

# HOUSE BILL No. 4682

May 1, 2001, Introduced by Reps. Birkholz, Jansen, Kooiman, Hart, Van Woerkom, Middaugh, Mead, Richardville, Jelinek, Lockwood, Schauer, Kolb, Shackleton, Bovin, Vander Veen, Voorhees, Godchaux, Murphy, Cameron Brown and Kuipers and referred to the Committee on Local Government and Urban Policy.

A bill to establish the Michigan affordable housing fund in the department of treasury; to provide for the administration of the fund; to provide for the deposit of certain money in that fund; to provide for the distribution of the money in that fund and to limit the use of the money in that fund; and to prescribe the powers and duties of certain state officials.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the  
2 "Michigan affordable housing fund act".

3       Sec. 2. As used in this act:

4       (a) "Authority" means the Michigan state housing development  
5 authority created in section 21 of the state housing development  
6 authority act of 1966, 1966 PA 346, MCL 125.1421.

7       (b) "Department" means the department of treasury.

1 (c) "Eligible applicant" means that term as defined in  
2 section 58 of the Michigan state housing development authority  
3 act of 1966, 1966 PA 346, MCL 125.1458.

4 (d) "Michigan affordable housing fund" or "fund" means the  
5 Michigan affordable housing fund created in section 3.

6 Sec. 3. (1) The Michigan affordable housing fund is created  
7 as a separate fund in the department.

8 (2) The fund shall be administered by the authority, and  
9 money in the fund shall be expended only as provided in this  
10 act.

11 (3) The department shall credit to the fund all amounts  
12 appropriated for the purposes under this act and any money  
13 received as contributions for purposes under this act.

14 (4) The state treasurer shall invest the money in the fund  
15 and credit the earnings from the investments to the fund.

16 (5) Money appropriated or money received as a contribution  
17 to the fund shall be available for disbursement upon  
18 appropriation.

19 Sec. 4. Notwithstanding any other allocation or disburse-  
20 ment, an amount equal to the cumulative contribution made to the  
21 fund, less any amount appropriated to the department for the pur-  
22 pose of implementing this act, shall be deposited in the fund and  
23 shall be appropriated annually solely for the purpose of the  
24 fund.

25 Sec. 5. (1) Money in the fund shall be allocated to organi-  
26 zations exempt from taxation under section 501(c)(3) or (4) of  
27 the internal revenue code of 1986 for housing projects if the

1 organization has conducted a market study or review to ensure  
2 that there is a demand and need for the housing project  
3 proposed.

4 (2) Housing developed with money from the fund shall be con-  
5 sistent in nature with housing already provided in the area to be  
6 developed.

7 (3) The authority shall encourage housing projects that are  
8 part of a planned community revitalization strategy.

9 Sec. 6. (1) Money from the fund shall be used to provide  
10 grants, mortgage loans, and other loans including, but not  
11 limited to, construction loans, bridge loans, and predevelopment  
12 loans to provide housing for low income, very low income, and  
13 extremely low income households.

14 (2) Money from the fund may be used to provide single-family  
15 or multifamily housing.

16 (3) A portion of the allocation each year, as determined by  
17 the authority, shall be used to provide housing for all of the  
18 following:

19 (a) Homeless persons.

20 (b) Persons with physical and mental disabilities.

21 (c) Persons living in distressed or rural areas.

22 (4) Money in the fund may be used for all of the following:

23 (a) Acquisition of land and buildings.

24 (b) New construction or rehabilitation of existing  
25 buildings.

26 (c) Predevelopment and development costs.

(d) Costs to preserve existing housing units.

(e) Infrastructure and community facilities that directly support housing development.

(f) Insurance premiums.

(g) Operating and replacement reserves.

(h) Down payment and security deposit assistance.

(i) Supportive services.

Sec. 7. (1) The authority shall develop annual priorities based on the allowable purposes under section 6 and allocate the money in the fund based upon those priorities.

(2) Each year, prior to the allocation of money from the fund, the authority shall hold public hearings in at least 3 separate locations throughout this state on the priorities and proposed allocations for the upcoming year.

Sec. 8. (1) The authority shall develop an allocation plan each year based on the annual priorities developed under section 7 that includes, but is not limited to, how the authority will identify, select, and make financing available to applicants to develop fundable projects. The plan shall include how the authority will allocate money to provide technical assistance to eligible applicants.

(2) The allocation plan shall include all of the following:

(a) A list of the organizations and types of organizations eligible to receive money from the fund.

(b) Any preference for identified special population groups.

1 (c) Any geographic targeting in designated revitalization  
2 areas including, but not limited to, the authority's neighborhood  
3 preservation program areas, renaissance zones, federally desig-  
4 nated empowerment and enterprise zones, and community or homeow-  
5 nership zones.

6 (d) The allocation funding formula as prescribed in subsec-  
7 tion (3).

8 (3) The authority shall determine a formula for allocating  
9 money throughout the state using all of the following factors:

10 (a) The number of persons in poverty in a geographic area.

11 (b) The level of housing distress in a geographic area.

12 (c) Any other factor that supports the need for affordable  
13 housing as determined by the authority and included in the allo-  
14 cation plan.

15 Sec. 9. Any balance remaining in the fund at the end of any  
16 fiscal year shall not revert to the general fund but shall remain  
17 in the fund and continue to be available for the purposes autho-  
18 rized in this act.

19 Enacting section 1. This act does not take effect unless  
20 Senate Bill No. \_\_\_\_\_ or House Bill No. 4684 (request  
21 no. 00310'01 a) of the 91st Legislature is enacted into law.