under this section provides evidence satisfactory to the author-
12 ity that the new owner of the multifamily housing project is an
13 eligible borrower under this act and the exemption from federal
14 income taxation of interest on the notes or bonds issued to
15 finance the multifamily housing project will not be impaired as a
16 result of a sale, refinancing, or resyndication, the borrower may
17 sell, refinance from a source other than the authority, or resyn-
18 dicate that housing project at any time. There shall not be a
19 prepayment penalty or fee required for the sale, refinancing, or
20 resyndication in addition to ~~any~~ A prepayment penalty or fee
21 owing to the holders of notes or bonds issued to finance a hous-
22 ing project under this section.

23 (12) A borrower is allowed distributions equal to a 12%
24 return on the borrower's investment in a multifamily housing
25 project financed under this section for the first 12 months of
26 operation of the housing project following substantial
27 completion. The allowable return shall be increased by 1% for

1 each 12-month period after the first 12 months. The maximum
2 allowable return for a housing project located in other than an
3 eligible distressed area is 25%. ~~Any~~ A return less than the
4 allowable rate in ~~any~~ A preceding period may be received in
5 ~~any~~ A subsequent period on a cumulative basis.

6 (13) Before September 1 of each year after 1984, the owner
7 of a housing project financed under this section shall report to
8 the authority all of the following ~~which~~ THAT the authority
9 shall include in the report required by section 32(14):

10 (a) The incomes of the tenants residing in that housing
11 project in a manner that preserves the anonymity of those
12 tenants.

13 (b) The estimated economic and social benefits of that hous-
14 ing project to the immediate neighborhoods in which it has been
15 constructed.

16 (c) The estimated economic and social benefits of that hous-
17 ing project to the city in which it has been constructed.

18 (d) Information requested by the authority about that hous-
19 ing project that is needed so that the authority can report the
20 extent of displacement, direct and indirect, of lower income per-
21 sons caused by housing projects financed under this section, the
22 steps taken by governmental and private parties to ameliorate the
23 displacement, and the results of those efforts.

24 (e) Information requested by the authority about that hous-
25 ing project that is needed so that the authority can report the
26 estimated extent of additional reinvestment activities by private

1 lenders attributable to the authority's financing of housing
2 projects financed under this section.

3 (f) The age, race, family size, and average income of the
4 tenants of these housing projects.

5 (g) The estimated economic impact of these housing projects,
6 including the number of construction jobs created, wages paid,
7 and taxes and payments in lieu of taxes paid.

8 (14) Mortgages securing loans made under this section are
9 authority-aided mortgages.

10 (15) The authority may inspect and audit projects and
11 records of projects financed under this section in order to moni-
12 tor compliance with the requirements of this section. If there
13 is noncompliance, the authority, pursuant to the provisions of
14 the financing and organizational documents applicable to the
15 transaction, may pursue the remedies that the authority considers
16 appropriate. Except as is required to assure compliance with
17 this section or section 46 or otherwise required by purchasers
18 of, or a third party credit enhancement provider with respect to,
19 notes or bonds issued to finance a multifamily housing project
20 under this section, the authority shall not regulate, in any
21 manner, a multifamily housing project financed under this
22 section. This section does not preclude the authority from regu-
23 lating a multifamily housing project in consideration for other
24 types of program benefits, incentives, or concessions provided by
25 the authority over and above the financing made available under
26 this section.

1 (16) Notwithstanding any other provision of this section,
2 there shall not be ~~any~~ liability on the part of the authority
3 or its members, officers, employees, or agents, and the assets of
4 the authority shall not be subject to ~~any~~ liability, as a
5 result of ~~any~~ AN act or failure to act under this section on
6 the part of the authority or its members, officers, employees, or
7 agents.

8 (17) If notes or bonds have been issued under this section
9 for a project located in an eligible distressed area within 180
10 days before the submission, by the same borrower or a borrower
11 having the same general partners, of a commitment for credit
12 enhancement, that borrower's application shall be given priority
13 over the other applications submitted under this section to
14 finance projects located in other than eligible distressed areas,
15 except for projects for which the authority has authorized loan
16 commitments. The principal amount of notes or bonds issued to
17 finance a project given priority under this subsection shall not
18 exceed 10 times the principal amount of the notes or bonds issued
19 to finance the distressed area project that qualifies the bor-
20 rower for priority consideration.

21 (18) Except for housing projects for which the authority has
22 adopted an inducement resolution on or before April 1, 1991,
23 loans shall not be made under this section unless the authority
24 determines that use of the state's unified volume cap for a
25 project will not impair the ability of the authority to carry out
26 programs or finance housing developments or housing units which
27 are targeted to lower income persons.

1 Sec. 44d. (1) The authority may make loans to ~~any~~ A
2 nonprofit housing corporation, consumer housing cooperative,
3 limited dividend housing corporation, limited dividend housing
4 association, ~~mobile~~ MANUFACTURED home park association, or
5 ~~mobile~~ MANUFACTURED home park corporation, or to ~~any~~ A public
6 body or agency for the construction or rehabilitation, and for
7 the long-term financing, of housing projects that meet ALL OF the
8 following criteria:

9 (a) The housing project provides a system of support serv-
10 ices that promote and preserve the independent living of persons
11 with disabilities, the elderly, or other persons at risk of
12 institutionalization.

13 (b) Social, recreational, medical, and shopping facilities
14 are readily accessible to the residents who cannot provide their
15 own transportation.

16 (c) An affordable, daily demand actuated transportation
17 system is integrated into the project for elderly and residents
18 with disabilities who are unable to transport themselves.

19 Sec. 97. This chapter shall ~~apply~~ APPLIES to ~~mobile~~
20 MANUFACTURED home park corporations receiving benefits under this
21 act.

22 Sec. 97a. A ~~mobile~~ MANUFACTURED home park corporation
23 shall be incorporated and qualified pursuant to the provisions of
24 the corporation laws of this state and this chapter.

25 Sec. 97b. The term ~~"mobile"~~ "MANUFACTURED home park
26 corporation" shall be included as part of the corporate name set

1 forth in the certificate of incorporation or certificate of
2 authority.

3 Sec. 97c. In addition to other requirements of law, the
4 articles of incorporation of ~~any mobile~~ A MANUFACTURED home
5 park corporation shall provide all of the following:

6 (a) That the ~~mobile~~ MANUFACTURED home park corporation has
7 been organized exclusively to provide housing facilities for per-
8 sons of low and moderate income, or for persons whose income does
9 not exceed limits established in this act, and for social, recre-
10 ational, commercial, and communal facilities as may be necessary
11 to serve and improve a residential area in which authority-aided
12 or federally-aided housing is located or planned to be located,
13 thereby enhancing the viability of the housing.

14 (b) That every stockholder of the ~~mobile~~ MANUFACTURED home
15 park corporation ~~shall be deemed~~ IS CONSIDERED, by the sub-
16 scription to or receipt of stock in the corporation, to have
17 agreed that he or she at no time shall receive from the corpora-
18 tion in repayment of his or her investment ~~any~~ sums in excess
19 of the face value of the investment plus cumulative dividends at
20 a rate ~~which~~ THAT the authority determines to be reasonable and
21 proper, computed from the initial date on which money was paid or
22 property delivered in consideration for the proprietary interest
23 of the stockholders; and that upon the dissolution of the
24 ~~mobile~~ MANUFACTURED home park corporation, any surplus in
25 excess of those amounts shall be paid to the authority or to
26 ~~any~~ other regulating governmental body as the authority
27 directs.

1 (c) That the operations of the ~~mobile~~ MANUFACTURED home
2 park corporation may be supervised by the authority or by ~~any~~
3 other governmental body as the authority directs, and that the
4 ~~mobile~~ MANUFACTURED home park corporation shall enter into
5 agreements with the authority or with the governmental body as
6 the authority from time to time requires. These agreements shall
7 provide for regulation by the authority or the governmental body
8 of the planning, development, and management of ~~any~~ A housing
9 project undertaken by the ~~mobile~~ MANUFACTURED home park corpo-
10 ration and the disposition of the property and franchises of the
11 corporation.

12 Sec. 97d. The articles of incorporation shall provide that
13 the authority may appoint to the board of directors of the
14 ~~mobile~~ MANUFACTURED home park corporation a number of new
15 directors, which number shall be sufficient to constitute a
16 majority of the board, notwithstanding any other provisions of
17 the articles or any other provisions of law, if any 1 of the fol-
18 lowing occurs:

19 (a) The ~~mobile~~ MANUFACTURED home park corporation has
20 received a loan or advance as provided for in this act and the
21 authority determines that the loan or advance is in jeopardy of
22 not being repaid.

23 (b) The ~~mobile~~ MANUFACTURED home park corporation has
24 received a loan or advance as provided for in this act and the
25 authority determines that the proposed housing project for which
26 the loan or advance was made is in jeopardy of not being
27 constructed.

1 (c) The authority determines that a portion of the net
2 income or net earnings of the ~~mobile~~ MANUFACTURED home park
3 corporation, in excess of that permitted by other provisions of
4 this act, shall inure to the benefit of ~~any~~ A private individu-
5 al, firm, corporation, partnership, or association.

6 (d) The authority determines that the ~~mobile~~ MANUFACTURED
7 home park corporation is in violation of the rules promulgated
8 under section 22.

9 (e) The authority determines that the ~~mobile~~ MANUFACTURED
10 home park corporation is in violation of ~~any~~ agreements entered
11 into with the authority providing for regulation by the authority
12 of the planning, development, and management of ~~any~~ A housing
13 project undertaken by the ~~mobile~~ MANUFACTURED home park corpo-
14 ration or the disposition of the property and ~~franchises~~ A
15 FRANCHISE of the corporation.

16 Sec. 97e. Before ~~any mobile~~ A MANUFACTURED home park cor-
17 poration can receive ~~any~~ benefits under this act, the authority
18 must approve the terms of the articles of incorporation.

19 Sec. 97f. As used in this chapter, the term "surplus"
20 ~~shall~~ DOES not ~~be deemed to~~ include ~~any~~ AN increase in
21 assets of ~~any mobile~~ A MANUFACTURED home park corporation orga-
22 nized in accordance with the provisions of this chapter, by
23 reason of reduction of mortgage, by amortization or similar pay-
24 ments, or realized from the sale or disposition of ~~any~~ assets
25 of a ~~mobile~~ MANUFACTURED home park corporation to the extent
26 ~~such~~ THE surplus can be attributed to ~~any~~ AN increase in
27 market value of ~~any~~ real property or tangible personal property

1 accruing during the period the assets were owned and held by the
2 ~~mobile~~ MANUFACTURED home park corporation.

3 Sec. 98. This chapter ~~shall apply~~ APPLIES to ~~mobile~~
4 MANUFACTURED home park associations receiving benefits under this
5 act.

6 Sec. 98a. A ~~mobile~~ MANUFACTURED home park association
7 includes general or limited partnerships, limited liability com-
8 panies, joint ventures, or trusts, as ~~any such~~ THOSE entities
9 may be approved by resolution of the authority. Members of a
10 ~~mobile~~ MANUFACTURED home park association shall include each
11 and all persons with a legal or beneficial interest of any kind
12 in a ~~mobile~~ MANUFACTURED home park association or its assets.

13 Sec. 98b. The term ~~"mobile"~~ "MANUFACTURED home park
14 association" shall be included as part of the name of ~~any~~
15 ~~mobile~~ A MANUFACTURED home park association.

16 Sec. 98c. In addition to other requirements of law, the
17 partnership agreement, joint venture agreement, trust agreement,
18 or other document of basic organization of the ~~mobile~~
19 MANUFACTURED home park association shall provide all of the
20 following:

21 (a) That the ~~mobile~~ MANUFACTURED home park association has
22 been organized exclusively to provide housing facilities for per-
23 sons of low and moderate income, or for persons whose income does
24 not exceed limits established in this act, and for social, recre-
25 ational, commercial, and communal facilities as may be necessary
26 to serve and improve a residential area in which authority-aided

1 or federally-aided housing is located or is planned to be
2 located, thereby enhancing the viability of such housing.

3 (b) That every member of the ~~mobile~~ MANUFACTURED home park
4 association ~~shall be deemed~~ IS CONSIDERED, by acceptance of a
5 beneficial interest in the ~~mobile~~ MANUFACTURED home park asso-
6 ciation or by executing the document of basic organization, to
7 have agreed that he or she at no time shall receive from the
8 ~~mobile~~ MANUFACTURED home park association ~~any~~ A return in
9 excess of the face value of the investment attributable to his or
10 her respective interest plus cumulative dividend payments at a
11 rate ~~which~~ THAT the authority determines to be reasonable and
12 proper, computed from the initial date on which money was paid or
13 property delivered in consideration for the interest; and that
14 upon the dissolution of the ~~mobile~~ MANUFACTURED home park asso-
15 ciation, any surplus in excess of those amounts shall be paid to
16 the authority or to any other regulating governmental body as the
17 authority directs.

18 (c) That the operations of the ~~mobile~~ MANUFACTURED home
19 park association may be supervised by the authority or by any
20 other governmental body the authority directs, and that the
21 ~~mobile~~ MANUFACTURED home park association shall enter into
22 agreements with the authority or with the governmental body as
23 the authority from time to time requires ~~pursuant~~ ACCORDING to
24 rules promulgated under section 22. The agreements shall provide
25 for regulation by the authority or the governmental body of the
26 planning, development, and management of ~~any~~ A housing project
27 undertaken by the ~~mobile~~ MANUFACTURED home park association and

1 the disposition of the property and franchises of the ~~mobile~~
2 MANUFACTURED home park association.

3 Sec. 98d. The partnership agreement, joint venture agree-
4 ment, trust agreement, or other document of basic organization
5 shall provide that the authority may appoint a managing agent of
6 the ~~mobile~~ MANUFACTURED home park association and its members,
7 who may be an officer, employee, or agent of the authority. The
8 managing agent appointed shall have complete power to act as
9 agent and attorney-in-fact for the ~~mobile~~ MANUFACTURED home
10 park association and its members, in connection with ~~any~~ assets
11 or liability of the ~~mobile~~ MANUFACTURED home park association,
12 to fulfill ~~any~~ obligations the ~~mobile~~ MANUFACTURED home park
13 association may have to the authority, if any 1 of the following
14 occurs:

15 (a) The ~~mobile~~ MANUFACTURED home park association has
16 received a loan or advance as provided for in this act and the
17 authority determines that the loan or advance is in jeopardy of
18 not being repaid.

19 (b) The ~~mobile~~ MANUFACTURED home park association has
20 received a loan or advance as provided for in this act and the
21 authority determines that the proposed housing project for which
22 the loan or advance was made is in jeopardy of not being
23 constructed.

24 (c) The authority determines that a portion of the net
25 income or net earnings of the ~~mobile~~ MANUFACTURED home park
26 association, in excess of that permitted by other provisions of
27 this act, shall inure to the benefit of ~~any~~ A private

1 individual, firm, corporation, partnership, trust, or
2 association.

3 (d) The authority determines that the ~~mobile~~ MANUFACTURED
4 home park association is in violation of the rules promulgated
5 under section 22.

6 (e) The authority determines that the ~~mobile~~ MANUFACTURED
7 home park association is in violation of ~~any~~ agreements entered
8 into with the authority providing for regulation by the authority
9 of the planning, development, and management of ~~any~~ A housing
10 project undertaken by the ~~mobile~~ MANUFACTURED home park associ-
11 ation or the disposition of the property and ~~franchises~~ A
12 FRANCHISE of the ~~mobile~~ MANUFACTURED home park association.

13 Sec. 98e. Before ~~any mobile~~ A MANUFACTURED home park
14 association can receive ~~any~~ benefits as a result of qualifying
15 under this act, the authority must approve the terms of the part-
16 nership agreement, joint venture agreement, trust agreement, or
17 other document of basic organization.

18 Sec. 98f. As used in this chapter, the term "surplus"
19 ~~shall~~ DOES not ~~be deemed to~~ include ~~any~~ AN increase in
20 assets of ~~any mobile~~ A MANUFACTURED home park association orga-
21 nized in accordance with the provisions of this chapter, by
22 reason of reduction of mortgage, by amortization or similar pay-
23 ments, or realized from the sale or disposition of ~~any~~ assets
24 of a ~~mobile~~ MANUFACTURED home park association to the extent
25 ~~such~~ THE surplus can be attributed to ~~any~~ AN increase in
26 market value of ~~any such~~ THE real property or tangible personal

1 property accruing during the period the assets were owned and
2 held by the ~~mobile~~ MANUFACTURED home park association.

3 Sec. 99c. The authority may make a loan or grant to a non-
4 profit housing corporation or association, ~~mobile~~ MANUFACTURED
5 home park corporation or association, or limited dividend housing
6 corporation or association that is established and controlled by
7 a mutual housing association on the same basis as a loan or grant
8 may be made to such an organization not established and con-
9 trolled by a mutual housing association.

10 Enacting section 1. This amendatory act does not take
11 effect unless Senate Bill No. _____ or House Bill No. _____
12 (request no. 00205'01) of the 91st Legislature is enacted into
13 law.