

**SENATE BILL NO. 1327**

September 23, 1998, Introduced by Senators SCHWARZ, SCHUETTE, SHUGARS and BULLARD and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to provide for the creation of housing opportunity zones; to provide for the adoption of an alternative building code; and to provide for the sale of affordable housing to lower and middle income families.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1. This act shall be known and may be cited as the  
2 "housing opportunity zone act".

3       Sec. 2. As used in this act:

4       (a) "Census tract" means a census tract as defined by the  
5 United States bureau of the census.

6       (b) "Housing opportunity zone" means a housing opportunity  
7 zone created under section 3.

8       (c) "State construction code" means the state construction  
9 code promulgated by the state construction code commission under

1 the state construction code act of 1972, 1972 PA 230, MCL  
2 125.1501 to 125.1531.

3       Sec. 3. (1) A city with a population of not less than  
4 25,000 persons may establish a housing opportunity zone within  
5 that city as provided in this section.

6       (2) After notice and a public hearing pursuant to the open  
7 meetings act, 1976 PA 267, MCL 15.261 to 15.275, the legislative  
8 body of a city may, by resolution, designate an area within that  
9 city as a proposed housing opportunity zone if all of the follow-  
10 ing criteria are satisfied:

11       (a) The resolution designating the proposed housing opportu-  
12 nity zone provides that the city is creating the housing opportu-  
13 nity zone to address the problem of urban blight, to facilitate  
14 the redevelopment of vacant land and unoccupied structures within  
15 the city, and to provide affordable housing for middle income and  
16 lower income families.

17       (b) The proposed housing opportunity zone is a contiguous  
18 area of not less than 1 acre.

19       (c) The proposed housing opportunity zone consists of either  
20 vacant land or unoccupied residential, commercial, or industrial  
21 structures.

22       (d) The proposed housing opportunity zone is within 1 or  
23 more census tracts in which the median income of the residents of  
24 the census tract is less than or equal to the median income of  
25 the residents of the city in which the proposed housing opportu-  
26 nity zone will be located. If there are no residents within the  
27 census tract in which the housing opportunity zone is proposed,

1 the proposed housing opportunity zone is adjacent to 1 or more  
2 census tracts in which the median income of the residents of the  
3 census tract is less than or equal to the median income of the  
4 residents of the city in which the proposed housing opportunity  
5 zone will be located.

6 (e) The city in which the proposed housing opportunity zone  
7 is located offers to sell certain designated property owned by  
8 the city located within the housing opportunity zone for the  
9 property's true cash value.

10 (3) If the legislative body of a city designates a proposed  
11 housing opportunity zone under subsection (2), the city shall  
12 submit the resolution and any necessary documentation to the  
13 state treasurer for approval. A housing opportunity zone is  
14 established when the state treasurer approves the proposed desig-  
15 nation in writing to the legislative body of the city.

16 Sec. 4. If a housing opportunity zone is established under  
17 section 3, the city in which the housing opportunity zone is  
18 located may continue to sell certain designated property owned by  
19 the city located within the housing opportunity zone for the  
20 property's true cash value.

21 Sec. 5. (1) If a housing opportunity zone is established  
22 under section 3, the city in which the housing opportunity zone  
23 is located may propose to establish a building and housing code  
24 for the housing opportunity zone that permits decent, safe, and  
25 sanitary residential housing to be built at a cost that makes the  
26 housing affordable to families with an income below the median  
27 family income of the city.

1 (2) A building and housing code proposed to be established  
2 under subsection (1) shall comply with all state and federal  
3 requirements regarding environmental protection and historic  
4 preservation.

5 (3) If a city proposes to establish a building and housing  
6 code for a housing opportunity zone under subsection (1), the  
7 city shall submit the proposed building and housing code to the  
8 department of consumer and industry services for approval. The  
9 department of consumer and industry services shall determine if  
10 the proposed building and housing code will permit decent, safe,  
11 and sanitary residential housing to be built at a cost that makes  
12 the housing affordable to families with an income below the  
13 median family income of the city and shall determine if all state  
14 and federal requirements regarding environmental protection and  
15 historic preservation are satisfied. A building and housing code  
16 for a housing opportunity zone is effective when the department  
17 of consumer and industry services approves the proposed building  
18 and housing code in writing to the legislative body of the city  
19 in which the housing opportunity zone is located.

20 (4) If the department of consumer and industry services  
21 approves a building and housing code for a housing opportunity  
22 zone under this section, the state construction code shall not  
23 apply to the construction of residential housing within the hous-  
24 ing opportunity zone after that building and housing code is  
25 approved.