



HOUSE BILL No. 5538

March 22, 2000, Introduced by Rep. DeWeese and referred to the Committee on Local Government and Urban Policy.

A bill to amend 1966 PA 346, entitled "State housing development authority act of 1966," by amending sections 21, 22b, 22c, 32, 32a, 32b, 44, 44a, and 46 (MCL 125.1421, 125.1422b, 125.1422c, 125.1432, 125.1432a, 125.1432b, 125.1444, 125.1444a, and 125.1446), section 21 as amended by 1983 PA 49, sections 22b, 22c, 32, 32a, and 44a as amended by 1996 PA 475, sections 32b and 44 as amended by 1998 PA 33, and section 46 as amended by 1993 PA 220.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 21. (1) There is created a public body corporate and
2 politic to be known as the "Michigan state housing development
3 authority". The authority shall consist of ~~the director of~~
4 ~~social services, the director of commerce, the state treasurer,~~
5 and ~~4~~ 3 HEADS OF PRINCIPAL DEPARTMENTS OF THE EXECUTIVE BRANCH
6 OF THE STATE GOVERNMENT AND 5 persons appointed by the governor

1 with the advice and consent of the senate. Not more than ~~2~~ 3
2 of the persons appointed shall be members of the same political
3 party. ~~Of the members first appointed by the governor, 2 shall~~
4 ~~be designated to serve for a term of 3 years and 2 for a term of~~
5 ~~4 years from the dates of their appointments.~~ Upon completion of
6 each term, a person shall be appointed for a term of 4 years,
7 except that a vacancy shall be filled for the unexpired term. A
8 member of the authority shall not receive compensation for serv-
9 ices but ~~shall be~~ IS entitled to the necessary expenses,
10 including traveling expenses, incurred in the discharge of the
11 member's duties. Each member shall hold office until a successor
12 has been appointed and has qualified. A certificate of appoint-
13 ment or reappointment of a member shall be filed with the author-
14 ity and this certificate shall be conclusive evidence of the
15 proper appointment of that member.

16 (2) TO THE EXTENT REQUIRED BY FEDERAL LAW, 1 OF THE 5
17 AUTHORITY MEMBERS APPOINTED BY THE GOVERNOR IS DESIGNATED THE
18 RESIDENT MEMBER. THE RESIDENT MEMBER SHALL MEET BOTH OF THE FOL-
19 LOWING REQUIREMENTS:

20 (A) THE PERSON IS AN INDIVIDUAL DIRECTLY ASSISTED BY A FED-
21 ERAL HOUSING PROGRAM ADMINISTERED THROUGH THE AUTHORITY. AS USED
22 IN THIS SUBDIVISION, "DIRECTLY ASSISTED" MEANS RESIDING IN
23 FEDERALLY-SUPPORTED PUBLIC HOUSING OR RECEIVING SECTION 8
24 TENANT-BASED ASSISTANCE. DIRECTLY ASSISTED DOES NOT INCLUDE A
25 STATE-FINANCED HOUSING ASSISTANCE PROGRAM, SECTION 8
26 PROJECT-BASED ASSISTANCE, OR SECTION 8 NEW CONSTRUCTION
27 ASSISTANCE.

1 (B) THE PERSON IS AN ELIGIBLE RESIDENT. AS USED IN THIS
2 SUBDIVISION, "ELIGIBLE RESIDENT" MEANS A PERSON WHOSE NAME
3 APPEARS ON THE LEASE OF THE ASSISTED HOUSING WHO IS 18 YEARS OF
4 AGE OR OLDER.

5 (3) A PERSON WHO NO LONGER MEETS EITHER REQUIREMENT OF SUB-
6 SECTION (2)(A) OR (B) IS REMOVED FROM THE AUTHORITY FOR CAUSE
7 UPON THE APPOINTMENT OF ANOTHER PERSON AS THE RESIDENT MEMBER
8 POSITION.

9 (4) ~~-(2)-~~ The powers of the authority shall be vested in the
10 members in office. A majority of the members of the authority
11 constitutes a quorum for the purpose of conducting the
12 authority's business, for exercising the authority's powers, and
13 for other purposes, notwithstanding the existence of any
14 vacancies. Action may be taken by the authority upon a vote of a
15 majority of the members present, unless the bylaws of the author-
16 ity require a larger number, EXCEPT THAT TO THE EXTENT REQUIRED
17 BY FEDERAL LAW, THE RESIDENT MEMBER SHALL ONLY TAKE PART IN, VOTE
18 ON, AND EXERCISE THE POWERS OF THE AUTHORITY CONCERNING DECISIONS
19 RELATED TO THE ADMINISTRATION, OPERATION, AND MANAGEMENT OF FED-
20 ERAL PUBLIC HOUSING PROGRAMS AND SECTION 8 TENANT-BASED ASSIST-
21 ANCE PROGRAMS. THE RESIDENT MEMBER SHALL NOT TAKE PART IN, VOTE
22 ON, OR EXERCISE THE POWERS OF THE AUTHORITY IN A MATTER THAT
23 UNIQUELY APPLIES TO THE RESIDENT MEMBER AND IS NOT GENERALLY
24 APPLICABLE TO ALL RESIDENTS. In the absence of fraud, a determi-
25 nation of the authority with respect to findings of fact made by
26 the authority acting within the scope of its powers ~~shall be~~ IS

1 conclusive, except with respect to the approval of the municipal
2 finance commission or its successor agency as required by law.

3 (5) Meetings of the members of the authority may be held
4 anywhere in this state. The business ~~which~~ THAT the authority
5 may perform shall be conducted at a public meeting of the author-
6 ity held in compliance with ~~Act No. 267 of the Public Acts of~~
7 ~~1976, as amended, being sections 15.261 to 15.275 of the Michigan~~
8 ~~Compiled Laws~~ THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO
9 15.275. Public notice of the time, date, and place of the meet-
10 ing shall be given in the manner required by ~~Act No. 267 of the~~
11 ~~Public Acts of 1976, as amended~~ THE OPEN MEETINGS ACT, 1976 PA
12 267, MCL 15.261 TO 15.275.

13 (6) ~~(3)~~ The authority shall elect a chairperson and
14 vice-chairperson. The authority shall employ an executive direc-
15 tor, legal and technical experts, and other officers, agents, and
16 employees, permanent and temporary, as the authority requires,
17 and shall determine their qualifications, duties, and
18 compensation. The authority may delegate to 1 or more agents or
19 employees those powers or duties as the authority considers
20 proper.

21 (7) ~~(4)~~ The authority shall be within the department of
22 ~~commerce~~ CONSUMER AND INDUSTRY SERVICES and shall exercise the
23 authority's prescribed statutory powers, duties, and functions
24 independently of the head of that department. However, the bud-
25 geting, procurement, and related functions of the authority shall
26 be performed under the direction and supervision of the director
27 of ~~commerce~~ CONSUMER AND INDUSTRY SERVICES.

1 (8) AS USED IN THIS SECTION, "SECTION 8" MEANS SECTION 8 OF
2 THE UNITED STATES HOUSING ACT OF 1937, CHAPTER 896, 88 STAT. 662,
3 42 U.S.C. 1437f.

4 Sec. 22b. (1) The authority is designated as the housing
5 credit agency for the state for the purpose of allocating and
6 administering the low income housing credit established under
7 section 42 of the internal revenue code OF 1986.

8 (2) The state's housing credit ceiling applicable for a cal-
9 endar year shall be an amount equal to the sum of all of the
10 following:

11 (a) One dollar and twenty-five cents multiplied by the
12 state's population, unless a different amount is authorized by
13 section 42 of the internal revenue code OF 1986. The state's
14 population shall be determined by the most recent census esti-
15 mates of the state's population published by the United States
16 bureau of census before the beginning of the calendar year or by
17 another method as authorized by the internal revenue code OF
18 1986.

19 (b) The unused state housing credit ceiling, if any, of the
20 state for the preceding calendar year, for years subsequent to
21 1989.

22 (c) The amount of state housing credit ceiling returned in
23 the calendar year, for years subsequent to 1989.

24 (d) The amount, if any, allocated to the state under section
25 ~~42(h)(3)(d)~~ 42(h)(3)(D) of the internal revenue code OF 1986.

26 (3) An applicant for an allocation of low income housing tax
27 credit shall be qualified to receive the credit pursuant to the

1 requirements of the internal revenue code OF 1986 and the
2 regulations, guidelines, rulings, and interpretations issued by
3 the United States treasury department or the internal revenue
4 service, ~~which shall control~~ THAT CONTROLS in the event of con-
5 flict with a requirement of this section.

6 (4) The state's low income housing tax credit is allocable
7 pursuant to a qualified allocation plan prepared by the authori-
8 ty, submitted to the legislature, and approved by the governor
9 after notice to the public and public hearing. The plan shall
10 set forth criteria to be used to determine housing priorities of
11 the state, and shall give the highest priority to those projects
12 in which the highest percentage of the housing credit dollar
13 amount is to be used for project costs other than the cost of
14 intermediaries, unless granting such priority would impede the
15 development of projects in hard-to-develop areas. In allocating
16 low income housing tax credit dollar amounts among selected
17 projects, the allocation plan shall give preference to projects
18 serving the lowest income tenants and projects obligated to serve
19 qualified tenants for the longest periods, and shall provide a
20 procedure that the authority will follow in notifying the inter-
21 nal revenue service of noncompliance with the provisions of sec-
22 tion 42 of the internal revenue code OF 1986 of which the author-
23 ity becomes aware. The plan shall set forth the process for
24 selecting eligible projects and may be amended from time to time
25 in accordance with its terms and the requirements of section 42
26 of the internal revenue code OF 1986. The selection criteria in

1 the qualified allocation plan shall include those set forth in
2 section 42 of the internal revenue code OF 1986.

3 (5) The state's low income housing tax credit authority
4 shall be distributed in accordance with the qualified allocation
5 plan. Amounts allocable under subsection (2) shall be set aside
6 as follows:

7 (a) Qualified nonprofit organizations as required by
8 section 42 of the internal revenue code OF 1986 - not less than
9 10%.

10 (b) Rural housing ~~service~~ projects - not less than ~~5%~~
11 10%.

12 (c) Housing projects in eligible distressed areas - not less
13 than 30%.

14 (d) Housing projects for the elderly - not less than 10%.
15 Projects counted in 1 category shall not count in another cate-
16 gory towards meeting the minimum set-aside requirements.

17 (6) Except for the amount for qualified nonprofit organiza-
18 tions, if the low income housing tax credit set aside under sub-
19 section (5) is not allocated before October 1 of the year in
20 which that credit amount is authorized under subsection (2)(a),
21 the authority may reapportion the unallocated credit amounts in a
22 reasonable manner pursuant to the state's qualified allocation
23 plan.

24 (7) All applications for low income housing tax credit shall
25 be on the authority's prescribed forms and shall include informa-
26 tion necessary pursuant to the qualified allocation plan and
27 section 42 of the internal revenue code OF 1986.

1 (8) The authority may charge applicants reasonable fees
2 under the low income housing tax credit program.

3 (9) FOR THE PURPOSES OF THIS SECTION, "RURAL HOUSING
4 PROJECTS" MEANS PROPOSED OR EXISTING HOUSING PROJECTS THAT FALL
5 INTO 1 OR MORE OF THE FOLLOWING CATEGORIES:

6 (A) LOCATED IN AN AREA OTHER THAN A METROPOLITAN COUNTY.

7 (B) FUNDED BY A FEDERAL PROGRAM FOR THE DEVELOPMENT OF RURAL
8 HOUSING.

9 (C) FINANCED BY A LOAN GUARANTEED BY RURAL HOUSING SERVICES
10 OR A SUCCESSOR AGENCY.

11 Sec. 22c. (1) The authority may incorporate 1 or more non-
12 profit housing corporations for ~~the purposes of owning,~~ 1 OR
13 MORE OF THE FOLLOWING PURPOSES:

14 (A) OWNING, holding, maintaining, improving, completing,
15 receiving subsidy payments for, or transferring ownership of a
16 housing project or housing unit either acquired through foreclo-
17 sure or deed in lieu of foreclosure or over which the authority
18 has, following a declaration of default, otherwise obtained
19 control. ~~In order to preserve housing for low and moderate~~
20 ~~income persons, the authority may also incorporate or cause the~~
21 ~~incorporation of 1 or more nonprofit housing corporations for the~~
22 ~~purpose of acquiring~~

23 (B) ACQUIRING housing projects or an interest in the owner-
24 ship of 1 or more housing projects and owning, holding, maintain-
25 ing, or improving the housing projects, if regulatory or contrac-
26 tual restrictions assuring occupancy of some or all of the units
27 in 1 or more of the housing projects by families and persons of

1 low or moderate income are subject to termination within a 2-year
2 period following the acquisition of the housing project. A non-
3 profit housing corporation incorporated under this subsection may
4 acquire a housing project only if all of the following require-
5 ments are met:

6 (i) ~~-(a)-~~ At least 6 months have passed since the eighteenth
7 anniversary of the commencement of amortization of the project's
8 permanent mortgage loan on the housing project.

9 (ii) ~~-(b)-~~ The authority by resolution determines all of the
10 following:

11 (A) ~~-(i)-~~ The tenants residing in the housing project have
12 been notified of the opportunity to acquire the housing project
13 in accordance with the Cranston-Gonzalez national affordable
14 housing act, Public Law 101-625, 104 Stat. 4079.

15 (B) ~~-(ii)-~~ No tenant organization that the authority deter-
16 mines to have the legal, financial, and managerial capabilities
17 to acquire the housing project has developed and submitted to the
18 housing project owners an acquisition proposal with respect to
19 which negotiations are ongoing.

20 (C) ~~-(iii)-~~ No local or statewide nonprofit housing corpora-
21 tion that the authority determines to have the legal, financial,
22 and managerial capabilities to acquire the project has submitted
23 to the housing project owners an acquisition proposal with
24 respect to which negotiations are ongoing.

25 (iii) ~~-(c)-~~ The nonprofit housing corporation incorporated
26 pursuant to this section contracts with a private firm for the
27 management of the housing project.

1 (C) CARRYING OUT PROGRAMS AND OVERSIGHT RESPONSIBILITIES ON
2 BEHALF OF OR IN CONJUNCTION WITH THE UNITED STATES DEPARTMENT OF
3 HOUSING AND URBAN DEVELOPMENT WITH RESPECT TO FEDERAL HOUSING
4 PROGRAMS.

5 (2) A subsidiary nonprofit housing corporation may sue and
6 be sued in its own name, and the circuit court of Ingham county
7 has exclusive jurisdiction over all actions brought against a
8 subsidiary nonprofit housing corporation, except if jurisdiction
9 over the action is in the supreme court, the court of appeals, or
10 the court of claims.

11 (3) A subsidiary nonprofit housing corporation is a separate
12 legal entity. The authority is not liable for the debts or obli-
13 gations or for any actions or inactions of the subsidiary non-
14 profit housing corporation unless it expressly agrees otherwise.
15 A member, officer, or employee of a subsidiary nonprofit housing
16 corporation is not individually liable for actions undertaken or
17 failure to act on behalf of the subsidiary nonprofit housing cor-
18 poration so long as the individual is acting or reasonably
19 believes he or she is acting within the scope of his or her
20 authority as a member, officer, or employee of the subsidiary
21 nonprofit housing corporation.

22 (4) The authority may make loans or grants to a subsidiary
23 nonprofit housing corporation to enable the subsidiary nonprofit
24 housing corporation to carry out any of its purposes.

25 Sec. 32. (1) The authority may create and establish 1 or
26 more special funds called capital reserve funds to secure notes
27 and bonds of the authority. The authority shall pay into a

1 capital reserve fund money appropriated and made available by
2 this state for the purposes of the fund, the proceeds of the sale
3 of notes or bonds to the extent provided in the resolution of the
4 authority authorizing the issuance of the notes or bonds, and
5 other money that is made available to the authority for the pur-
6 pose of a fund from any other source. In addition to, or in lieu
7 of, depositing money in a capital reserve fund, the authority may
8 obtain and pledge letters of credit and, effective retroactively
9 as of June 1, 1993, insurance policies, surety bonds, guarantees,
10 or other security arrangements if those other security arrange-
11 ments are approved by the state treasurer, for the purposes of
12 the capital reserve fund. The amount available under letters of
13 credit, insurance policies, surety bonds, guarantees, or other
14 security arrangements pledged to a capital reserve fund shall be
15 credited toward the satisfaction of a capital reserve fund
16 requirement. All money and proceeds under letters of credit,
17 insurance policies, surety bonds, guarantees, or other security
18 arrangements held in ~~any~~ A capital reserve fund, except as spe-
19 cifically provided, shall be used as required solely for the pay-
20 ment of the principal of notes or bonds of the authority secured
21 in whole or in part by the capital reserve fund, for the purchase
22 or redemption of notes or bonds, for the payment of interest on
23 the notes or bonds, or for the payment of ~~any~~ A redemption pre-
24 mium required to be paid when the notes or bonds are redeemed
25 prior to maturity. However, the authority shall not use the cap-
26 ital reserve fund for ~~any~~ AN optional purchase or optional
27 redemption of notes or bonds if the use would reduce the total of

1 the money on deposit in the capital reserve fund and amounts
2 available under ~~any~~ A letter of credit, insurance policy,
3 surety bond, guarantee, or other security arrangement pledged to
4 a capital reserve fund to less than the capital reserve fund
5 requirement established for the fund. ~~Any income~~ INCOME or
6 interest earned by, or increment to, a capital reserve fund due
7 to the investment of the money in the capital reserve fund may be
8 transferred by the authority to other funds or accounts of the
9 authority to the extent that the transfer does not reduce the
10 total of the amount of money in a capital reserve fund and
11 amounts available under ~~any~~ A letter of credit, insurance
12 policy, surety bond, guarantee, or other security arrangement
13 pledged to the capital reserve fund below the capital reserve
14 fund requirement for a fund.

15 (2) The authority shall not at any time issue notes or bonds
16 secured in whole or in part by a capital reserve fund if, upon
17 the issuance of the notes or bonds, the amount in the capital
18 reserve fund, including the amounts available under ~~any~~ A
19 letter of credit, insurance policy, surety bond, guarantee, or
20 other security arrangement pledged to ~~a~~ THE capital reserve
21 fund, would be less than the capital reserve fund requirement for
22 the fund, unless the authority, at the time of issuance of the
23 notes or bonds, deposits in the fund from the proceeds of the
24 notes or bonds to be issued, or from other sources, an amount
25 that, together with the amount then in the fund, is not less than
26 the capital reserve fund requirement for the fund, or obtains a
27 letter of credit, insurance policy, surety bond, guarantee, or

1 other security arrangement in an amount that, together with the
2 amount then in the fund, is not less than the capital reserve
3 fund requirement for the fund. For THE purposes of this section,
4 "capital reserve fund requirement" means the requirement provided
5 in the resolution of the authority authorizing the notes or bonds
6 with respect to which the fund is established, which amount shall
7 not exceed the maximum amount of principal and interest maturing
8 and becoming due in ~~any~~ A succeeding calendar year on the notes
9 or bonds of the authority secured in whole or part by the fund.

10 (3) The authority has, before January 9, 1977, in connection
11 with its housing development bonds issued pursuant to a bond res-
12 olution dated June 10, 1971, established within the capital
13 reserve fund relating to housing development bonds, a capital
14 reserve account and a capital reserve capital account. This cap-
15 ital reserve account constitutes a capital reserve fund under
16 this act. Money in this capital reserve account shall secure
17 only housing development bonds issued pursuant to the June 10,
18 1971 bond resolution. Unless otherwise provided by the authori-
19 ty, money in the capital reserve capital account shall secure all
20 bonds and notes of the authority. In determining whether the
21 capital reserve fund requirement established for ~~any~~ A capital
22 reserve fund has been met, the authority shall not include or
23 take into account money in the capital reserve capital account.

24 (4) The authority has, before January 9, 1977, in connection
25 with its insured mortgage revenue bonds issued pursuant to a bond
26 resolution dated May 11, 1976, established a bond reserve fund.

1 This bond reserve fund constitutes a capital reserve fund under
2 this act.

3 (5) The authority may issue notes and bonds subject to the
4 following limitations:

5 (a) The authority shall not have outstanding at any time
6 bonds and notes for any of its corporate purposes in an aggregate
7 principal amount exceeding \$4,200,000,000.00, excluding all of
8 the following:

9 (i) The principal amount of bonds and notes issued TO refund
10 outstanding bonds and notes.

11 (ii) The principal amount of bonds and notes that appreciate
12 in principal amount, except to the extent of the principal amount
13 of these bonds and notes payable at such time.

14 (iii) The principal amount of notes and bonds representing
15 original issue discount, if any.

16 (b) After November 1, ~~1999~~ 2002, the limitation on the
17 aggregate principal amount of notes and bonds provided in subdi-
18 vision (a) is reduced to \$3,000,000,000.00.

19 (6) Subject to the limitation in subsection (5), that por-
20 tion of the state ceiling to be used for qualified mortgage
21 bonds, mortgage credit certificates, or bonds to finance quali-
22 fied residential rental projects shall be allocated to the
23 authority unless the authority elects by resolution to allow
24 another issuer to issue qualified mortgage bonds, mortgage credit
25 certificates, or bonds to finance qualified residential rental
26 projects. As used in this subsection:

1 (a) "State ceiling" means the aggregate amount of certain
2 private activity bonds, including qualified mortgage bonds, that
3 may be issued in any calendar year in this state pursuant to sec-
4 tion 146 of the internal revenue code OF 1986.

5 (b) "Qualified mortgage bond", "mortgage credit
6 certificate", and "qualified residential rental project" mean
7 those terms as defined in the internal revenue code OF 1986.

8 (7) To assure the continued operation and solvency of the
9 authority for the carrying out of the public purposes of this
10 act, the authority shall accumulate in each capital reserve fund
11 an amount equal to the capital reserve fund requirement for that
12 fund. If at any time the capital reserve fund requirement for a
13 capital reserve fund exceeds the amount of the capital reserve
14 fund, the authority shall transfer to this fund from the capital
15 reserve capital account established by the authority's June 10,
16 1971 bond resolution the amount necessary to restore the capital
17 reserve fund to an amount equal to the capital reserve fund
18 requirement. If a deficiency exists in more than 1 capital
19 reserve fund and the amount in the capital reserve capital
20 account is not sufficient to fully restore the capital reserve
21 funds, the money in the capital reserve capital account shall be
22 allocated between the deficient capital reserve funds pro rata
23 according to the amounts of the deficiencies. If at any time the
24 capital reserve capital account has been exhausted and the capi-
25 tal reserve fund requirement for a capital reserve fund exceeds
26 the amount of the capital reserve fund, the chairperson of the
27 authority on or before September 1 shall certify to the governor

1 and budget director the amount, if any, necessary to restore a
2 capital reserve fund to an amount equal to the capital reserve
3 fund requirement. The governor and the budget director shall
4 include in the annual budget the amount certified by the chair-
5 person of the authority.

6 (8) In computing the amount of a capital reserve fund for
7 the purposes of this section, securities in which all or a por-
8 tion of the fund is invested shall be valued at par. If the
9 securities are purchased at other than par, the securities may be
10 valued at their cost to the authority, as adjusted by amortiza-
11 tion of the discount or premium paid upon purchase of the securi-
12 ties on a pro rata basis to the maturity date of the securities.

13 (9) To the extent possible and consistent with sound fiscal
14 management and good housing development planning, the authority
15 shall make full use of available federal housing subsidy
16 programs. The authority shall recommend programs and legislation
17 to better maintain and improve existing housing stock.

18 (10) The authority shall require that not less than 15% of
19 the multifamily dwelling units financed by mortgage loans from
20 the authority in ~~any~~ A calendar year under federal government
21 subsidy programs, subject to applicable federal regulations, be
22 offered on a priority basis to low income families and persons
23 receiving their primary incomes from social security programs or
24 state and federal public assistance programs.

25 (11) The authority shall implement a program of loans for
26 mobile homes as soon as is reasonably feasible. The authority
27 shall develop a program for financing the construction or

1 rehabilitation of mobile home parks and mobile home condominium
2 projects within 24 months after December 31, 1982, subject to a
3 determination of feasibility by the authority and the authority's
4 ability to sell bonds.

5 (12) The authority shall implement a program of loans for
6 consumer housing cooperatives as soon as is reasonably feasible.
7 The authority shall develop a program for financing the construc-
8 tion or rehabilitation of consumer housing cooperative projects
9 within 12 months after July 10, 1984, subject to a determination
10 of feasibility by the authority and the authority's ability to
11 sell bonds.

12 (13) In addition to the powers granted the authority in this
13 act to promulgate rules in accordance with the administrative
14 procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~
15 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws~~
16 1969 PA 306, MCL 24.201 TO 24.328, the authority shall furnish to
17 each member of the legislature a copy of notice of a public hear-
18 ing or proposed rule change at least 10 days before the public
19 hearing and at least 20 days before the adoption of the rule.

20 (14) Before October 1 of each year, the authority shall
21 identify housing production goals for housing projects financed
22 with bonds and notes issued under the limitations provided in
23 section 32a. The authority shall identify a goal for the author-
24 ity as a whole and a specific goal for each program. The author-
25 ity shall submit those goals in an annual report to the governor
26 and to the house committee on urban affairs and the senate
27 committee on finance, or their successor committees.

1 (15) Within 6 months after the legislature enacts or the
2 authority adopts a new program, the authority shall submit an
3 interim report to the same persons to ~~which~~ WHOM an annual
4 report is submitted. If both the legislature and the authority
5 establish a program, the authority shall submit the interim
6 report within 6 months after the effective date of the act estab-
7 lishing the program. The authority shall include in an interim
8 report all of the information required in an annual report that
9 is specific to that program.

10 (16) After the initial or an interim report, the authority
11 shall include in an annual report all of the following for each
12 program:

13 (a) Whether the production goals for the previous 12-month
14 period have been met. If those production goals have not been
15 met, the authority shall explain in the report the reasons why
16 those production goals have not been met.

17 (b) Any significant obstacles to the development of housing
18 for low and moderate income persons that have been encountered by
19 the authority.

20 (c) The estimated economic and social benefits of these
21 housing projects to the immediate neighborhoods in which the
22 housing projects have been constructed.

23 (d) The estimated economic and social benefits of these
24 housing projects to the municipalities in which the housing
25 projects have been constructed.

26 (e) The extent of displacement, direct and indirect, of
27 lower income persons caused by these housing projects, and steps

1 taken by the authority and other governmental and private parties
2 to ameliorate the displacement, and the results of those
3 efforts.

4 (f) The estimated extent of additional reinvestment activi-
5 ties by private lenders attributable to the authority's financing
6 of these housing projects.

7 (g) The age, race, family size, median income, and average
8 income of the tenants of these housing projects.

9 (h) The estimated economic impact of these housing projects,
10 including the number of construction jobs created, wages paid,
11 and taxes and payments in lieu of taxes paid.

12 (i) The progress in developing mobile home parks and mobile
13 home condominium projects, in financing the construction or reha-
14 bilitation of consumer housing cooperative projects, and in
15 financing the construction or rehabilitation of nonprofit housing
16 corporation projects.

17 (j) A report on the neighborhood preservation program under
18 section 44f shall include information about the progress in
19 developing the program, the neighborhoods identified as being
20 eligible for the program, the neighborhoods or municipalities
21 that have applied for the program, the neighborhoods that have
22 received funds from the program, and the reasons that neighbor-
23 hoods or municipalities have been denied funds from the program.

24 (k) A report on the status of federal programs that provide
25 assistance to low income tenants displaced as the result of pre-
26 payments of federally and authority assisted loans. If the
27 authority determines that federal programs are inadequate for

1 tenants of authority-financed housing projects, the authority
2 will provide recommendations to the legislature as to how to
3 address this problem on or before May 1, 1989.

4 (l) A report on the low income housing tax credit program
5 under section 22b, ~~which~~ THAT shall include information regard-
6 ing the amount of tax credits allocated to the state under each
7 of the subdivisions of section 22b(2); the projects that have
8 received tax credits; and the reasons why projects have been
9 denied tax credits under the program; a geographical description
10 of the distribution of those tax credits; and a description of
11 ~~any~~ amendments to the allocation plan made during that year.

12 (m) A report on education and training opportunities pro-
13 vided by the authority under section 17 ~~which~~ THAT will indi-
14 cate the types of education and training opportunities made
15 available and the amount of funding committed to these
16 activities.

17 (17) The authority shall insure that the income characteris-
18 tics of individuals served by an authority program are provided
19 in a manner that insures each individual's confidentiality. The
20 authority shall also insure that proprietary information in its
21 reports under this section concerning an individual, corporation,
22 cooperative, or association is not released without the permis-
23 sion of that individual, corporation, cooperative, or
24 association.

25 Sec. 32a. ~~With respect to bonds, other than refunding~~
26 ~~bonds, issued to finance single family homes after November 1,~~
27 ~~1989, for the first 120 days following the announcement of a~~

1 ~~program funded by the proceeds of those bonds, 50% of the~~
2 ~~proceeds of those bonds available to make loans, as determined by~~
3 ~~the preliminary information obtained by originating lenders at~~
4 ~~the time a reservation is submitted, shall be reserved for appli-~~
5 ~~cants with gross annual incomes at or below 55% of the statewide~~
6 ~~median gross income.~~ With respect to bonds, other than refunding
7 bonds, issued to finance single family homes after November 1,
8 1989, not more than 50% of the proceeds of those bonds may be
9 used to finance single family homes for homebuyers who previously
10 have had an ownership interest in a residence. For purposes of
11 this section, a previous ownership interest in a mobile home
12 shall not be considered to be an ownership interest in a
13 residence. The authority may rely on the applicant's affidavit
14 to determine whether or not the applicant has had a prior owner-
15 ship interest in a residence. The authority shall publicize the
16 programs funded under this section by using all reasonable means
17 available, including, but not limited to, public interest
18 announcements in the media, and announcements to lending institu-
19 tions, community groups, and real estate organizations. The
20 authority shall submit a report annually to the legislature con-
21 taining all statistics necessary to indicate its compliance with
22 this section.

23 Sec. 32b. (1) The authority is designated as the adminis-
24 trator of the mortgage credit certificate program for this state
25 permitted under section 25 of the internal revenue code OF 1986.
26 The authority shall elect under section 25 of the internal
27 revenue code OF 1986 to convert at least \$59,000,000.00 of 1985

1 federal mortgage revenue bond authority into mortgage credit
2 certificate authority.

3 (2) The authority shall prepare guidelines that would allow
4 for the implementation of a mortgage credit certificate program
5 through mortgage lenders.

6 (3) To qualify for receipt of a mortgage credit certificate
7 with respect to the acquisition of ~~an existing~~ A housing unit,
8 including a residential condominium or mobile home, the purchase
9 price with respect to the unit shall not exceed ~~\$80,000.00~~ and
10 ~~the borrower's family income shall not exceed the following:~~

11 ~~(a) If the housing unit is located in an eligible distressed~~
12 ~~area, \$47,900.00 on or before May 1, 1995, and \$50,055.00 after~~
13 ~~that date.~~

14 ~~(b) If the housing unit is located in an area other than an~~
15 ~~eligible distressed area, \$41,700.00 on or before May 1, 1995,~~
16 ~~and \$43,575.00 after that date.~~

17 ~~(4) To qualify for receipt of a mortgage credit certificate~~
18 ~~with respect to the acquisition of a new housing unit, including~~
19 ~~a residential condominium or mobile home, the purchase price with~~
20 ~~respect to the unit shall not exceed \$99,000.00 and the~~
21 ~~borrower's family income shall not exceed the following:~~

22 ~~(a) If the housing unit is located in an eligible distressed~~
23 ~~area, \$47,900.00 on or before May 1, 1995, and \$50,055.00 after~~
24 ~~that date.~~

25 ~~(b) If the housing unit is located in an area other than an~~
26 ~~eligible distressed area, \$41,700.00 on or before May 1, 1995,~~
27 ~~and \$43,575.00 after that date.~~ 1 OF THE FOLLOWING LIMITS, THAT

1 INCREASE INITIALLY ON MARCH 1, 2001, AND THEN ON EACH FOLLOWING
2 MARCH 1, AT A RATE OF 5%, COMPOUNDED ANNUALLY:

3 (A) \$99,000.00 FOR AN EXISTING HOUSING UNIT.

4 (B) \$120,000.00 FOR A NEW HOUSING UNIT.

5 (4) TO QUALIFY FOR RECEIPT OF A MORTGAGE CREDIT CERTIFICATE,
6 THE BORROWER'S FAMILY INCOME SHALL NOT EXCEED 1 OF THE
7 FOLLOWING:

8 (A) FOR A UNIT LOCATED IN A METROPOLITAN COUNTY, 100% OF THE
9 STATEWIDE MEDIAN FAMILY INCOME.

10 (B) FOR A UNIT LOCATED IN A NONMETROPOLITAN COUNTY,
11 \$43,575.00, UNTIL THE UNITED STATES DEPARTMENT OF HOUSING AND
12 URBAN DEVELOPMENT'S PUBLISHED NONMETROPOLITAN COUNTY MEDIAN
13 FAMILY INCOME EXCEEDS \$43,575.00. TO QUALIFY FOR A CERTIFICATE
14 AFTER THAT TIME, THE BORROWER'S FAMILY INCOME SHALL NOT EXCEED
15 100% OF THE NONMETROPOLITAN COUNTY MEDIAN FAMILY INCOME.

16 (5) The authority may increase the purchase price limit in
17 subsection (3) to cover the cost of improvements to adapt the
18 property for use by disabled individuals OR UNEXPECTED COST
19 INCREASES DURING CONSTRUCTION. The amount of the increase shall
20 be the amount of the costs described in this subsection or the
21 sum of \$3,500.00, whichever is less.

22 ~~-(6) The authority may increase the purchase price limit in~~
23 ~~subsection (4) to cover unexpected cost increases during con-~~
24 ~~struction or the cost of improvements to adapt the property for~~
25 ~~use by disabled individuals. The amount of the increase shall be~~
26 ~~the amount of the costs described in this subsection or the sum~~
27 ~~of \$3,500.00, whichever is less.~~

1 (6) ~~-(7)-~~ To qualify for receipt of a mortgage credit
 2 certificate with respect to the improvement or rehabilitation of
 3 an existing housing unit, including a residential condominium or
 4 mobile home, the borrower's family income shall not exceed the
 5 following:

6 (a) ~~If the housing unit is located in an eligible dis-~~
 7 ~~tressed area, \$47,900.00 on or before May 1, 1995, and \$50,055.00~~
 8 ~~after that date.~~ FOR A UNIT LOCATED IN A METROPOLITAN COUNTY,
 9 100% OF THE STATEWIDE MEDIAN FAMILY INCOME.

10 (b) ~~If the housing unit is located in an area other than an~~
 11 ~~eligible distressed area, \$41,700.00 on or before May 1, 1995,~~
 12 ~~and \$43,575.00 after that date.~~ FOR A UNIT LOCATED IN A NONMET-
 13 ROPOLITAN COUNTY, \$43,575.00, UNTIL THE UNITED STATES DEPARTMENT
 14 OF HOUSING AND URBAN DEVELOPMENT'S PUBLISHED NONMETROPOLITAN
 15 COUNTY MEDIAN FAMILY INCOME EXCEEDS \$43,575.00. TO QUALIFY FOR A
 16 CERTIFICATE AFTER THAT TIME, THE BORROWER'S FAMILY INCOME SHALL
 17 NOT EXCEED 100% OF THE NONMETROPOLITAN COUNTY MEDIAN FAMILY
 18 INCOME.

19 (7) ~~-(8)-~~ If an income or purchase price limit prescribed by
 20 subsection (3), (4), (5), OR (6) ~~, or (7)~~ exceeds an applicable
 21 limit prescribed by the internal revenue code OF 1986, the inter-
 22 nal revenue code OF 1986 limit applies. Except with respect to
 23 newly constructed housing units, the authority may at any time by
 24 resolution establish, for ~~any~~ A length of time it ~~deems~~
 25 CONSIDERS appropriate, maximum borrower income or purchase price
 26 limits more restrictive than those maximum limitations set forth
 27 in this section. The authority shall advise the appropriate

1 house and senate standing committees 5 days prior to the adoption
2 of a resolution establishing more restrictive income or purchase
3 price limits.

4 (8) ~~—(9)—~~ The changes made BY 1995 PA 186 to purchase price
5 limits in THE SUBSECTIONS THAT AT THE TIME WERE DESIGNATED
6 subsections (3) and (4) ~~by 1995 PA 186 are~~ WERE retroactive,
7 effective as of October 29, 1993.

8 Sec. 44. (1) (a) The authority may make loans to ~~any~~ A
9 nonprofit housing corporation, consumer housing cooperative,
10 limited dividend housing corporation, limited dividend housing
11 association, mobile home park corporation, or mobile home park
12 association or to ~~any~~ A public body or agency for the construc-
13 tion or rehabilitation, and for the long-term financing, of the
14 following:

15 (i) Housing for low income or moderate income persons.

16 (ii) For the period of time beginning May 1, 1984, and
17 ending November 1, 1987, housing projects in which not less than
18 20% of the dwelling units are allotted to individuals of low or
19 moderate income within the meaning of former section 103(b)(4)(A)
20 of the internal revenue code OF 1986; not less than 60% of the
21 dwelling units are available to persons and families whose gross
22 household income does not exceed 125% of the higher of either the
23 median income for a family in this state or the median income for
24 a family within the nonmetropolitan county or metropolitan sta-
25 tistical area in which the housing project is located, as deter-
26 mined by the authority; and not more than 20% of the dwelling
27 units are available for occupancy without regard to income. The

1 enactment of this subparagraph or the expiration of the authority
2 granted by it ~~shall~~ DOES not affect rules in effect before
3 July 10, 1984, or promulgated after July 9, 1984, to define low
4 or moderate income persons.

5 (iii) For the period of time beginning May 1, 1984, and
6 ending November 1, 1987, housing projects in eligible distressed
7 areas in which housing projects not less than 20% of the dwelling
8 units are allotted to individuals of low or moderate income
9 within the meaning of former section 103(b)(4)(A) of the internal
10 revenue code OF 1986; not less than 60% of the dwelling units are
11 available to persons and families whose gross household income
12 does not exceed 150% of the higher of either the median income
13 for a family in this state or the median income for a family
14 within the nonmetropolitan county or metropolitan statistical
15 area in which the housing project is located, as determined by
16 the authority, and not more than 20% of the dwelling units are
17 available for occupancy without regard to income.

18 (iv) Beginning November 1, 1987, multifamily housing
19 projects that meet the 20-50 OR 40-60 test established in section
20 142 of the internal revenue code OF 1986 and, in addition, in
21 which not less than 15% of the dwelling units are allotted to
22 persons and families whose gross household income does not exceed
23 125% of the higher of either the median income for a family in
24 this state or the median income for a family within the nonmetro-
25 politan county or metropolitan statistical area in which the
26 housing project is located, as determined by the authority, or to
27 the elderly; not less than 15% of the dwelling units are allotted

1 to persons and families whose gross household income does not
2 exceed 150% of the median income for a family in this state or
3 the median income for a family within the nonmetropolitan county
4 or metropolitan statistical area in which the housing project is
5 located, as determined by the authority, or to the elderly; and
6 not more than 50% of the dwelling units are available for occu-
7 pancy without regard to income.

8 (v) Beginning November 1, 1987, multifamily housing projects
9 in eligible distressed areas that meet the 20-50 OR 40-60 test
10 established in section 142 of the internal revenue code OF 1986
11 and, in addition, in which ~~not more than 80% of~~ the REMAINING
12 dwelling units are available for occupancy without regard to
13 income.

14 (vi) Social, recreational, commercial, or communal facili-
15 ties necessary to serve and improve the residential area in which
16 an authority-financed housing project is located or is planned to
17 be located thereby enhancing the viability of ~~such~~ THE
18 housing.

19 (b) Notwithstanding the provisions of this section, the
20 authority may establish by resolution ~~such~~ higher income limits
21 ~~as~~ THAT it considers necessary to achieve sustained occupancy
22 of a housing project financed under subsection (1)(a)(i), (ii),
23 (iii), (iv), or (v) if the authority determines ~~all~~ BOTH of the
24 following:

25 (i) The owner of the housing project exercised reasonable
26 efforts to rent the dwelling units to persons and families whose

1 incomes did not exceed the income limitations originally
2 applicable.

3 (ii) For ~~any~~ AN annual period after the first tenant has
4 occupied the housing project, the owner of the housing project
5 has been unable to attain and sustain at least a 95% occupancy
6 level at the housing project.

7 (c) A loan under this section may be in an amount not to
8 exceed 90% of the project cost as approved by the authority. For
9 purposes of this section, the term "project cost" includes all
10 items included in the definition of a project cost in section 11
11 and also includes a builder's fee equal to an amount up to 5% of
12 the amount of the construction contract, developer overhead
13 allowance and fee of 5% of the amount of the project cost, the
14 cost of furnishings, and a sponsor's risk allowance equal to 10%
15 of the project cost. A loan shall not be made under this section
16 unless a market analysis has been conducted that demonstrates a
17 sufficient market exists for the housing project.

18 (d) After November 1, 1987, the authority may continue to
19 finance multifamily housing projects for families or persons
20 whose incomes do not exceed the limits provided in subsection
21 (1)(a)(ii) or (iii) or (1)(b), until funds derived from the pro-
22 ceeds of bonds or notes issued before November 2, 1987, for that
23 purpose, including the proceeds of prepayments or recovery pay-
24 ments with respect to these multifamily housing projects, have
25 been expended. Multifamily housing projects or single family
26 housing units in an eligible distressed area ~~which~~ THAT are
27 financed by proceeds of notes or bonds issued before June 30,

1 1984, and ~~which~~ THAT the authority has designated for occupancy
2 by persons and families without regard to income pursuant to this
3 act shall remain eligible for occupancy by families and persons
4 without regard to income until the authority's mortgage loan
5 issued with respect to these multifamily housing projects is
6 fully repaid.

7 (e) Notwithstanding the expiration of lending authority
8 under subsection (1)(a)(ii), (iii), (iv), or (v), multifamily
9 housing projects financed under those subparagraphs may continue
10 to remain eligible for occupancy by persons and families whose
11 incomes do not exceed the limits provided in those subparagraphs
12 or subsection (1)(b).

13 (f) For purposes of this subsection:

14 (i) "Gross household income" means gross income of a house-
15 hold as those terms are defined in rules of the authority.

16 (ii) "Median income for a family in this state" and "median
17 income for a family within the nonmetropolitan county or metro-
18 politan statistical area" mean those income levels as determined
19 by the authority.

20 (2) (a) The authority may make loans to ~~any~~ A nonprofit
21 housing corporation, limited dividend housing corporation, mobile
22 home park corporation, or mobile home park association for the
23 construction or rehabilitation of housing units, including resi-
24 dential condominium units as defined in section 4 of the condo-
25 minium act, 1978 PA 59, MCL 559.104, for sale to individual pur-
26 chasers of low or moderate income or to individual purchasers
27 without regard to income when the housing units are located in an

1 eligible distressed area. The authority may make or purchase
2 loans to individual purchasers for the long-term financing of a
3 newly rehabilitated, newly constructed, or existing housing unit,
4 including a residential condominium unit as defined in section 4
5 of the condominium act, 1978 PA 59, MCL 559.104. ~~For a loan for~~
6 ~~a newly rehabilitated or newly constructed housing unit, includ-~~
7 ~~ing a residential condominium unit, the borrower's family income~~
8 ~~shall not exceed \$41,700.00 on or before May 1, 1995, and~~
9 ~~\$43,575.00 after that date and the purchase price of the housing~~
10 ~~unit shall not exceed \$99,000.00.~~ For unexpected cost increases
11 during construction or improvements to adapt ~~the~~ NEW OR
12 EXISTING property for use by disabled individuals, the authority
13 may increase the purchase price limit by an amount sufficient to
14 cover those cost increases, but not to exceed \$3,500.00. ~~For a~~
15 ~~loan for an existing housing unit, including a residential condo-~~
16 ~~minium unit, the borrower's family income shall not exceed~~
17 ~~\$41,700.00 on or before May 1, 1995, and \$43,575.00 after that~~
18 ~~date and the purchase price of the housing unit shall not exceed~~
19 ~~\$80,000.00.~~ For costs for improvements to adapt an existing
20 housing unit for use by disabled individuals, the authority may
21 increase the purchase price limit by an amount sufficient to
22 cover those cost increases, but not to exceed \$3,500.00. If an
23 income or purchase price limit prescribed by this subsection
24 exceeds an applicable limit prescribed by the internal revenue
25 code OF 1986, the internal revenue code OF 1986 limit applies.
26 Except with respect to newly constructed housing units, the
27 authority may ~~at any time~~ by resolution establish, for ~~any~~ A

1 length of time it considers appropriate, maximum borrower income
2 or purchase price limits more restrictive than those maximum lim-
3 itations set forth in this section. The authority shall advise
4 the appropriate house and senate standing committees 5 days prior
5 to the adoption of a resolution establishing more restrictive
6 maximum borrower income or purchase price limits. Before making
7 ~~any~~ A loan under this section, authority staff shall determine
8 that the borrower has the ability to repay the loan. A loan made
9 or purchased to finance the acquisition of an existing housing
10 unit may include funds for rehabilitation. A loan under this
11 section may be in an amount not to exceed 100% of the project
12 cost as approved by the authority in the case of a nonprofit
13 housing corporation or individual purchaser, and in an amount not
14 to exceed 90% of the project cost as approved by the authority in
15 the case of a limited dividend housing corporation, mobile home
16 park corporation, or mobile home park association. ~~The limits~~
17 ~~on purchase price prescribed by this subsection are effective~~
18 ~~retroactively as of October 29, 1993.~~ TO QUALIFY FOR A SINGLE
19 FAMILY LOAN, THE PURCHASE PRICE SHALL NOT EXCEED \$99,000.00 FOR
20 AN EXISTING HOUSING UNIT OR \$120,000.00 FOR A NEW HOUSING UNIT,
21 WHICH LIMITS INCREASE INITIALLY ON MARCH 1, 2001, AND THEN ON
22 EACH FOLLOWING MARCH 1, AT A RATE OF 5%, COMPOUNDED ANNUALLY. TO
23 QUALIFY FOR RECEIPT OF A SINGLE FAMILY LOAN, THE BORROWER'S
24 FAMILY INCOME SHALL NOT EXCEED THE FOLLOWING:
25 (i) FOR A UNIT LOCATED IN A METROPOLITAN COUNTY, 100% OF THE
26 STATEWIDE MEDIAN FAMILY INCOME.

1 (ii) FOR A UNIT LOCATED IN A NONMETROPOLITAN COUNTY,
2 \$43,575.00, UNTIL THE UNITED STATES DEPARTMENT OF HOUSING AND
3 URBAN DEVELOPMENT'S PUBLISHED NONMETROPOLITAN COUNTY MEDIAN
4 FAMILY INCOME EXCEEDS \$43,575.00. TO QUALIFY FOR A SINGLE FAMILY
5 LOAN AFTER THAT TIME, THE BORROWER'S FAMILY INCOME SHALL NOT
6 EXCEED 100% OF THE NONMETROPOLITAN COUNTY MEDIAN FAMILY INCOME.

7 (b) While a loan under this subsection is outstanding, ~~any~~
8 A sale by a nonprofit housing corporation or limited dividend
9 housing corporation or ~~any~~ A subsequent resale is subject to
10 approval by the authority. The authority shall provide in its
11 rules concerning these sales and resales that the price of the
12 housing unit sold, the method of making payments after the sale,
13 the security afforded, and the interest rate, fees, and charges
14 to be paid shall at all times be sufficient to permit the author-
15 ity to make the payments on its bonds and notes and to meet
16 administrative or other costs of the authority in connection with
17 the transactions. Housing units shall be sold under terms that
18 provide for monthly payments including principal, interest,
19 taxes, and insurance.

20 (c) While a loan under this subsection is outstanding, the
21 authority, before the approval of sale by a nonprofit housing
22 corporation, limited dividend housing corporation, mobile home
23 park corporation, or mobile home park association, shall satisfy
24 itself that the sale is to persons of low or moderate income if
25 the housing unit is not located in an eligible distressed area,
26 or to persons without regard to income if the housing unit is
27 located in an eligible distressed area.

1 (d) Upon the sale by a nonprofit housing corporation,
2 limited dividend housing corporation, mobile home park corpora-
3 tion, or mobile home park association of ~~any~~ A housing unit to
4 an individual purchaser of low or moderate income or to an indi-
5 vidual purchaser without regard to income if the unit is located
6 in an eligible distressed area under this subsection to whom a
7 loan is being made by the authority, the housing unit shall be
8 released from the mortgage running from the nonprofit housing
9 corporation, limited dividend housing corporation, mobile home
10 park corporation, or mobile home park association to the authori-
11 ty, and the mortgage shall be replaced as to the housing unit by
12 a mortgage running from the individual purchaser to the
13 authority.

14 (e) The authority shall encourage nonprofit housing corpora-
15 tions and limited dividend housing corporations engaged in con-
16 struction or rehabilitation under this subsection to utilize the
17 labor of prospective individual purchasers of low or moderate
18 income in the construction or rehabilitation of the housing units
19 involved. The value of the labor of the prospective purchasers
20 so utilized shall be used to reduce the project costs of the
21 housing units involved.

22 (f) In the construction of housing units to be sold to the
23 individual purchasers of low or moderate income at a price not to
24 exceed \$12,000.00, the individual purchasers may be required to
25 perform, in a manner and under conditions to be specified by the
26 authority in its rules, a minimum number of hours of labor. The
27 value of the labor shall be credited to the purchase price.

1 (3) A loan shall be secured in a manner and be repaid in a
2 period, not exceeding 50 years, as may be determined by the
3 authority. A loan shall bear interest at a rate determined by
4 the authority.

5 (4) A person who, for purposes of securing a loan under this
6 act, misrepresents his or her income, including taking a leave of
7 absence from his or her employment for purposes of diminishing
8 his or her income, is not to be eligible for a loan under this
9 act.

10 Sec. 44a. (1) The authority may make, purchase, or partici-
11 pate in loans, grants, or deferred payment loans to persons and
12 families of low and moderate income to finance the rehabilitation
13 of residential real property designed for occupancy by not more
14 than ~~4~~ 11 families ~~which~~ THAT is owned or is being purchased
15 by 1 or more persons or families of low and moderate income and
16 ~~which~~ THAT is for occupancy by persons or families of low and
17 moderate income.

18 (2) The authority, without regard to the income of the
19 owners or occupants of residential rental property, may make,
20 purchase, or participate in loans, grants, or deferred payment
21 loans for the rehabilitation of residential rental property to
22 persons or entities owning residential rental property located in
23 areas of chronic economic distress and moderate cost residential
24 rental property located elsewhere in this state.

25 (3) A loan under this section may be secured or unsecured as
26 determined by the authority. If the loan is unsecured, it shall
27 be accepted for insurance under title 1 of the national housing

1 act, CHAPTER 847, 48 STAT. 1246, 12 U.S.C. 1702, 1703, 1705, and
2 1706b to 1706d, or another federal or private insurance program
3 providing coverage at least equal to that provided by that title,
4 or the authority shall establish a reserve for losses on unin-
5 sured loans made under this section and shall deposit into that
6 reserve an amount equal to 5% of the principal amount of each
7 such uninsured loan on or before the making of the loan. Money
8 may be withdrawn by the authority from this reserve for applica-
9 tion as loan repayments in connection with loans that are
10 delinquent. In addition, upon repayment of a loan made, pur-
11 chased, or participated in under this section, the authority may
12 withdraw the amount deposited in the reserve in connection with
13 that loan, reduced by ~~any~~ amounts withdrawn as loan repayments
14 in connection with the loan, and may apply the amounts to any of
15 the authority's programs and purposes. ~~Any income~~ INCOME or
16 interest earned by or increment to the reserve due to the invest-
17 ment of the money in the reserve may, at ~~such~~ THE times ~~as~~
18 DETERMINED BY the authority, ~~shall determine,~~ be transferred by
19 the authority to other funds or accounts of the authority and
20 applied to any of the corporate purposes of the authority. A
21 loan under this section shall bear interest at a rate and be
22 repaid in the period, not exceeding 20 years, as ~~may be~~ deter-
23 mined by the authority and under additional terms and conditions
24 as ~~may be~~ determined by the authority.

25 (4) A deferred payment loan or grant may be secured or unse-
26 cured as determined by the authority, and shall be made under
27 additional terms and conditions determined by the authority.

1 (5) In recognition of the need for rehabilitation loans,
2 grants, and deferred payment loans in all geographic areas of the
3 state, the authority shall promulgate rules that provide for the
4 availability of loans, grants, and deferred payment loans on an
5 equitable basis to qualified applicants in all geographic areas
6 of this state. With respect to loans, grants, and deferred pay-
7 ment loans made pursuant to this section that are not based on
8 residency in a neighborhood selected under section 22a(5), eligi-
9 bility for loans, grants, or deferred payment loans shall not be
10 based upon the number of qualified applicants in the geographic
11 area in which the individual resides.

12 (6) For purposes of this section, persons and families of
13 low and moderate income means persons and families whose family
14 income does not exceed ~~\$41,700.00 on or before May 1, 1995, and~~
15 ~~\$43,575.00 after that date~~ 100% OF THE STATEWIDE MEDIAN FAMILY
16 INCOME. The authority may ~~at any time~~ by resolution establish,
17 for ~~any~~ A length of time it considers appropriate, maximum
18 family income limits more restrictive than those maximum limita-
19 tions set forth in this section. The authority shall advise the
20 appropriate house and senate standing committees 5 days prior to
21 the adoption of a resolution establishing more restrictive maxi-
22 mum family income limits.

23 (7) ~~For home improvement loans insured under title I of the~~
24 ~~national housing act, the~~ THE maximum principal loan amounts FOR
25 HOME IMPROVEMENT LOANS, exclusive of finance charges, are as
26 follows:

1 (a) \$25,000.00 for A residential ~~structures~~ STRUCTURE
2 containing 1 dwelling unit, UNLESS THE LOAN IS MADE IN
3 CONJUNCTION WITH ADDITIONAL MONEY PROVIDED BY A MUNICIPALITY OR
4 NONPROFIT COMMUNITY-BASED ORGANIZATION, IN WHICH CASE A LOAN FOR
5 A RESIDENTIAL STRUCTURE CONTAINING 1 DWELLING UNIT IS
6 \$35,000.00.

7 (b) ~~\$12,000.00~~ \$15,000.00 per dwelling unit for A residen-
8 tial ~~structures~~ STRUCTURE containing 2 to ~~4~~ 11 dwelling
9 units.

10 (8) A STRUCTURE IS NOT REQUIRED TO BE OF A MINIMUM AGE TO BE
11 ELIGIBLE FOR REHABILITATION UNDER THIS SECTION.

12 Sec. 46. The authority shall require that occupancy of
13 housing projects and residential real property assisted under
14 this act shall be open to all regardless of sex, race, religion,
15 color, national origin, age, ~~or~~ marital status, FAMILIAL
16 STATUS, OR DISABILITY and that contractors and subcontractors
17 engaged in the construction of housing projects and lending
18 institutions engaged in making residential mortgages, shall take
19 affirmative action to assure an equal opportunity for employment
20 and borrowing. This section does not apply, with respect to the
21 age ~~provision~~ AND FAMILIAL STATUS PROVISIONS only, to the sale,
22 rental, or lease of housing accommodations meeting the require-
23 ments of federal, state, or local housing programs for senior
24 citizens, or HOUSING accommodations otherwise intended, adver-
25 tised, designed, or operated, bona fide, for the purpose of pro-
26 viding housing accommodations for persons 55 years of age or
27 older.