

**STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966 (EXCERPT)**  
**Act 346 of 1966**

**125.1411 Definitions.**

Sec. 11.

As used in this act:

- (a) "Authority" means the Michigan state housing development authority created in this act.
- (b) "Development costs" means the costs that have been approved by the authority as appropriate expenditures, and includes:
  - (i) Payments for options to purchase properties on the proposed housing project site, deposits on contracts of purchase, or, with the prior approval of the authority, payments for the purchases of those properties.
  - (ii) Legal, organizational, and marketing expenses, including payment of attorneys' fees, project manager and clerical staff salaries, office rent, and other incidental expenses.
  - (iii) Payment of fees for preliminary feasibility studies, advances for planning, engineering, and architectural work.
  - (iv) Expenses for surveys as to need, and market analyses.
  - (v) Necessary application and other fees to federal and other government agencies.
  - (vi) Other expenses incurred by the nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association that the authority considers appropriate to effectuate the purposes of this act.
- (c) "Federally-aided mortgage" means any of the following:
  - (i) A below market interest rate mortgage insured, purchased, or held by the secretary of the department of housing and urban development.
  - (ii) A market interest rate mortgage insured by the secretary of the department of housing and urban development and augmented by a program of rent supplements.
  - (iii) A mortgage receiving interest reduction payments provided by the secretary of the department of housing and urban development.
  - (iv) A mortgage on a housing project to which the authority allocates low income housing tax credits under section 22b.
  - (v) A mortgage receiving special benefits under other federal law designated specifically to develop low and moderate income housing, consistent with this act.
- (d) "Fund" means the housing development fund created by this act.
- (e) "Project cost" means the sum total of all reasonable or necessary costs incurred by the nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association for carrying out all works and undertakings for the completion of a housing project and approved by the authority. In addition to other reasonable and necessary costs, "project costs" includes costs for all of the following: studies and surveys; plans, specifications, and architectural and engineering services; legal, organization, marketing, or other special services; financing, acquisition, demolition, construction, equipment, and site development of new and rehabilitated buildings; movement of existing buildings to other sites; rehabilitation, reconstruction, repair, or remodeling of existing buildings; carrying charges during construction; the cost of placement of tenants or occupants, and relocation services in connection with a housing project; and, to the extent not already included, all development costs.
- (f) "Housing project" means any of the following:
  - (i) Residential real property developed or to be developed or receiving benefits under this act.
  - (ii) A specific work or improvement either for rental or for subsequent sale to an individual purchaser undertaken by a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association pursuant to or receiving benefits under this act to provide dwelling accommodations, including the acquisition, construction, or rehabilitation of lands, buildings, and improvements.
  - (iii) Social, recreational, commercial, and communal facilities that the authority finds necessary to serve and improve a residential area in which housing described in subparagraph (i) or (ii) is located or is planned to be located, thereby enhancing the viability of the housing.
- (g) "Low income or moderate income persons" means families and persons who cannot afford to pay the amounts at which private enterprise, without federally-aided mortgages or loans from the authority, is providing a substantial supply of decent, safe, and sanitary housing and who fall within income limitations set in this act or by the authority in its rules. Among low income or moderate income persons, preference shall be given to the elderly and those displaced by urban renewal, slum clearance, or other governmental action.
- (h) "Municipality" means a city, village, or township in this state.

- (i) "County" means a county within this state.
- (j) "Governing body" means in the case of a city, the council or commission of the city; in the case of a village, the council, commission, or board of trustees of the village; in the case of a township, the township board; and in the case of a county, the county board of commissioners.
- (k) "Nonprofit housing corporation" means a nonprofit corporation incorporated under the corporation laws of this state and chapter 4.
- (l) "Consumer housing cooperative" means a nonprofit corporation incorporated pursuant to the corporation laws of this state and chapter 5.
- (m) "Annual shelter rent" means the total collections during an agreed annual period from all occupants of a housing project representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants.
- (n) "Taxing jurisdiction" means a municipality, county, or district, including a school district or any special district having the power to levy or collect taxes upon real property or in whose behalf taxes may be levied or collected.
- (o) "Elderly" means a single person who is 55 years of age or older or a household in which at least 1 member is 55 years of age or older and all other members are 50 years of age or older.
- (p) "Housing development" means a development that contains a significant element of housing for persons of low or moderate income and elements of other housing and commercial, recreational, industrial, communal, and educational facilities that the authority determines improve the quality of the development as it relates to housing for persons of low or moderate income.
- (q) "Limited dividend housing corporation" means a corporation incorporated or qualified pursuant to the corporation laws of this state and chapter 6 and a limited dividend housing association organized and qualified pursuant to chapter 7.
- (r) "Residential real property" means real property located in this state, used for residential purposes, and improved or to be improved by a residential structure. Residential real property includes a mobile home, a mobile home park, and a mobile home condominium project. When the terms "rehabilitate" or "rehabilitation" are used in conjunction with residential real property, residential real property refers to property improved by a residential structure.
- (s) "Rehabilitation" means all or part of those repairs and improvements necessary to make residential real property safe, sanitary, or adequate.
- (t) "Deferred payment loan" means a loan that is repayable or partially repayable upon the occurrence of a specified event as determined by the authority.
- (u) "Eligible distressed area" means any of the following:
  - (i) An area located in a city with a population of at least 10,000, which area is either designated as a "blighted area" by a local legislative body pursuant to 1945 PA 344, MCL 125.71 to 125.84, or which area is determined by the authority to be blighted or largely vacant by reason of clearance of blight, if, with respect to the area, the authority determines all of the following:
    - (A) That private enterprise has failed to provide a supply of adequate, safe, and sanitary dwellings sufficient to meet market demand.
    - (B) That approval of elimination of income limits applicable in connection with authority loans has been received from the city in the form of either a resolution adopted by the highest legislative body of the city or, if the city charter provides for the mayor to be elected at large with that office specifically designated on the ballot, provides that the office of mayor is a full-time position, and provides that the mayor has the power to veto legislative actions of the legislative body of that city, a written communication from the mayor of that city.
  - (ii) A municipality that meets all of the following requirements:
    - (A) The municipality shows a negative population change from 1970 to the date of the most recent federal decennial census.
    - (B) The municipality shows an overall increase in the state equalized value of real and personal property of less than the statewide average increase since 1972.
    - (C) The municipality has a poverty rate, as defined by the most recent federal decennial census, greater than the statewide average.
    - (D) The municipality has had an unemployment rate higher than the statewide average unemployment rate for 3 of the preceding 5 years.
  - (iii) An area located in a local unit of government certified by the Michigan enterprise zone authority as meeting the criteria prescribed in section 2(d) of the neighborhood enterprise zone act, 1992 PA 147, MCL 207.772.
- (v) "Mobile home" means a structure, transportable in 1 or more sections, that is built on a chassis and is designed to be used as a dwelling with or without permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained in the structure. Mobile home may, but need not, include the real property to which the mobile home may be attached. Mobile home does not include a recreational vehicle.
- (w) "Mobile home condominium project" means a condominium project in which mobile homes are intended to

be located upon separate sites that constitute individual condominium units and that complies with the condominium act, 1978 PA 59, MCL 559.101 to 559.276.

(x) "Mobile home park" means a parcel or tract of land under the control of a person or entity upon which 3 or more mobile homes are located on a continual, nonrecreational, residential basis and that is offered to the public for general public use for continual, nonrecreational, residential purposes regardless of whether a charge is made for that use, together with any social, recreational, commercial, and communal facilities used or intended for use incident to the occupancy of a mobile home. Mobile home park does not include trailer parks and courts for use on a transient basis.

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

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

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

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

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

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

(i) The section 8 leased housing program established under section 8 of the United States housing act of 1937, 42 USC 1437f, and the regulations promulgated under that act, or a substantially equivalent successor federal program.

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

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

(dd) "Mortgage lender" means a state or national bank, state or federal savings and loan association, mortgage company, insurance company, state pension fund, or any other financial institution, intermediary, or entity authorized to make mortgage loans in this state.

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

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

(gg) "Family income" means all income that is included in a determination of family income under section 143(f) of the internal revenue code, 26 USC 143(f), together with the income of all adults who will reside in the residence, which income might otherwise be excluded from consideration because the individual was not expected to both live in the residence and be primarily or secondarily liable on the mortgage note.

(hh) "Statewide median gross income" means the statewide median gross income as determined under section 143(f) of the internal revenue code, 26 USC 143(f).

(ii) "Mutual housing association" means a corporation organized in accordance with chapter 10.

(jj) "Internal revenue code" means the United States internal revenue code of 1986.

(kk) "Internal revenue code of 1954" means the United States internal revenue code of 1954 as in effect on the day immediately before the effective date of the internal revenue code of 1986.

**History:** 1966, Act 346, Eff. Mar. 10, 1967 ;-- Am. 1968, Act 343, Imd. Eff. July 19, 1968 ;-- Am. 1969, Act 109, Imd. Eff. July 24, 1969 ;-- Am. 1970, Act 129, Imd. Eff. July 29, 1970 ;-- Am. 1976, Act 410, Imd. Eff. Jan. 9, 1977 ;-- Am. 1977, Act 130, Imd. Eff. Oct. 25, 1977 ;-- Am. 1979, Act 49, Imd. Eff. July 7, 1979 ;-- Am. 1982, Act 506, Imd. Eff. Dec. 31, 1982 ;-- Am. 1982, Act 534, Imd. Eff. Dec. 31, 1982 ;-- Am. 1983, Act 217, Imd. Eff. Nov. 16, 1983 ;-- Am. 1984, Act 215, Imd. Eff. July 10, 1984 ;-- Am. 1987, Act 180, Imd. Eff. Nov. 25, 1987 ;-- Am. 1989, Act 220, Imd. Eff. Dec. 11, 1989 ;-- Am. 1989, Act 281, Imd. Eff. Dec. 26, 1989 ;-- Am. 1993, Act 220, Imd. Eff. Oct. 29, 1993 ;-- Am. 1993, Act 221, Imd. Eff. Oct. 29, 1993 ;-- Am. 1996, Act 475, Imd. Eff. Dec. 26, 1996 ;-- Am. 2004, Act 549, Imd. Eff. Jan. 3, 2005

**Admin Rule:** R 125.101 et seq. of the Michigan Administrative Code.

**Compiler's Notes:** For transfer of Michigan state housing development authority from Michigan strategic fund to department of talent and economic development, see E.R.O. No. 2014-6, compiled at MCL 125.1995.