

SENATE BILL No. 902

May 26, 1988, Introduced by Senators DILLINGHAM, SHINKLE, CRUCE, GEAKE, CHERRY, DI NELLO, EHLERS, CROPSEY, BARCIA, KELLY, SEDERBURG, ENGLER, POLLACK, IRWIN, V. SMITH, CONROY and CARL and referred to the Committee on Human Resources and Senior Citizens.

A bill to amend the title of Act No. 346 of the Public Acts of 1966, entitled as amended

"State housing development authority act of 1966,"

as amended, being sections 125.1401 to 125.1498f of the Michigan Compiled Laws; and to add sections 24f, 24g, 24h, 24i, 24j, 24k, 24l, 24m, and 24n.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title of Act No. 346 of the Public Acts of
2 1966, as amended, being sections 125.1401 to 125.1498f of the
3 Michigan Compiled Laws, is amended and sections 24f, 24g, 24h,
4 24i, 24j, 24k, 24l, 24m, and 24n are added to read as follows:

5	TITLE
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6 An act to create a state housing development authority; to
7 define the powers and duties of the authority; to establish a
8 housing development revolving fund; to establish a land

1 acquisition and development fund; to establish a rehabilitation
2 fund; to establish a conversion condominium fund; TO ESTABLISH A
3 HOMELESS SHELTER AND HOUSING REHABILITATION FUND, to authorize
4 the making and purchase of loans, deferred payment loans, and
5 grants to qualified developers, sponsors, individuals, mortgage
6 lenders, and municipalities; to establish and provide accelera-
7 tion and foreclosure procedures; to provide tax exemption; to
8 authorize payments in lieu of taxes by nonprofit housing corpora-
9 tions, consumer housing cooperatives, limited dividend housing
10 corporations, mobile home park corporations, and mobile home park
11 associations; and to prescribe criminal penalties for violations
12 of this act.

13 SEC. 24F. AS USED IN SECTIONS 24G TO 24N:

14 (A) "DEPARTMENT" MEANS THE DEPARTMENT OF TREASURY.

15 (B) "GRANT" MEANS THE DISBURSEMENT OF MONEY FROM THE HOME-
16 LESS SHELTER AND HOUSING REHABILITATION FUND TO A PERSON OR LEGAL
17 ENTITY UNDER SECTIONS 24H AND 24J.

18 (C) "HOMELESS PERSON" MEANS AN INDIVIDUAL THAT HAS 1 OR MORE
19 OF THE FOLLOWING:

20 (i) NO FIXED AND REGULAR DAY OR NIGHTTIME RESIDENCE.

21 (ii) NO FIXED MAILING ADDRESS.

22 (iii) A TEMPORARY ACCOMMODATION IN THE RESIDENCE OF ANOTHER
23 OR IN A PLACE NOT DESIGNED OR ORDINARILY USED AS A REGULAR SLEEP-
24 ING ACCOMMODATION FOR HUMANS.

25 (D) "HOMELESS SHELTER PROVIDER" MEANS A NONPROFIT ENTITY
26 THAT AT A MINIMUM FURNISHES, WITHOUT CHARGE, DAYTIME OR OVERNIGHT
27 LODGING ON A TEMPORARY BASIS FOR HOMELESS PERSONS.

1 (E) "OWNER" MEANS A NATURAL PERSON FOR WHOM 1 OR MORE OF THE
2 FOLLOWING IS TRUE:

3 (i) THE PERSON OWNS OR IS PURCHASING A HOMESTEAD UNDER A
4 MORTGAGE OR LAND CONTRACT.

5 (ii) THE PERSON OWNS OR IS PURCHASING A DWELLING SITUATED ON
6 THE LEASED LANDS OF ANOTHER.

7 (iii) THE PERSON IS A TENANT-STOCKHOLDER OF A COOPERATIVE
8 HOUSING CORPORATION.

9 (F) "REHABILITATION" MEANS ALL OR PART OF THOSE REPAIRS AND
10 IMPROVEMENTS NECESSARY TO MAKE REAL PROPERTY SAFE, SANITARY, AND
11 IN COMPLIANCE WITH APPLICABLE BUILDING AND SAFETY CODES.

12 SEC. 24G. (1) A HOMELESS SHELTER AND HOUSING REHABILITATION
13 FUND IS CREATED WITHIN THE STATE TREASURY.

14 (2) THE STATE TREASURY SHALL CREDIT THE HOMELESS SHELTER AND
15 HOUSING REHABILITATION FUND WITH DEPOSITS OF PROCEEDS FROM THE
16 INCOME TAX DESIGNATIONS MADE UNDER THE INCOME TAX ACT OF 1967,
17 ACT NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SECTIONS 206.1 TO
18 206.532 OF THE MICHIGAN COMPILED LAWS.

19 (3) THE HOMELESS SHELTER AND HOUSING REHABILITATION FUND IS
20 A REVOLVING FUND. DEPOSITS BY THE STATE TREASURER, INTEREST
21 EARNED BY THE HOMELESS SHELTER AND HOUSING REHABILITATION FUND,
22 AND OTHER MONEY THAT IS AVAILABLE TO THE AUTHORITY FOR THE PUR-
23 POSE OF THE FUND FROM OTHER SOURCES SHALL BE AVAILABLE FOR REHA-
24 BILITATION GRANTS TO HOMELESS SHELTER PROVIDERS AND FOR REHABILI-
25 TATION GRANTS TO OWNERS OF HOUSING UNITS LOCATED IN AN ELIGIBLE
26 DISTRESSED AREA.

1 SEC. 24H. (1) THE DEPARTMENT SHALL AWARD GRANTS FROM THE
2 HOMELESS SHELTER AND HOUSING REHABILITATION FUND, AS DETERMINED
3 BY THE AUTHORITY, TO OR ON BEHALF OF A HOMELESS SHELTER PROVIDER
4 THAT FILES AN APPLICATION UNDER SECTION 24I AND MEETS THE ELIGI-
5 BILITY REQUIREMENTS DESCRIBED IN SECTION 24I.

6 (2) THE TOTAL AMOUNT OF GRANTS AWARDED TO THE HOMELESS SHEL-
7 TER PROVIDERS SHALL NOT EXCEED 25% OF THE AMOUNT OF THE FUND
8 AVAILABLE FOR GRANTS UNDER THIS SECTION AND SECTION 24J AS DETER-
9 MINED BY THE AUTHORITY ON DECEMBER 31 OF THE YEAR FOR WHICH THE
10 STATE INCOME TAX DESIGNATIONS DESCRIBED IN SECTION 24G WERE
11 MADE.

12 (3) THE GRANTS UNDER THIS SECTION SHALL BE AWARDED ON A
13 FIRST COME-FIRST SERVED BASIS NO EARLIER THAN JANUARY 1 AFTER THE
14 YEAR FOR WHICH THE STATE INCOME TAX DESIGNATIONS DESCRIBED IN
15 SECTION 24G WERE MADE.

16 SEC. 24I. (1) A HOMELESS SHELTER PROVIDER IS ELIGIBLE TO
17 RECEIVE A GRANT UNDER SECTION 24H IF ALL OF THE FOLLOWING
18 REQUIREMENTS ARE MET:

19 (A) THE HOMELESS SHELTER PROVIDER HAS BEEN OPERATING AS A
20 HOMELESS SHELTER PROVIDER NOT LESS THAN 12 MONTHS BEFORE THE DATE
21 IT APPLIES FOR A GRANT UNDER SECTION 24H.

22 (B) THE HOMELESS SHELTER PROVIDER AGREES TO MAINTAIN ITS
23 OPERATION AS A HOMELESS SHELTER PROVIDER FOR NOT LESS THAN THE
24 FOLLOWING APPLICABLE TIME PERIOD:

25 (i) THREE YEARS IF IT RECEIVES A GRANT FOR LESS THAN
26 \$20,000.00.

1 (ii) FIVE YEARS IF IT RECEIVES A GRANT FOR \$20,000.00 OR
2 MORE.

3 (C) THE HOMELESS SHELTER PROVIDER DEMONSTRATES THAT THE
4 SHELTER IS IN NEED OF REHABILITATION AND THAT THE PROPOSED REHA-
5 BILITATION WILL MEET THE STANDARDS OF THE APPLICABLE BUILDING AND
6 SAFETY CODES.

7 (D) OTHER REQUIREMENTS THE AUTHORITY CONSIDERS PROPER.

8 (2) A HOMELESS SHELTER PROVIDER SHALL NOT RECEIVE GRANTS
9 THAT TOTAL MORE THAN \$100,000.00 DURING A FISCAL YEAR OF THE
10 AUTHORITY.

11 SEC. 24J. (1) THE DEPARTMENT SHALL AWARD GRANTS FROM THE
12 HOMELESS SHELTER AND HOUSING REHABILITATION FUND, AS DETERMINED
13 BY THE AUTHORITY, TO OR ON BEHALF OF AN OWNER, WHO FILES AN
14 APPLICATION UNDER SECTION 24I AND WHO MEETS THE ELIGIBILITY
15 REQUIREMENTS ESTABLISHED BY THE AUTHORITY CONSISTENT WITH THE
16 REQUIREMENTS DESCRIBED IN SECTION 24K.

17 (2) THE TOTAL AMOUNT OF GRANTS AWARDED TO THE OWNERS SEEKING
18 REHABILITATION GRANTS SHALL NOT EXCEED 75% OF THE AMOUNT OF THE
19 FUND AVAILABLE FOR GRANTS UNDER THIS SECTION AND SECTION 24H AS
20 DETERMINED BY THE AUTHORITY ON DECEMBER 31 OF THE YEAR FOR WHICH
21 THE STATE INCOME TAX DESIGNATIONS DESCRIBED IN SECTION 24G(2)
22 WERE MADE.

23 (3) GRANTS UNDER THIS SECTION SHALL BE AWARDED ON A FIRST
24 COME-FIRST SERVED BASIS NO EARLIER THAN JANUARY 1 AFTER THE YEAR
25 FOR WHICH THE STATE INCOME TAX DESIGNATIONS DESCRIBED IN SECTION
26 24G(2) WERE MADE.

1 SEC. 24K. (1) AN OWNER OF A HOUSING UNIT IS ELIGIBLE TO
2 RECEIVE A GRANT UNDER SECTION 24J IF ALL OF THE FOLLOWING
3 REQUIREMENTS ARE MET:

4 (A) THE HOUSING UNIT IS LOCATED IN AN ELIGIBLE DISTRESSED
5 AREA.

6 (B) THE HOUSING UNIT IS IN NEED OF REHABILITATION.

7 (C) THE HOUSING UNIT IS THE PRINCIPAL RESIDENCE OF THE
8 OWNER.

9 (D) OTHER REQUIREMENTS THE AUTHORITY CONSIDERS PROPER.

10 (2) A GRANT UNDER THIS SECTION SHALL NOT EXCEED 70% OF THE
11 STATE EQUALIZED VALUE OF THE HOUSING UNIT OR \$20,000.00, WHICH-
12 EVER IS LESS.

13 SEC. 24L. (1) AN INDIVIDUAL OR OTHER LEGAL ENTITY REQUEST-
14 ING A GRANT FROM THE HOMELESS SHELTER AND HOUSING REHABILITATION
15 FUND SHALL FILE AN APPLICATION WITH THE AUTHORITY. THE AUTHORITY
16 MAY REQUIRE THAT THE APPLICANT PAY AN APPLICATION FEE AS ESTAB-
17 LISHED IN RULES PROMULGATED BY THE AUTHORITY.

18 (2) FOR AN OWNER OF A HOUSING UNIT, THE APPLICATION SHALL
19 INCLUDE ALL OF THE FOLLOWING:

20 (A) THE NAMES OF ALL MEMBERS OF THE OWNER'S HOUSEHOLD AND
21 THE AMOUNT OF INCOME RECEIVED BY EACH HOUSEHOLD MEMBER.

22 (B) THE LEGAL DESCRIPTION AND STREET ADDRESS OF THE HOUSING
23 UNIT BEING REHABILITATED.

24 (C) PROOF AND CERTIFICATION THAT THE OWNER MEETS THE
25 REQUIREMENTS FOR A GRANT UNDER SECTION 24J AND AS ESTABLISHED BY
26 THE AUTHORITY.

(D) OTHER INFORMATION THE AUTHORITY CONSIDERS NECESSARY.

(3) FOR A HOMELESS SHELTER PROVIDER, THE AUTHORITY SHALL FURNISH A FORM REQUESTING THE INFORMATION IT CONSIDERS RELEVANT TO THE ELIGIBILITY FOR A GRANT.

(4) THE AUTHORITY SHALL DEVELOP GUIDELINES FOR EVALUATING APPLICATIONS FOR GRANTS UNDER SECTIONS 24H AND 24J.

SEC. 24M. (1) THE AUTHORITY SHALL SUBMIT AN ANNUAL REPORT TO THE DEPARTMENT THAT SHALL INCLUDE THOSE ITEMS REQUIRED BY THE DEPARTMENT.

(2) THE DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT TO THE LEGISLATURE ON THE USE OF THE HOMELESS SHELTER AND HOUSING REHABILITATION FUND. THE REPORT SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

(A) A LIST AND DESCRIPTION OF APPROVED GRANTS.

(B) OTHER ACCOMPLISHMENTS OF THE FUND.

(C) THE DEPARTMENT'S RECOMMENDATIONS ON THE CONTINUATION OR CESSATION OF THE FUND AS WELL AS OTHER RECOMMENDATIONS FOR CHANGES IN THE FUND.

SEC. 24N. THE AUTHORITY SHALL PROMULGATE RULES PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC ACTS OF 1969, BEING SECTIONS 24.201 TO 24.328 OF THE MICHIGAN COMPILED LAWS, TO IMPLEMENT THE ADMINISTRATION OF THE HOMELESS SHELTER AND HOUSING REHABILITATION FUND.

Section 2. This amendatory act shall not take effect unless Senate Bill No. 903

of the 84th Legislature is enacted into law.