



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4787 (as reported by the Committee of the Whole)

House Bill 4788 (as reported without amendment)

Sponsor: Representative Jerry O. Kooiman (H.B. 4787)

Representative Triette Reeves (H.B. 4788)

House Committee: Local Government and Urban Policy

Senate Committee: Natural Resources and Environmental Affairs

CONTENT

House Bill 4787 would amend the State Housing Development Authority Act, and House Bill 4788 would create the "Michigan Housing and Community Development Fund Act", to establish a fund and program for the development and support of affordable housing for low, very low, and extremely low income households. The bill would do the following:

- Require the Michigan State Housing Development Authority (MSHDA) to create and implement the "Michigan Housing and Community Development Program".
- Create the "Michigan Housing and Community Development Fund".
- Require MSHDA to develop a plan for allocating Fund money, according to criteria specified in both bills.
- Require MSHDA to hold public hearings on the allocation of Fund money.
- Establish preferences for special needs populations and geographic targeting.
- Allow MSHDA to provide assistance for housing units with very low or extremely low income households.

The bill would require MSHDA to spend money in the Fund for grants and loans to eligible applicants (corporations and partnerships organized for the purpose of developing and supporting affordable housing for low, very low, or extremely low income households) to enable them to finance such activities as the acquisition of land and buildings; rehabilitation; new construction; development and predevelopment costs; insurance; down payment assistance; and security deposit assistance.

"Low income household", "very low income household", and "extremely low income household" would mean a person, a family, or unrelated people living together whose adjusted household income was the following percentage of the median income, as determined by MSHDA:

Household	More Than	Not More Than
Low income	50%	60%
Very low income	25%	50%
Extremely low income		25%

The bills are tie-barred to each other.

Proposed MCL 125.1458-125.1458d (H.B. 4787)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

Funding for the proposed program has been provided in the FY 2004-05 budget for the Family Independence Agency, Public Act 344 of 2004. The \$2 million of Federal Temporary Assistance for Needy Families (TANF) funding would be used as the initial seed funding for this program. Future costs of the program would depend upon future appropriation levels and the number and type of projects funded; therefore, the fiscal impact is indeterminate.

Date Completed: 12-8-04

Fiscal Analyst: Maria Tyszkiewicz

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.