

HOUSE BILL No. 5075

September 30, 1993, Introduced by Reps. Jondahl, Byrum, Harrison, Joe Young, Jr., Brown, Gubow, Schroer, Gire, Scott, Pitoniak, Dolan, Berman, Bryant, Hollister, Bender, Bennane, Murphy, Leland, Saunders, Agee, DeMars and Bankes and referred to the Committee on Housing and Urban Affairs.

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 125.1499c of the Michigan Compiled Laws, and to add chapter 3a.

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 125.1499c of the
3 Michigan Compiled Laws, is amended and chapter 3a is added to
4 read as follows:

TITLE

5
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
9 acquisition and development fund; to establish a rehabilitation

1 fund; to establish a conversion condominium fund; TO ESTABLISH
2 CERTAIN OTHER FUNDS AND PROVIDE FOR THE EXPENDITURE OF CERTAIN
3 FUNDS; TO ESTABLISH THE AFFORDABLE HOUSING FUND ADVISORY COMMIS-
4 SION AND PRESCRIBE ITS POWERS AND DUTIES; to authorize the making
5 and purchase of loans, deferred payment loans, and grants to
6 qualified developers, sponsors, individuals, mortgage lenders,
7 and municipalities; to establish and provide acceleration and
8 foreclosure procedures; to provide tax exemption; to authorize
9 payments in lieu of taxes by nonprofit housing corporations, con-
10 sumer housing cooperatives, limited dividend housing corpora-
11 tions, mobile home park corporations, and mobile home park asso-
12 ciations; and to prescribe criminal penalties for violations of
13 this act.

14 CHAPTER 3A

15 SEC. 58. (1) THE DEFINITIONS IN SECTION 11 APPLY TO THIS
16 CHAPTER UNLESS OTHERWISE PROVIDED IN THIS CHAPTER.

17 (2) AS USED IN THIS CHAPTER:

18 (A) "ADJUSTED HOUSEHOLD INCOME" MEANS THAT TERM AS DEFINED
19 IN RULES OF THE AUTHORITY.

20 (B) "AFFORDABLE HOUSING" MEANS RESIDENTIAL HOUSING THAT IS
21 OCCUPIED BY VERY LOW INCOME OR EXTREMELY LOW INCOME HOUSEHOLDS,
22 AND REQUIRES PAYMENT OF MONTHLY HOUSING COSTS, INCLUDING UTILI-
23 TIES OTHER THAN TELEPHONE, EQUAL TO NO MORE THAN 30% OF ADJUSTED
24 HOUSEHOLD INCOME.

25 (C) "COMMISSION" MEANS THE AFFORDABLE HOUSING FUND ADVISORY
26 COMMISSION CREATED IN SECTION 58B.

1 (D) "COUNCIL" MEANS THE MICHIGAN HOUSING COORDINATING
2 COUNCIL CREATED BY EXECUTIVE ORDER 199

3 (E) "ELIGIBLE APPLICANT" MEANS A PERSON, SOLE PROPRIETOR-
4 SHIP, PARTNERSHIP, LIMITED PARTNERSHIP, FOR-PROFIT CORPORATION,
5 NOT-FOR-PROFIT CORPORATION, OR UNIT OF LOCAL GOVERNMENT THAT
6 SEEKS TO USE ASSETS OF THE FUND AS PROVIDED IN THIS CHAPTER.

7 (F) "EXTREMELY LOW INCOME HOUSEHOLD" MEANS A PERSON, A
8 FAMILY, OR UNRELATED PERSONS LIVING TOGETHER WHOSE ADJUSTED
9 HOUSEHOLD INCOME IS NOT MORE THAN 25% OF THE MEDIAN INCOME, AS
10 DETERMINED BY THE AUTHORITY, FOR A SIMILAR SIZED HOUSEHOLD WITHIN
11 THE NONMETROPOLITAN COUNTY OR THE METROPOLITAN STATISTICAL AREA
12 IN WHICH THE LOW INCOME HOUSEHOLD RESIDES.

13 (G) "FUND" MEANS THE MICHIGAN AFFORDABLE HOUSING FUND CRE-
14 ATED IN SECTION 58A.

15 (H) "MULTIFAMILY HOUSING" MEANS A BUILDING OR BUILDINGS PRO-
16 VIDING HOUSING TO 2 OR MORE HOUSEHOLDS, NONE OF WHICH IS OWNER
17 OCCUPIED.

18 (I) "NONMETROPOLITAN COUNTY OR METROPOLITAN STATISTICAL
19 AREA" MEANS THOSE TERMS AS DEFINED BY THE UNITED STATES DEPART-
20 MENT OF MANAGEMENT AND BUDGET.

21 (J) "PROGRAM" MEANS THE MICHIGAN AFFORDABLE HOUSING PROGRAM
22 DESCRIBED IN SECTION 58C.

23 (K) "SINGLE FAMILY HOUSING" MEANS A BUILDING CONTAINING AT
24 LEAST 1 BUT NOT MORE THAN 4 DWELLING UNITS, AT LEAST 1 OF WHICH
25 IS OWNER OCCUPIED, INCLUDING, BUT NOT LIMITED TO, A MOBILE HOME
26 AS DEFINED IN SECTION 2 OF THE MOBILE HOME COMMISSION ACT, ACT

1 NO. 96 OF THE PUBLIC ACTS OF 1987, BEING SECTION 125.2302 OF THE
2 MICHIGAN COMPILED LAWS.

3 (1) "VERY LOW INCOME HOUSEHOLD" MEANS A PERSON, A FAMILY, OR
4 UNRELATED PERSONS LIVING TOGETHER WHOSE ADJUSTED HOUSEHOLD INCOME
5 IS MORE THAN 25% BUT NOT MORE THAN 50% OF THE MEDIAN INCOME, AS
6 DETERMINED BY THE AUTHORITY, OF A SIMILAR SIZED HOUSEHOLD WITHIN
7 THE NONMETROPOLITAN COUNTY OR THE METROPOLITAN STATISTICAL AREA
8 IN WHICH THE VERY LOW INCOME HOUSEHOLD RESIDES.

9 SEC. 58A. (1) THE MICHIGAN AFFORDABLE HOUSING FUND IS CRE-
10 ATED IN THE DEPARTMENT OF TREASURY. THE FUND SHALL BE ADMINIS-
11 TERED BY THE AUTHORITY WITH THE ADVICE OF THE COMMISSION AND
12 SHALL BE EXPENDED ONLY AS PROVIDED IN THIS CHAPTER.

13 (2) THE STATE TREASURER SHALL CREDIT TO THE FUND ALL OF THE
14 FOLLOWING:

15 (A) ALL RECEIPTS, INCLUDING, BUT NOT LIMITED TO, DIVIDENDS
16 AND INTEREST ON THE INVESTMENT OF MONEY IN THE FUND AND PRINCIPAL
17 AND INTEREST PAYMENTS FROM LOANS OR AGREEMENTS MADE FROM THE
18 FUND.

19 (B) ALL PROCEEDS OF ASSETS RECEIVED BY THE AUTHORITY AS A
20 RESULT OF THE DEFAULT OF LOANS OR AGREEMENTS MADE UNDER THIS
21 CHAPTER.

22 (C) ALL APPROPRIATIONS, GRANTS, OR GIFTS OF MONEY OR PROP-
23 ERTY MADE TO THE FUND.

24 (D) ALL FEES OR CHARGES COLLECTED BY THE AUTHORITY PURSUANT
25 TO ACTIVITIES AUTHORIZED UNDER THIS CHAPTER.

26 (E) ALL PROCEEDS OF NOTES AND BONDS SOLD UNDER SECTION 58D.

1 (F) OTHER REVENUE AS PROVIDED BY LAW.

2 (3) ALL BALANCES IN THE FUND AT THE END OF A FISCAL YEAR
3 SHALL BE CARRIED OVER AS A PART OF THE FUND AND SHALL NOT REVERT
4 TO THE GENERAL FUND OF THE STATE.

5 SEC. 58B. (1) THE AFFORDABLE HOUSING FUND ADVISORY COMMIS-
6 SION IS CREATED WITHIN THE AUTHORITY.

7 (2) THE COMMISSION SHALL CONSIST OF THE FOLLOWING MEMBERS:

8 (A) FIVE MEMBERS APPOINTED BY THE SPEAKER OF THE HOUSE OF
9 REPRESENTATIVES, AS FOLLOWS:

10 (i) A PERSON ACTIVELY ENGAGED IN LOCAL GOVERNMENT, HOUSING,
11 AND COMMUNITY DEVELOPMENT ACTIVITIES.

12 (ii) A PERSON ACTIVELY ENGAGED IN THE RESIDENTIAL BUILDING
13 INDUSTRY.

14 (iii) A RESIDENT OF GOVERNMENT-ASSISTED HOUSING.

15 (iv) A PERSON WHO REPRESENTS A STATEWIDE ORGANIZATION THAT
16 IS ACTIVELY INVOLVED IN RESEARCH AND POLICY DEVELOPMENT CONCERN-
17 ING PERSONS WITH VERY LOW INCOME OR EXTREMELY LOW INCOME.

18 (v) A PERSON ACTIVELY INVOLVED IN AN ORGANIZATION THAT HAS
19 FOR 1 OF ITS PRIMARY PURPOSES THE PROMOTION OF THE RIGHTS OF PER-
20 SONS WITH HANDICAPS.

21 (B) FIVE MEMBERS APPOINTED BY THE SENATE MAJORITY LEADER, AS
22 FOLLOWS:

23 (i) A PERSON ACTIVELY ENGAGED IN THE ADMINISTRATION OF
24 PUBLIC HOUSING.

25 (ii) A PERSON ACTIVELY ENGAGED IN THE MORTGAGE OR BANKING
26 INDUSTRY.

1 (iii) A PERSON ACTIVELY INVOLVED IN A NEIGHBORHOOD
2 ASSOCIATION OR CIVIC GROUP PROMOTING RESIDENTIAL HOUSING FOR
3 PERSONS OF VERY LOW INCOME OR EXTREMELY LOW INCOME.

4 (iv) A PERSON ACTIVELY INVOLVED IN AN ORGANIZATION THAT HAS
5 FOR 1 OF ITS PRIMARY PURPOSES THE PROMOTION OF HOUSING FOR PER-
6 SONS OF VERY LOW INCOME OR EXTREMELY LOW INCOME.

7 (v) A PERSON ACTIVELY INVOLVED IN AN ORGANIZATION THAT HAS
8 FOR 1 OF ITS PRIMARY PURPOSES THE PROMOTION OF HOUSING FOR PER-
9 SONS OF VERY LOW INCOME OR EXTREMELY LOW INCOME WHO ARE OVER THE
10 AGE OF 60.

11 (C) FOUR MEMBERS APPOINTED BY THE GOVERNOR, WHO ARE REPRE-
12 SENTATIVES OF THE GENERAL PUBLIC WITH THE EXPERTISE AND KNOWLEDGE
13 NECESSARY TO SERVE ON THE COMMISSION.

14 (3) OF THE ORIGINAL 14 MEMBERS OF THE COMMISSION, THE GOVER-
15 NOR SHALL APPOINT 1 MEMBER FOR A 1-YEAR TERM, 2 MEMBERS FOR
16 2-YEAR TERMS, AND 1 MEMBER FOR A 3-YEAR TERM; THE SPEAKER OF THE
17 HOUSE OF REPRESENTATIVES AND THE SENATE MAJORITY LEADER SHALL
18 EACH APPOINT 1 MEMBER FOR A 1-YEAR TERM, 2 MEMBERS FOR 2-YEAR
19 TERMS, AND 2 MEMBERS FOR 3-YEAR TERMS; SUCCESSORS SHALL BE
20 APPOINTED FOR 3-YEAR TERMS. A MEMBER SHALL SERVE UNTIL HIS OR
21 HER SUCCESSOR IS NAMED.

22 (4) A VACANCY IN THE COMMISSION SHALL BE FILLED IN THE SAME
23 MANNER AS THE ORIGINAL APPOINTMENT.

24 (5) THE COMMISSION SHALL ELECT A CHAIRPERSON FROM ITS MEM-
25 BERS FOR A 2-YEAR TERM.

26 (6) EACH MEMBER OF THE COMMISSION IS ENTITLED TO ACTUAL AND
27 NECESSARY TRAVELING AND OTHER EXPENSES INCURRED IN THE

1 PERFORMANCE OF OFFICIAL DUTIES IN ACCORDANCE WITH STANDARD TRAVEL
2 REGULATIONS OF THE DEPARTMENT OF MANAGEMENT AND BUDGET.

3 (7) THE BUSINESS OF THE COMMISSION SHALL BE CONDUCTED IN
4 COMPLIANCE WITH THE OPEN MEETINGS ACT, ACT NO. 267 OF THE PUBLIC
5 ACTS OF 1976, BEING SECTIONS 15.261 TO 15.275 OF THE MICHIGAN
6 COMPILED LAWS.

7 (8) THE COMMISSION SHALL HAVE REASONABLE ACCESS TO ALL
8 RECORDS IN THE POSSESSION OF THE AUTHORITY PERTAINING TO THE
9 MICHIGAN AFFORDABLE HOUSING PROGRAM. THE COMMISSION SHALL COMPLY
10 WITH THE FREEDOM OF INFORMATION ACT, ACT NO. 442 OF THE PUBLIC
11 ACTS OF 1976, BEING SECTIONS 15.231 TO 15.246 OF THE MICHIGAN
12 COMPILED LAWS.

13 (9) THE COMMISSION SHALL DO ALL OF THE FOLLOWING:

14 (A) WORK WITH THE COUNCIL TO ADVISE THE AUTHORITY IN ITS
15 IMPLEMENTATION OF THE PROGRAM.

16 (B) MONITOR AND EVALUATE THE ALLOCATION OF MONEY FROM THE
17 FUND.

18 (C) APPROVE MINOR MODIFICATIONS MADE TO THE ALLOCATION PLAN
19 PURSUANT TO SECTION 58C(4).

20 SEC. 58C. (1) WITH THE ADVICE AND INPUT OF THE COUNCIL AND
21 THE COMMISSION, THE AUTHORITY SHALL CREATE AND IMPLEMENT THE
22 MICHIGAN AFFORDABLE HOUSING PROGRAM FOR THE PURPOSE OF DEVELOPING
23 AND COORDINATING PUBLIC AND PRIVATE RESOURCES TO MEET THE AFFORD-
24 ABLE HOUSING NEEDS OF VERY LOW INCOME AND EXTREMELY LOW INCOME
25 HOUSEHOLDS IN THIS STATE.

26 (2) THE AUTHORITY SHALL IDENTIFY, SELECT, AND MAKE FINANCING
27 AVAILABLE TO ELIGIBLE APPLICANTS FROM MONEY IN THE FUND OR FROM

1 MONEY SECURED BY THE FUND FOR AFFORDABLE HOUSING FOR VERY LOW
2 INCOME AND EXTREMELY LOW INCOME HOUSEHOLDS. THIS SUBSECTION DOES
3 NOT PRECLUDE THE AUTHORITY FROM USING OTHER RESOURCES IN CONJUNC-
4 TION WITH THE FUND FOR PURPOSES AUTHORIZED UNDER THIS CHAPTER.

5 (3) THE AUTHORITY SHALL PROMULGATE RULES PURSUANT TO THE
6 ADMINISTRATIVE PROCEDURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC
7 ACTS OF 1969, BEING SECTIONS 24.201 TO 24.328 OF THE MICHIGAN
8 COMPILED LAWS, PROVIDING FOR THE TERMS AND CONDITIONS UNDER WHICH
9 ASSISTANCE MADE UNDER THIS CHAPTER SHALL BE RECAPTURED.

10 (4) EVERY 4 YEARS, THE AUTHORITY SHALL PROMULGATE RULES PUR-
11 SUANT TO ACT NO. 306 OF THE PUBLIC ACTS OF 1969 FOR A PLAN PRO-
12 VIDING FOR THE ALLOCATION OF MONEY FROM THE FUND, IN ACCORDANCE
13 WITH ALL OF THE FOLLOWING:

14 (i) THE ALLOCATION PLAN SHALL PROVIDE FOR THE FOLLOWING PER-
15 CENTAGES OF SPENDING IN THE FOLLOWING 3 CATEGORIES:

16 (A) FORTY PERCENT OF THE MONEY IN THE FUND SHALL BE ALLO-
17 CATED EACH FISCAL YEAR FOR AFFORDABLE HOUSING IN COUNTIES HAVING
18 A POPULATION OF 650,000 OR MORE.

19 (B) THIRTY-FIVE PERCENT OF THE MONEY IN THE FUND SHALL BE
20 ALLOCATED EACH FISCAL YEAR FOR AFFORDABLE HOUSING IN COUNTIES
21 HAVING A POPULATION OF 100,000 OR MORE BUT LESS THAN 650,000.

22 (C) TWENTY-FIVE PERCENT OF THE MONEY IN THE FUND SHALL BE
23 ALLOCATED EACH FISCAL YEAR FOR AFFORDABLE HOUSING IN COUNTIES
24 HAVING A POPULATION OF LESS THAN 100,000.

25 (ii) THE ALLOCATION PLAN SHALL PROVIDE THAT FOR EACH FISCAL
26 YEAR THE PERCENTAGE OF FUNDS IN EACH CATEGORY THAT IS ALLOCATED
27 TO AFFORDABLE HOUSING IN ELIGIBLE DISTRESSED AREAS IS NOT LESS

1 THAN THE PERCENTAGE OF ELIGIBLE DISTRESSED AREAS IN THAT
2 CATEGORY. THIS SUBPARAGRAPH DOES NOT PRECLUDE THE AUTHORITY FROM
3 ALLOCATING ADDITIONAL FUNDS TO ELIGIBLE DISTRESSED AREAS.

4 (iii) MONEY THAT HAS NOT BEEN COMMITTED AT THE END OF A
5 FISCAL YEAR SHALL NOT BE CARRIED OVER IN THE CATEGORY TO WHICH IT
6 HAD BEEN ALLOCATED DURING THAT FISCAL YEAR, BUT SHALL BE REALLO-
7 CATED FOR THE NEXT FISCAL YEAR PURSUANT TO THE ALLOCATION PLAN.

8 (iv) WITH THE APPROVAL OF THE COMMISSION, THE AUTHORITY MAY
9 MAKE MINOR MODIFICATIONS TO THE ALLOCATION PLAN AS NECESSARY TO
10 FACILITATE THE ADMINISTRATION OF THE PROGRAM OR TO ADDRESS
11 UNFORESEEN CIRCUMSTANCES.

12 (5) THE AUTHORITY SHALL PROMULGATE RULES PURSUANT TO ACT
13 NO. 306 OF THE PUBLIC ACTS OF 1969 TO IMPLEMENT THIS ACT.

14 SEC. 58D. (1) THE AUTHORITY MAY ISSUE NOTES AND BONDS FOR
15 THE PURPOSES SPECIFIED IN THIS CHAPTER, INCLUDING THE ESTABLISH-
16 MENT OF RESERVES AND THE PAYMENT OF INTEREST, COSTS OF ISSUANCE,
17 AND REASONABLE FEES AND EXPENSES OF THE AUTHORITY. ALL PROCEEDS
18 FROM THE SALE OF NOTES AND BONDS UNDER THIS SECTION SHALL BE
19 EXPENDED IN ACCORDANCE WITH THE PURPOSES AND PROVISIONS OF THIS
20 CHAPTER. NOTES AND BONDS MAY BE ISSUED UNDER THIS SECTION WITH-
21 OUT REGARD TO SECTION 32(5) OR 32A. ANY SUCH NOTES AND BONDS
22 SHALL BE LIMITED AND NOT GENERAL OBLIGATIONS OF THE AUTHORITY,
23 SHALL NOT BE SECURED BY THE CAPITAL RESERVE CAPITAL ACCOUNT, AND
24 SHALL BE SECURED SOLELY BY REVENUES AND PROPERTY THAT ARE DERIVED
25 FROM OR OBTAINED IN CONNECTION WITH THE PROGRAM ESTABLISHED PUR-
26 SUANT TO THIS CHAPTER, INCLUDING MONEY IN THE FUND, AND THAT ARE
27 ALLOCATED BY THE AUTHORITY TO THE PROGRAM. EACH BOND SHALL

1 DESCRIBE THE LIMITED NATURE OF THE STATE'S OBLIGATION ON THE FACE
2 OF THE BOND.

3 (2) THE AUTHORITY MAY USE ALL OR A PORTION OF THE AMOUNTS ON
4 DEPOSIT OR TO BE DEPOSITED IN THE FUND TO SECURE THE REPAYMENT OF
5 NOTES OR BONDS ISSUED BY THE AUTHORITY PURSUANT TO
6 SUBSECTION (1).

7 SEC. 58E. (1) THE AUTHORITY SHALL EXPEND MONEY IN THE FUND
8 TO MAKE GRANTS, MORTGAGE LOANS, OR OTHER LOANS TO ELIGIBLE APPLI-
9 CANTS AS PROVIDED IN THIS SECTION TO ENABLE APPLICANTS TO CON-
10 STRUCT, REHABILITATE, DEVELOP, OPERATE, INSURE, ACQUIRE FOR REHA-
11 BILITATION, OR RETAIN AFFORDABLE SINGLE FAMILY AND MULTIFAMILY
12 HOUSING FOR VERY LOW INCOME AND EXTREMELY LOW INCOME HOUSEHOLDS.

13 (2) THE AUTHORITY SHALL EXPEND A PORTION OF THE FUND FOR
14 HOUSING FOR SPECIAL NEEDS POPULATIONS INCLUDING, BUT NOT LIMITED
15 TO, THE HOMELESS, SINGLE PARENT FAMILIES, THE ELDERLY, OR PERSONS
16 WITH PHYSICAL OR MENTAL HANDICAPS.

17 (3) GRANTS FROM THE FUND MAY INCLUDE, BUT ARE NOT LIMITED
18 TO, RENTAL ASSISTANCE, SECURITY DEPOSIT ASSISTANCE, AND MORTGAGE
19 FORECLOSURE ASSISTANCE FOR VERY LOW INCOME AND EXTREMELY LOW
20 INCOME HOUSEHOLDS. THE AUTHORITY SHALL NOT MAKE GRANTS TO ELIGI-
21 BLE APPLICANTS THAT ARE ORGANIZED FOR PROFIT.

22 (4) THE AUTHORITY MAY MAKE LOANS TO ELIGIBLE APPLICANTS FROM
23 THE FUND AT NO INTEREST OR AT BELOW MARKET INTEREST RATES, WITH
24 OR WITHOUT SECURITY, AND MAY INCLUDE LOANS FOR PREDEVELOPMENT
25 FINANCING.

26 (5) THE AUTHORITY MAY PROVIDE ASSISTANCE FOR HOUSING UNITS
27 FOR VERY LOW INCOME OR EXTREMELY LOW INCOME HOUSEHOLDS WITHIN

1 MULTIFAMILY HOUSING THAT IS OCCUPIED PARTLY BY VERY LOW INCOME OR
2 EXTREMELY LOW INCOME HOUSEHOLDS AND PARTLY BY HOUSEHOLDS THAT DO
3 NOT QUALIFY AS VERY LOW INCOME OR EXTREMELY LOW INCOME HOUSE-
4 HOLDS, SUBJECT TO RULES PROMULGATED BY THE AUTHORITY.

5 SEC. 58F. (1) THE AUTHORITY SHALL NOT PROVIDE ASSISTANCE
6 FOR HOUSING UNDER THIS ACT UNLESS ALL OF THE FOLLOWING CIRCUM-
7 STANCES EXIST:

8 (A) IF THE HOUSING IS MULTIFAMILY HOUSING, THE OWNER OR MAN-
9 AGER AGREES IN WRITING NOT TO REFUSE TO ACCEPT TENANTS FOR OCCU-
10 PANCY SOLELY BECAUSE THE TENANT RECEIVES GOVERNMENTAL
11 ASSISTANCE.

12 (B) IF THE HOUSING IS MULTIFAMILY HOUSING, THE OWNER OR MAN-
13 AGER AGREES IN WRITING NOT TO EVICT TENANTS WITHOUT JUST CAUSE,
14 AS DEFINED IN SECTION 44A OF ACT NO. 18 OF THE PUBLIC ACTS OF THE
15 EXTRA SESSION OF 1933, BEING SECTION 125.694A OF THE MICHIGAN
16 COMPILED LAWS.

17 (C) THE HOUSING IS SOLD OR RENTED WITH A DEED RESTRICTION,
18 AGREEMENT, OR OTHER LEGAL DOCUMENT THAT PROVIDES FOR THE RECAP-
19 TURE OF SOME OR ALL OF THE ASSISTANCE PROVIDED UNDER THIS CHAPTER
20 UPON TERMS AND CONDITIONS SPECIFIED IN RULES OF THE AUTHORITY
21 PROMULGATED PURSUANT TO SECTION 58C(3).

22 (D) IF THE HOUSING IS MULTIFAMILY HOUSING CONSTRUCTED OR
23 REHABILITATED WITH ASSISTANCE FROM THE FUND, NOT LESS THAN 50% OF
24 THE OCCUPANCY OF THE HOUSING IS COMPOSED OF VERY LOW INCOME AND
25 EXTREMELY LOW INCOME HOUSEHOLDS AND NOT LESS THAN 25% OF THE
26 OCCUPANCY IS COMPOSED OF EXTREMELY LOW INCOME HOUSEHOLDS.

1 (E) THE HOUSING COMPLIES WITH BOTH OF THE FOLLOWING:

2 (i) THE HOUSING LAW OF MICHIGAN, ACT NO. 167 OF THE PUBLIC
3 ACTS OF 1917, BEING SECTIONS 125.401 TO 125.543 OF THE MICHIGAN
4 COMPILED LAWS, IF APPLICABLE, A LOCAL LAW ENACTED PURSUANT TO
5 SECTION 8 OF ACT NO. 167 OF THE PUBLIC ACTS OF 1917, BEING
6 SECTION 125.408 OF THE MICHIGAN COMPILED LAWS, OR ANY OTHER
7 APPLICABLE LOCAL HOUSING LAW.

8 (ii) THE STATE CONSTRUCTION CODE ACT OF 1972, ACT NO. 230 OF
9 THE PUBLIC ACTS OF 1972, BEING SECTIONS 125.1501 TO 125.1531 OF
10 THE MICHIGAN COMPILED LAWS, OR A BUILDING CODE ADOPTED PURSUANT
11 TO SECTION 8 OF ACT NO. 230 OF THE PUBLIC ACTS OF 1972, BEING
12 SECTION 125.1508 OF THE MICHIGAN COMPILED LAWS.

13 (2) THE AUTHORITY SHALL NOT USE THE FUND TO SUPPLANT EXIST-
14 ING RESOURCES.

15 SEC. 58G. THE AUTHORITY SHALL MAKE GRANTS AND LOANS TO ELI-
16 GIBLE APPLICANTS FROM MONEY IN THE FUND FOR THE PURPOSES OF
17 ENCOURAGING INVESTMENT IN AFFORDABLE HOUSING FOR VERY LOW INCOME
18 OR EXTREMELY LOW INCOME HOUSEHOLDS, AND FOR REDUCING THE COSTS OF
19 THE DEVELOPMENT OF SUCH HOUSING. AFTER CONSULTATION WITH THE
20 COUNCIL AND THE COMMISSION, THE AUTHORITY SHALL PROMULGATE RULES
21 UNDER SECTION 58C TO IMPLEMENT THIS SECTION.