

SENATE BILL NO. 349

February 23, 1999, Introduced by Senators SCHWARZ, SCHUETTE, SIKKEMA, STEIL, SHUGARS, HAMMERSTROM, EMERSON and GOSCHKA and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to provide for the creation of housing freedom 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 freedom 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 freedom zone" means a housing freedom zone cre-
7 ated 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 freedom zone within that
5 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 freedom zone if all of the following
10 criteria are satisfied:

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

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

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

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

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

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

9 (3) If the legislative body of a city designates a proposed
10 housing freedom zone under subsection (2), the city shall submit
11 the resolution and any necessary documentation to the state trea-
12 surer for approval. A housing freedom zone is established when
13 the state treasurer determines that all requisite procedures set
14 forth in this act have been complied with and approves the pro-
15 posed designation in writing to the legislative body of the
16 city.

17 Sec. 4. If a housing freedom zone is established under sec-
18 tion 3, the city in which the housing freedom zone is located may
19 continue to sell certain designated property owned by the city
20 located within the housing freedom zone for the property's market
21 value.

22 Sec. 5. (1) If a housing freedom zone is established under
23 section 3, the city in which the housing freedom zone is located
24 may propose to establish a building code for the housing freedom
25 zone that permits decent, safe, and sanitary residential housing
26 to be built at a cost that makes the housing affordable to

1 families with an income below the median family income of the
2 city.

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

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

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