



# HOUSE BILL No. 5905

November 10, 1994 Introduced by Reps Banks Rivers, Martinez Dolan, Jersevic, Pitoniak Middaugh, Kukuk, O Neill London, Bennane, Agee and Gire and referred to the Committee on Housing and Urban Affairs

A bill to amend the title and sections 1, 4, 5, 6, 11, 13, 16, 17, 18, 24, 27, 44a, 47, 59, and 59b of Act No 18 of the Public Acts of the Extra Session of 1933, entitled as amended

'An act to authorize any city, village, township or county to purchase, acquire, construct, maintain, operate, improve, extend and repair housing facilities to eliminate housing conditions which are detrimental to the public peace, health, safety, morals or welfare and for any such purposes to authorize any such city, village, township or county to create a commission with power to effectuate said purposes, and to prescribe the powers and duties of such commission and of such city, village, township or county and for any such purposes to authorize any such city, village, township or county to issue notes and revenue bonds to regulate the issuance, sale retirement and refunding of such notes and bonds to regulate the rentals of such projects and the use of the revenues of the projects to prescribe the manner of selecting tenants for such projects to provide for condemnation of private property for such projects, to confer certain powers upon such cities, villages, townships and counties in relation to such projects, including the power to receive aid and cooperation of the federal government to provide for a referendum thereon to create a board of tenant affairs in any city of 1,000,000 or over having a housing commission and operating 1 or more housing projects to define the powers and duties of such board to provide for the right of appeal from its determinations, to provide for cooperative financing by 2 or more cities, villages,

townships or counties or any combination thereof to provide for the issuance, sale and retirement of revenue bonds and special obligation notes for such purposes to provide for financing agreements between cooperating borrowers to provide for other matters relative to the bonds and notes and methods of cooperative financing and for other purposes,"

section 4 as amended by Act No 207 of the Public Acts of 1984, being sections 125 651, 125 654, 125 655, 125 656 125 661, 125 663, 125 666, 125 667, 125 668, 125 674, 125 677, 125 694a, 125 697, 125 709, and 125 709b of the Michigan Compiled Laws and to add sections 11a and 23

#### THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 The title and sections 1, 4, 5, 6, 11, 13, 16,  
2 17, 18, 24, 27, 44a, 47, 59, and 59b of Act No 18 of the Public  
3 Acts of the Extra Session of 1933, section 4 as amended by Act  
4 No 207 of the Public Acts of 1984, being sections 125 651,  
5 125 654, 125 655, 125 656, 125 661, 125 663, 125 666, 125 667,  
6 125 668, 125 674, 125 677, 125 694a, 125 697, 125 709, and  
7 125 709b of the Michigan Compiled Laws, are amended and  
8 sections 11a and 23 are added to read as follows

#### 9 TITLE

10 An act to authorize any city village township or county  
11 to purchase, acquire, construct, maintain, operate, improve,  
12 extend, and repair housing facilities to eliminate housing con-  
13 ditions which are detrimental to the public peace, health,  
14 safety, morals, or welfare and for any such purposes to autho-  
15 rize any such city, village, township, or county to create a com-  
16 mission with power to effectuate said purposes, and to prescribe  
17 the powers and duties of such commission and of such city,

1 village township, or county and for any such purposes to  
2 authorize any such COMMISSION, city, village, township, or county  
3 to issue notes and revenue bonds to regulate the issuance, sale,  
4 retirement, and refunding of such notes and bonds to regulate  
5 the rentals of such projects and the use of the revenues of the  
6 projects to prescribe the manner of selecting tenants for such  
7 projects to provide for condemnation of private property for  
8 such projects to confer certain powers upon such COMMISSIONS,  
9 cities, villages townships, and counties in relation to such  
10 projects, including the power to receive aid and cooperation of  
11 the federal government to provide for a referendum thereon to  
12 create a board of tenant affairs in any city of 1,000,000 or over  
13 having a housing commission and operating 1 or more housing  
14 projects to define the powers and duties of such board to pro-  
15 vide for the right of appeal from its determinations to provide  
16 for cooperative financing by 2 or more COMMISSIONS, cities, vil-  
17 lages, townships, or counties or any combination thereof to pro-  
18 vide for the issuance, sale, and retirement of revenue bonds and  
19 special obligation notes for such purposes to provide for  
20 financing agreements between cooperating borrowers to provide  
21 for other matters relative to the bonds and notes and methods of  
22 cooperative financing and for other purposes

23 Sec 1 As used in this act

24 (a) Borrower means ~~the~~ EITHER OF THE FOLLOWING

25 (1) THE city, village, township, or county operating under  
26 this act

1       (11) A COMMISSION CREATED UNDER THIS ACT IF EMPOWERED BY  
2 ORDINANCE OR RESOLUTION OF THE CREATING GOVERNING BODY TO ACT AS  
3 A BORROWER FOR PURPOSES OF THIS ACT

4       (b) 'Governing body' means in the case of a city, the coun-  
5 cil or commission of the city in the case of a village, the  
6 council, commission, or board of trustees of the village in the  
7 case of a township, the township board and in the case of a  
8 county, the board of supervisors or county commissioners

9       (c) Commission' means the housing commission ~~appointed~~  
10 ~~hereunder~~ CREATED UNDER THIS ACT

11       (D) "INCORPORATING UNIT" MEANS THE CITY, VILLAGE, TOWNSHIP,  
12 OR COUNTY THAT CREATES A COMMISSION

13       (E) ORDINANCE MEANS AN ORDINANCE OF A CITY, VILLAGE, TOWN-  
14 SHIP, OR COUNTY OR A RESOLUTION OF A COMMISSION

15       (F) ~~(d)~~ "Township" means a township having a population  
16 over 100

17       Sec 4 (1) The commission shall consist of 5 members to be  
18 appointed by the chief administrative officer of the city or vil-  
19 lage except that if a city or village has a chief administrative  
20 officer who is not elected by the electors of the city or vil-  
21 lage the members of the commission may be appointed by the offi-  
22 cial designated by a resolution adopted by the governing body of  
23 the city or village The term of office of members of the com-  
24 mission shall be 5 years Members of the first commission shall  
25 be appointed for the terms of 1 year, 2 years, 3 years, 4 years,  
26 and 5 years respectively, and annually thereafter 1 member shall

1 be appointed for the term of 5 years As used in this  
2 subsection 'chief administrative officer' means

3 (a) The manager of a village or, if a village does not  
4 employ a manager, the president of the village

5 (b) The city manager of a city or, if a city does not employ  
6 a city manager, the mayor of the city

7 (2) In any city having a population of 1,000 000 or more,  
8 the commission shall consist of 9 members Five of the members  
9 shall be appointed by the chief administrative officer of the  
10 city The term of office of all members appointed by the chief  
11 administrative officer subsequent to the expiration of the term  
12 of office of current members shall be for 3 years Two members  
13 shall be selected by the board of tenant affairs to represent  
14 residents of public housing projects and 2 members shall be  
15 selected by the coordinating council on community redevelopment  
16 to represent residents of urban renewal areas The term of  
17 office of the members selected by the board of tenant affairs and  
18 by the coordinating council on community redevelopment shall be 2  
19 years except that 1 initial appointment made by the board of  
20 tenant affairs and 1 initial appointment made by the coordinating  
21 council on community redevelopment shall be for 1 year

22 (3) ~~Members~~ FOLLOWING NOTICE AND AN OPPORTUNITY TO BE  
23 HEARD, THE APPOINTING AUTHORITY MAY REMOVE A MEMBER of the com-  
24 mission ~~may be removed~~ from office ~~by the appointing~~  
25 ~~authority~~ BEFORE THE EXPIRATION OF HIS OR HER TERM FOR MISFEAS-  
26 ANCE, MALFEASANCE, OR NONFEASANCE OF DUTY REMOVAL OF A MEMBER IS  
27 SUBJECT TO REVIEW BY THE CIRCUIT COURT Any vacancy in office

1 shall be filled by the appointing authority for the remainder of  
2 the unexpired term

3 (4) ~~Members~~ A MEMBER of the commission may receive compen-  
4 sation for actual expenses incurred in serving as a member of the  
5 commission in an amount ~~as~~ determined by the ~~legislative body~~  
6 ~~of the city or village~~ COMMISSION

7 (5) A MEMBER OF THE GOVERNING BODY OF AN INCORPORATING UNIT  
8 MAY NOT BE APPOINTED AS A MEMBER OF THE COMMISSION THE OFFICES  
9 OF A MEMBER OF THE GOVERNING BODY OF THE INCORPORATING UNIT AND  
10 OF A MEMBER OF THE COMMISSION SHALL BE CONSIDERED INCOMPATIBLE  
11 UNDER ACT NO 566 OF THE PUBLIC ACTS OF 1978, BEING SECTIONS  
12 15 181 TO 15 185 OF THE MICHIGAN COMPILED LAWS THE APPOINTING  
13 AUTHORITY MAY, HOWEVER, APPOINT 1 MEMBER OF THE GOVERNING BODY OF  
14 THE INCORPORATING UNIT TO SERVE AS A NONVOTING EX OFFICIO MEMBER  
15 OF THE COMMISSION

16 Sec 5 (1) The business ~~which~~ THAT the commission may  
17 perform shall be conducted at a public meeting of the commission  
18 held in compliance with THE OPEN MEETINGS ACT, Act No 267 of the  
19 Public Acts of 1976, being sections 15 261 to 15 275 of the  
20 Michigan Compiled Laws Public notice of the time, date, and  
21 place of the meeting shall be given in the manner required by Act  
22 No 267 of the Public Acts of 1976 The commission shall meet at  
23 regular intervals It shall adopt its own rules of procedure ~~—~~  
24 and shall keep a record of the proceedings Three members  
25 ~~shall~~ constitute a quorum for the transaction of business  
26 EXCEPT THAT FOR A COMMISSION CREATED IN A CITY HAVING A

1 POPULATION OF 1,000,000 PERSONS OR MORE 5 MEMBERS CONSTITUTE A  
2 QUORUM FOR THE TRANSACTION OF BUSINESS

3 (2) A writing prepared owned, used, in the possession of,  
4 or retained by the commission in the performance of an official  
5 function shall be made available to the public in compliance with  
6 THE FREEDOM OF INFORMATION ACT Act No 442 of the Public Acts of  
7 1976 being sections 15 231 to 15 246 of the Michigan Compiled  
8 Laws

9 (3) A president and vice-president AND OTHER OFFICERS DESIG-  
10 NATED BY THE COMMISSION shall be elected by the commission The  
11 commission may ~~appoint~~ EMPLOY AND FIX THE COMPENSATION OF a  
12 director, who may also serve as secretary, and other employees  
13 ~~or officers~~ as ~~are~~ necessary The commission shall prescribe  
14 the duties of its officers and employees and ~~, with the approval~~  
15 ~~of the appointing authority, may fix their compensation~~ SHALL  
16 TRANSFER TO ITS OFFICERS AND DIRECTOR THOSE FUNCTIONS AND THAT  
17 AUTHORITY WHICH THE COMMISSION HAS PRESCRIBED The commission may  
18 employ engineers, architects, ATTORNEYS, ACCOUNTANTS, and OTHER  
19 PROFESSIONAL consultants ~~—~~ when necessary

20 Sec 6 (1) Funds for the operation of the commission may  
21 be ~~provided~~ LOANED OR GRANTED by the governing body ~~of the~~  
22 ~~city or village but~~ THE GOVERNING BODY MAY CONDITION THE PROVI-  
23 SION OF FUNDS TO THE COMMISSION UPON AN AGREEMENT THAT the com-  
24 mission shall as soon as possible reimburse the ~~city or village~~  
25 INCORPORATING UNIT for all ~~moneys~~ MONEY expended by it for the  
26 commission from revenues received from the sale of bonds

1 (2) A COMMISSION MAY SOLICIT, ACCEPT, AND ENTER INTO  
2 AGREEMENTS RELATING TO, GRANTS FROM ANY PUBLIC OR PRIVATE SOURCE,  
3 INCLUDING THE STATE OR FEDERAL GOVERNMENT OR ANY AGENCY OF THE  
4 STATE OR FEDERAL GOVERNMENT, AND MAY CARRY OUT ANY FEDERAL OR  
5 STATE PROGRAM RELATED TO THE PURPOSES FOR WHICH THE COMMISSION IS  
6 CREATED

7 Sec 11 (1) All deeds, MORTGAGES, contracts, leases, ~~or~~  
8 purchases, ~~entered into by the commission~~ OR OTHER AGREEMENTS  
9 REGARDING REAL PROPERTY shall be EXECUTED in the name of the  
10 ~~city or village and shall be approved by the governing body of~~  
11 ~~said city or village~~ COMMISSION OR THE INCORPORATING UNIT, AS  
12 SPECIFIED BY ORDINANCE OR RESOLUTION OF THE GOVERNING BODY  
13 ~~Contracts~~ FOR PURPOSES OF THIS SUBSECTION, "CONTRACTS OR LEASES  
14 REGARDING REAL PROPERTY MEANS CONTRACTS TO PURCHASE OR LEASE  
15 FROM A THIRD PARTY OR OTHER TRANSACTIONS UNDER WHICH RIGHTS OR  
16 POSSESSION OF REAL PROPERTY ARE ACQUIRED, BUT DOES NOT INCLUDE  
17 CONTRACTS, MANAGEMENT AGREEMENTS, OR LEASES OF THAT PROPERTY WITH  
18 TENANTS OR FACILITY MANAGERS CONTRACTS OR LEASES WITH TENANTS  
19 OR FACILITY MANAGERS SHALL BE EXECUTED BY AND IN THE NAME OF THE  
20 COMMISSION

21 (2) SUBSECTION (1) DOES NOT REQUIRE CONTRACTS for the pur-  
22 chase of necessary materials ~~, leases with tenants and options~~  
23 ~~need not be so approved~~ AND CONTRACTS RELATED TO THE POWERS AND  
24 DUTIES OF THE COMMISSION UNDER SECTION 12 TO BE EXECUTED BY AN  
25 INCORPORATING UNIT

26 (3) A GOVERNING BODY MAY TRANSFER PROPERTY TAKEN UNDER ITS  
27 POWER OF EMINENT DOMAIN TO THE COMMISSION FOR USE BY THE



1 COMMISSION FOR A PURPOSE AUTHORIZED BY THIS ACT THE TRANSFER  
2 SHALL BE CONSIDERED NECESSARY FOR PUBLIC PURPOSES AND FOR THE  
3 BENEFIT OF THE PUBLIC

4 (4) IF AN ORDINANCE OR RESOLUTION OF THE GOVERNING BODY PRO-  
5 VIDES PURSUANT TO SUBSECTION (1) FOR THE EXECUTION OF AGREEMENTS  
6 REGARDING REAL PROPERTY IN THE NAME OF THE COMMISSION, OR IF A  
7 COMMISSION IS EMPOWERED BY THE INCORPORATING UNIT TO ACT AS A  
8 BORROWER FOR PURPOSES OF THIS ACT, THE COMMISSION MAY SUE AND BE  
9 SUED WITH RESPECT TO THOSE AGREEMENTS EXECUTED OR OBLIGATIONS  
10 ISSUED BY THE COMMISSION THIS SUBSECTION DOES NOT AFFECT A LIM-  
11 ITATION PROVIDED BY THIS ACT OR BY THE TERMS OF AN AGREEMENT UPON  
12 THE FUNDS AVAILABLE OR THE PLEDGE MADE FOR THE PAYMENT OF A CLAIM  
13 AGAINST THE COMMISSION

14 SEC 11A (1) PROPERTY, INCOME, AND OPERATIONS OF THE COM-  
15 MISSION AND QUALIFIED NONPROFIT ENTITIES ARE EXEMPT FROM ALL TAX-  
16 ATION BY THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS  
17 HOWEVER, A GOVERNING BODY MAY ADOPT AN ORDINANCE REQUIRING THE  
18 COMMISSION TO PAY AN ANNUAL SERVICE FEE IN LIEU OF ALL TAXES WITH  
19 RESPECT TO PROJECTS OR FACILITIES OF THE COMMISSION OR QUALIFIED  
20 NONPROFIT ENTITIES THE FEE SHALL NOT EXCEED 10% OF THE ANNUAL  
21 SHELTER RENT OBTAINED FROM THE PROJECTS OR FACILITIES

22 (2) EACH INCORPORATING UNIT RECEIVING AS OF THE EFFECTIVE  
23 DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION PAYMENT IN  
24 LIEU OF TAXES WITH RESPECT TO A PROJECT OR FACILITY OF THE COM-  
25 MISSION OR A QUALIFIED NONPROFIT ENTITY SHALL AGREE TO ACCEPT A  
26 PAYMENT IN LIEU OF TAXES IN AN AMOUNT EQUAL TO THAT PORTION OF  
27 THE PAYMENT IN LIEU OF TAXES OTHERWISE DUE MULTIPLIED BY THE

1 PERCENTAGE BY WHICH THE MILLAGE RATE OF ALL TAXING UNITS LEVYING  
 2 AD VALOREM PROPERTY TAXES IN THE INCORPORATING UNIT IN WHICH THE  
 3 PROJECT OR FACILITY IS LOCATED FOR THE YEAR IN WHICH THE PAYMENT  
 4 IN LIEU OF TAXES IS DUE BEARS TO THE MILLAGE RATE LEVIED IN 1993  
 5 BY ALL TAXING UNITS LEVYING AD VALOREM PROPERTY TAXES IN THE  
 6 INCORPORATING UNIT IN WHICH THE PROJECT OR FACILITY IS LOCATED  
 7 THIS SUBSECTION DOES NOT REQUIRE THE INCREASE OF ANY PAYMENT IN  
 8 LIEU OF TAXES PREVIOUSLY AGREED TO BY THE INCORPORATING UNIT

9 (3) FOR PURPOSES OF THIS SECTION, "QUALIFIED NONPROFIT  
 10 ENTITY" MEANS A MICHIGAN NONPROFIT CORPORATION OR A MICHIGAN  
 11 LIMITED PARTNERSHIP HAVING A MICHIGAN NONPROFIT CORPORATION AS  
 12 ITS SOLE GENERAL PARTNER, IF 1 OF THE FOLLOWING APPLIES

13 (A) THE NONPROFIT CORPORATION IS OWNED BY THE COMMISSION

14 (B) A MAJORITY OF THE MEMBERS OF THE BOARD OF DIRECTORS OF  
 15 THE NONPROFIT CORPORATION ARE ELECTED AND REMOVABLE BY THE  
 16 COMMISSION

17 (C) THE COMMISSION IS THE SOLE MEMBER OF THE NONPROFIT  
 18 CORPORATION

19 Sec 13 ~~All~~ EXCEPT AS OTHERWISE PROVIDED IN SECTION 11,  
 20 ALL claims that may arise in connection with ~~said~~ A housing  
 21 project or projects shall be presented as are ordinary claims  
 22 against the city or village ~~---Provided, That written~~ WRITTEN  
 23 notice of all claims based upon injury to persons or property  
 24 ~~must~~ SHALL be served upon the city or village clerk within 60  
 25 days from the happening of the injury ~~, but the disposition~~  
 26 ~~thereof shall rest in the discretion of said commission and the~~  
 27 THE COMMISSION MAY DISPOSE OF CLAIMS IN ITS DISCRETION TO THE

1 EXTENT OF ANY LIABILITY FROM WHICH THE INCORPORATING UNIT OR THE  
2 COMMISSION IS NOT IMMUNE UNDER LAW AND FOR WHICH THE PROCEEDS OF  
3 LIABILITY INSURANCE ARE NOT AVAILABLE TO PAY, THE cost of inves-  
4 tigation, attorneys' fees, all claims that may be allowed, and  
5 final judgments obtained from ~~said~~ THOSE claims ~~—~~ shall be  
6 paid only from the operating revenue of ~~said~~ THE housing  
7 project or projects

8       Sec 16   (1) For the purposes of this act, any borrower is  
9 authorized to adopt or enact an ordinance or ordinances, OR A  
10 RESOLUTION OR RESOLUTIONS IF THE BORROWER IS A COMMISSION pro-  
11 viding for the issuance ~~—~~ and sale of revenue bonds as ~~herein~~  
12 stated IN THIS ACT, and any and all other appropriate ordinances  
13 and resolutions ~~deemed~~ CONSIDERED necessary or desirable to  
14 effectuate the full intent and purposes of this act ~~—~~  
15 ~~Provided, That the~~ THE manner and procedure of enacting any  
16 ~~such~~ ordinances or resolutions shall be as provided by law,  
17 except as may be ~~hereinafter~~ expressly provided for BY THIS  
18 ACT

19       (2) IF A COMMISSION IS THE BORROWER UNDER THIS ACT, THE COM-  
20 MISSION MAY LOAN ANY AMOUNT OF THE BORROWED MONEY TO THE INCOR-  
21 PORATING UNIT, WHICH MAY EXECUTE ANY DEED, MORTGAGE, LEASE, CON-  
22 TRACT, OR OTHER AGREEMENT WITH RESPECT TO PROPERTY FOR WHICH  
23 BONDS OR NOTES WERE ISSUED   IF THE COMMISSION MAKES A LOAN TO  
24 THE INCORPORATING UNIT UNDER THIS SUBSECTION, THE INCORPORATING  
25 UNIT HAS ALL POWERS GRANTED UNDER THIS ACT TO A BORROWER FOR PUR-  
26 POSES OF SECURING REPAYMENT OF THE LOAN

1       Sec 17   (1) For the purpose of defraying the cost of  
 2 purchasing, acquiring, constructing, improving, enlarging,  
 3 extending, or repairing any housing project or combined projects,  
 4 any borrower may borrow money and issue revenue bonds  
 5 ~~therefor~~ The bonds may be awarded before an authorizing ordi-  
 6 nance or resolution is adopted ~~—~~ however, the bonds shall not  
 7 be issued unless and until authorized by an ordinance or resolu-  
 8 tion ~~which shall set~~ SETTING forth a brief description of the  
 9 contemplated housing project or combined projects and the site or  
 10 sites ~~thereof~~ OF THE PROJECT OR PROJECTS, time and place of  
 11 payment and other details in connection with the issuance and  
 12 sale of the bonds

13       (2) THE BONDS MAY BE ISSUED AS SERIAL BONDS, TERM BONDS, OR  
 14 BOTH TERM AND SERIAL BONDS WITH MATURITIES AND PAYMENT OR  
 15 REDEMPTION DATES FIXED BY THE AUTHORIZING RESOLUTION OR  
 16 ORDINANCE UNLESS THE BONDS APPRECIATE IN PRINCIPAL AMOUNT IN  
 17 WHOLE OR IN PART OR ARE SOLD AT A DISCOUNT OF MORE THAN 10%, THE  
 18 FIRST MATURITY OR REQUIRED REDEMPTION OF TERM BONDS SHALL BE NOT  
 19 MORE THAN 5 YEARS FROM THE DATE OF ISSUANCE The bonds may be  
 20 issued in ~~such~~ 1 OR MORE series AT A DISCOUNT, shall be in  
 21 ~~such~~ THE denominations, shall bear AT A FIXED OR VARIABLE RATE  
 22 OR RATES OF interest ~~at such rate~~ OR NO INTEREST, not to exceed  
 23 the maximum rate permitted by THE MUNICIPAL FINANCE ACT, Act  
 24 No 202 of the Public Acts of 1943, as amended, being sections  
 25 131 1 to ~~138 2~~ 139 3 of the Michigan Compiled Laws, shall be  
 26 payable at ~~such~~ THE times and at ~~such~~ THE places, SHALL CARRY  
 27 THE CONVERSION OR REGISTRATION PRIVILEGES, shall have ~~such~~ THE

1 rank or priority, and shall be subject to ~~such~~ THE terms of  
 2 redemption AT THE OPTION OF THE HOLDER OR THE BORROWER, with or  
 3 without premium, as ~~shall be~~ ARE prescribed in the authorizing  
 4 ordinance or resolution The bonds ~~and coupons~~ shall be exe-  
 5 cuted in ~~such~~ THE manner and shall be substantially in the form  
 6 provided in the authorizing ordinance or resolution, WHICH MAY BE  
 7 BY FACSIMILE SIGNATURE OR SIGNATURES ~~The~~

8 (3) EXCEPT AS OTHERWISE PROVIDED BY THIS ACT, THE bonds  
 9 shall be sold ~~at public sale at not less than par~~ However, the  
 10 bonds may be sold to the United States housing authority or any  
 11 successor thereof, at private sale at not less than par and, if  
 12 IN A MANNER AUTHORIZED FOR OBLIGATIONS ISSUED UNDER ACT NO 202  
 13 OF THE PUBLIC ACTS OF 1943 IF less than all of the bonds autho-  
 14 rized in connection with a project or combined projects are sold  
 15 to the United States housing authority or a successor thereof,  
 16 the balance of the bonds may also be sold at private sale at an  
 17 interest cost to the borrower of not ~~to exceed~~ MORE THAN the  
 18 interest cost to the borrower of the portion of the bonds sold to  
 19 the United States of America or any agency or instrumentality  
 20 ~~thereof~~ OF THE UNITED STATES OF AMERICA ~~Bonds sold at public~~  
 21 ~~sale which bonds are not payable in part from contributions to be~~  
 22 ~~received from the United States of America or an agency thereof~~  
 23 ~~shall be sold in accordance with section 2 of chapter 3 of Act~~  
 24 ~~No 202 of the Public Acts of 1943, as amended~~ Bonds sold at  
 25 public sale ~~which bonds~~ THAT are payable in part from contribu-  
 26 tions to be received from the United States of America or an  
 27 agency ~~thereof~~ OF THE UNITED STATES OF AMERICA are not subject

1 to Act No 202 of the Public Acts of 1943, as amended, and need  
2 only be advertised in whatever form ~~as~~ is customary for the  
3 sale of new housing authority bonds in a publication approved by  
4 ~~the governing body of~~ the borrower

5 (4) Notes issued in connection with a housing project or  
6 combined projects prior to the issuance of bonds ~~therefor~~ may  
7 be accepted in payment of bonds sold in connection with ~~such~~  
8 THE housing project or combined projects if ~~such~~ THE notes  
9 provide ~~The bonds shall not be sold on a basis to yield more~~  
10 ~~than the maximum rate permitted by Act No 202 of the Public Acts~~  
11 ~~of 1943, as amended, from the date of sale to the date of average~~  
12 ~~maturity of the bonds sold~~ However, in IN a contract for the  
13 purchase, acquisition, or construction of any housing facility or  
14 for the improvement, enlargement, extension, or repair of such  
15 project or projects provision may be made that payment  
16 ~~therefor~~ shall be made in such bonds

17 (5) The bonds ~~and their coupons~~ may be made payable in  
18 ~~such~~ funds ~~as~~ THAT are on the respective dates of payment of  
19 interest and principal upon the bonds, legal tender for debts due  
20 the United States of America ~~and shall be~~ ALL BONDS AND NOTES  
21 ISSUED UNDER THIS ACT, THE INTEREST ON THE BONDS AND NOTES, AND  
22 THEIR TRANSFER ARE exempt from all ~~state, county, and municipal~~  
23 taxation BY THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS ~~The~~  
24 ~~bonds shall mature annually and the first installment thereof~~  
25 ~~shall be made payable not more than 5 years from the date of the~~  
26 ~~bonds~~

1 (6) The principal of and interest upon the bonds shall be  
2 payable, EXCEPT AS PROVIDED IN THIS ACT, solely from the revenue  
3 derived from the operation of the housing project or combined  
4 projects for the purchase, acquisition, construction, improve-  
5 ment, enlargement, extension, or repair of which the same are  
6 issued, and from contributions received for or in aid of such  
7 project or combined projects, from whatever source derived The  
8 contributions may be pledged to the payment of any or all bonds  
9 issued in connection with the project or combined projects, as  
10 the ~~governing body~~ BORROWER may provide Bonds ~~or coupons~~  
11 issued pursuant to this act shall not constitute an indebtedness  
12 of a borrower within the meaning of state constitutional provi-  
13 sions or statutory limitations There shall be plainly stated on  
14 the face of each bond substantially as follows

15 'This bond is a revenue bond and the principal of and inter-  
16 est on this bond are exempt from any and all state county, city,  
17 village or other taxation whatsoever under the laws of the state  
18 of Michigan and are secured by the statutory lien created by  
19 ~~this act~~ ACT NO 18 OF THE PUBLIC ACTS OF THE EXTRA SESSION OF  
20 1933 and payable solely from contributions received for or in aid  
21 of the project or combined projects in connection with which the  
22 bonds are issued or from the revenues of such project or combined  
23 projects or from both the revenues and contributions, as the case  
24 may be, and are not a general obligation of the borrower "

25 (7) The bonds shall have all the qualities of negotiable  
26 instruments under the law merchant and the negotiable instruments  
27 law The authorizing ordinance or resolution may provide that

1 the bonds shall be issued pursuant to a trust indenture, the  
2 authorized form of which shall be set forth in the ordinance or  
3 resolution and any provision required or permitted by this act  
4 to appear in the authorizing ordinance or resolution shall be  
5 ~~deemed~~ CONSIDERED to be included ~~therein~~ IN THE ORDINANCE OR  
6 RESOLUTION if set forth in the trust indenture

7 (8) Any borrower may also issue refunding bonds to refund  
8 any bonds previously issued by it OR ITS INCORPORATING UNIT pur-  
9 suant to this act OR BY A PUBLIC HOUSING AGENCY AS DESIGNATED BY  
10 THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
11 PURSUANT TO 24 C F R 811, WHICH IS AN AGENCY OR INSTRUMENTALITY  
12 OF THE BORROWER OR, IF THE INCORPORATING UNIT IS THE BORROWER, OF  
13 A COMMISSION

14 Sec 18 The authorizing ordinance shall create a first  
15 lien which by this act is made a statutory first lien upon the  
16 revenue of any such housing facility, to, and in favor of the  
17 holders of the bonds and each of them ~~and to and in favor of~~  
18 ~~the holders of the coupons of the bonds, and each of them~~ If  
19 bonds are issued for the purposes of cooperative financing hold-  
20 ers of the bonds also have a statutory first lien on the specific  
21 portion of the annual contributions payable to the cooperating  
22 borrowers or their agencies and authorized to be pledged to the  
23 payment of bonds and the interest thereon, pursuant to certain  
24 contracts between the cooperating borrowers or their agents and  
25 the United States which contracts shall be described in any ordi-  
26 nance authorizing any such bonds and are herein collectively  
27 called the 'annual contributions contract' The holders of the



1 bonds shall have as additional security the contractual  
2 obligations specified by the financing agreement as ~~hereinafter~~  
3 provided IN THIS ACT

4 SEC 23 A BORROWER ISSUING BONDS OR NOTES UNDER THIS ACT  
5 MAY DO 1 OR MORE OF THE FOLLOWING

6 (A) AUTHORIZE AND ENTER INTO AN INSURANCE CONTRACT, AGREE-  
7 MENT FOR LINES OF CREDIT LETTER OF CREDIT COMMITMENT TO PUR-  
8 CHASE OBLIGATIONS, REMARKETING AGREEMENT, REIMBURSEMENT AGREE-  
9 MENT TENDER AGREEMENT, OR ANY OTHER TRANSACTION TO PROVIDE  
10 SECURITY TO ASSURE TIMELY PAYMENT OF ANY BOND OR NOTE

11 (B) PLEDGE AND CREATE A STATUTORY LIEN ON 1 OR MORE OF THE  
12 FOLLOWING FOR TIMELY PAYMENT OF THE BONDS OR NOTES OR FOR PAYMENT  
13 OF ANY OF THE OBLIGATIONS DESCRIBED IN SUBDIVISION (A)

14 (1) PROCEEDS OF ADDITIONAL SECURITY PROVIDED TO ASSURE  
15 TIMELY PAYMENT OF THE BONDS OR NOTES

16 (11) PROCEEDS OF BONDS OR NOTES

17 (111) EARNINGS ON PROCEEDS OF BONDS OR NOTES OR OTHER FUNDS  
18 HELD OR PAYMENT OF BONDS OR NOTES

19 (1v) REVENUES IDENTIFIED IN SECTION 17(6) OR 27(2)

20 (v) ANY COMBINATION OF SUBPARAGRAPHS (1) TO (1v)

21 (C) AUTHORIZE PAYMENT OF THE COST OF ISSUANCE FROM THE PRO-  
22 CEEDS OF THE BONDS OR NOTES OR OTHER FUNDS AVAILABLE INCLUDING,  
23 BUT NOT LIMITED TO, FEES FOR PLACEMENT, FEES OR CHARGES FOR  
24 INSURANCE LETTERS OF CREDIT, LINES OF CREDIT, REMARKETING AGREE-  
25 MENTS, REIMBURSEMENT AGREEMENTS, TENDER AGREEMENTS, PURCHASE OR  
26 SALES AGREEMENTS OR COMMITMENTS, OR OTHER AGREEMENT TO PROVIDE  
27 SECURITY TO ASSURE TIMELY PAYMENT OF OBLIGATIONS

1 (D) AUTHORIZE OR PROVIDE FOR AN OFFICER OR EMPLOYEE OF THE  
 2 BORROWER, BUT ONLY WITHIN LIMITATIONS WHICH SHALL BE CONTAINED IN  
 3 THE AUTHORIZING ORDINANCE OR RESOLUTION, TO DO 1 OR MORE OF THE  
 4 FOLLOWING

5 (i) SELL AND DELIVER AND RECEIVE PAYMENT FOR BONDS OR  
 6 NOTES

7 (ii) REFUND BONDS BY THE DELIVERY OF NEW BONDS OR NOTES,  
 8 WHETHER OR NOT THE BONDS OR NOTES TO BE REFUNDED HAVE MATURED OR  
 9 ARE SUBJECT TO REDEMPTION PRIOR TO MATURITY ON THE DATE OF DELIV-  
 10 ERY OF THE REFUNDING BONDS OR NOTES

11 (iii) DELIVER NOTES OR BONDS, PARTLY TO REFUND NOTES OR  
 12 BONDS AND PARTLY FOR ANY AUTHORIZED PURPOSE

13 (iv) BUY NOTES OR BONDS SO ISSUED AND RESELL THOSE NOTES OR  
 14 BONDS

15 (v) APPROVE INTEREST RATES OR METHODS FOR FIXING INTEREST  
 16 RATES, PRICES, DISCOUNTS MATURITIES, PRINCIPAL AMOUNTS, DENOMI-  
 17 NATIONS DATES OF ISSUANCE INTEREST PAYMENT RATES, REDEMPTION  
 18 RIGHTS AT THE OPTION OF THE BORROWER OR THE HOLDER, THE PLACE OF  
 19 DELIVERY AND PAYMENT, AND OTHER MATTERS AND PROCEDURES NECESSARY  
 20 TO COMPLETE THE TRANSACTIONS AUTHORIZED

21 Sec 24 In case any of the officers whose signatures or  
 22 countersignatures appear on the bonds ~~or coupons shall~~ cease to  
 23 be ~~such~~ officers before delivery of ~~such~~ THE bonds, ~~such~~  
 24 THEIR signatures or countersignatures ~~shall nevertheless be~~  
 25 REMAIN valid and sufficient for all purposes IN the same MANNER  
 26 as if they had remained in office until ~~such~~ THE delivery OF  
 27 THE BONDS

1        Sec 27    (1) It is hereby declared to be the policy of this  
 2 state that each commission shall manage and operate, OR CAUSE TO  
 3 BE MANAGED AND OPERATED, its housing projects in an efficient  
 4 manner so as to enable it to fix the rentals for dwelling accom-  
 5 modations at the lowest possible rates consistent with its pro-  
 6 viding decent, safe, and sanitary dwelling accommodations, and  
 7 that no commission shall construct or operate any ~~such~~ project  
 8 for profit    To this end, the commission shall fix the rentals  
 9 for dwellings in projects at no higher rates than it ~~shall find~~  
 10 FINDS to be necessary in order to produce revenues which,  
 11 together with all other ~~moneys~~ MONEY, revenues, income, and  
 12 receipts from whatever sources derived available for such pur-  
 13 poses, will be sufficient TO DO THE FOLLOWING

14        (a) ~~to pay~~ PAY, as ~~the same~~ THEY become due, the princi-  
 15 pal OF, PREMIUM IF ANY, and interest on the bonds issued for  
 16 such project —

17        (b) ~~to meet~~ MEET the cost of — and ~~to~~ provide for —  
 18 administration, operation, and maintenance of the projects,  
 19 including the cost of any insurance on the projects or on bonds  
 20 issued ~~therefor~~ FOR THE PROJECTS, AND FOR THE CREATION AND  
 21 FUNDING OF A RESERVE FOR REPLACEMENTS AND CAPITAL IMPROVEMENTS  
 22 RELATED TO THE PROJECTS

23        (c) ~~to create~~ CREATE, during not less than the 6 years  
 24 immediately succeeding its issuance of any bonds, a reserve suf-  
 25 ficient to meet the largest principal and interest payments which  
 26 will be due on ~~such~~ THE bonds in any 1 year thereafter and to  
 27 maintain such reserve —and—

1 (d) ~~(1) to make~~ MAKE payments in lieu of taxes of ~~at~~  
2 ~~least 5 per cent of the shelter rentals of the project for any 1~~  
3 ~~year (or such other~~ AN amount as may be ~~agreed upon with the~~  
4 ~~borrower)~~ IMPOSED PURSUANT TO SECTION 11A BY THE INCORPORATING  
5 UNIT which sum if any, shall be paid to the ~~municipality~~  
6 INCORPORATING UNIT and other taxing units in proportion to the  
7 amount of taxes levied for such unit in the year previous to the  
8 acquiring of the site for the housing project ~~or (2) to pay to~~  
9 ~~the municipality and other taxing units a sum annually in lieu of~~  
10 ~~taxes equal to the amount of taxes last levied against the~~  
11 ~~project site, prior to the acquiring by the commission of such~~  
12 ~~project site~~

13 (2) AFTER BONDS ISSUED FOR A PROJECT HAVE BEEN RETIRED, THE  
14 RENTALS FIXED BY THE COMMISSION PURSUANT TO SUBSECTION (1) MAY  
15 INCLUDE AN AMOUNT NOT GREATER THAN THE MAXIMUM ANNUAL PRINCIPAL  
16 AND INTEREST THAT HAD BEEN DUE ON BONDS ISSUED FOR THE PROJECT  
17 THE RENTAL RECEIPTS ATTRIBUTABLE TO THIS SUBSECTION MAY BE USED  
18 BY THE COMMISSION FOR ANY PURPOSE FOR WHICH BONDS OR NOTES MAY BE  
19 ISSUED UNDER THIS ACT OR TO SECURE BONDS OR NOTES ISSUED BY THE  
20 BORROWER PURSUANT TO SECTION 17 FOR OTHER PROJECTS OF THE  
21 COMMISSION

22 Sec 44a (1) No tenancy or contract right to occupy hous-  
23 ing in a project or facilities operated by any city, village,  
24 township or other unit of local government, as provided by this  
25 act, shall be terminated by the project management or the local  
26 housing commission except for just cause

1 (2) Just cause to terminate a tenancy or contract right to  
 2 occupy housing includes but is not limited to 1 OR MORE OF THE  
 3 FOLLOWING ~~a-~~

4 (A) A failure to comply with the obligations of the lease or  
 5 the lawful rules and regulations of the housing commission ~~7~~  
 6 ~~the-~~

7 (B) THE use of a unit for any unlawful purpose, ~~the-~~  
 8 INCLUDING ANY PURPOSE FOR WHICH THE COMMISSION IS ENTITLED TO  
 9 RECOVER POSSESSION OF THE PREMISES BY SUMMARY PROCEEDINGS PURSU-  
 10 ANT TO SECTION 5714(1)(B) OF THE REVISED JUDICATURE ACT OF 1961,  
 11 ACT NO 236 OF THE PUBLIC ACTS OF 1961, BEING SECTION 600 5714 OF  
 12 THE MICHIGAN COMPILED LAWS

13 (C) THE maintenance of any unsafe, unsanitary, or unhealth-  
 14 ful condition in any dwelling unit or in any of the common areas  
 15 ~~and ineligibility for continued occupancy by reason of~~  
 16 ~~overincome-~~

17 Sec 47 (1) For the purpose of providing funds for  
 18 expenses and costs involved in the development of a housing  
 19 project or combined projects prior to the issuance of bonds  
 20 ~~therefor~~ FOR THE PROJECT OR PROJECTS, a borrower ~~shall have~~  
 21 ~~the power~~ MAY in addition to all other powers granted ~~herein~~  
 22 IN THIS ACT, ~~to~~ borrow money and issue its negotiable promis-  
 23 sory notes ~~therefor~~ The notes may be issued as ~~herein~~ pro-  
 24 vided IN THIS ACT, notwithstanding the provisions of any other  
 25 law now in existence or hereafter enacted with respect to the  
 26 issuance of notes, bonds, or other obligations of the borrower  
 27 The notes may be authorized by ORDINANCE OR resolution of the

1 ~~governing body~~ BORROWER may bear interest at a FIXED OR  
 2 VARIABLE rate OR RATES that ~~does~~ DO not exceed the maximum rate  
 3 permitted by THE MUNICIPAL FINANCE ACT, Act No 202 of the Public  
 4 Acts of 1943, as amended BEING SECTIONS 131 1 TO 139 3 OF THE  
 5 MICHIGAN COMPILED LAWS, may be payable at such times and places,  
 6 may mature on such dates or on demand, may be in such form, with  
 7 such privileges for exchange for definitive bonds issued in con-  
 8 nection with the project or combined projects in connection with  
 9 which the notes are issued and may be executed and sold in such  
 10 manner as shall be set forth in the authorizing ORDINANCE OR  
 11 resolution

12 (2) The notes shall be made payable solely out of property  
 13 or funds held or to be acquired by or for the ~~housing~~  
 14 commission, ~~of the borrower,~~ including the proceeds of the  
 15 notes and property acquired, or to be acquired therewith which  
 16 is not pledged for the payment of other obligations issued in  
 17 connection with a housing project of the commission FUNDS  
 18 RECEIVED PURSUANT TO SECTION 27(2) or the proceeds of the sale  
 19 of bonds issued to finance the development of the project or com-  
 20 bined projects in connection with which the notes were issued  
 21 The notes shall in no event be payable out of any other funds of  
 22 the borrower or from taxes

23 (3) The principal of and interest upon ~~such~~ notes issued  
 24 pursuant to this act ~~shall~~ DO not constitute an indebtedness of  
 25 ~~such~~ THE borrower within the meaning of any state constitu-  
 26 tional provisions or statutory limitation, and the notes shall  
 27 ~~so~~ state THAT FACT on their face

1 (4) A borrower may also issue refunding notes to refund any  
2 notes issued by it pursuant to this act

3 Sec 59 (1) For the purpose of defraying the cost of pur-  
4 chasing, acquiring, constructing, improving, enlarging,  
5 extending, or repairing a housing project for any cooperating  
6 borrower in a cooperative financing arrangement, the agent bor-  
7 rower may borrow money and issue its special obligation notes or  
8 revenue bonds ~~therefor~~ from time to time ~~in~~ ON behalf of the  
9 agent borrower and all cooperating borrowers in accordance with  
10 the financing agreement between the agent borrower and cooperat-  
11 ing borrowers

12 (2) If bonds are to be issued for the purpose of cooperative  
13 financing, the ~~same~~ BONDS shall not be issued until authorized  
14 by an ordinance OR RESOLUTION adopted by ~~the governing body of~~  
15 the agent borrower which shall set forth a brief description of  
16 all housing projects contemplated by the agent borrower and coop-  
17 erating borrowers and the sites ~~thereof~~ OF THE PROJECTS, time  
18 and place of payment, and other details in connection with the  
19 issuance and sale of the bonds The bonds shall be issued pursu-  
20 ant to ~~and in accordance with the provisions of~~ section 17 On  
21 the face of each bond shall be plainly stated substantially as  
22 follows

23 This bond is a revenue bond and the principal of and inter-  
24 est on this bond are exempt from all state, county, city,  
25 village, or other taxation under the laws of Michigan and are a  
26 special obligation of the borrower and are secured by statutory  
27 lien created by ~~this act~~ ACT NO 18 OF THE PUBLIC ACTS OF THE

1 EXTRA SESSION OF 1933 and payable solely from contractual  
2 obligations specified by a certain financing agreement dated  
3 and entered into by and between

4  
5 (3) If notes are to be issued for the purpose of cooperative  
6 financing, they may be authorized by a resolution adopted by ~~the~~  
7 ~~governing body of~~ the agent borrower which shall set forth the  
8 time and place of payment and other details relating to the form  
9 content, issuance, and sale of the notes

10 (4) The bond ordinance or note resolution shall also make  
11 all other necessary statements which are appropriate to and suit-  
12 able for the issuance of the revenue bonds or special obligation  
13 notes

14 (5) The notes or bonds may be issued as ~~herein~~ provided IN  
15 THIS ACT notwithstanding the provisions of any other law or  
16 charter of the ~~agent borrower or the cooperating borrowers~~  
17 INCORPORATING UNITS WHO ARE PARTIES TO OR WHOSE COMMISSIONS ARE  
18 PARTIES TO A FINANCING AGREEMENT, WHICH PROVISIONS ARE now in  
19 existence or hereinafter enacted with respect to notes bonds or  
20 other obligations of the agent borrower

21 Sec 59b (1) The bond authorizing ordinance shall provide  
22 that the proceeds of the bonds shall be paid in the following  
23 order

24 (a) To the United States in an amount equal to that portion  
25 of the development cost which is financed by the bonds issued  
26 thereunder as represented by notes of each cooperating borrower  
27 outstanding in the hands of the United States together with



1 interest thereon to the date of payment ~~be applied to the~~  
2 ~~payment of the principal of and interest on the notes~~

3 (b) To the paying agent of any outstanding temporary notes  
4 of each cooperating borrower of an amount equal to that portion  
5 of development cost which is financed by the bonds issued there-  
6 under as represented by the notes, together with interest thereon  
7 to the date of maturity, and to the principal of and interest on  
8 the notes, if the notes are outstanding and unpaid as of the  
9 delivery date of the bonds

10 (c) To the fiscal agent for deposit in the debt service fund  
11 in trust for the payment of CAPITALIZED interest which becomes  
12 due on the bonds ~~6 months and 12 months after the bond date~~

13 (d) To the fiscal agent ~~7~~ representing the premium on the  
14 bonds issued thereunder, for deposit in the advance amortization  
15 fund

16 (e) To each cooperating borrower in an amount equal to that  
17 portion of the remainder allocable to each cooperating borrower  
18 for deposit in its general fund

19 (2) The ~~chief executive~~ officer ~~and clerk~~ OR OFFICERS of  
20 the agent borrower SPECIFIED IN THE BOND AUTHORIZING ORDINANCE  
21 shall execute the bonds and ~~the treasurer of the borrower shall~~  
22 deliver the bonds in accordance with the terms and provisions of  
23 the ordinance and in connection therewith shall execute and  
24 deliver such instruments and do such acts and things necessary or  
25 convenient to effectuate the purpose of the BOND AUTHORIZING  
26 ordinance