

HOUSE BILL No. 5447

November 8, 2007, Introduced by Reps. Sheltroun, Tobocman, Lahti, Simpson, Scott, Meadows, Miller, Alma Smith, Sak, LeBlanc, Hammel, Clack, Byrum, Lemmons, Kathleen Law, Espinoza, Hopgood, Dean, Hammon, Gonzales, Polidori, Corriveau, Constan, Wojno, Leland, Clemente, Brown, Ebli, Bauer and Jackson and referred to the Committee on Banking and Financial Services.

A bill to amend 1966 PA 346, entitled
"State housing development authority act of 1966,"
by amending section 1 (MCL 125.1401), as amended by 1998 PA 33.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The legislature hereby determines that there
2 exists in the state a seriously inadequate supply of, and a
3 pressing need for, safe and sanitary dwelling accommodations within
4 the financial means of low income or moderate income families or
5 persons, including those families and persons displaced by the
6 clearing of slums and blighted areas or by other public programs;
7 that there exists in this state a high incidence of residential
8 real property occupied by persons of low and moderate income which
9 is not safe, sanitary, or adequate and that there is a pressing

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

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

1 without regard to income in areas in municipalities which are
2 experiencing blight or inability to redevelop land cleared of
3 blight which are predominately populated by low and moderate income
4 persons and families, and to finance social, recreational,
5 commercial, and communal facilities in mobile home parks and mobile
6 home condominium projects, the financing of mobile homes, mobile
7 home parks, and mobile home condominium projects being necessary to
8 fill a gap in the housing market.

9 (2) It is further determined that the supply of low and
10 moderate cost housing available for occupancy by certain persons
11 with disabilities and certain elderly persons is being eroded
12 through greatly increasing rental rates, and the conversion of low
13 and moderate cost rental units into condominium units which are
14 then sold at prices and under financing terms which are not
15 affordable to those persons with disabilities and elderly persons.
16 It is further determined that it is a proper public purpose to
17 prevent the erosion of the supply of existing low and moderate cost
18 housing available for occupancy by certain persons with
19 disabilities and elderly persons by taking appropriate action to
20 prevent the displacement of those persons with disabilities and
21 elderly persons from existing low and moderate cost housing,
22 including the making of loans enabling those persons with
23 disabilities and elderly persons to continue to rent the units in
24 which they reside.

25 (3) It is further determined that to assure an adequate supply
26 of safe and sanitary housing for families of low and moderate
27 income within the financial means of those families, it is

1 necessary to facilitate the purchase of safe and sanitary existing
2 housing by those families; that, in addition, new single-family
3 housing construction is inhibited by the inability of prospective
4 purchasers to sell existing single-family residences, and that
5 those conditions result in the reduction of the number of safe and
6 sanitary dwellings which would otherwise be made available to
7 persons of low and moderate income; and that the depressed economy
8 and decreased employment in this state are detrimental to the
9 general welfare of the citizens of this state. It is further
10 determined that it is necessary in order to alleviate those
11 conditions and is a valid public purpose to provide for the
12 financing **OR REFINANCING**, with the assistance of the authority, of
13 the purchase of existing single-family residences for occupancy by
14 low and moderate income families and families without regard to
15 income in areas in municipalities which are experiencing blight or
16 inability to redevelop land cleared of blight and which are
17 predominately populated by low and moderate income persons and
18 families.

19 (4) It is further determined that there exists in this state a
20 high incidence of residential rental property which is not safe,
21 sanitary, adequate, or energy efficient, and that there is a
22 pressing need for the rehabilitation of residential rental property
23 in order to preserve and improve the state's existing housing
24 stock. It is further determined that it is necessary in order to
25 alleviate those conditions and is a valid public purpose to provide
26 for the financing **OR REFINANCING**, with the assistance of the
27 authority, of the rehabilitation of existing residential rental

1 property without regard to the income of the persons or entities
2 owning the property or of the tenants of the property.

3 (5) It is further determined that there is a statewide
4 pressing need for programs to alleviate and prevent conditions of
5 unemployment in the housing industry, to preserve existing jobs and
6 create new jobs to meet the employment demands of population
7 growth, to promote the development of construction related business
8 enterprises, to revitalize and diversify the Michigan economy in
9 general, and to achieve the goals of economic growth and full
10 employment.

11 (6) It is further determined that the construction and
12 rehabilitation of safe and sanitary dwellings are necessary to the
13 creation and retention of jobs in the state.

14 (7) It is further determined that the retention, promotion,
15 and development of the housing industry require additional means of
16 financing to help existing business enterprises expand more
17 rapidly, to promote the location of additional business enterprises
18 in this state, and to alleviate and prevent conditions of
19 unemployment.

20 (8) IT IS FURTHER DETERMINED THAT ECONOMIC CONDITIONS AND
21 SINGLE-FAMILY HOME MORTGAGE MARKET STANDARDS, ACTIVITIES, AND
22 PRACTICES, INCLUDING FORMS OF PREDATORY AND ABUSIVE MORTGAGE LOAN
23 FINANCING, HAVE RESULTED IN AN INCREASE IN THE INCIDENCE OF
24 MORTGAGE LOAN DEFAULT AND MORTGAGE FORECLOSURE IN THE STATE, AND
25 THAT THERE IS A PRESSING NEED FOR THE CREATION OF PROGRAMS TO
26 ASSIST LOW AND MODERATE INCOME INDIVIDUALS AND FAMILIES WITH THE
27 REFINANCING OF SINGLE-FAMILY MORTGAGES IN THIS STATE, WHICH

1 PROGRAMS WILL PREVENT FAMILIES FROM LOSING THEIR HOMES AND HELP TO
2 STABILIZE THE HOUSING MARKET IN THIS STATE.

3 (9) ~~(8)~~—The legislature finds that the conditions described in
4 subsections (1) to ~~(7)~~—(8) cannot be remedied by the ordinary
5 operation of private enterprise without supplementary public
6 participation and that the authority and powers conferred by this
7 act constitute a necessary program and serve a valid public
8 purpose.