

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 347

A bill to amend 1966 PA 346, entitled
"State housing development authority act of 1966,"
(MCL 125.1401 to 125.1499c) by adding section 22d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 22D. (1) IN ADDITION TO THE POWERS DESCRIBED IN SECTION
2 22(N), THE AUTHORITY MAY, IN ITS DISCRETION, INVEST MONEY HELD IN
3 RESERVE OR SINKING FUNDS, OR MONEY NOT REQUIRED FOR IMMEDIATE USE
4 OR DISBURSEMENT, IN ENTITIES, INCLUDING LIMITED PARTNERSHIPS AND
5 LIMITED LIABILITY COMPANIES, WHOSE PRIMARY PURPOSE IS, DIRECTLY OR
6 INDIRECTLY, TO ACQUIRE OWNERSHIP INTERESTS IN MULTIFAMILY HOUSING
7 PROJECTS IN THIS STATE OR TO MAKE LOANS WITH RESPECT TO SUCH
8 PROJECTS, OR BOTH. THE AUTHORITY SHALL NOT MAKE AN INVESTMENT
9 AUTHORIZED BY THIS SUBSECTION UNLESS THE AUTHORITY DETERMINES THAT
10 THE RETURN ON THE INVESTMENT IS REASONABLY EXPECTED TO BE EQUAL TO

Senate Bill No. 347 (H-1) as amended June 18, 2013

1 OR GREATER THAN THE RETURN THE AUTHORITY IS THEN RECEIVING ON
2 INVESTMENTS AUTHORIZED UNDER SECTION 22(N). THE AUTHORITY SHALL USE
3 EARNINGS RETURNED TO THE AUTHORITY ON INVESTMENTS AUTHORIZED BY
4 THIS SUBSECTION SOLELY FOR PURPOSES AUTHORIZED BY THIS ACT. THE
5 AUTHORITY SHALL ALLOCATE NOT LESS THAN 10% OF THE EARNINGS RETURNED
6 TO THE AUTHORITY ON INVESTMENTS AUTHORIZED BY THIS SUBSECTION TO
7 THE HOUSING [DEVELOPMENT FUND CREATED IN SECTION 23.]

8 (2) THE AUTHORITY SHALL POSSESS ALL POWERS NECESSARY OR
9 INCIDENTAL TO MAKE THE INVESTMENTS AUTHORIZED IN SUBSECTION (1),
10 INCLUDING, BUT NOT LIMITED TO, THE POWER TO ESTABLISH ANY OF THE
11 FOLLOWING:

12 (A) LIMITED PARTNERSHIPS, LIMITED LIABILITY COMPANIES,
13 NONPROFIT CORPORATIONS, AND OTHER ENTITIES.

14 (B) THE CONDITIONS UNDER WHICH THE ENTITIES DESCRIBED IN
15 SUBDIVISION (A) MAY ACQUIRE OWNERSHIP INTERESTS IN OR MAKE LOANS
16 WITH RESPECT TO MULTIFAMILY HOUSING PROJECTS AS PROVIDED IN
17 SUBSECTION (1).

18 (3) AS USED IN THIS SECTION, "MULTIFAMILY HOUSING PROJECT"
19 MEANS A HOUSING PROJECT THAT INCLUDES MULTIPLE DWELLINGS AND IN
20 WHICH A MINIMUM OF 50% OF THE SQUARE FOOTAGE OF FLOOR SPACE IS USED
21 PRIMARILY FOR RESIDENTIAL PURPOSES.